



SUMMARY OF THE INFORMATION PACKAGE RELATING TO THE COMMERCIAL PAPER PROGRAM

OCP S.A.

Program Implementation Date: September 21, 2022
Issue Program Ceiling: MAD 7,500,000,000
Par Value: MAD 100,000

Advisory Bodies

CDG CAPITAL

Placement Bodies



REGISTRATION BY THE MOROCCAN CAPITAL MARKET AUTHORITY (AMMC)

In accordance with the provisions of the AMMC circular, this reference document was registered by the AMMC on 09/08/2024 under reference EN/EM/015/2024.

This reference document may only be used as a basis for canvassing or for collecting orders in connection with a financial operation if it forms part of a prospectus duly approved by the AMMC.

ANNUAL UPDATE OF THE INFORMATION PACKAGE RELATING TO THE COMMERCIAL PAPER PROGRAM

At the registration date of this reference document, the AMMC approved the annual update of the information package relating to the commercial paper program. This package comprises:

- this reference document;
- the note relating to the commercial paper program registered by the AMMC on 21/09/2022, under reference EN/EM/023/2022 and available at the following link:

https://www.ammc.ma/sites/default/files/NOTE%20BT_OCP_023_2022_0.pdf

The said update has been approved by the AMMC under reference VI/EM/023/2024.

DISCLAIMER

The Moroccan Capital Markets Authority (AMMC = *Autorité Marocaine du Marché des Capitaux*) approved on 09/08/2024 an Information Package relating to the commercial paper program by OCP SA.

The AMMC-approved information package is available at any time from OCP SA's head office, on its website www.ocpgroup.ma, and from its financial advisor. It is also available within 48 hours from order-collecting institutions.

The information package is available on the AMMC website: www.ammc.ma

This document was translated by LISSANIAT under the joint responsibility of the said translator and OCP SA. In the event of any discrepancy between the contents of this summary and the AMMC-approved Information Package, only the approved Information Package will prevail.

PART I: PRESENTATION OF THE OPERATION

3I. FRAMEWORK OF THE OPERATION

In accordance with the provisions of article 15 of law No. 35-94 promulgated by Dahir No. 1-95-3 of Shaban 24, 1415 (January 26, 1995) and the Order of the Minister of Finance and Foreign Investments No. 2560-95 of Jumada I 13, 1416 (October 9, 1995) relating to Negotiable Debt Securities (TCN), the Company issues to the public interest-bearing commercial paper in representation of a debt claim for a period up to one year. Ceiled at MAD 7,500,000,000, this issue program was authorized by the Board of Directors meeting held on March 15, 2022. The said meeting gave all powers, with the right of sub-delegation, to Chief Executive Officer, to define the characteristics of each issue carried out under this program.

To this end, the Company issues interest-bearing commercial paper to the public in representation of a debt claim for a period up to one year.

In accordance with the provisions of Article 15 of Law No. 35-94 promulgated by Dahir No. 1-95-3 of Shaban 24, 1415 (January 26, 1995) and with the Order of the Minister of Finance and Foreign Investments No. 2560-95 of October 9, 1995 relating to negotiable debt securities, the Company has drawn up, with the advisors, this Information Package relating to its activity, its economic and financial situation and its issue program.

Pursuant to Article 17 of Act no. 35-94, and for as long as the commercial paper is in circulation, the Information Package will be updated annually within 45 days after the Company's Ordinary General Meeting of Shareholders convened to approve the financial statements for the last financial year.

In accordance with Article 1.59 of AMMC Circular No. 03/19 of February 20, 2019 relating to financial operations and information, the note relating to the Company's commercial paper issue program will be updated within fifteen (15) days prior to the effective date of any change to the characteristics of said program. An immediate update of the Information Package will be made following any new event likely to have an impact on the evolution of the securities' value or the successful completion of the issue program.

3II. PROGRAM'S TARGET INVESTORS

The investors targeted by the issues carried out under the commercial paper program are natural or legal persons, whether resident or non-resident.

It is nevertheless understood that under no circumstances and at no time may the commercial paper issued be offered, sold or resold in the United States or to U.S. residents, by virtue of the regulations applicable in the United States, which stipulate that commercial paper that has not received prior approval from the SEC may not be offered, sold or resold in the United States.

3III.SUBSCRIPTION PERIOD

Each time the Group expresses a need of cash, Attijariwafa Bank and Banque Centrale Populaire will proceed to the opening of the subscription period at least 72 hours before the vesting date.

3IV. PLACEMENT BODIES AND FINANCIAL INTERMEDIARIES

| Type of financial intermediary | Name | Address |
|--------------------------------|---------------|--|
| Advisory body | - CDG Capital | - Tour Mamounia, place Moulay el Hassan, Hassan, Rabat |

| | | |
|--|--|---|
| Placement bodies | - Banque Centrale Populaire - Attijariwafa bank | - 101 Bd Mohamed Zerktouni – Casablanca - 2, Boulevard Moulay Youssef Casablanca |
| Domiciliary institution providing the Securities' financial service | - Attijariwafa bank | - 2, Boulevard Moulay Youssef Casablanca |

3V. OBJECTIVES OF THE OPERATION

Through this commercial paper program, the Group aims to:

- Meet the Group's one-off cash requirements generated by variations in working capital requirements during the year;
- optimize the Group's financing costs; and
- diversify the Group's financing sources.

3VI. CHARACTERISTICS OF THE COMMERCIAL PAPER TO BE ISSUED

| | |
|-------------------------------------|---|
| Nature of securities | Dematerialized Negotiable Debt Securities registered with the Central Depository (Maroclear) and registered in an account with the authorized affiliates. |
| Legal form | Bearer Commercial Paper. |
| Issue ceiling | MAD 7,500,000,000 |
| Maximum number of securities | 75,000 |
| Par value per unit | MAD 100,000 |
| Maturity | Between 10 days and 12 months. |
| Vesting date | On settlement date. |
| Ranking | The rank is similar to an ordinary debt incurred by the company. |
| Interest rate | Determined for each issue based on market conditions. |
| Interests | Accrued. |
| Coupon payment | <i>In fine</i> , i.e. at the maturity of each paper. |
| Securities marketability | By mutual agreement (OTC). There are no restrictions imposed by the terms of issue on the free marketability of these commercial paper. |
| Principal repayment | <i>In fine</i> , i.e. at the maturity of each paper. |

| | |
|----------------------------|---|
| Assimilation clause | There is no assimilation of commercial paper with securities from a previous issue. |
| Guarantee | OCP's commercial paper is not subject to any specific guarantee. |

PART II: ABOUT OCP S.A

I. General information

| | |
|---------------------------------|--|
| Corporate name | OCP SA |
| Registered Office | 2, Rue Al Abtal, Hay Erraha, Casablanca |
| Telephone | 05.22.23.00.25 |
| Fax | 05.22.22.17.53 |
| Website | www.ocpgroup.ma |
| Legal form | Public limited company with a Board of Directors |
| Date of incorporation | Office Chérifien des Phosphates: August 7, 1920 OCP SA: Law No. 46-07 promulgated on February 26, 2008 transforms the Office Chérifien des Phosphates into a public limited company |
| Term | The term of the company is set at 99 years as of April 1, 2008, except in the event of early dissolution or extension provided for in the articles of association or by law. |
| Trade register number | Casablanca, 40 327 |
| Financial year | From January 1 to December 31 |
| Share capital | As of December 31, 2023, OCP SA's share capital stands at MAD 8,287,500,000 divided into 82,875,000 registered shares of MAD 100 each, all of the same class and fully paid up. |
| Consultation of legal documents | The articles of association, the minutes of the General Meetings and the auditors' reports can be consulted at OCP SA head office: 2, Rue Al Abtal, Hay Erraha, Casablanca |

Corporate purpose

According to Article 2 of the Articles of Association, the purpose of the Company is:

- the exercise of the monopoly for the research and exploitation of phosphates granted to the State in application of article 6 of the Dahir of Rajab 9, 1370 (April 16, 1951) bearing mining regulations and more generally in accordance with the provisions of law 46-07;
- all activities, operations and services, of any nature whatsoever, directly or indirectly related to the exploitation, the valorization and/or the marketing as well as to the promotion and the development, both in Morocco and abroad, of phosphates and their derivatives;
- more generally, all operations or structuring of financial, commercial, industrial, real estate, securities or other operations directly or indirectly related in whole or in part to the corporate purpose described above and to any similar or related purpose likely to facilitate or favor the development of the Company and of its activity;
- all this directly or indirectly, on its own behalf or on behalf of third parties, either alone or with third parties, by way of the creation of new companies of any form, contribution, partnership, subscription, purchase of securities or corporate rights, merger, alliance, joint venture or the taking or granting of leasehold or management rights to any property or rights, or otherwise, subject to the limitations imposed by law, both in Morocco and abroad.

