شركة أبو قير للأسمدة
والصناعات الكيماوية

<u>Alexandria, September 03, 2026</u>

To: EGX

Disclosure Sector

Dear Sir,

<u>Kindly Find Attached The English Translation for the Following:-</u>

- Interim Individual Financial Statements for the Financial Period Ended June 30, 2026 and the Accompanying Notes to the Interim Individual Financial Statements.
- Auditor's Report (Hazem Hassan - KPMG) on Limited Review of Interim Individual Financial Statements as of June 30, 2026.

Yours faithfully,

Head, Investor Relations
& Media Sector (IRO)

N Sabbah
03-09-2026

Acc. Nervana Sabbah Oraby

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كيس بريدى مخصوص
الرقم البريدى : ٢١٩١١
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تليفون : ٠٣/٥٦٠٣٠٥٣ (سبع خطوط)
فاكس الإدارة : ٠٣/٥٦٠٣٠٣٢
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تليفون وفاكس : ٠٢/٢٣٩٣٤١٧٦

FERTILIZER FEEDS THE WORLD

Abu Qir Fertilizers and Chemical Industries CO.
Individual Financial Statements For The Financial Period Ended June 30, 2026

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KPMG
Hazem Hassan
Public Accountants & Consultants

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Report on Limited Review of Interim Individual Financial Statements
To: The Board of Director of Abu Qir Fertilizers & Chemical Industries Company (S.A.E)

Introduction

We have performed a limited review for the accompanying interim individual financial statement of Abu Qir Fertilizers & Chemical Industries ("the Company") (S.A.E) as of June 30, 2026, these interim individual financial statements include :

- Individual statement of financial position as of June 30, 2026.
- Individual statement of profit or loss for the three-month period and six-month period ended as of June 30, 2026.
- Individual statement of comprehensive income for the three-month period and six-month period ended as of June 30, 2026.
- Individual statement of changes in equity for the six-month period ended as of June 30, 2026.
- Individual statement of Cash flows for the six-month period ended as of June 30, 2026.
- The accompanying notes to interim individual financial statement.

Management is responsible for the preparation and fair presentation of these interim individual financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim individual financial statements based on our limited review.

Scope of limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements (2410), "Limited Review of interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim individual financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim individual financial statements of Abu Qir fertilizer & Chemical industries company (S.A.E) do not present fairly, in all material respect, the financial position of Abu Qir fertilizer & Chemical Industries Company (S.A.E) as of June 30, 2026, its financial performance and its cash flows for the six-months then ended in accordance with the Egyptian Accounting Standards.

Other matters

We draw attention to the fact that no limited review report was issued on the comparative figures for the individual statements of profit or loss and comprehensive income, changes in equity and cash flows, and the related notes.

M. Hassan

KPMG Hazem Hassan
Public Accountants and Consultants
(2)

Mohamed Hassan Mohamed Youssif
Registered in Auditor's register of the
Financial Regulatory Authority under No. (400)
KPMG Hazem Hassan
Public Accountants and Consultants

Cairo August 12, 2026

Abu Qir Fertilizers and Chemical Industries Company "S.A.E."
Individual Statement of Financial Position As of June 30, 2026

EGP	Note No.	30 June 2026	31 December 2025
Assets			
Non-current assets			
Fixed assets	(4)	2 327 759 587	2 325 615 386
Intangible assets	(5)	9 001 256	9 601 212
Assets under construction	(6)	934 887 262	666 901 945
Intangible assets under progress	(7)	772 825	769 850
Investment property	(8)	500 718	500 718
Investments in associate (Equity Method)	(9)	5 106 785 836	5 250 041 007
Due from related parties	(13)	235 939 201	68 811 339
Deferred tax assets	(23)	38 295 103	-
Other financial assets	(10)	412 441 167	394 692 470
Financial assets at amortized cost	(16)	2 338 832 725	-
Total non-current assets		**11 405 215 679**	**8 716 933 928**
Current assets			
Inventories	(11)	3 836 506 627	3 337 375 309
Trade and notes receivables	(12)	775 898 889	363 994 192
Due from related parties	(13)	7 018 319	1 016 261
Suppliers – Advance payments	(14)	515 245 850	368 550 228
Debtors and other debit balances	(15)	202 677 457	357 164 075
Financial assets at amortized cost	(16)	1 666 841 369	2 387 005 439
Cash and cash equivalents	(17)	18 460 010 886	17 073 138 937
Total current assets		**25 464 199 397**	**23 888 244 441**
Total assets		**36 869 415 076**	**32 605 178 370**
Equity			
Issued and paid-up capital	(18)	1 892 813 580	1 892 813 580
Legal reserve	(19)	946 406 790	946 406 790
Other reserves	(20)	5 885 618 774	5 884 200 774
Revaluation Reserve	(21)	3 878 778 891	3 532 163 432
Retained earnings	(22)	16 858 594 774	10 986 255 725
Total equity		**29 462 212 810**	**23 241 840 301**
Liabilities			
Non-current liabilities			
Pension benefits liabilities	(27)	702 651 753	671 343 919
Deferred tax liabilities	(23)	-	89 078 640
Total non-current liabilities		**702 651 753**	**760 422 559**
Current liabilities			
Suppliers	(24)	529 267 936	281 546 795
Due to related parties	(25)	1 237 763 038	1 578 492 001
Customers advance payment - contract liabilities	(26)	361 129 042	229 423 152
Pension benefits liabilities	(27)	74 516 100	78 683 230
Creditors and other credit balances	(28)	1 226 663 662	4 269 836 032
Current income tax	(29)	2 522 552 681	1 579 513 979
Provisions	(30)	752 658 055	585 420 321
Total current liabilities		**6 704 550 514**	**8 602 915 510**
Total liabilities		**7 407 202 267**	**9 363 338 069**
Total equity and liabilities		**36 869 415 076**	**32 605 178 370**

The accompanying notes from (1) to (49) form an integral part of these individual financial statements and to be read therewith.

H. Dahy

Head of financial sector
Accountant: Mohamed Abd ElMoniem

Chariman and managing director
Eng. Hany Dahy

Abu Qir Fertilizers and Chemical Industries Company "S.A.E."
Individual Statement of Profit or Loss for the period ended June 30, 2026

EGP	Note No.	The six months ended June 30, 2026	The three months ended June 30, 2026	The six months ended June 30, 2025 Restated and Reclassified	The three months ended June 30, 2025 Restated and Reclassified
Operating revenue	(31)	23 524 557 129	13 991 130 366	12 666 528 690	6 022 146 926
Cost of sales	(32)	(10 552 992 790)	(6 202 317 283)	(6 587 314 954)	(3 263 454 794)
Gross profit		**12 971 564 340**	**7 788 813 083**	**6 079 213 736**	**2 758 692 132**
Other income	(33)	124 167 997	12 084 914	191 317 686	44 331 860
Selling and marketing expenses	(34)	(1 211 721 401)	(823 682 502)	(697 031 334)	(376 419 968)
General and administrative expenses	(35)	(511 724 353)	(257 106 423)	(372 499 777)	(101 029 672)
Other expenses	(36)	(263 182 789)	(115 975 768)	(444 312 396)	(387 103 747)
Expected credit losses and impairment of assets	(37)	(385 757 681)	(304 280 676)	(26 258 354)	(7 250 232)
Operating profit		**10 723 346 113**	**6 299 852 629**	**4 730 429 561**	**1 931 220 373**
Finance income	(38)	1 045 538 802	471 048 855	906 185 028	501 551 309
Finance cost	(39)	(65 912 276)	(34 628 124)	(2 719 225)	(1 706 375)
Foreign currency exchange gains /(losses)	(40)	12 071 285	(1 739 552 603)	(478 843 542)	(408 741 461)
Net financing income		**991 697 810**	**(1 303 131 871)**	**424 622 261**	**91 103 473**
Share of profit of investments equity method	(41)	942 853 070	460 279 841	625 981 291	241 318 918
Net profit for the period before income tax		**12 657 896 993**	**5 457 000 598**	**5 781 033 113**	**2 263 642 764**
Income tax expense	(42)	(2 646 377 087)	(1 078 660 810)	(1 212 617 127)	(478 370 968)
Net profit for the period		**10 011 519 905**	**4 378 339 788**	**4 568 415 986**	**1 785 271 796**
Basic earnings per share	(43)	**6.76**	**2.95**	**3.05**	**1.15**

The accompanying notes from (1) to (49) form an integral part of these individual financial statements and to be read therewith.

