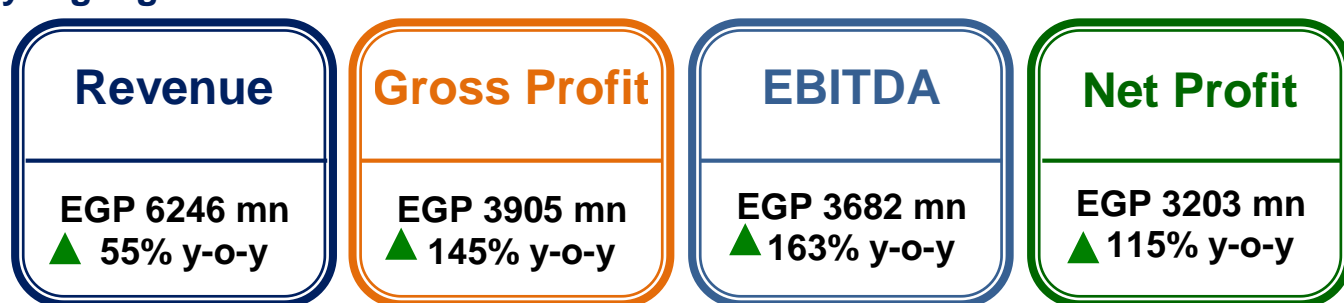




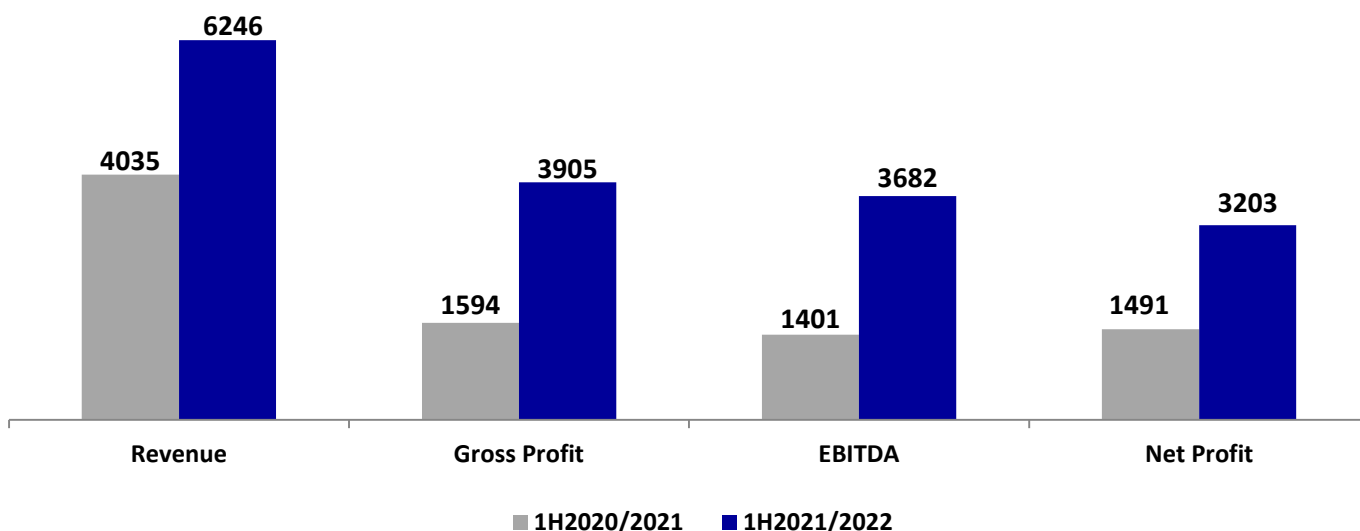
Abu Qir Fertilizers & Chemical Industries Co. reports its 1H2021/2022 results ending 31 December 2021

Abu Qir Fertilizers maintains growth momentum and record, once again, another high quarter despite the global challenges & changing economic conditions, as total revenue recorded EGP7.4 billion in 1H2021/2022 up by 69%y-o-y and top line climbs 55% y-o-y to reach EGP6.2 billion in 1H2021/2022 with bottom line rising by a strong 115% y-o-y to EGP 3.2 billion. Strong top-line / bottom-line growth in 1H2021/2022 was driven by favorable fertilizers prices as well as high utilization rates.