Laws and regulations applicable to the issuer

Due to its legal form and the fact that its majority shareholder is the Moroccan State, OCP SA is governed by Moroccan law and, in particular, by:

- Law No. 17-95 relating to public limited companies promulgated by Dahir No. 1-96-124 of August 30, 1996, as amended and supplemented by Law 20-05, Law 78-12, Law 81-99, Law 23-01, Law 19-20 and Law 20-19; Law No. 69-00 relating to the financial control of the State over public companies and other bodies; Law No. 02-12 relating to the appointment to higher functions in application of the provisions of articles 49 and 92 of the Constitution, promulgated by Dahir No. 1-12-20 of Shaban 27, 1433 (July 17, 2012);
- Law No. 39-89, as amended and supplemented by Law No. 34-98, authorizing the transfer of public enterprises to the private sector.

Due to its activity, OCP SA is governed by:

- Law No. 46-07 transforming the Office Chérifien des Phosphates into a public limited company, promulgated by Dahir No. 1-08-15 of 26 February 2008. Article 2 of this law stipulates that OCP SA's main purpose is to exercise

the monopoly that the law grants to the State for the research and exploitation of phosphates, in particular, in application of Article 6 of the Dahir of Rajab 9, 1370 (April 16, 1951) on mining regulations.

- Dahir dated Rajab 9, 1370 (April 16, 1951) relating to mining regulations; Dahir dated Safar 24, 1337 (November 30, 1918) relating to the temporary occupations of the public domain;
- Dahir No. 1-95-154 Rabii I 18, 1416 (August 16, 1995) promulgating the law No. 10-95 on water (O.B. September 20, 1995).
- Dahir No. 1-03-61 of Rabii I 10, 1424 (May 12, 2003) promulgating the law No. 13-03 relating to the fight against air pollution (O. B. of June 19, 2003).
- Dahir No. 1-06-153 of Shawal 30, 1427 (November 22, 2006) promulgating the law No. 28-00 on waste management and disposal. (O.B. No. 5480 of December 7, 2006).
- Dahir No. 1-03-60 of Rabii I 10, 1424 (May 12, 2013) promulgating the law No. 12-03 relating to environmental impact studies (O.B. of June 19, 2003).
- Dahir No. 1-14-09 of Jumada I 4, 1435 (March 6, 2014) promulgating the framework law No. 99-12 on the national charter for the environment and sustainable development. (O.B. No. 6240 of March 20, 2014).
- Dahir dated Shawal 3, 1332 (August 25, 1914) on the regulation of unhealthy, inconvenient or dangerous establishments (B.O. September 7, 1914).

Due to its public offering, OCP SA is subject to all the legal and regulatory provisions relating to public offering, in particular:

- Law No 44-12 relating to public offerings and the information required from legal entities and organizations making public offerings;
- Law 43-12 relating to the AMMC;
- The General Regulation of the Moroccan Capital Market Authority;
- Law No 19-14 relating to the Stock Exchange, brokerage companies and financial investment advisers;
- The General Rules of the Stock Exchange approved by the Order of the Minister of Economy and Finance No 2208-19 of July 3, 2019;
- Dahir No 1-96-246 of January 9, 1997, promulgating Act No 35-96 relating to the creation of a central depository and the institution of a general regime for the registration in accounts of certain securities (amended and supplemented by Act No 43-02);
- The General Regulations of the Central Depository approved by Order of the Minister of Economy and Finance No. 932-98 of April 16, 1998 and amended by Order of the Minister of Economy, Finance, Privatization

and Tourism No. 1961-01 of October 30, 2001 and Order No. 77-05 of March 17, 2005;

- Circular 03/19 of the Moroccan Capital Market Authority relating to financial operations and information, as amended and completed by circular 02/20;
- The AMMC circulars;
- Dahir 1-95-03 of January 26, 1995 promulgating the law No 35-94 relating to certain negotiable debt securities and the decree of the Ministry of Finance and External Investments No 2560-95 of October 9, 1995 relating to negotiable debt securities.

Competent court in case of dispute

Commercial Court of Casablanca

Until December 31, 2022, OCP SA was subject to corporate income tax (CIT) at the standard rate of 31%.

Given its activity (mining and exporting company), OCP SA also benefited from a reduced corporate income tax rate of 20% on the mining and exporting part of its business.

Since January 2023, OCP SA has been subject to corporate income tax at the following rates:

Applicable tax regime

| Fiscal year | Standard CIT rate | Mine and export CIT rate |
|-------------|-------------------|--------------------------|
| 2023 | 32% | 23.75% |
| 2024 | 33% | 27.50% |
| 2025 | 34% | 31.25% |
| 2026 | 35% | 35% |

As from January 2026, the 35% single rate will apply whenever taxable income is equal to or greater than MMAD 100.

OCP SA operations are subject to VAT.

II. Activity overview

OCP Group is a vertically integrated fertilizer producer, present across the entire phosphate value chain, specializing in the mining, production and marketing of (i) phosphates, (ii) phosphoric acid (including purified phosphoric acid) and (iii) phosphate fertilizers.

By 2023, the Company is one of the world's leading producers of phosphate rock, phosphoric acid and phosphate fertilizers.

The OCP Group's mining activities are located in the Khouribga, Gantour and Boucraâ regions. They involve the extraction, processing, enrichment and delivery of phosphates to the Group's chemical units at Jorf Lasfar and Safi, as well as the export of rock to over thirty countries.

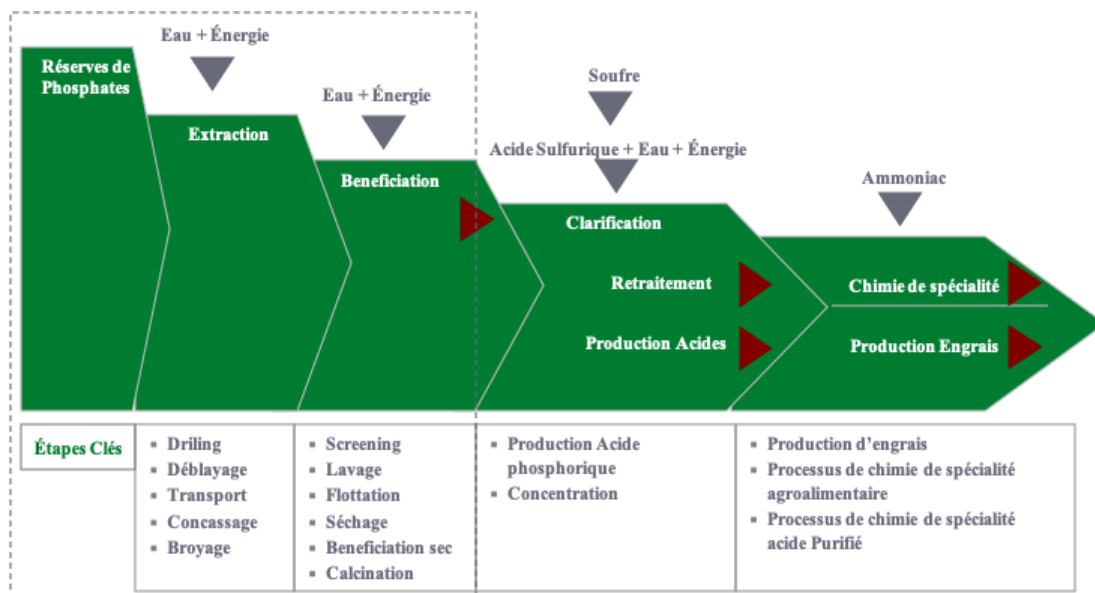
Around two-thirds of the Company's rock production is transformed into phosphoric acid, which in turn is mostly transformed into phosphate fertilizers. The four main types of phosphate fertilizer produced and exported by the Company are MAP, DAP, TSP and NPK. The Group has also diversified into the production of a number of phosphate-based specialty products, such as sulfur-enriched fertilizers, reactive rock, micronutrients and feed phosphates.