Abu Qir Fertilizers and Chemical Industries Company "S.A.E."

Individual Statement of Comprehensive Income for the period ended June 30, 2026

EGP

	Note No.	The six months ended June 30, 2026	The three months ended June 30, 2026	The six months ended June 30, 2025 Restated and Reclassified	The three months ended June 30, 2025 Restated and Reclassified
Net profit for the period		**10 011 519 905**	**4 378 339 788**	**4 568 415 986**	**1 785 271 796**
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency Translation differences of Investments at Equity Method	(21)	346 615 459	(184 446 523)	(15 396 114)	10 559 779
		346 615 459	**(184 446 523)**	**(15 396 114)**	**10 559 779**
Items that will not be reclassified to profit or loss					
Actuarial loss from defined benefits plan liabilities		-	-	(131 939 583)	(131 939 583)
Tax related to	(42)	-	-	29 686 406	29 686 406
		-	**-**	**(102 253 177)**	**(102 253 177)**
Total comprehensive income (loss)		**346 615 459**	**(184 446 523)**	**(117 649 291)**	**(91 693 398)**
Total comprehensive income for the period		**10 358 135 365**	**4 193 893 265**	**4 450 766 695**	**1 693 578 398**

The accompanying notes from (1) to (49) form an integral part of these individual financial statements and to be read therewith.

Abu Qir Fertilizers and Chemical Industries Company "S.A.E."
Individual Statement of Changes in Equity for the period end June 30, 2026

EGP

	Share capital	Legal reserves	Other reserves	Revaluation differences reserves	Retained earnings	Total
Balance as at January 1, 2025	**1 892 813 580**	**946 406 790**	**5 848 194 574**	**9 566 592 843**	**9 353 937 108**	**27 607 944 895**
Adjustments of prior Years	-	-	-	(6 676 584 768)	(3 105 648 288)	**(9 782 233 056)**
Balances at January 1.2025 - restated	**1 892 813 580**	**946 406 790**	**5 848 194 574**	**2 890 008 076**	**6 248 288 820**	**17 825 711 840**
Comperhensive income						
Net profit for the period	-	-	-	-	**4 568 415 986**	**4 568 415 986**
Other comperhensive income	-	-	-	**(117 649 291)**	**-**	**(117 649 291)**
Total Comperhensive income	**-**	**-**	**-**	**(117 649 291)**	**4 568 415 986**	**4 450 766 695**
Employees and Board of directors' members dividends (associate company)	-	-	-	**-**	**(206 702 050)**	**(206 702 050)**
Balance as at June 30, 2025	**1 892 813 580**	**946 406 790**	**5 848 194 574**	**2 772 358 785**	**10 610 002 756**	**22 069 776 485**

	Share capital	Legal reserves	Other reserves	Revaluation differences reserves	Retained earnings	Total
Balance as at January 1, 2026	**1 892 813 580**	**946 406 790**	**5 884 200 774**	**3 532 163 432**	**10 986 255 725**	**23 241 840 301**
Comperhensive income						
Net profit for the period	-	-	-	-	10 011 519 905	**10 011 519 905**
Other comperhensive income	-	-	-	346 615 459	-	**346 615 459**
Total comperhensive income	**-**	**-**	**-**	**346 615 459**	**10 011 519 905**	**10 358 135 365**
Transferred to reserves	-	-	1 418 000	-	(1 418 000)	**-**
Transactions with owners of the company and employees						
Employees and Board of directors' members dividends	-	-	-	-	(1 018 000 000)	**(1 018 000 000)**
Shareholders' dividends	-	-	-	-	(2 902 314 156)	**(2 902 314 156)**
Total transactions with the owners of the Company and employees	**-**	**-**	**-**	**-**	**(3 920 314 156)**	**(3 920 314 156)**
Employees and Board of directors' members dividends (associate company)	-	-	-	-	**(217 448 700)**	**(217 448 700)**
Balance as at June 30, 2026	**1 892 813 580**	**946 406 790**	**5 885 618 774**	**3 878 778 891**	**16 858 594 774**	**29 462 212 810**
Note No.	(18)	(19)	(20)	(21)	(22)	

The accompanying notes from (1) to (49) form an integral part of these individual financial statements and to be read therewith.

Abu Qir Fertilizers and Chemical Industries Company "S.A.E."
Individual Statement of Cash Flows for the period ended June 30, 2026

EGP	Note No.	30 June 2026	30 June 2025
First: Cash flows from operating activities:			
Net profit for the period before income tax		12 657 896 993	5 781 033 115
Adjustment:			
Deprecation of fixed assets and Amortization intangible assets		116 975 665	62 615 513
Employee Benefits (Current Service for Medical Benefits)		310 975	(6 257 543)
Interest expense for employee benefits		61 409 198	33 223 934
Finance cost		4 503 078	(2 719 225)
Expected credit loss		385 757 681	26 258 354
Capital gain		(2 027 400)	(31 006 200)
Share of profit of investments equity method		(942 853 070)	(625 981 291)
Interest income from loans to related parties		(5 027 823)	-
Finance income		(421 780 954)	(640 845 933)
Interest income from treasury bills		(618 730 025)	(232 115 161)
Net foreign currency exchange gain/ (losses)		(12 071 285)	478 843 542
		11 224 363 034	**4 843 049 105**
Changes In			
Inventories		(499 131 318)	535 970 546
Trade and Notes receivables		(442 008 506)	60 343 306
Debtors and other debit balances		153 056 670	(44 650 462)
Suppliers – Advance payments		(131 908 877)	(360 737 549)
Due from related parties		(29 827 212)	(100 801 136)
Suppliers		247 721 141	403 244 372
Due to related parties		(340 728 963)	(871 737 261)
Customers advance payment - contract liabilities		131 705 890	(292 125 582)
Creditors and other credit balances		77 762 301	297 440 450
Provision short term		167 237 734	18 954 513
Pension plan liabilities		-	6 480 316
Cash flow from operating activities		**(666 121 139)**	**(347 618 487)**
Tax paid		(1 306 994 404)	-
Finance cost paid		(4 503 078)	2 719 225
Employees and Board of directors' members dividends		(1 018 000 000)	-
Net Cash flows from operating activities No. (1)		**8 228 744 412**	**4 498 149 843**
Second: Cash flows from investing activities:			
Payment for acquisition of Fixed assets and assets under construction		(386 508 202)	(460 759 681)
Proceeds from sale of fixed assets		2 027 400	31 006 200
Payment of investments dividends (Equity Method)		1 114 082 000	991 507 866
Investment in associate		(22 325 000)	-
Payment of loan for related parties		(155 408 184)	-
Net investments treasury bills		1 278 042 358	518 348 183
Net (paid/received) investments at amortized cost		(2 815 469 774)	-
Intrest income proceeds		409 754 052	642 538 480
Net cash flows from investing activities No. (2)		**(575 805 350)**	**1 722 641 048**
Third: Cash flows from financing activities			
Shareholder dividend paid		(6 276 105 604)	(3 155 253 258)
Net Cash Flows from Financing Activities (3)		**(6 276 105 604)**	**(3 155 253 258)**
Net Change in cash and cash equivalents (1) + (2) + (3)		**1 376 833 457**	**3 065 537 633**
Cash & cash equivalent at the beginning of the year		**17 099 800 591**	**18 597 727 270**
Effect of change in exchange rates on foreign currencies		12 071 285	(478 843 542)
Proceeds interest from deposits		20 783 762	36 531 877
Expected credit loss	(37)	(49 478 210)	(79 603 166)
Cash balance at banks		**18 460 010 886**	**21 141 350 072**
Deduct:			
Restricted deposits and cash covered against letters of credit		**(1 670 112 193)**	**(1 744 673 547)**
Cash & cash equivalent available for use	(17)	**16 789 898 693**	**19 396 676 525**

The accompanying notes from (1) to (49) form an integral part of these individual financial statements and to be read therewith.