Key Highlights for 1H2021/2022



Financial Highlights | 1H2021/2022 | (EGP mn)



Chemist Saad Abou El Maaty, Chairman & Chief Executive Officer, commented on 1H2021/2022 Results:

"As 2021 ends, our 1H2021/2022 results have, once again, reflect Abu Qir Fertilizers fortitude and resilience and its outstanding ability to accommodate the market challenges.

We have adopted a multifaceted, sequential approach based on 18 strategic axes to reach financial and operational excellence which is one of our strategic pillars involving driving growth from



revenue to earnings in light of global challenges, given Abu Qir's commitment to supply 55% of the company's production volumes to the Ministry of Agriculture and the Agricultural Associations at fixed prices (subsidized prices), as well as allocating an additional 10% to the local market at free prices and the remaining volumes for export.

Despite all these challenges, we succeeded in achieving remarkable growth in the company's profit as our overall performance has led to a strong growth in revenue by 55% and EBITDA by 163% and net profit by 115%. The results of 1H2021/2022 reflect the success of the company's plans to meet challenges, in addition to its unique business model and strong growth foundations. I would like to take this opportunity to emphasize that our goal is to maintain operating continuity and achieve higher production levels, that is reflected in optimizing operating costs and improving our margins, which translates into strong growth in revenue and achieving increased value for shareholder's profitability. We are well positioned to capitalize on the positive industry dynamics enabling us to invest in our future projects as well as our clean energy initiatives.

I would also like to take this opportunity to emphasize the continuity of our policy towards moving forward with the plan of investment projects as Abu Qir Fertilizers Company looks forward to what is in the interest of the shareholders, which we are always committed to.

Financial and Operational Highlights | 1H2021/2022

- Continuous plants operation, which led to an increase in production volumes by 19% compared to production plan.
- Rapid growth in operating revenue by 55% y-o-y in 1H2021/2022 was driven by global surge in urea prices and higher local prices, with Abu Qir leveraging from the Company's diversified product portfolio and global demand.
- Despite the increase in natural gas cost supplied to the company's at \$5.75/MMBTU starting 01/11/2021 instead of \$4.5/MMBTU, EBITDA increased by 163% % y-o-y in 1H2021/2022, which reflects the strong growth in the company's revenue.
- Higher margins in 1H2021/2022, as gross profit margin recorded 63%, EBITDA margin 59% and profit margin before taxes recorded at 66%.
- The company's bottom line expanded by a significant 115% y-o-y in 1H2021/2022 on the back of strong revenue growth with the net profit margin recording 51% for the six-month period.
- Maintaining market share in targeted markets due to diversified product portfolio and its quality while maintaining supplying government quota and covering local free market demand.
- Well managed cash portfolio for the sake of generating profit and with the ability for financing the equity proportion in future projects.
- Increased foreign currency exchange gains in 1H2021/2022 .
- Unchanged strategic priorities to deliver sustainable & diversified growth through its future expansion plan & investment projects.
- Finalizing the company's compliance plan and its leading role towards CSR & ESG.
- Starting the implementation of the ERP system, as part of the development plan to modernize the company's sectors with everything related to digitization and modern technological applications.



Summary Income Statement (EGP mn)

EGP mn	2Q 2021/2022	2Q 2020/2021	% Change	1H 2021/2022	1H 2020/2021	% Change
Revenue	3590	2287	57%	6246	4035	55%
Gross Profit	2355	937	151%	3905	1594	145%
EBITDA	2234	834	168%	3682	1401	163%
Profit before taxes	2451	1005	144%	4116	1748	135%
Net Profit	1913	805	138%	3203	1491	115%
Earnings per Share (EGP)	1.27	0.53	139%	2.13	0.99	115%
% Margin						
% Gross Profit Margin	66%	41%	25%	63%	40%	23%
% EBITDA Margin	62%	36%	26%	59%	35%	24%
% Profit before taxes Margin	68%	44%	24%	66%	43%	23%
% Net Profit Margin	53%	35%	18%	51%	37%	14%