The Company is increasingly developing specific, higher value-added products that are better adapted to customer needs, and is thus falling in line with the trend towards "customization" of phosphate fertilizers.

Our customers include integrated and non-integrated industrial groups, traders and distributors.

The Group's activities are organized into two main axes:

- The northern axis comprises the Khouribga mining site and the Jorf Lasfar chemical site. The two sites are linked by a slurry pipeline;
- The Central axis is made up of:
 - Gantour basin (Benguerir and Youssoufia) and the Safi chemical site.
 - Phosboucraâ mining site.



▼ Matières premières et utilités

▶ Produits finis

The table below summarizes the evolution of rock, phosphoric acid and fertilizer production and sales over the last three financial years:

| Data (in millions of tons) | 2021 | 2022 | 2023 | AARG (2021/2023) |
|------------------------------------|------|------|------|------------------|
| Volume produced (processed) - Rock | 32.2 | 27.3 | 26 | -10% |
| Volume sold - Rock (1)(2) | 37.1 | 29.7 | 32.1 | -7% |
| Volume produced - Phosphoric acid | 5.6 | 5 | 5.0 | -5% |
| Volume sold - Phosphoric acid (3) | 2.3 | 1.6 | 1.6 | -17% |
| Volume produced - Fertilizers | 9.8 | 9.4 | 9.8 | 0% |
| Volume sold - Fertilizers (4) | 10.9 | 9.1 | 11.8 | 4% |

Source: OCP SA

(1) Including, for local volumes, intra-group sales to Group subsidiaries and joint ventures, as well as rock transfers within the same OCP SA legal entity for chemical processing needs (Safi/Jorf)

(2) IFRS consolidated figures for export volumes

(3) Non-consolidated figures, including sales made by Jvs (IMACID, PMP and EMAPHOS)

(4) IFRS consolidated figures

III. OCP SA share capital

Capital structure

As of December 31, 2023, OCP SA's share capital stands at MAD 8,287,500,000, fully paid up. It comprises 82,875,000 shares with a par value of MAD 100 each, all of the same class, with single voting rights.

Capital history

I.1.1. Share capital history

Over the past 15 years, OCP SA's share capital has undergone the following changes:

| Date | Nature of operation | Number of shares issued | Share price (MAD) | Par value (MAD) | Amount of operation (KMAD) | Total number of shares | Share capital (post-operation) (KMAD) |
|------------|---------------------------------|-------------------------|-------------------|-----------------|----------------------------|------------------------|---------------------------------------|
| | Transformation of | | | | | | |
| 26/02/2008 | Office Chérifien des Phosphates | 78 000 000 | 100 | 100 | 7 800 000 | 78 000 000 | 7 800 000 |
| | into OCP SA | | | | | | |

| | | | | | | | |
|------------|-----------------------------------|-----------|----------|-----|-----------|------------|-----------|
| 13/01/2009 | Capital increase reserved for BCP | 4 875 000 | 1 025,64 | 100 | 5 000 000 | 82 875 000 | 8 287 500 |
|------------|-----------------------------------|-----------|----------|-----|-----------|------------|-----------|

Source: OCP SA

On February 26, 2008, the Office Chérifien des Phosphates, a public establishment, was transformed into a public limited company under the new name "OCP SA", with a share capital of MAD 7,800,000,000 divided into 78,000,000 shares with a par value of MAD 100 each.

On January 13, 2009, OCP SA increased its equity capital by MAD 5 billion, entirely reserved for Banque Centrale Populaire (BCP). This operation involved the issue of 4,875,000 new shares representing 5.88% of OCP SA's capital after the capital increase. These shares were issued at a unit price of 1,025.64 MAD, including 100 MAD in par value and MAD 925.64 in issue premium.

I.1.2. *History of shareholding over the last five financial years*

The following table shows the Company's shareholding history between 12/31/2019 and 12/31/2023:

| Shareholder | 31/12/2019 | | |
|----------------------------|----------------------|--------------|--------------------|
| | Number of securities | % in capital | % of voting rights |
| Moroccan State | 78 000 000 | 94.12% | 94.12% |
| Banque Centrale Populaire | 84 315 | 0.10% | 0.10% |
| SADV | 729 300 | 0.88% | 0.88% |
| Infra Maroc Capital** | 2 471 130 | 2.98% | 2.98% |
| Prev Invest SA* | - | - | - |
| Socinvest** | 681 538 | 0.82% | 0.82% |
| Upline Infrastructure Fund | 908 717 | 1.10% | 1.10% |
| Total | 82 875 000 | 100% | 100% |

Source: OCP SA

| Shareholder | 31/12/2020 | | | 31/12/2021 | | |
|---------------------------|----------------------|--------------|--------------------|----------------------|--------------|--------------------|
| | Number of securities | % in capital | % of voting rights | Number of securities | % in capital | % of voting rights |
| Moroccan State | 78 000 000 | 94.12% | 94.12% | 78 000 000 | 94.12% | 94.12% |
| Banque Centrale Populaire | 84 315 | 0.10% | 0.10% | 84 315 | 0.10% | 0.10% |
| SADV | 729 300 | 0.88% | 0.88% | 729 300 | 0.88% | 0.88% |
| Infra Maroc Capital** | 2 471 130 | 2.98% | 2.98% | 2 471 130 | 2.98% | 2.98% |
| Prev Invest SA* | 908 717 | 1.10% | 1.10% | 908 717 | 1.10% | 1.10% |
| Socinvest** | 681 538 | 0.82% | 0.82% | 681 538 | 0.82% | 0.82% |
| Total | 82 875 000 | 100% | 100% | 82 875 000 | 100% | 100% |

Source: OCP SA

| Shareholder | 31/12/2022 | | | 31/12/2023 | | |
|---------------------------|----------------------|--------------|--------------------|----------------------|--------------|--------------------|
| | Number of securities | % in capital | % of voting rights | Number of securities | % in capital | % of voting rights |
| Moroccan State | 78 000 000 | 94.12% | 94.12% | 78 000 000 | 94.12% | 94.12% |
| Banque Centrale Populaire | 84 315 | 0.10% | 0.10% | 84 315 | 0.10% | 0.10% |
| SADV | 729 300 | 0.88% | 0.88% | 729 300 | 0.88% | 0.88% |
| Infra Maroc Capital** | 2 471 130 | 2.98% | 2.98% | 2 471 130 | 2.98% | 2.98% |
| Prev Invest SA* | 908 717 | 1.10% | 1.10% | 908 717 | 1.10% | 1.10% |
| Socinvest** | 681 538 | 0.82% | 0.82% | 681 538 | 0.82% | 0.82% |
| Total | 82 875 000 | 100% | 100% | 82 875 000 | 100% | 100% |

*100% owned by RCAR

** These two companies belong to Banque Centrale Populaire

Source: OCP SA

In 2018, BCP transferred to its subsidiary SocInvest 681,538 shares representing 0.82% of the capital of OCP SA.