1- Company overview

1-1 Legal entity

Abu Qir Fertilizers and Chemical Industries Company (S.A.E.) was incorporated according to Ministerial decision no.374 of 1976 under applicable laws (law no. 60 of 1971, law no. 111 of 1975), The company was registered in the commercial register under no. 87560 on July 20, 1976. Then it was subject to Law 97 of 1983 regarding public sector companies, then it was subject to Law 203 of 1991, then it was transformed into Law 159 of 1981, effective August 1, 1996, the date of publication of the company's by-laws in the Companies Gazette. The company has been listed on the Egyptian Stock Exchange since 1996.

1-2 Company's purpose

Manufacturing all types of fertilizers, chemicals and other related materials or derived from it or materials which are necessary for its manufacturing, packing, purchasing, and selling for both domestic and global market and pursuing the entire operations and activities which are related to mentioned purpose.

- The Company's duration is 30 years, and it was extended for 30 years more starting from July 20, 2006, the date that the company has been reregistered in commercial register according to extraordinary general assembly meeting held on June 10, 2006.
- The company's headquarters is located in Tabeyah – Rasheed Line – Alexandria.
- The company's Chairman and Managing Director is Engineer Hany Sayed Mohamed Dahy.

2- Basis for preparation of financial statements

The financial statements have been prepared on going concern basis and on the historical cost basis except for the assets and liabilities which are stated later at fair value through profit and loss, or other comprehensive income, or amortized cost.

2-1 Compliance with accounting standards and laws

- The financial statements are prepared in accordance with the Egyptian Accounting Standards and relevant laws and regulations.
- The significant policies applied in the company were disclosed in the disclosure No. (3).
- Board of directors approved the financial statements on July 29, 2026.

2-2 Functional and reporting currency

The financial statements are prepared and presented in Egyptian pound which is the functional and reporting currency for major and significant operating transactions activities in the company.

2-3 Use of estimates and assumptions

The preparation of the financial statements in conformity with Egyptian Accounting Standards requires management to make professional judgments, estimates and assumptions that may affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and underlying assumptions are based on historical experience and various other factors. Actual results may differ from these estimates.

- The estimates and underlying assumptions are reviewed on an ongoing basis.
- Changes of accounting estimates are recognised in the period in which the estimate is revised. If the modify affects the period under modification and future periods.

A- Professional judgement

Information about the judgments used in applying accounting policies that have a significant impact on the amounts presented in the financial statements is included as follows:

- Provisions and contingent liabilities.
- Fixed assets useful lives.
- Revenue recognition in accordance to the stated applicable accounting policies.
- Impairment measurement of assets.
- Pension benefits liabilities

B- Estimation and Assumptions Uncertainty

Information regarding uncertain assumptions and estimates at the date of the financial statements, which may result in a material adjustment to the assets and liabilities book values in the next financial period is represented in:

- Revenue recognition and sales returns accruals recognition (if any).
- Provisions and contingent liabilities recognition and measurement (likelihood and magnitude of resources).
- The expected credit losses measurement of financial assets.
- Deferred tax assets recognition.
- Impairment of investments in Associates.
- Recognition and measurement of pension benefits liabilities.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the company estimates the recoverable amount of the asset.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. And when determining the fair value less cost of sale, market transactions are taken into consideration.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extend that it does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provisions

Provisions are recognized when there is a present (legal or constructive) obligation as a result of past events, requires future cashflow, and it is probable that a cash outflow will be required to settle the obligation and It can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into consideration the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

In the event that some or all of the economic benefits of the provisions are expected to be recovered from a third party, the amount due is recognized as an asset if it is certain that the amount will be recovered and the value of the amount due can be measured reliably.

Useful lives of fixed assets

The management determines the estimated useful life of the fixed assets for the purpose of calculating depreciation. This estimation is made after taking into consideration the expected use of the asset or actual obsolescence. The management reviews the useful life at least annually and the method of depreciation to ensure that the method and periods of depreciation are consistent with the expected pattern of economic benefits for assets.

Lease contracts

The company cannot easily determine the implicit interest rate in the lease contracts, and therefore it uses the incremental borrowing rate to measure the lease liability. The incremental borrowing rate is the interest rate that the company must pay in order to borrow the necessary financing over a similar term and with a similar guarantee to obtain an asset with the same right of use assets value in a similar economic environment. The additional borrowing rate reflects what the company must pay, which requires estimation when market interest rates are not available or when they need to be amended to reflect the terms and conditions of the lease contract.

Current deferred tax assets and liabilities recognition and measurement

The current and deferred income tax are determined in accordance with the requirements of the tax law.

The company's profits are subject to income taxes, which require the use of estimates to determine the total income tax liability.

Since, final tax amounts are difficult to be determined certainly through accounting period the company establishes the current tax liability according to estimates of the extent to which the transactions are finally subject to tax, as well as the extent of the possibility of additional tax arising upon tax examination, and when there are differences between the final tax result and the amounts previously recorded, those differences are recognized in the income tax and current tax liability in the period in which those differences become clear , it is considered as changes in accounting estimates.

In order to recognize deferred tax assets, management uses assumptions about the availability of sufficient future tax profits to allow the use of the recognized deferred tax assets. Management uses assumptions related to determining the tax rate enacted on the date of the financial statements, which is expected that both balances of tax assets and liabilities will be settled in the future based on it.

This process requires the use of multiple and complex estimates in estimating and determining the taxable bases and the temporary deductible and taxable tax differences resulting from the difference between the accounting basis and the tax basis for some assets and liabilities, in addition to estimating the possibility of using deferred tax assets arising from carried forward tax losses, in light of making estimates of future tax profits and future plans for each of the company's activities.

C- Fair value measurement

Fair value is the price that would be obtained to sell an asset or that would be paid to transfer a liability in an fair transaction between market participants or on the measurement date. The fair value measurement is based on the assumption that the transaction for selling the asset or transferring the liability will occur either in the underlying market for the asset or liability, In the absence of a primary market for the asset or liability.

The fair value of an asset or liability is measured using the assumptions used by market participants when pricing the asset or liability, assuming that market participants will act in their economic interest.

Measuring the fair value of a non-financial asset takes into consideration the ability of the market participant in generating economic benefits by using the asset to its best and best use.

The company uses valuation methods that are considered appropriate according to the circumstances and for which sufficient information is available to measure fair value while maximizing the benefit of relevant observable inputs and limiting unobservable inputs the usage.

All assets and liabilities that are measured or disclosed in the financial statements at fair value are classified into categories based the fair value hierarchy.

3- Significant accounting policies

The financial statements were prepared using the same accounting policies followed continuously except for using the equity method in recognizing investment in associates instead of cost method as clarified in note 49.

3-1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (Egyptian Pound) at the current exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate as of the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. While items of non-monetary nature that are measured at fair value in a foreign currency are translated using the spot rates prevailing on the date on which the fair value is determined.

In general, currency differences are recognized in profits and losses, with the exception of currency differences resulting from translation, which are recognized in other comprehensive income items.

3-2 Revenue from contracts with customers

Revenue recognition depends on the following five steps:

1) Determine the contract with the customer
2) Determine the contractual obligation to transfer goods and/or services (known as performance obligations)
3) Determine the transaction price.
4) Allocating the transaction price to each performance obligation on the basis of the stand-alone selling price of each good or service, and
5) Recognize revenue when the performance obligation is satisfied.