Results in a Nutshell

Abu Qir Fertilizers Co. (ABUK.CA on the Egyptian Exchange), the leader nitrogen fertilizer manufacturer in Egypt & MENA, announced its results for six-months ended 31 December 2021, reporting revenues in 2Q2021/2022 of EGP 3590 million, up by 57% from the EGP 2287 million recorded in the same period last year. Net profit recorded EGP1913 million in 2Q2021/2022, an increase of 138% from the EGP805 million reported for 2Q2020/2021.

On a six-month basis, Abu Qir recorded a top-line of EGP 6246 million for 6M2021/2022, an increase of 55% from the EGP4035 million reported in 6M2020/2021. The company's bottom line recorded EGP3203 million for 6M2021/2022, up by 115% from the EGP1491 million reported in 6M2020/2021.

Strong top-line growth during 1H2021/2022 was driven by better urea prices, owing to Abu Qir's continuous plant operation at full utilization rates, resulting in achieving the production plan up by 19% over the plan and a decrease of 0.8% compared to the corresponding period of the last year also achieving the marketing plan up by 10% over the plan and a decrease of 9% compared to the same period of last year as a result of increase in inventory of urea to seize the best opportunities to benefit from high prices in light of the recovery of the nitrogen fertilizer market and the improvement in average prices during 6M2021/2022 as well as as well as the strategy adopted by the company's management to grow revenues through diversifying its product range and maneuvering among target markets to achieve the highest profitability through the recovery in the nitrogen fertilizer market and global surge in urea prices as well as the company's ability to reduce its operating cost and engender cost efficiencies.

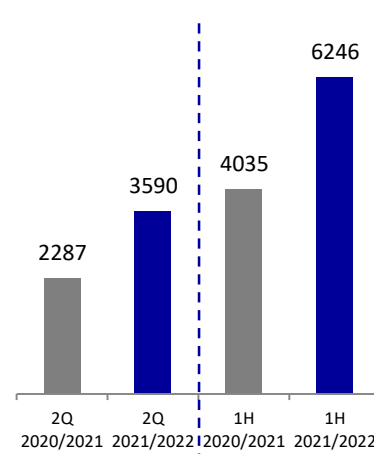
Abu Qir reported a gross profit of EGP 3905 million in 1H2021/2022, up by 145% versus 1H2020/2021 supported by strong revenue & lower COGS to yield a gross profit margin of 63% versus the 40% recorded in same period of previous year.

The increase in total SG&A expense was driven by growth in export expenses as well as increase periodical increments, depreciation and other miscellaneous expenses.

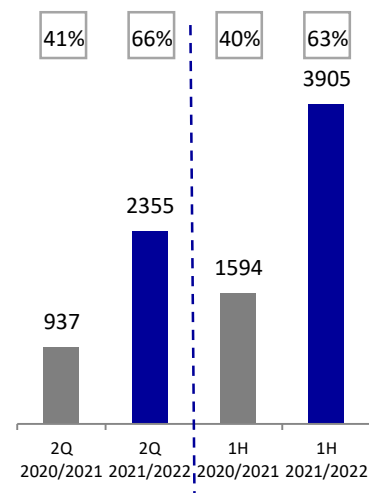
EBITDA rose by 163% y-o-y to EGP 3682 million versus EGP 1401 million recorded for the same period last year.

Abu Qir's EBITDA margin recorded 59% for 1H2021/2022 compared to 35% recorded in 1H2020/2021.