In 2020, Upline Infrastructure Fund transferred 908,717 shares representing 1.10% of OCP SA's capital to Prev Invest SA.

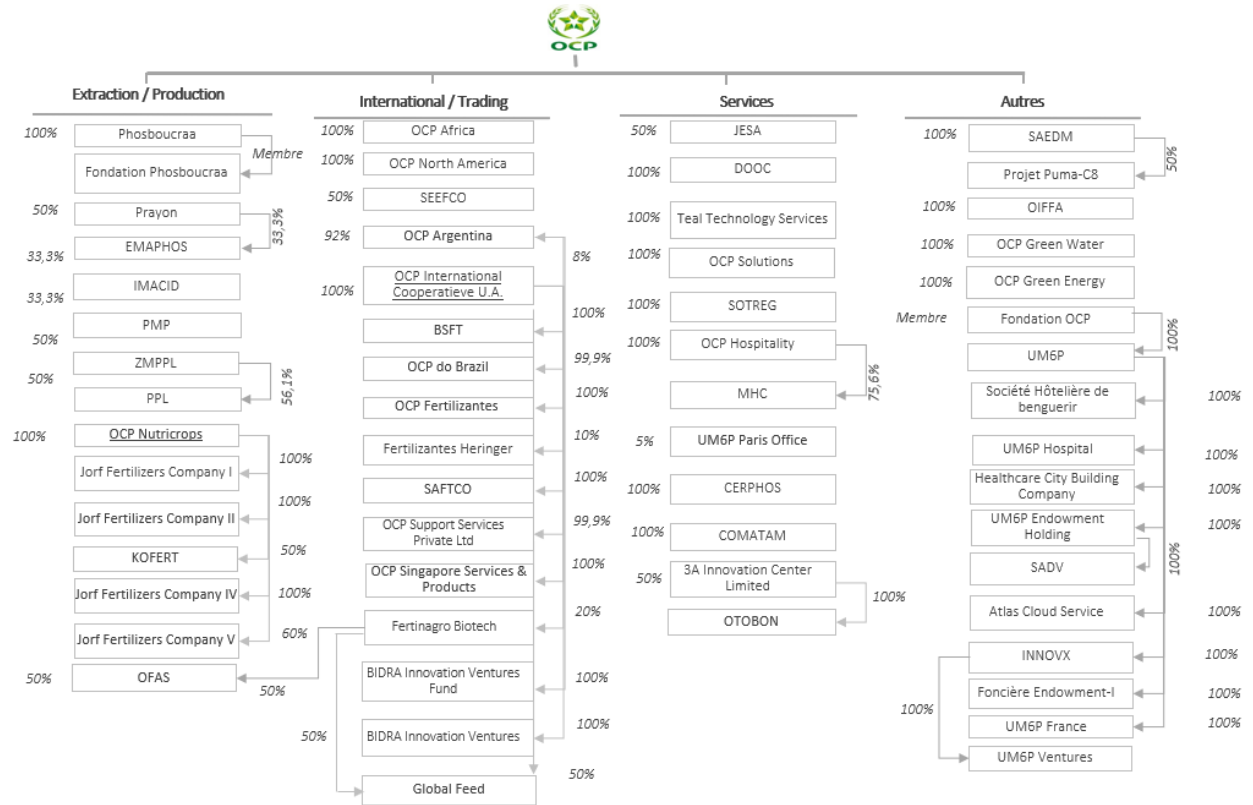
1.1.3. OCP shareholding as of December 31, 2023

| Shareholder | 31/12/2023 | | |
|---------------------------|----------------------|--------------|--------------------|
| | Number of securities | % in capital | % of voting rights |
| Moroccan State | 78 000 000 | 94.12% | 94.12% |
| Banque Centrale Populaire | 84 315 | 0.10% | 0.10% |
| SADV | 729 300 | 0.88% | 0.88% |
| Infra Maroc Capital | 2 471 130 | 2.98% | 2.98% |
| Prev Invest SA | 908 717 | 1.10% | 1.10% |
| Socinvest | 681 538 | 0.82% | 0.82% |
| Total | 82 875 000 | 100% | 100% |

Source: OCP SA

I.1.4. LEGAL ORGANIZATIONAL CHART

OCP SA's main subsidiaries, investments and JVs as of December 31, 2023 are listed below:



Source: OCP

The ownership percentages shown correspond to direct and indirect ownership percentages, while the percentages shown for the scope of consolidation represent direct ownership percentages.

I.1.5. Annual consolidated financial information

Income statement

The following table shows the historical data of OCP Group's consolidated income statement for the financial years 2021, 2022 and 2023:

| In MMAD | 2021 | 2022 | 2023 | Var 21/22 | Var 22/23 |
|---|---------------|----------------|---------------|----------------|------------------|
| REVENUE FROM OPERATING ACTIVITIES | 84 300 | 114 574 | 91 277 | 36% | -20% |
| Production held as inventory | 278 | 10 403 | -6 993 | >100% | < -100% |
| Consumed purchases of materials and supplies | -29 360 | -54 596 | -33 750 | -86% | 38% |
| External expenses | -9 969 | -11 754 | -9 671 | 18% | -18% |
| Personnel expenses | -10 550 | -11 615 | -11 518 | -10% | 1% |
| Taxes | -278 | -306 | -313 | -10% | 2% |
| Profit (loss) from joint-ventures | 1 185 | 1 887 | 774 | 59% | -59% |
| Exchange gains and losses on operating receivables and payables | 620 | 1 010 | -697 | 63% | < -100% |
| Other operating income and expenses | 44 | 471 | 287 | >100% | -39% |
| EBITDA | 36 269 | 50 076 | 29 396 | 38% | -41% |
| EBITD margin (EBITDA/Sales) | 43.0% | 43.7% | 32.2% | 0.7 pts | -11.5 pts |
| Amortization, depreciation and operating provisions | -9 016 | -8 435 | -8 394 | 6% | 0.5% |
| Operating profit (loss) before exceptional items | 27 254 | 41 640 | 21 002 | 53% | -50% |
| Other non-recurring operating income and expenses | -1 454 | -1 258 | -2 135 | 13% | -70% |
| OPERATING profit (loss) | 25 799 | 40 382 | 18 866 | 57% | -53% |
| Operating margin OI/Sales | 30.6% | 35.2% | 20.6% | 4.6 pts | -14.6 pts |
| Cost of gross financial debt | -2 384 | -2 508 | -3 141 | -5% | -25% |
| Financial income from cash investments | 161 | 222 | 526 | 38% | >100% |
| Cost of net financial debt | -2 223 | -2 286 | -2 615 | -3% | -14% |
| Exchange gains and losses on financing transactions | -899 | -3 366 | 863 | >-100% | > 100% |
| Other financial income and expenses | -2 178 | -374 | -713 | 83% | -91% |
| FINANCIAL profit (loss) | -5 299 | -6 026 | -2 465 | -14% | 59% |

| | | | | | |
|---|---------------|---------------|---------------|--------------|----------------|
| Profit (loss) before tax | 20 500 | 34 356 | 16 401 | 68% | -52% |
| <i>Pre-tax margin (PTI/Sales)</i> | <i>24%</i> | <i>30%</i> | <i>18%</i> | <i>6 pts</i> | <i>-12 pts</i> |
| Taxes | -4 164 | -6 122 | - 2 105 | -47% | 66% |
| NET profit FOR THE PERIOD | 16 336 | 28 233 | 14 296 | 73% | -49% |
| <i>Net margin (NI/Sales)</i> | <i>19%</i> | <i>25%</i> | <i>16%</i> | <i>6 pts</i> | <i>-9 pts</i> |
| Net profit - Group share | 16 326 | 28 185 | 14 369 | 73% | -49% |
| Net profit - non-controlling interests | 10 | 49 | -72 | >100% | -246% |
| BASIC AND DILUTED earnings PER SHARE | 194 | 338 | 170 | 74% | -50% |