Revenue recognition

The only performance obligation is to deliver the quantities sold to its customers, whether local or export, as according to the contracts with customers, The company transfers control over the goods sold to customers according to the following:

- **Local sales:** The date on which the goods were authorized to leave the company's gates.
- **Export sales:** according to shipping terms, which is usually the date of shipment at the port.

The consideration is measured at the fair value of the consideration received or due to the entity when there is sufficient expectation that there will be future economic benefits that will flow to the entity, and that the value of this revenue can be measured accurately, and no revenue is recognized in the event that it no probable consideration that the consideration for this revenue will be recovered or its associated costs.

3-3 Investment income

The investments income is recognized in the statement of profit and loss on the date under equity method.

3-4 Investment gain

Gains from the sale of financial investments are recognized immediately upon receipt of evidence of the transfer of ownership to the buyer, based on the difference between the selling price and their book value on the date of sale. Gains are recognized in the statement of profits or losses on the date the right to receive those distributions.

3-5 Finance income and finance costs

Finance income and costs include the following:

- Interest income
- Dividends
- Interest expense
- Gains or losses on currency differences of financial assets and liabilities.

Interest income and interest expense are recognized using the effective interest rate of the amortized cost of the financial asset.

3-6 Income tax

Current tax and deferred tax are recognized as income or expense in the statement of the profits or losses of the period, except in cases where the tax arises from a process or event that is recognized in the same period or in a different period outside the profits or losses, whether in other comprehensive income or within equity directly or business combinations (If any).

Current income tax

Current taxes for the current period and previous periods that have not been paid are recognized as a liability. However, if the taxes that have already been paid in the current period and previous periods exceed the value due for these periods then this increase is recognized as an asset, and the values of the current tax liabilities (assets) for the current period are measured and previous periods at the value expected to be paid to (recovered from) at the end of the financial period. Dividends are subject to tax as part of the current tax, and no offset of tax assets and liabilities is made except when certain conditions are met.

Deferred tax

Deferred tax is recognized for temporary differences between the book value of assets and liabilities and the tax basis for those assets and liabilities. Deferred tax is recognized for all temporary differences that are expected to be subject to tax, except for the following:

The initial recognition of the asset or process that is neither a business combination nor affect the net accounting profit or the tax profit (tax loss).

Temporary differences associated with investments in subsidiaries, associate companies, and shares in joint ventures, to the extent that it is possible to control the timing of the reversal of such temporary differences, and it is likely that such differences will not reverse in the foreseeable future.

The tax asset arising from the carry forward of tax losses, the right to an unused tax deduction, and deductible temporary differences are recognized. When there is a strong possibility that taxable profits can be achieved in the future through which this asset can be used. The future tax profit is determined by the company's future business plan. The position of deferred tax assets that were not previously recognized is re-estimated to the extent that it has become more likely in the future that there will be a tax profit that allows the value of the deferred tax asset to be absorbed.

Deferred tax is measured using the tax rates expected to be applied when the temporary differences are achieved, using the tax rates in effect or about to be issued.

When measuring the deferred tax at the end of the financial period, the tax implications of the procedures followed by the company to recover or pay the balance of its assets and liabilities are taken into consideration.

Deferred tax assets and liabilities are not offset except when certain conditions are met.

3-7 Fixed assets and depreciation

A- Initial recognition and measurement

Fixed assets are recognized at historical cost, less accumulated depreciation and accumulated impairment losses. If the essential components of an item of fixed assets have different useful lives, they are accounted for as separate items (main components) within those fixed assets, and the gains and losses from the disposal of the fixed assets are recognized in the profits or losses.

B- Subsequent costs

Any subsequent cost to the acquisition will be capitalized only if there is an increase in the future economic return. The cost of periodic maintenance is recognized as an expense in the statement of profit and loss. Also, strategic spare parts (main) as well as spare equipment are suitable as fixed assets when the entity expects to use them within more than one period (that is, when they meet the definition of fixed assets).

C- Depreciation

Depreciation is charged to statement of profits or losses on a straight-line basis over the estimated useful lives of each type of asset except for land. Depreciation begins for the asset when it is ready for use for the purpose for which it was intended. The following is a statement of the depreciation rates for each type of fixed assets for the purpose of calculating depreciation:

Assets	Depreciation Rates
Buildings, construction, and facilities	2% - 6%
Production equipment and machineries	5% - 11%
Machineries for Plastic Bags Plant	4% - 6%
Vehicles and means of transportation	10% - 20%
Tools and equipment	7.5% - 10%
Furniture and office equipment	10%
Computers	25%
Photocopiers	17%
Catalyst Abu Qir Plants	10% - 33%

D- Capital gain or loss

Gains and losses from disposal of fixed assets are determined by comparing net disposal proceeds of an asset to its net book value after deduct salvage value. Gains and losses are recognized in capital gain or loss through other income or other expense in statement of profits or losses.

3-8 Assets under construction

Assets under construction are recognized at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use which include inspection cost related to the proper operation of the asset. Assets under construction are transferred to fixed assets caption when they are completed and are ready for their intended use.

3-9 Intangible assets

Intangible assets acquired individually are initially recognized at cost, and after the initial recognition, intangible assets are recognized at cost, less accumulated amortization and accumulated impairment losses. Internally generated intangible assets are not capitalized as an asset, and expenses are recognized in the statement of profits or losses in the period in which they are spent Expenses. The useful lives of intangible assets are determined, either with a finite life or indefinite life. Intangible assets with a finite life are amortized over their specified life and are evaluated for impairment purposes when there is an indication that the intangible asset may be impaired, and the amortization expense is charged to the statement. The profits or losses are also reviewed periodically.

The estimated useful lives and the method of amortization. Amortization of intangible assets is calculated on a straight-line method over the useful life of the asset.

3-10 Investment properties

Investment properties are measured at cost, which includes the consideration price, and any direct expenses related to it. The fair value of assets classified as investment properties are also disclosed.

3-11 Investments accounted for using equity method

Investments accounted for using the equity method consist of company's shares in associates. Associates are entities over which the company has significant influence over financial and operating policies, but not control or joint control.

A joint venture is a joint arrangement in which the company has joint control and rights to the net assets of the arrangement.

Investments in associates are accounted for using the equity method, whereby the initial recognition is made at cost, including any directly attributable acquisition costs. Subsequently, the carrying amount of the investment is adjusted to recognize the company's share of the profit or loss and other comprehensive income of the investee, up to the date when significant influence is no longer exist.

3-12 Financial instruments

Financial assets

Classification

The Company classifies its financial assets into the following measurement categories, in accordance to companies business model in operating those assets and the contractual cashflow terms:

- Financial assets at fair value through other comprehensive income or profit or loss.
- Financial assets measured at amortized cost.

For financial assets measured at fair value, gains and losses will be recorded either in the statement of profit or loss or in other comprehensive income.

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the initial recognition of accounting for these investments to be at fair value thorough other comprehensive income.

The Company reclassifies its investments when and only when its business model for managing those assets changes.

Recognition and derecognition

The method of buying and selling financial assets, on the trade date, which is the date on which the Company has a commitment to buy or sell the financial asset. A financial asset is derecognized when the contractual rights to receive cash flows from the financial asset expire, or those rights are transferred in a transaction in which substantially the control over the financial asset have been transferred.

Measurement

On initial recognition, the Company measures the financial asset (in the case of a financial asset not at fair value through profit or loss statement) at its fair value plus or minus transaction costs directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at fair value through profit or loss are expensed in the statement of profit or loss.

Debt instruments:

The subsequent measurement of debt instruments depends on the company's business model for managing the asset and characteristics of cash flow of the asset, there are three measurement categories by which the Company classifies debt instruments:

Amortized cost

Assets held to maturity date to collect contractual cash flows, where those cash flows represent only payment of original amount and interest, are measured at amortized cost. Interest income from these financial assets is included in financing income using the effective interest rate method. Any gains or losses resulting from the disposal of investments are recognized directly to the statement of profit or loss, and they are classified under other income / (expenses). Impairment losses are presented as a separate item in the statement of profit or loss.