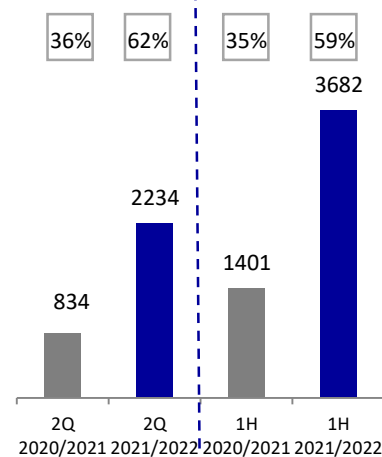
Revenue Progression
(EGP Million)



Gross Profit Progression
(EGP Million, % margin)



EBITDA Progression
(EGP Million, % margin)





Net profit reached EGP 3203 million in 1H2021/2022, up by 115% y-o-y from EGP 1491 million recorded in 1H2020/2021.

The company's net profit margin recorded 51% driven by increasing returns of cash investments for the current period compared to the similar period as a result of the increase in cash investments and an increase in foreign currency exchange gains as well as well managed financial portfolio.

On the other hand, the income tax increased compared to the same period of the previous year as a result of the increase in the net profit before tax, as well as the settlement of tax differences, the increase in the tax of bills and deferred taxes, and the reduction of the tax for the similar period with tax adjustments related to Form 9 (A) withholding.

Balance Sheet

The company reported total project under construction of EGP407 million in 31/12/2021 compared to EGP 272 million in 31/12/2020, including investing expenditures of EGP 159 million in advance payments and letter of credits compared to EGP 119 million in 31/12/2020.

Total shareholders' equity reported EGP 11149 million in 31/12/2021 up to 76% increase compared to EGP 6336 million in 31/12/2020.

Amendments by the new Egyptian Accounting Standards

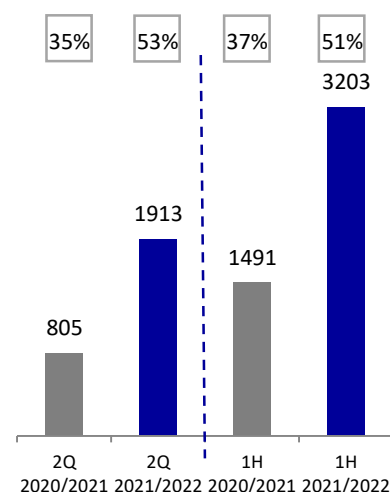
Starting from July 01, 2021 the new Egyptian accounting standards were applied by the decree No. (69) of 2019 of the Minister of Investment and International Cooperation. For more information, please refer to the supplementary notes attached to the Financial Statements as of December 31, 2021.

Overview of Segment Performance

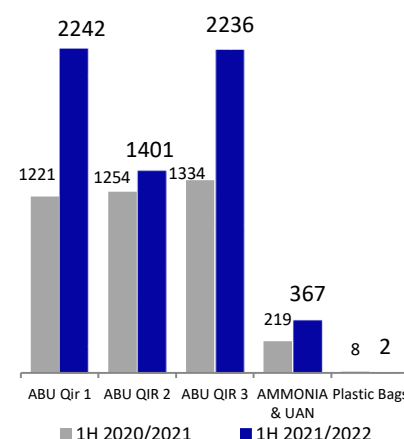
Comparison of 2021/2022 to 2020/2021 six-month period:

- Sales volume of Prilled & Granular Urea decreased by 15% & 13% respectively in 1H2021/2022 compared to 1H2020/2021 due to increase in urea inventory for the sake of seizing the best opportunities to benefit from high urea prices and sales value increased by 84% & 68% respectively due to higher average selling prices (export, local free market & local quota).
- Ammonium Nitrate sales volume increased by 3% in 1H2021/2022 compared to 1H2020/2021 as well as sales value up by 12% due to volume increase as well as higher average local prices (subsidized & free).
- Ammonia sales value increased by 91% in 1H2021/2022 compared to 1H2020/2021 driven by better prices & market demand dynamics and UAN sales volume decreased by 81% driven by operating economics & production preference to achieve high profitability.