Source: OCP S.A

Balance sheet

The following table shows the main items in the Group's consolidated balance sheet for the years ending December 31, 2021, 2022 and 2023:

| In MMAD | 2021 | 2022 | 2023 | Var 21/22 | Var 22/23 |
|---------------------------------|----------------|----------------|----------------|-----------------|-----------------|
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash & Cash Equivalents | 8 001 | 18 556 | 12 644 | 131.9 % | -32% |
| <i>% balance sheet</i> | <i>4%</i> | <i>8%</i> | <i>5%</i> | <i>3.8 pts</i> | <i>-3 pts</i> |
| Cash financial assets | 2538 | 509 | 11 | -79.9 % | -98% |
| Stocks | 14 804 | 25 990 | 18 272 | 75.6 % | -30% |
| <i>% balance sheet</i> | <i>8.1%</i> | <i>11%</i> | <i>7.3%</i> | <i>3.4 pts</i> | <i>-3.7 pts</i> |
| Accounts receivable | 13 184 | 15 481 | 18 718 | 17.4 % | 21% |
| <i>% balance sheet</i> | <i>7%</i> | <i>7%</i> | <i>7.5%</i> | <i>-0.4 pts</i> | <i>0.5 pts</i> |
| Other current assets | 15 765 | 23 116 | 31 294 | 46.6 % | 35.4% |
| Total current assets | 54 293 | 83 652 | 80 940 | 54.1 % | -3.2% |
| <i>% balance sheet</i> | <i>30%</i> | <i>37%</i> | <i>32.4%</i> | <i>7.2 pts</i> | <i>-4.6 pts</i> |
| Non-current assets | | | | | |
| Non-current financial assets | 708 | 1 078 | 2 321 | 52.3 % | 115.3% |
| Investments in joint ventures | 5 518 | 7 076 | 7 545 | 28.2 % | 6.6% |
| Deferred tax assets | 156 | 125 | 52 | -19.9 % | -58.4% |
| Property, plant and equipment | 116 938 | 129 547 | 151 884 | 10.8 % | 17.2% |
| <i>% balance sheet</i> | <i>64%</i> | <i>57%</i> | <i>61%</i> | <i>-6.9 pts</i> | <i>4 pts</i> |
| Intangible assets | 4 385 | 4 532 | 7 197 | 3.4 % | 3 .35% |
| Total non-current assets | 127 705 | 142 359 | 168 998 | 11.5 % | 18.8% |
| <i>% balance sheet</i> | <i>70%</i> | <i>63%</i> | <i>68%</i> | <i>-7.2 pts</i> | <i>5 pts</i> |
| Total Assets | 181 998 | 226 012 | 249 937 | 24.2 % | 10.6% |

| In MMAD | 2021 | 2022 | 2023 | Var 21/22 | Var 22/23 |
|--|---------------|----------------|----------------|-----------------|-----------------|
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Current loans and financial liabilities | 4 662 | 10 136 | 19 706 | 117.4 % | 94.4 % |
| <i>% balance sheet</i> | <i>2.6%</i> | <i>4.5%</i> | <i>8 %</i> | <i>1.9 pts</i> | <i>3.5 pts</i> |
| Current provisions | 556 | 587 | 919 | 5.6 % | 56.5 % |
| Trade payables | 18 141 | 20 306 | 28 937 | 11.9 % | 42.5 % |
| <i>% balance sheet</i> | <i>10%</i> | <i>9%</i> | <i>11.6%</i> | <i>-1.0 pts</i> | <i>2.6 pts</i> |
| Other current liabilities | 10 104 | 16 953 | 10 644 | 67.8% | -37.2% |
| Total current liabilities | 33 463 | 47 982 | 60 205 | 43.4 % | 25.5% |
| <i>% balance sheet</i> | <i>18%</i> | <i>21%</i> | <i>24.1%</i> | <i>2.8 pts</i> | <i>3.1 pts</i> |
| Non-current loans and financial liabilities | 50 954 | 59 877 | 61 235 | 17.5 % | 2.3% |
| <i>% balance sheet</i> | <i>28%</i> | <i>26%</i> | <i>24.5%</i> | <i>-1.5 pts</i> | <i>-1.5 pts</i> |
| Non-current provisions for staff | 5 964 | 5 169 | 4 544 | -13.3 % | -12.1% |
| Other non-current provisions | 1 131 | 1 231 | 1 904 | 8.8 % | 54.7% |
| Deferred tax liabilities | 1 633 | 590 | 2 110 | -63.9 % | < 100% |
| Other non-current liabilities | 0 | 12 | 9 | > 100% | -25% |
| Total non-current liabilities | 59 681 | 66 880 | 69 801 | 12.1 % | 4.4 % |
| <i>% balance sheet</i> | <i>33%</i> | <i>30%</i> | <i>28%</i> | <i>-3.2 pts</i> | <i>-2 pts</i> |
| Share capital | 8 288 | 8 288 | 8 288 | 0.0 % | 0.0 % |
| Additional paid-in capital | 18 698 | 18 698 | 18 698 | 0.0 % | 0.0 % |
| Consolidated reserves, group share | 42 888 | 52 882 | 75 697 | 23.3 % | 43.1 % |
| Net income, group share | 16 326 | 28 185 | 14 369 | 72.64 % | -49 % |
| Total shareholders' equity, Group share | 86 200 | 108 052 | 117 051 | 25.4 % | 8.33 % |

| | | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|---------------|
| Non-controlling interests | 2 654 | 3 098 | 2 879 | 16.7 % | -7.1% |
| Total Shareholders' equity | 88 854 | 111 150 | 119 930 | 25.1 % | 8% |
| <i>% balance sheet</i> | <i>49%</i> | <i>49%</i> | <i>48%</i> | <i>0.4 pts</i> | <i>-1 pts</i> |
| Total liabilities and equity | 181 998 | 226 012 | 249 937 | 24.2 % | 10.6 % |

Source: OCP S.A

Cash flow statement

Changes in the Group's cash flow statement are as follows:

| In MMAD | 2021 | 2022 | 2023 | Var 21/22 | Var 22/23 |
|---|---------------|----------------|---------------|---------------|----------------|
| EBITDA | 36 269 | 50 076 | 29 396 | 38 % | -41.2 % |
| Subsidies and donations | -997 | -988 | -2 259 | -1 % | > 100 % |
| Other non-current operating income and expenses | -16 | 24 | - | >100 % | Ns |
| Other non-current operating income and expenses- prior period | -65 | 386 | 1 378 | >100% | >100% |
| Results of joint ventures | -1 185 | -1 887 | -774 | -59 % | 59% |
| Other | -2 274 | -2 133 | -4 754 | 6 % | > -100 % |
| Cash flow from operations | 31 732 | 45 470 | 22 987 | 43 % | -49.4 % |
| Impact of the change in working capital: | 2 091 | -13 596 | 1 784 | -750 % | 86.88% |
| Stocks | -1 206 | -11 030 | 9 057 | > 100.0% | >100% |
| Trade receivables | -4 476 | -2 183 | -3 480 | 51 % | 98.5% |
| Trade payables | 1 894 | -846 | 1 389 | -145 % | >100.0% |
| Other current assets and liabilities | 5 880 | 462 | -5 183 | -92 % | > -100.0% |
| Taxes paid | -1 656 | -4 637 | -6 421 | <-100% | -38.5% |
| Total Net cash provided by operating activities | 32 167 | 27 244 | 18 350 | -15 % | -32.6 % |
| Acquisition of tangible and intangible assets | -13 135 | -20 011 | -26 825 | +52 % | +34 % |
| Disposal of tangible and intangible assets | 156 | 141 | 191 | -10 % | 35.5 % |
| Net financial investments | -2 663 | 1 952 | 79 | >100.0% | -96% |