Fair value through other comprehensive income

Assets held for the purpose of collecting contractual cash flows and also for the purpose of selling financial assets, where the cash flows of assets represent only payment of original amount and interest, are measured at fair value through other comprehensive income. Changes in carrying amount are taken into other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When the financial asset is disposed of, the cumulative gain or loss previously recognized in other comprehensive income from equity is reclassified to profit or loss and recognized in other income/(expenses). Interest income from these financial assets is included in financing income using the effective interest rate method, and impairment loss is presented as a separate item in the statement of profit or loss.

Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in statement of profit or loss and are presented under other income / (expenses) in the period in which they arise.

Equity instruments

The Company subsequently measures all investments in equity instruments at fair value. When the company's management chooses to present the fair value gains and losses on investments in equity instruments in the statement of other comprehensive income, it cannot subsequently reclassified to the statement of profit or loss after disposal of the investment. Dividends from these investments continue to be recognized in the statement of profit or loss as dividends from the finance income when the company's right to receive dividends is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other income/(expenses) in the statement of profit or loss. Impairment losses (and reversals of impairment losses) on investments in equity instruments that are measured at fair value through other comprehensive income are not recognized separately from other changes in fair value.

Impairment of financial assets

The expected credit loss model requires the company to recognize an allowance for doubtful accounts on all financial assets carried at amortized cost (including, for example, "receivables"), as well as debt instruments classified as financial assets at fair value through Other comprehensive income. (for example, treasury bills held for liquidity purposes) and instruments that fall within the scope of the new requirements include loans and other debt-type financial assets measured at amortized cost and at fair value through other comprehensive income, contract assets that are recognized and measured in accordance with the standard, loan commitments and some financial guarantee contracts (of the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on a credit loss event identified by the company for the first time. Instead, the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and in this case, the expected credit losses are recognized over a period of 12 months.
financial instruments that have deteriorated significantly in credit quality since initial recognition or that have not low credit risk (Stage 2'). In this case, the expected credit losses are recognized over the expected life of the financial asset. ('Stage 3') would cover financial assets that have objective evidence of impairment accordingly the company must measure – at each financial reporting date - the expected credit loss of the financial instrument with an amount equivalent to the expected credit losses over the life of the financial instrument

12-months ECL "Stage 1" is recognized over a period of 12 months, while lifetime ECL "Stage 2" and "Stage 3" are recognized over the life of the financial asset.

Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

Presentation of expected credit loss

Allowances losses related to financial assets measured at amortized cost are deducted from the carrying amount of the assets.

The impairment losses in value are presented separately in the statement of profit or loss.

Assessment of the expected credit losses of receivables and other trade receivables balances.

The company applies simplified approach for measuring expected credit losses, which uses a lifetime expected loss allowance, an example of a practical method is the calculation of expected credit losses from amounts receivable from trade receivables using the allowance matrix.

The company uses its historical credit loss experience to estimate 12-month ECL or lifetime ECL on financial assets as appropriate.

Financial assets measured at amortized cost

The expected loss rates are based on the payment profiles of receivables over a period of 12 months before each reporting period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and future information on macroeconomic factors affecting the ability of the customers to settle the receivables balances.

The expected loss approach divides the total amount of the loss model into the following parts: Probability of Default, Loss Given Default, Exposure at Default. These are briefly described below:

Loss Given Default: This is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including -any collateral. It is usually expressed as a percentage of the LGD.

Probability of Default: the likelihood of a default over a particular time horizon.

Default exposures: represent an estimate of exposure at a future default date, considering expected changes in exposure after the reporting date, including repayment of principal and interest and expected withdrawals related to the obliged facility.

The company uses a lifetime default probability model to measure impairment. These models incorporate information from the current credit cycle and assess risk at a specific point in time. The structure of a lifetime default probability model can be used to measure credit deterioration and initiate the likelihood of default when calculating provisions. Furthermore, by calculating expected lifetime credit losses and correctly converting the inputs, the cash flows, total carrying amount, loss provision, and amortized cost of the financial instrument can be predicted and then calculated.

Macroeconomic Weighted Average Scenarios

The Company includes macroeconomic factors of gross domestic products (GDP) to develop multiple scenarios for the purpose of realizing most likely outcome using worst- and best-case scenarios. The scenario-based analysis incorporates future information included in s the impairment estimation using multiple future macroeconomic scenarios. The estimate of expected credit losses reflects an unbiased probability-weighted amount that is determined by evaluating the possible outcomes.

After amending inputs of the model for the above-mentioned macroeconomic scenarios, **Probability of Default** of each scenario is calculated and then weighted average **Probability of Default** is calculated-based on the likelihood of scenarios-. In the last step, a weighted average lifetime ECL -based on the likelihood of the scenarios is determined.

Definition of default

In the above context, the company - default takes place when:

- The customer is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as collecting collateral (if any is held by the company);
- The defaulting customer is more than 360 days past due on any -significant credit obligation to the company. Since the business sectors usually suggest that such a period fairly represents default scenario for the company, therefore this rebuts the presumption of 90 days mentioned in the standard. The carrying amount of the asset is reduced using the above model and the loss is recognized in the statement of profit or loss. Receivables, together with the associated allowance are written off when there is no realistic prospect of future recovery thereof, and all collaterals were realized or transferred to the company. If in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced. If a write-off amount is later recovered, the recovered amount is recognized under other income in the statement of profit or loss.

Specific provision

Specific provision is recognized on a customer-to-customer basis at every reporting date. The company recognizes specific provision against receivables from certain customers. Provisions are reversed only when the outstanding amounts are recovered from the customers.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Exceptions

The company has applied law No. 4575, issued on November 28, 2023, amending some of the Egyptian Accounting Standards regarding some permissible exceptions in the application when measuring credit risks and expected credit losses, as current accounts and deposits in local currency with banks operating in Egypt, were excluded from the recognition and measuring expected credit losses.

Financial liabilities

Classification

Financial liabilities are classified as either financial liabilities (at fair value through profit or loss) or other financial liabilities.

Other financial liabilities

The Company has classified its financial liabilities as borrowings if any, trade payables, due to related parties, and other credit balances, which are initially measured at fair value (proceeds received), net of transaction costs and are subsequently measured at amortized cost using the effective interest rate method, with interest expense recognized on an effective yield basis.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial instruments

The Company derecognizes a financial asset only when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to external party.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay, so if the company substantially retains all risks and rewards, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Derecognition of financial liability

when the Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or they expire.

The effective interest rate method

The effective interest rate method is used to calculate the amortized cost of financial assets that are debt instruments and to distribute the return over the relevant periods.

The effective interest rate is the rate at which future cash receipts (which includes all fees and payments or receipts between parties to the contract that are part of the effective interest rate and also includes transaction costs and any other premiums) are discounted over the estimated life of the financial assets or any appropriate less period.

The return on all debt instruments is recognized on the basis of the effective interest rate, except for those classified as financial assets at fair value through profits or losses, where the return on them is included in the net change in their fair value.

3-13 Inventories

Finished goods inventory are valued at the lower of industrial cost or net realizable value, while semi-finished goods are valued at the lower of cost at last process stage reached or net realizable value while the production cost and the inventory cost of finished and semi goods on a monthly basis and not on periodic basis due to the application on SAP system , while raw materials, supplies, spare parts, and packing materials is measured at cost as they are held for the purpose of use in operations and it is expected that the finished goods that produced from these materials will be sold at a price not less than cost, while the cost of inventories is determined based on the moving average.

- Inventories' cost includes expenditures incurred in acquiring the inventories and bringing it to its existing location and condition.
- The finished and semi-finished goods was counted on 30/06/2026, and the company follows a perpetual inventory method for the remaining inventory items.
- Spare parts and maintenance equipment are usually kept as inventory and recognized as an expense in profit or loss (income statement) as they are used. However, strategic spare parts (main) as well as spare equipment are suitable as fixed assets when the entity expects to use them within more than one period.