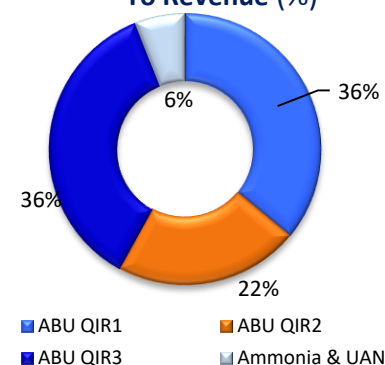
Net Profit Progression
(EGP Million, % Margin)



Revenue Growth by Segment
(EGP Million)



Segment Contribution
To Revenue (%)





Overview of Sectors Performance

Production Sectors

The company continues to operate safely & efficiently across its sectors. During 1H2021/2022, the production sectors succeeded in achieving the production plan for the company's plants, with an increase of 19% over planned and a decrease of 0.8% compared to the corresponding period. This reflects the impact of the highest level of maintenance activity resulting in the continuity of operation, in addition to high qualified, skilled workers as well as the safe and economical operation of plants, which had the effect of improving operational economics and reducing operating costs.

Maintenance Sectors

The company successfully pursued planning & implementation of maintenance plans which impacted on higher utilization rates & continuous operation. Our maintenance plans are as follows:

Abu Qir (1)	Abu Qir (2)	Abu Qir (3)
October 2022	September 2023	May 2022

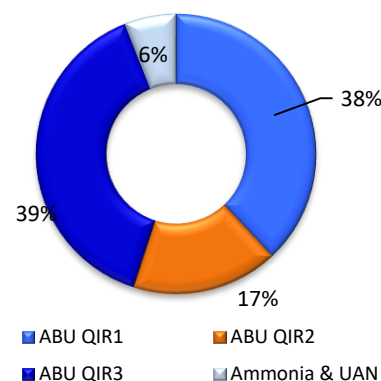
Marketing Sectors

The company succeeded in marketing its products domestically and internationally during the period ending on 31/12/2021, where the number of export clients reached 40 clients from different countries all over the world and the export markets diversified to include 15 countries in addition to expanding the local free market customer to about 54 clients.

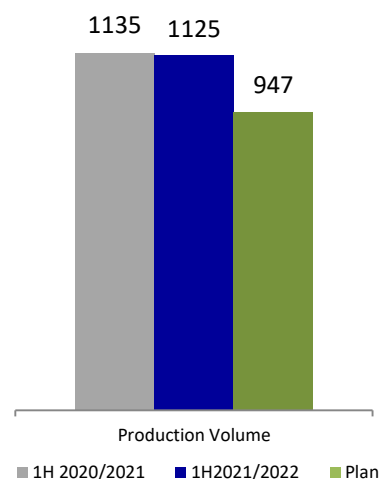
Procurement Sectors

The procurement sectors continue to focus on maximizing operational efficiency as well as enhancing the cost structure by employing strong relationships with a broad and diversified base of local and international suppliers, in addition to maximizing their benefits from large scale economics in order to secure the plants' needs of equipment and raw materials at competitive prices. Abu Qir continues to benefit from the rise in the EGP value and its impact on the improvement of the cost structure meanwhile we are keen for maximizing local manufacturing as possible.

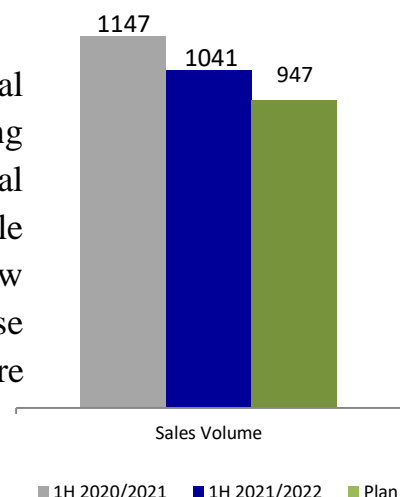
Segment Contribution To Growth Profit (%)



Production Volume product tons (000s)



Sales Volume Product tons (000s)





Financial Overview

Despite the interest rate cut and change in foreign currency exchange rate, the company's management achieved gains through good planning in managing the company's financial portfolio.

On the financing side, the company succeeded in enhancing its benefit from the low interest rates in Egypt through a loan to finance the planned expansions of the project to raise the production capacity of the Abu Qir plant (3), the financing was assigned to the National Bank of Kuwait (NBK) in addition to contacting The Egyptian Environmental Affairs Agency (EPAPIII) to finance part of the needed loan. The company is also working on benefiting from the initiative of the Central Bank to support Egyptian companies during the crisis of the spread of the COVID-19 pandemic outbreak.