| | | | | | |
|--|----------------|----------------|----------------|-------------------|---------------------|
| Impact of changes in the scope of consolidation | -54 | -51 | -1 447 | 6 % | > -100 % |
| Acquisition of financial assets | -69 | -285 | -765 | >100.0% | > -100.0% |
| Disposal of financial assets | 0 | 3 025 | - | - | - |
| Dividends received | 106 | 380 | 343 | >100.0% | -9.7% |
| Total Net cash used in investing activities | -15 658 | -14 849 | -28 424 | 5.2 % | -91.4 % |
| Loan issuance | 17 500 | 12 848 | 18 689 | -27 % | 45.5 % |
| Loan repayment | -22 980 | -3 640 | -6 623 | 84 % | 82 % |
| TSDI changes | - | - | 5 000 | Ns | Ns |
| TSDI coupons | -393 | -385 | -442 | 2 % | 14.8 % |
| Net financial interests paid | -3 815 | -2 529 | -3 140 | 34 % | 24.1 % |
| Dividends paid to Group shareholders | -5 081 | -8 091 | -9 066 | -59 % | 12 % |
| Dividends paid to minority shareholders | -173 | -170 | -198 | 2 % | 16.5 % |
| Total Net cash used in financing activities | -14 941 | -1 968 | 4 221 | 86.8 % | > 100.0% |
| Effect of change in exchange rate on cash and cash equivalents | 10 | 126 | -60 | >100.0% | > -100.0% |
| Net increase/(decrease) in cash and cash equivalents | 1 577 | 10 554 | -5 912 | >100.0% | > -100.0% |
| Opening cash and cash equivalents | 6 425 | 8 003 | 18 557 | 25 % | > 100.0% |
| Closing cash and cash equivalents | 8 003 | 18 557 | 12 644 | 132 % | -32 % |
| Change in net cash position | 1 577 | 10 554 | -5 912 | >100.0% | > -100.0% |

Source: OCP S.A

I.1.6. OCP S.A. main quarterly indicators

Key figures for Q1 2024

- Sales reached MAD 19,589 million, compared with MAD 18,281 million the previous year.
- EBITDA came to MAD 7,703 million, up from MAD 4,687 million a year earlier.
- EBITDA margin stood at 39%, compared with 26% in the first quarter of 2023.
- Capital expenditure totaled MAD 9,301 million, compared with MAD 5,641 million in first-quarter 2023.

Operational and financial results

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Global fertilizer prices remained firm throughout the period, supported by balanced market conditions. Chinese exports were limited due to export restrictions in place until mid-March, and inventory levels were low at the start of the quarter in several key markets. This helped to offset lower-than-expected demand in regions such as India and Brazil.

In addition, lower crop prices initially reduced the accessibility of markets west of Suez, but prices began to rise in March and continued to strengthen during the second quarter of the year.

Against this operating backdrop, the Group delivered another quarter of solid performance, with revenues reaching MAD 19,589 million in the first quarter of 2024, compared with MAD 18,281 million in the same period last year. This increase was mainly due to higher export volumes, which more than offset the impact of lower prices compared with the first quarter 2023.

Gross profit amounted to MAD 12,705 million, compared with MAD 9,076 million the previous year. This increase was underpinned by higher revenues and a reduction in input costs, particularly for ammonia and sulfur, whose prices were significantly down on the previous year's levels. Gross margin rose to 65%, compared with 50% for the same period in 2023.

EBITDA stood at MAD 7,703 million in the first quarter of 2024, compared with MAD 4,687 million in the same period of the previous year, reflecting the effectiveness of the Group's cost-cutting initiatives and resulting in a solid EBITDA margin of 39%.

Capital expenditure reached MAD 9,301 million in the first quarter of 2024, compared with MAD 5,641 million in the same period of 2023.

PART III: Risks

40I. RISKS RELATED TO THE ISSUER'S ACTIVITY SECTOR

The group is active in a cyclical sector

The global market for fertilizers and other phosphate-based products experiences periodic imbalances between supply and demand. Periods of high demand and rising prices lead industry players to invest in new facilities, thereby increasing production. As supply exceeds demand, overcapacity results and prices fall, leading to a restriction of investments and the beginning of a new cycle.

Demand for fertilizers can be volatile in response to macro-economic factors

The Group operates on a global scale and generally attempts to offset a decline in sales in one region experiencing difficult economic conditions by increasing sales in other regions where the economic environment is more favorable. This may be difficult or impossible to achieve when the economic downturn is widespread.

The group's activity is closely linked to the agricultural sector

The Group's activities are largely based on the agricultural sector and are significantly affected by trends that influence the agricultural sector in general, including the price of agricultural products, adverse weather conditions and seasonality.

The following factors could have an impact on OCP Group's activity:

- The fall in prices of agricultural products leading to a drop in agricultural production, which impacts the demand for fertilizers and pulls down the price of fertilizers;
- The use of alternative products to improve crop yields (such as GMOs) that require the application of less fertilizers;
- Disruptions in weather patterns and changes in climate in some regions that may lead to a decrease in demand for fertilizers;
- The timing of fertilizer application varies by region, so demand varies greatly from season to season. Farmers' and distributors' purchasing behavior can accentuate this seasonality of the business.

The group is exposed to government policies

The Group is exposed to government policies in Morocco, in the countries to which it exports and in the countries of supply of raw materials, particularly:

- Taxes on fertilizer imports and exports and phosphate import or export quotas;
- Allocation of subsidies to farmers;
- Environmental policies, especially those related to heavy metals;
- Trade barriers such as anti-dumping duties and quotas.

Geopolitical tensions

In a climate of international sanctions, with significant increases in food and energy prices leading to high inflation, rising interest rates and threatening global economic growth as a result of the war between Russia and Ukraine and geopolitical tensions, an imbalance between supply and demand is leading to an increase in commodity prices.

In this context of great uncertainty, the increase in costs and disruptions in the supply of certain raw materials used in the production of fertilizers, as well as the socio-economic difficulties and political instability that may result from this context of war in some of the Group's markets, may have an impact on the Group's activity and results.

Risks related to climate change

The potential impact of climate change on the Group's operations and those of its customers and farmers remains uncertain. Climate change risks are generally grouped into two categories: physical risks and transition risks. Physical risks include the impact that climate change could have on operations, customers and supply chains. Among other things, climate change may lead to more frequent and severe weather events, changes in meteorological factors such as temperatures, precipitation, wind and water levels, and it may affect the availability of fresh water. In particular, water is essential to the Group's operations and customers, but localized challenges exist regarding water availability and quality, which may be intensified by the effects of climate change. The physical risks associated with climate change may also lead to operational or supply chain delays, depending on the nature of the event. These events may have an impact on demand for the Group's products, the availability and/or cost of raw materials or insurance, or increase the costs of its operations or capital projects.

Risks related to competitive intensity

The Group faces intense competition from foreign producers. Phosphate rock, phosphoric acid and phosphate fertilizers are traded on international markets. Customers base their purchasing decisions primarily on delivery price, customer service, product quality and time to market.

The Group competes with a number of foreign producers, including certain producers that receive government support as public or government-subsidized entities. Some of the Group's competitors may have similar or even greater competitive advantages than the Group. These advantages include control over certain raw materials or access to low-cost raw materials, access to low-cost financing, geographic proximity to major suppliers or customers, or long-standing business relationships with international market participants.