3-14 Receivables and debtors and other debit balances

The balances of receivables, debtors and other debit balance are measured at amortized cost, less allowance for expected credit losses (ECL).

Receivables are presented in the statement of financial position at net realizable value, gross carrying amount less allowance for doubtful accounts.

3-15 Cash and cash equivalents

For the purpose of preparing a statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, time deposits, which have maturity date less than three months and bank overdrafts are deducted if exist.

3-16 Legal reserve

In application of the provisions of Law No. 159 of 1981 and the company's bylaws, 5% of the annual distributable profits are deducted as a legal reserve. The deduction may be stopped if the legal reserve reaches 50% of the issued capital, and when the reserve decreases than that, the deduction must be returned until it reaches 50% from the scompany's issued capital again.

3-17 Borrowing cost

Borrowing costs, which include interest, bank charges, amortization of premiums or discounts related to borrowing, and exchange differences arising from changes in exchange rates, are charged to the statement of profit or loss. Exceptionally, borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset and are depreciated over its estimated useful life.

Capitalization of borrowing costs as part of the cost of the fixed asset begins when actual expenditures on the asset start and during the period in which the company incurs borrowing costs.

Capitalization of borrowing costs is suspended during periods in which the development of the asset is temporarily held or when the asset is ready for use.

3-18 Provisions

Provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the liability amount can be made.

The company settles tax liabilities and forms provisions for taxes based on claims, whether actual, disputed, or potential for years not yet examined, and by measuring tax disputes that are unresolved judicially in previous years, in accordance with the principle of conservatism and in a manner that achieves the greatest degree of financial leverage for the company. Provisions are reviewed at the balance sheet date, and revised - when necessary - to reflect the current best estimate. They are classified as short-term within current liabilities and long-term within non-current liabilities.

3-19 Statement of cash flows

The cash flow statement is prepared using the indirect method.

3-20 Dividends

Dividend distributions are recognized as liabilities in the period in which they are declared.

3-21 Employees profit share

The company shall pay cash dividend to employees not exceeding the total amount wages of the company's employees, the remaining portion of the employees share shall be allocated to employees in accordance with the decision of the board of directors.

The employees' profit shares are recognized in the statement of changes in equity and as a liability during the financial year in which the company's shareholders declare the distribution. No liability is recognized for the employees' share regarding undistributed dividends.

3-22 Earnings per share

The company presents earnings per share for its ordinary shares. Earnings per share is calculated by dividing the profits or losses attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

3-23 Employee benefits

Pension liabilities

The Company pays its contributions to the Social Insurance Authority on a mandatory basis in accordance with Social Insurance Law No. 148 of 2019, and its amendments. The Company has no other obligations as soon as it pays its obligations. Regular contributions are recognized on an accrual basis as a periodic cost in their due period and are included in the statement of profits and losses.

Defined Contribution plan

The cost for defined contribution plan (private insurance and supplementary pension) are charged to the statement of profits or losses according to the accrual basis, and the company does not have any other obligations once it pays its obligations.

Post-retirement medical care (defined benefit plans)

- The Company provides the Lump sum retirement benefit plan after end of service. The entitlement to these benefits is usually conditional upon the employee remaining in service until retirement age or early retirement. The liability of this benefit is accounted for as defined as this benefit plan by actuarial expert using the projected credit unit method.
- Remeasurement gains or losses arising from amendments and experience-based changes in actuarial assumptions are recognized in Other Comprehensive Income in the period in which they occur. The obligations are assessed annually by an independent actuary. Accounting for these programs requires the company to make certain assumptions regarding discount rates used to measure obligations and future expenses, inflation rates, trends in healthcare costs, mortality rates, and other actuarial assumptions, as well as market conditions and contractual benefits. These assumptions are subject to significant variability.
- The net defined benefit obligation is being re-measured and comprise of:

(a) Actuarial gains and losses.

(b) The return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset); and

(c) Any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/(asset).

These are included in the statement of comprehensive income.

(d) Net interest is determined on the net liability/(assets) of the defined benefit plan by multiplying the net defined benefit liability/(asset) with the discount rate as determined at the start of the annual financial period, taking account of any changes in the net defined benefit liability/(asset) during the period because of payment of contributions and benefits

(e) The net interest expense and other expenses related to defined benefits are recognized in the income statement after being reduced by the contributions provided by the plan participants."

3-24 Operating segments

Operating segments are disclosed in a manner consistent with internal reporting information provided to the operating decision maker responsible for allocating resources and evaluating the performance of operating segments which is the company's board of directors.

3-25 Fair value of financial instruments

The company's financial instruments consist of financial assets and liabilities. Financial assets include cash on hand, deposits with banks and customers, receivables from related parties, certain debtors, and other debit balances. Financial liabilities include accounts payable, other credit balances, receivables from related parties, and accounts payable to suppliers. The company measures the fair value of these instruments to ensure that it represents a reasonable estimate of their fair value at the date of its financial position. "Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date for the asset or, if no such transaction exists, at the most advantageous market the company has access to at that date. The fair value of liabilities reflects the risk of non-performance. Several accounting policies and disclosures require the company to measure the fair values of both financial and non-financial assets and liabilities. The company has established practices regarding fair value measurement.

Management is fully responsible for overseeing all significant fair value measurements, including Level 3 fair value. Management regularly reviews significant but not observable inputs and valuation adjustments.

If third-party information, such as broker quotes or pricing services, is used to measure fair value, management evaluates the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of accounting standards, including the level in the fair value hierarchy at which these valuations should be classified. When measuring the fair value of an asset or liability, appraisers use as much observable market data as possible. Fair values are classified into different levels in the fair value hierarchy based on the inputs used in the valuation methods, as follows: -
Level 1: Listed (unadjusted) prices in active markets for similar assets or liabilities.
Level 2: Inputs other than listed prices included in Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (not observable inputs). If the inputs used to measure the fair value of an asset or liability fall at different levels of the fair value hierarchy, then the entire fair value measurement is classified at the same level of the fair value hierarchy as the lowest input level, since it is important for the entire measurement. The company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurred. The nominal values, less any estimated credit adjustments, of financial assets and liabilities with a maturity of less than one year are expected to approach their fair value. The fair values of non-current financial liabilities are considered close to their carrying values because they carry interest, which is based on market interest rates.

3-26 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

3-26-1 Credit risk
3-26-2 Liquidity risk
3-26-3 Market risk

This note presents information on the Company's exposure to the above-mentioned risks as well as the Company's objectives, policies and methods for measuring and managing the risk and presents some additional quantitative disclosures included in these financial statements.
The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also is responsible for identifying and analyzing the risks faced by the Company's to set appropriate risk limits and controls, and to monitor risks and adherence to limits.
The Company's management aims to establish a controlled and disciplined regulatory environment in which all employees are aware of and understand their role and obligations.
The Audit Committee and the Internal Audit Department assist the Board of Directors in its oversight role. The Internal Audit Department undertakes both predictable and nonpredictable inspections of controls and policies related to risk management and reports the results of the inspection to the Board of Directors.

3-26-1 Credit risk

Credit risk is the risk that one party to a financial instrument fails to fulfill its obligation and exposes the other party to financial loss. This risk is mainly associated with the trade receivables and investments in debt instruments.

Exposure to Credit risk.

The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk as of the date of the financial statements are as follows:

	30/06/2026 EGP	31/12/2025 EGP
Related parties	274 925 626	77 970 553
Other debit balances	60 764 943	69 792 125
Financial assets at amortized cost and other financial assets	4 723 624 946	6 341 239 307
Trade and notes receivables	807 979 790	365 971 284
Cash and cash equivalents	18 509 489 095	13 524 540 916
	24 376 784 400	20 379 512 185

Expected credit losses for financial assets as of the financial position date refer to note (37)

Measurement of credit risk

For the Measurement of credit risk there are 3 categories as the following:

- Exposure amount of default
- Probability of default
- loss given default

And this is to apply the expected credit losses model required by the Basel committee of banking supervision (ECL= Probability of default * Exposure amount of default * Loss given default)

Measurement of Expected Credit Losses for Customers

The company allocates each exposure a credit risk rating based on the data identified to predict loss risks (including, but not limited to, external ratings and management accounts).