In parallel, Abu Qir completed the refurbishment of its upgraded invoicing infrastructure putting the Company in full compliance with the government of Egypt's recently imposed regulations on electronic invoicing. Abu Qir worked closely with the Egyptian Tax Authority as well as other entities to efficiently complete the necessary adjustments, making Abu Qir one of the first companies to complete the transition within the prescribed timeframe.

Human Resource

Abu Qir's average number of employees reached 2653 employees on 31 December 2021, compared to 2699 employees on same period last year, which reflects the company's commitment to maintain appropriate levels of employment in accordance with the operational efficiency rates. In parallel, some workers are rehabilitated for other jobs according to work needs, thus achieving maximum benefit from employment and improving performance. In parallel, Abu Qir continued to invest in its human capabilities through launching the Middle Management Leadership Development Program.

Strategy Insights

Abu Qir Fertilizers continues working to deliver sustainable and diversified growth, while focusing on mitigating the impact of international & domestic updates to achieve its long term targets. Meanwhile, the Company is keen to update the feasibility studies of its projects assigned to high qualified consultants in accordance with international & local updates.



(1) Methanol and Ammonia Project

- Mega complex, operated by “the International Company for Methanol and its Derivatives” that will produce one million tons/year of methanol and 400,000 tons/year of ammonia (first phase), to be established in Suez Canal Economic Zone in Ain Sukhna, at an investment cost of about \$1.6 billion, The joint stock company is owned by Abu Qir Fertilizers Company (35%) and Helwan Fertilizers Company (35%) and Al-Ahly Capital Holding Company (30%). The land contract has been signed with The Suez Canal Economic Zone (SCZone) for an area of 2 million square meters, a contract also was signed with Al-Ahly Capital Holding Company to be assigned as a financial advisor to arrange the necessary financing for the project, which is planned to be financed by 70% debt and 30% equity. In parallel, the economic and market feasibility study for the project is being updated in light of local and global updates. Currently, the PMC contract is being finalized.

(2) Abu Qir (3) Expansion Project

- Investing about \$80-100 million through a loan that will be arranged by the National Bank of Kuwait – Egypt (NBK), to execute the expansion of Abu Qir (3) Plant to raise the production capacity from 1925 tons/day to 2370 tons /day of Urea Granular, where the PDP studies and the initial engineering designs have been completed, the invitation to bid has been issued to EPC contractors, and the bid opening date is first week-March 2022.

(3) The project planned to be established on Rakta Land

- The updates of the marketing and economic feasibility studies performed by Nexant (Advisor & Consulting Co.) are expected to be finalized end of February,2022 for the selection of the best scenarios for the establishment of the project, and the study preliminary indicators are promising. In parallel, the acquisition procedures of the project land owned by the Egyptian General Petroleum Corporation (formerly Rakta Land), are underway.

(4) Al-Wadi for Phosphate Industries and Fertilizers “WAPHCO”

- ABUK holds 10% stake.

(5) Investment in the largest complex for the production of Phosphoric Acid

- ABUK owns 9.5% stake in Abu Tartour Phosphoric Acid Company.

ABUK Stock Performance – 1H2021/2022

Date	Stock Price (EGP)	Trading Volume	Market Cap. (Million EGP)	Total Trading Volume in Q1	Change
01/07/2021	19.21	416,872	24,240	103,715,658	+11.92%
31/12/2021	21.50	571,975	27,130		

On December 31, 2021, the market value of the company exceeded EGP 27 billion up by 11.92% compared to EGP24 billion recorded on July 01, 2021. Also, estimates of ABUK’s Stock target price ranged from EGP25.58 to EGP33 (according to analysts’ research notes).

On January 30, 2022, a research report by Prime Holding Company for Financial Investments stated that **Abu Qir Fertilizers and Chemical Industries Company’s stock came at the top of the 15 best stocks selected for investment in the Egyptian Stock Exchange during 2022**, as part of its expected vision on the economic performance as a whole for the current year.