These advantages include control over certain raw materials or access to low-cost raw materials, access to low-cost financing, geographic proximity to major suppliers or customers, or long-standing business relationships with international market participants.

40II. RISKS RELATED TO THE GROUP'S ACTIVITIES

Volatility of phosphate and phosphate-based product prices

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The Group is exposed to fluctuations in the price of phosphate fertilizers and other phosphate-based products. The Group is involved in the mining, production and marketing of phosphate rock, phosphoric acid and phosphate-based fertilizers. The prices of phosphate rock, phosphoric acid and phosphate-based fertilizers are influenced by supply and demand, both globally and regionally, and depend on various factors external to the Group, over which the Group has no control. Factors that tend to affect the prices of the Group's phosphate-based products include, among others:

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- Changes in the global and/or regional economies, significant global or regional political events and financial market conditions, including the ongoing conflict in Gaza as well as the ongoing conflict between Russia and Ukraine;

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- Changes in global or regional fertilizer supply and/or demand, and related changes in expectations of future supply and demand;
- Changes in global supply and/or demand for the raw materials needed to manufacture phosphoric acid and phosphate-based fertilizers;
- Changes in the agricultural sector;
- Changes in the inventory levels of wholesalers and distributors, who generally have significant storage capacity to account for seasonal variations, and may benefit from low market prices or be affected by local demand levels;
- Exchange rate fluctuations linked to the US dollar and the euro;
- Consolidation in the phosphate fertilizer industry in general;
- Government regulations and actions, including tariffs, quotas, customs duties, taxation, embargoes and warehousing rules.

Moreover, the fertilizer industry has historically been cyclical, which generally leads to fluctuations in the prices of the Group's products. These fluctuations in supply and demand can be unexpected and can have a significant impact on sales prices. Fertilizer demand is influenced by planted area and application rates, which are determined by population growth, changes in eating habits (including income growth in emerging economies), and government agricultural policies, among others. The international market for fertilizers and other phosphate-derived products has been and is expected to continue to be affected by periodic imbalances in supply and demand. Periods of high demand, high-capacity utilization and rising profit margins tend to lead to new investment in plant and increased production, with the result that supply exceeds demand, and prices and capacity utilization subsequently fall. The resulting lower prices generally lead to a restriction in investment, initiating a new cycle. As a result, fertilizer prices and volumes have been, and are likely to continue to be, volatile.

For example, the previous cycle is generally considered to have begun between 2010 and 2011, with the DAP FOB Tampa index reaching around USD 659 per ton in August 2011. Strong demand and high prices during this period led to major investments in capacity, which began to become operational between 2015 and 2020. Due to the oversupply created by investments, prices were generally low between 2015 and 2020, reaching an average of USD 260 per ton in December 2019. From mid-2020, delayed planned additional capacity combined with stronger demand fundamentals led to a recovery in prices and the initiation of a new cycle, with prices exceeding USD 500 per ton in early 2021.

Russia's invasion of Ukraine in February 2022 and the resulting war between Russia and Ukraine ("Russia-Ukraine conflict") have disrupted global markets for certain raw materials, including natural gas, ammonia, nitrogen fertilizers and certain commodity grains. This disruption led to changes in supply patterns, production cutbacks, export reductions and logistical complications involving these products. Although the effects of the conflict eased in the year ending December 31, 2023, any potential further escalation could lead to renewed disruption in the fertilizer value chain.

With Russia as a major supplier of energy to Europe and fertilizers to world markets, as well as Russia and Ukraine being major suppliers of food to world markets, the war has contributed to significant volatility in energy, fertilizer and food prices. The war coincided with an increase in tensions on the phosphate fertilizer market, fueled by a strong recovery in post-COVID demand and a supply shock resulting from China's decision to drastically limit fertilizer imports in September 2021. As a result, fertilizer prices initially surged, reaching levels not seen since 2008 in a matter of weeks. For example, DAP FOB Tampa reached USD 1,231/ton in April 2022. This, combined with severe weather conditions in major fertilizer import markets (including the USA, Europe and Australia), led to a significant drop in imports, eventually exerting downward pressure on prices that brought them back to pre-war levels, with DAP FOB Tampa reaching USD 600/ton in December 2022.

January 2023 began under the effect of this downward pressure, fueled by a wait-and-see attitude on the part of importers in the hope of a further drop in prices. Prices bottomed out in June 2023 (CFR India at USD 440/ton). From July 2023, prices began a rebound trajectory until they reached around USD 595/ton

CFR India in October 2023. This was supported by several factors: (i) limited remaining export quotas in China in the third quarter after the significant volumes of the second quarter (ii) the arrival of the high import season in India and Brazil in particular, offering fewer opportunities to defer imports, (iii) the recovery in demand in several markets, particularly in Europe and the USA, and (iv) limited stocks in several basins after the low imports achieved in previous quarters.

The end of 2023 saw a reduction in liquidity with China's announcement in November 2023 to suspend exports and India's reduction in subsidies. As a result, prices remained generally stable between October 2023 and February 2024.

Interruption of supply

If one of the Group's main suppliers of raw materials were to suffer business interruptions or become insolvent, or if the Group were unable to renew its contracts with these suppliers on reasonable commercial terms, it could be difficult to replace them in a timely fashion. In particular, the Group requires sulfur and ammonia for its production, which it purchases from third-party suppliers. For example, the Group used to obtain ammonia from a variety of sources, including Ukraine. Following the interruption of ammonia exports in March 2022 due to the war in Ukraine, the Group quickly found alternative suppliers in the Middle East. However, although the Group was able to obtain ammonia from these alternative suppliers, it first had to purchase it at higher spot prices before concluding contracts with them. If such interruptions were to occur again in the future, it could be difficult for the Group to find alternative suppliers on reasonable commercial terms, if at all. Furthermore, if the Group's demand were to increase, or if its suppliers were to face a shortage of resources, they might not be able to meet the Group's raw material requirements.

In addition, any disruption to the Group's mining activities or its ability to produce phosphate rock could prevent the Group from supplying current or sufficient levels of this raw material for its processing activities (including, but not limited to, phosphoric acid and phosphate-based fertilizers). In the event of a disruption in the supply of phosphate rock within the Group, the Group may have to curtail its processing activities or source phosphate rock from the external market, which would result in a significant increase in costs (including higher transportation costs and import, customs or other duties) and a reduction in profit margins. This, in turn, could have a material adverse effect on the Group's business, operating results and financial position.

Risk of not completing the 2023-2027 investment program

The Group is engaged in a major capital-intensive investment program. As part of these projects, the Group is exposed to various risks that could affect its ability to execute its program on budget and on time, and consequently the efficiency gains and cost reductions expected from the investment program.

The program is partly financed by cash flows generated by operations, but also by external financing. The Group's business and financial situation could be adversely affected if it were unable to raise the necessary funds at acceptable cost conditions.

Risk related to joint-ventures

OCP Group conducts some of its production operations within the framework of capital partnerships, resulting in joint ventures in which it sometimes has minority interests.

OCP, directly or through its subsidiaries, is part of several joint ventures operating mainly in the production of phosphoric acid and purified phosphoric acid and holds up to 50% of the interests in the majority of these joint ventures. Therefore, although it has some influence, OCP does not have exclusive control over the operations or assets of the joint ventures and cannot make significant decisions regarding them unilaterally. The lack of majority ownership may restrict the issuer's ability to

implement actions and may result in inefficiencies or delays in operations or production, which could have an adverse effect on the Group's business, results of operations and financial condition.

Transport and Logistics

The cost of transportation has an impact on the overall cost of the product. Thus, if transport costs rise, sales volumes may fall. In such a case, the Group may also have to reduce its margins so that the overall price of the product remains competitive.