The simplified approach was used to measure the credit risk for Trade and notes receivables by categorizing customers into groups with similar characteristics, defining the historical period used to calculate the loss rate between two and five years and determining the loss rate based on historical data taking into consideration expected changes in macroeconomic indicators (growth rate, inflation rate, unemployment rate). These rates are multiplied by quantitative factors to reflect differences between the economic conditions during the year in which the historical data was collected and the current conditions.

The following table illustrates information about credit exposure and expected credit losses for customers:

	Book value	Expected credit losses	Credit-impaired
30 June 2026			
Balances not due yet	372 791 702	712 516	No
Due balance from 1-30 day	89 104 949	1 457 188	No
Due balance from 31-60 day	79 066 919	4 251 784	No
Due balance from 61-90 day	83 456 224	7 303 414	No
Due balance More than 90 day	183 559 996	18 355 999	No
	807 979 790	**32 080 901**	

	Book value	Expected credit losses	Credit-impaired
31 December 2025			
Balances not due yet	239 727 931	136 381	No
Due balance from 1-30 day	117 277 601	1 055 140	No
Due balance from 31-60 day	1 993 429	104 243	No
Due balance from 61-90 day	1 173 663	101 462	No
Due balance More than 90 day	5 798 660	579 866	No
	365 971 284	**1 977 092**	

Valuation of expected credit losses on debt instruments including deposits, cash at banks and other assets

The company limits its exposure to credit risks by investing only in debt instruments issued by the Egyptian government and in cash and deposits with banks inside Arab republic of Egypt.

The general approach is used to calculate the expected credit losses related to the company's investments in treasury bills, cash and cash equivalent, and other financial assets using external ratings from institutions mentioned in the Central Bank's instructions for managing credit risk. Future data were also used to determine if there is a significant increase in the credit risks of financial assets by using some macroeconomic indicators of the Egyptian economy (GDP growth rate, annual inflation rate, unemployment rate).

The company stopped calculating expected credit losses for treasury bills in local currency, as well as for current accounts and deposits in local currency with banks operating in Egypt with a maturity of one month or less according to Ministerial Resolution No. 4575 of 2023 issued on November 28, 2023 which allows for not calculating expected credit losses for debt instruments issued in local currency and for current accounts and deposits in local currency with banks operating in Egypt with a maturity of one month or less.

The credit rating has been adopted according to the ratings of Standard & Poor's and the creditworthiness of banks has been determined based on the credit rating of the country where the bank's headquarters are located.

Financial assets according to the credit rating
The outstanding balance subject to expected credit losses amounted to EGP 21 907 186 998, as treasury bills in local currency, as well as current accounts and deposits in local currency with banks operating in Egypt with a maturity of one month or less were not included in accordance with Ministerial Resolution no. 4575 during 2023 dated 28 November 2023, which allowed the companies to have an option of not calculating an expected credit losses for both debt instruments issued in local currency, bank current accounts, and time deposits in local currency with banks operating in Egypt maturing in one month or less.

The balance of expected credit losses as of June 30, 2026, amounted to EGP 477 323 531 (compared to EGP 91 565 850 as of December 31, 2025).

3-26-2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the financial burden obligations excluding the potential impact of unusual circumstances that cannot reasonably be predicted, such as natural disasters. The company also monitors the level of cash inflows from customers and debtors alongside the cash outflows to suppliers and creditors.

On June 30, 2026, the available cash flows from cash and cash equivalents, financial assets at amortized cost, receivables, and other debit balances, and due from related parties that maturing within one year amounted to EGP 20 948 229 008 (compared to EGP 19 925 847 798 as of December 31, 2025). The potential impact of unusual circumstances that cannot reasonably be predicted such as natural disasters have not been taken into consideration.

Contractual cash flows of financial liabilities as follows:

	Book Value	Expected Cash flow	Due during the year or less	More than one year
June 30, 2026				
Creditors and other credit balances	1 145 944 536	1 145 944 536	1 145 944 536	–
Due to related parties	1 237 763 038	1 237 763 038	1 237 763 038	–
Suppliers	529 267 936	529 267 936	529 267 936	–
Pension	777 167 853	1 336 782 511	74 516 100	1 262 266 411
	3 690 143 363	**4 249 758 021**	**2 987 491 610**	**1 262 266 411**

	Book value	Expected Cash flow	Due during the year	More than one year
December 31, 2025				
Creditors and other credit balances	4 160 283 145	4 160 283 145	4 160 283 145	-
Due to related parties	1 578 492 002	1 578 492 002	1 578 492 002	-
Suppliers	281 546 795	281 546 795	281 546 795	-
Pension	750 027 149	1 380 291 256	78 683 230	1 301 608 026
	6 770 349 091	**7 400 613 198**	**6 099 005 172**	**1 301 608 026**

3-26-3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity instruments prices will affect the Company's income or the value of its financial instruments.
The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Market risk for the company as follows:

A. Currency risk

The Company is exposed to currency risk through the companies activities denominated in foreign currencies, represented in exchange rate fluctuations that affect payments and proceeds in foreign currencies. The company is exposed to currency risk on financial assets primarily in US dollars.

In respect of other monetary assets and liabilities denominated in other foreign currencies, the company ensures that its net exposure to currency risk is minimized, considering the company's surplus in net foreign currency balances.

The net foreign currency balances amounted to EGP 20 754 874 389, equivalent to USD 422 million, EUR 105 thousand (with the exchange rate at the reporting date being EGP 49.23 per dollar).

Sensitivity risk
A 10% increase or decrease in the foreign currencies may result in an increase or decrease in equity and net profit approximately EGP 2 075 487 438 billion assuming that all other variables remain constant.

B. Interest rate risk
The interest rate risk arises from changes in interest rates affecting the company's debt to banks specifically or any long-term liabilities. The company does not have any loans as of the financial statement date.

3-27 Capital management

The company's board of directors' policy is to maintain a strong capital to maintain investors, creditors and market confidence and to sustain future development of the business and to maximize returns generated from operations. The company's board of directors monitors the return on equity by calculating net profit for the period divided by total shareholders' equity.

The Board of Directors of the Company also monitors the level of dividend distributions to shareholders and seeks to maintain a appropriate capital position to achieve the highest rate of return. There are no changes in the Company's capital management strategy during the period, and there are no external requirements or restrictions on the Company with regard to its capital management.

Abu Qir Fertilizers and Chemical Industries Company "S.A.E."

Notes to the Interim Individual Financial Statements for the Financial Period Ended June 30, 2026

4- Fixed assets

Fixed assets as at 30/6/2026

	Lands and Buildings	Machines and equipment	Vehicles	Tools and equipment	Furniture and office equipment	Balance at 30/6/2026
Cost						
Balance as at 01/01/2026	598 546 389	4 556 198 680	73 735 909	108 848 534	63 985 501	5 401 315 013
Additions	-	107 924 573	-	7 924 985	2 685 252	118 534 810
Disposals	-	-	(1 355)	(788 610)	(14 709)	(804 674)
Balance as at 30/6/2026	**598 546 389**	**4 664 123 253**	**73 734 554**	**115 984 909**	**66 656 044**	**5 519 045 149**
Accumulated depreciation						
Balance as at 01/01/2026	334 646 648	2 603 315 499	55 250 051	42 273 202	40 214 227	3 075 699 627
Depreciation	10 859 278	96 120 111	2 707 249	3 925 949	2 763 122	116 375 709
Disposals	-	-	(1 355)	(774 078)	(14 341)	(789 774)
Balance as at 30/6/2026	**345 505 926**	**2 699 435 610**	**57 955 945**	**45 425 073**	**42 963 008**	**3 191 285 562**
Net book value as at 30/6/2026	**253 040 463**	**1 964 687 643**	**15 778 609**	**70 559 836**	**23 693 036**	**2 327 759 587**