About Abu Qir Fertilizers and Chemical Industries Company

ABUK was established in 1979. It is the largest company specialized in manufacturing of all types of nitrogen and chemical fertilizers, and related materials necessary for their manufacture, packaging, buying, selling and trading within the Arab Republic of Egypt, or abroad. The company has three factories for the production of ammonia, prilled and granular urea, ammonium nitrate, a unit for the production of liquid fertilizer, in addition to a factory for the production of plastic bags.

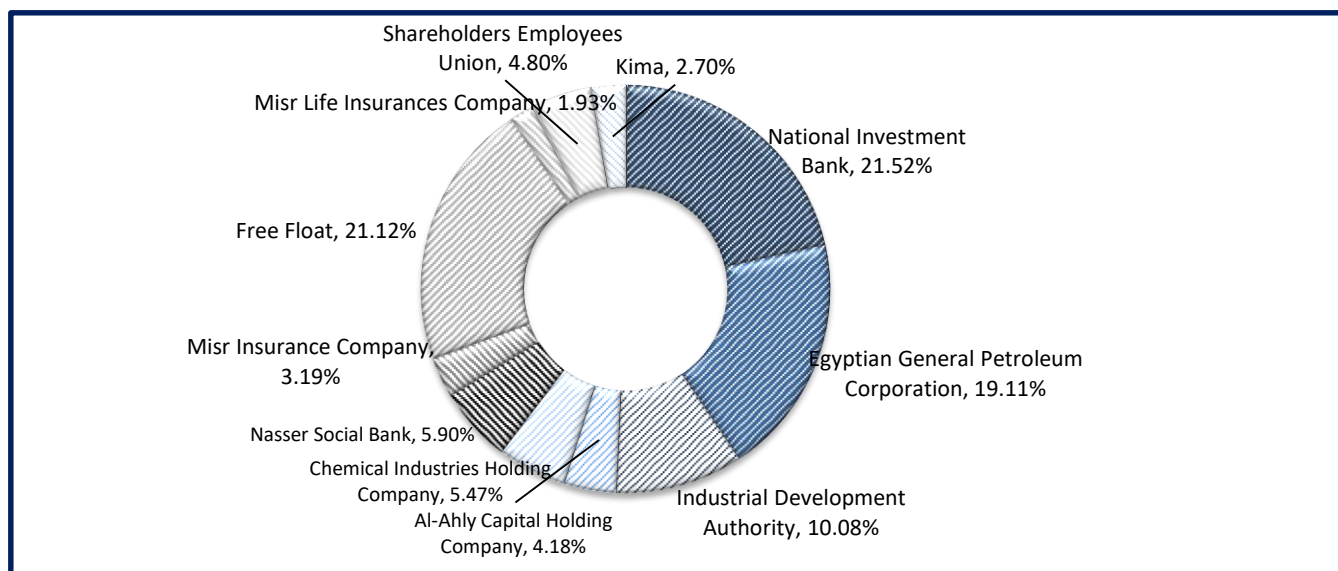
This is in addition to its long history of supporting the Egyptian farmer, through which it was able to maintain its leadership in the nitrogen fertilizer market, not only through its diverse and high-quality fertilizer offerings, but also through its support to the farmer in how to preserve and sustain the soil and achieve maximum benefit from the Fertilization process by contributing to agricultural expansion in cooperation with the Ministry of Agriculture.

Abu Qir Fertilizers Company owns stakes in the following companies:

- Alexandria Fertilizers Company (15%)
- Helwan Fertilizers Company (17%)
- Al Wadi Company for Phosphate Industries and Fertilizers (10%)
- Abu Tartur Company for Phosphoric Acid (9,5%)
- The International Company for Methanol and its Derivatives (35%)

For more information, please visit the company's website: <http://abuqir.net/investors/brief>

Shareholders Structure as of 31 December 2021



To view the complete financial statements and the related disclosures of ABUK, you can download the list from our website <http://abuqir.net/investors/financial>

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