Most of the Group's exports are shipped by sea via the ports of Casablanca, Jorf Lasfar, Safi and the wharf of Laâyoune. In case of bad weather, these facilities may be disrupted, which may make it difficult or even impossible to export the group's products or import raw materials.

Containment measures or other logistical restrictions at the Group's main export suppliers or customers could limit the Group's ability to conduct its business normally or to supply its products. For example, business disruptions or closures of key ports with no alternative logistics routes at reasonable cost could have an adverse effect on the Group's operations and results.

The increase in production costs could have a negative impact on the group's activity

The Group has to source ammonia and sulfur for the production of phosphate derivatives. The price of these materials may vary, which may have an impact on the Group's profitability, particularly if the Group is unable to pass on this increase in its sales price.

Beyond the cost, any interruption in the Group's supply of raw materials, in the event of a supplier's shutdown for example, or in the event of a problem in renegotiating contracts, would have a negative impact on the Group's activity and results.

Operational risk related to the industry

The Group is exposed to a mining risk. This risk includes, in particular, risks related to blasting operations, accidents related to construction activities and the collapse of mine walls. The occurrence of any of these risks could have an impact on production costs and cause serious human and material damage.

The Group's business depends in particular on the continued operation of its mining sites. However, the Group's facilities may potentially experience periods of reduced production due to unforeseen malfunction, equipment failure or defect, human error or other circumstances, including natural disasters such as floods or fires that may result in damage to people, property and the environment.

In the event of equipment failure or damage to facilities, the Group could experience lower production levels with the need for additional expenditures to repair or replace defective equipment.

In addition, the Group's business involves the use and storage of chemicals and hazardous substances, the impact of which on the environment could be disastrous in the event of a leak or explosion.

Risk related to information systems failures and cybersecurity

Information technology ("IT") systems are integrated into the Group's operational and business control systems and, as the Group develops its digital platform and process automation systems, these may become more vulnerable to cyber-attacks, which continue to become increasingly sophisticated. The operation of many of the Group's business processes depends on the uninterrupted availability of the Group's IT systems and, to maintain its competitiveness, the Group is increasingly reliant on automation, centralized operation and new technologies to manage and monitor the Group's complex production and processing activities. As a result, any system failure, whether localized or widespread, whether intentional (such as a failure resulting from a cyber attack) or unintentional (such as a network, hardware or software failure), could have adverse effects at various levels.

Risk of natural disasters

The Group's facilities may be damaged by unforeseen events, including natural disasters such as floods or fires, resulting in property damage, claims or death.

Risk related to new international restrictions and regulations on greenhouse gas emissions

Various government initiatives aimed at limiting greenhouse gas emissions are underway or under consideration worldwide and in Morocco, which could adversely affect the Group. For example, Morocco has adopted ambitious climate targets in line with the Paris Agreement, including a 15% reduction through energy efficiency measures by 2030 compared with current trends, and an increase in renewable energy capacity to 52% of total electricity capacity by 2030. In addition, the European Union's "Carbon Border Adjustment" mechanism came into force on May 16, 2023, and its transition phase has applied since October 1, 2023. This mechanism will require EU importers of certain types of carbon-intensive goods, including fertilizers, to declare the greenhouse gas emissions embedded in their imports. When the permanent regulation comes into force on January 1, 2026, it will require importers to purchase carbon emission rights.

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

Foreign exchange risk

OCP Group's exposure to foreign exchange risk results essentially from the fact that the major part of its turnover comes from its export sales in USD. In addition, OCP Group makes its purchases of raw materials (sulfur and ammonia), freight services and a substantial part of its industrial purchases in USD. Consequently, the USD/MAD exchange rate, in particular a depreciation of the US dollar against the dirham, may have a negative impact on the Group's operating income. In addition, an appreciation of the dollar would lead to an increase in interest expense on the Group's USD-denominated debt.

The Group is also indirectly impacted by the exchange rate to which its customers are exposed. If the U.S. dollar appreciates against the customer's currency, the customer's purchasing power decreases and the Group's sales are affected.

Interest rate risk

Interest rates depend on parameters that are beyond the Group's control, such as the monetary policies of central banks, economic conditions and, in general, political factors.

An increase in interest rates will lead to an increase in the Group's interest expenses, mainly related to debts not yet contracted.

Risks related to financing or refinancing

OCP may not be able to obtain financing or refinancing for its current borrowings or to obtain them on acceptable commercial terms.

As of December 31, 2023, the Group's total outstanding loans and financial debts amounted to MAD 80.9 billion. If the Group's cash flows are insufficient to repay its loans and financial debts, it will have to renegotiate its loans or seek alternative financing from the capital markets.

The Group's ability to obtain alternative financing or to renegotiate its loans or to do so on commercially acceptable terms depends, among other things, on the general state of the domestic and international capital markets. If alternative financing becomes necessary, the Group may not be able to obtain such financing or may not be able to obtain it on commercially acceptable terms.

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Risk of rating downgrade

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OCP Group's financial rating depends on several qualitative and quantitative factors (evolution of the phosphate sector, financial performance, investment and dividend policies, etc.) and is linked to the sovereign's rating, by which it remains captive.

The downgrading of Morocco's or OCP's rating by the two rating agencies Fitch and S&P could impact the quality of the Group's financing and could lead to a higher financing cost for new bonds or other debt. The downgrading of OCP's rating could also affect the availability and cost of financing its investment program and the refinancing of its existing bonds.

Risks related to the presence in unstable geographical areas

OCP Group strengthened its commitment to Africa in 2016 through the creation of its subsidiary OCP AFRICA represented in several African countries including Senegal, Côte d'Ivoire, Burkina Faso, Benin, Ghana, Nigeria, Cameroon, Ethiopia, Kenya, Rwanda, Tanzania and Zambia. The ambition of OCP Group in Sub-Saharan Africa is to respond to the uniqueness of African agriculture through solutions adapted to African food systems.

Some of the countries in which OCP operates in certain areas of the continent may present socio-political, macro-economic, financial and/or security risks that remain situational and contextual. These risks are nevertheless mitigated through a strategy of geographic diversification in several areas of intervention and institutional partnerships in several development projects.

Risks related to investments in non-strategic activities

Given the investments made by the Group in non-strategic activities, OCP is exposed to risks related to investments in sectors of activity, notably the hotel industry.

65III. RISK RELATED TO TRADABLE DEBT SECURITIES

65III.1. LIQUIDITY RISK

Subscribers to the Group's commercial paper may be subject to a liquidity risk in the secondary market for debt securities. Indeed, depending on market conditions, namely the liquidity of these debt securities, the evolution of the yield curve as well as the demand. Indeed, this may momentarily affect the liquidity of these debt securities.

65III.2. INTEREST RATE RISK

The rates offered by the commercial paper covered by this bill are expected to be fixed rates. As a result, the value of the securities could change, depending on the evolution of the yield curve of the secondary market for Treasury Bills, either upwards or downwards.

65III.3. RISK OF DEFAULT

The commercial paper described in this note is a debt security with no guarantee of repayment. Consequently, any investor is subject to the risk of non-repayment in the event of default by the Group.

However, given the maximum term of one year for the commercial paper described in this note, the risks associated with it are lower than for long-term private debt instruments.

65III.4. RISK RELATED TO ADDITIONAL INDEBTEDNESS

The Group may subsequently issue other debt ranking equal to or higher than the commercial paper described in this note.

A decrease in the amount recoverable by the holders of these securities could occur in the event of liquidation of the Group.

DISCLAIMER

The above-mentioned information constitutes only a part of the Information Package approved by the Moroccan Capital Markets Authority (AMMC) under the reference No. VI/EM/023/2024 on 09/08/2024. The AMMC recommends reading the whole Information Package, which is made available to the public in French.