Fixed assets as at 31/12/2025

	Lands and Buildings	Machines and equipment	Vehicles	Tools and equipment	Furniture and office equipment	Balance at 31/12/2025
Cost						
Balance as at 01/07/2025	599 243 706	4 505 835 115	66 002 090	89 399 703	58 554 891	5 319 035 505
Additions	-	64 123 760	7 936 269	19 890 667	5 482 704	97 433 400
Disposals	(697 317)	(13 760 195)	(202 450)	(441 836)	(52 094)	(15 153 892)
Balance as at 31/12/2025	**598 546 389**	**4 556 198 680**	**73 735 909**	**108 848 534**	**63 985 501**	**5 401 315 013**
Accumulated depreciation						
Balance as at 01/07/2025	324 089 821	2 510 063 281	53 025 847	39 481 568	37 884 541	2 964 545 058
Depreciation	10 924 480	97 048 372	2 426 654	3 164 942	2 381 181	115 945 629
Disposals	(367 653)	(3 796 154)	(202 450)	(373 308)	(51 495)	(4 791 060)
Balance as at 31/12/2025	**334 646 648**	**2 603 315 499**	**55 250 051**	**42 273 202**	**40 214 227**	**3 075 699 627**
Net book value as at 31/12/2025	**263 899 741**	**1 952 883 181**	**18 485 858**	**66 575 332**	**23 771 274**	**2 325 615 386**

- The historical cost of the fully depreciated fixed assets which are still operate are amounted to EGP 2.36 billion.

- The appropriateness of the current expected useful lives of the assets and the absence of any losses resulting from impairment in value is in accordance with the decision of the committee formed by Administrative Resolution (434) for the year 2025 and the approval of the Board of Directors by Resolution No. (50) dated 30/12/2025.

- There are also no restrictions on the ownership of assets and liabilities at the date of the financial position.

- Legal procedures to register some of the company’s lands, an area of 23 shares, 4 acres, including about 12 shares, 22 karats, 1 acre outside the company’s walls, judgments have been issued in this regard that were unfavorable to the company due to an objection/reservation raised by the Armed Forces concerning the matter . As for the registration of the company's administrative headquarters in Cairo, the process of completing the registration procedures is currently underway.

5- Intangible assets

	30/06/2026	31/12/2025
	EGP	EGP
Net opening balance for the period	9 601 212	10 161 267
Addition/disposal during the period	–	–
Less: -		
Accumulated amortization	(599 956)	(560 055)
Net-ending balance for the period	**9 001 256**	**9 601 212**

This balance represents the value of what has been capitalized of the SAP information system and the application of the ERP system for digital transformation.

6- Assets Under Construction

	30/06/2026	31/12/2025
	EGP	EGP
Assets under installation	571 401 614	452 077 837
Advance payment – fixed assets	363 485 648	214 824 108
	934 887 262	**666 901 945**

The movement of Assets Under Construction during the financial period ended 30/06/2026 :

	30/06/2026	31/12/2025
	EGP	EGP
Opening balance for the period	452 077 837	134 846 922
Addition	119 323 777	395 002 922
Transfer to fixed assets	–	(77 772 007)
	571 401 614	**452 077 837**

7- Intangible assets under progress

	30/06/2026	31/12/2025
	EGP	EGP
Beginning balance for the period	769 850	–
Addition/disposal	2 975	769 850
Ending balance for the period	**772 825**	**769 850**

8- Investment property

It represents land leased to companies of Alexandria Fertilizers, Pargas, Med Gas, and Air Liquid. The fair value of these investments amounted to EGP 1357 million as of June 30, 2026, according to the latest study conducted in 2026 by an external appraiser registered in the Financial Regulatory Authority. Considering these leased investments generated revenues equal to EGP 18 million. The historical cost of these lands is as follows:

	30/06/2026	31/12/2025
	EGP	EGP
Balance at the beginning of the period	500 718	500 718
Balance at the ending of the period	**500 718**	**500 718**

9- Investments in associate (Equity Method)

	Alexandria for Fertilizers	Helwan for Fertilizers	Abu Tartour for Phosphoric Acid	El Wadi for Phosphate & Fertilizers industries	North Abu Qir
Opening balance as of 01/01/2026	2 369 837 007	2 693 318 541	21 059 258	38 053 163	127 773 036
Capital contribution payment	-	-	22 325 000	-	-
Company share of profit	600 645 907	334 764 000	-	-	7 443 163
Foreign currency translation differences	263 149 579	114 655 734	(31 189 852)	-	-
Result of the merger	-	-	38 053 163	(38 053 163)	-
Deduct:					
Dividend distributions	(428 400 000)	(809 200 000)	-	-	-
Shares distributions	(94 248 000)	(123 200 700)	-	-	-
Ending balance as of 30/6/2026	2 710 984 493	2 210 337 575	50 247 569	-	135 216 199
Total investments as of 30/6/2026			**5 106 785 836**		
Ending balance as of 31/12/2025	**2 369 837 007**	**2 693 318 541**	**21 059 258**	**38 053 163**	**127 773 036**
Total investments as of 31/12/2025			**5 250 041 007**		

The Company has significant influence on the investee companies due to effective representation on their Boards of Directors and participation in decision-making processes.
The company most important investments are in Alexandria fertilizer and Helwan fertilizer.

	Alex Fertilizer		Helwan Fertilizer	
EGP	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Non-current Assets	7 703 172 387	7 771 926 985	7 136 059 568	7 365 591 407
Current Assets	13 078 539 275	10 878 493 814	7 280 453 823	10 838 707 830
Non-current Liabilities	37 765 121	40 090 481	469 088 006	472 838 932
Current Liabilities	3 520 878 401	2 811 416 936	1 036 913 176	1 888 412 761
Net Assets	17 223 068 141	15 798 913 382	13 090 512 208	15 843 047 544
Company Share of Assets	**2 583 460 221**	**2 369 837 007**	**2 225 387 075**	**2 693 318 082**

	Alex Fertilizer		Helwan Fertilizer	
EGP	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Revenue	9 441 975 987	5 864 011 283	6 039 621 617	4 763 498 468
Net profit	4 004 306 044	1 878 354 917	1 969 200 000	1 986 307 930
Company Share of Profit	**600 645 907**	**281 753 238**	**334 764 000**	**337 672 348**

- The total amount paid for the Company's contribution to the share capital of Alexandria Fertilizers Company amounted to EGP 226.52 million, equivalent to USD 22.3875 million representing 100% of the Company's 15% share in the issued capital of USD 149.250 million.
  The authorized capital amounts to USD 500 million. This investment has been classified using the equity method at a carrying amount of EGP 2422 million.

- The company's share in Polar Star Company, which was acquired by Alexandria Fertilizers Company, for total consideration 289 million EGP, as this investment was classified under equity method and in the same percentage as Abu Qir Fertilizers Company's investment share in Alexandria Fertilizers Company.
- The total amount paid for the Company's contribution to the share capital of Helwan Fertilizers Company amounted to EGP 157.59 million, equivalent to USD 25.5 million, representing 100% of the Company's 17% share in the issued capital of USD 150 million.
- The authorized capital is USD 700 million. This investment has been classified using the equity method at a carrying amount of EGP 2210 million.
- The total amount paid for the Company's contribution to the share capital of Al-Wadi for Phosphate Industries and Fertilizers amounted to EGP 40 million, representing 100% of the Company's 10% share in the Company's capital of EGP 400 million. The authorized capital is EGP 4 billion.
- On May 13, 2025, the Extraordinary General Assembly of Wadi Phosphate Industries Company approved the merger of Wadi Phosphate Industries and Fertilizers Company with Abu Tartour Phosphoric Acid Company as an alternative to liquidation. The Assembly approved the report contained in the letter from the Head of the Central Department for In-Kind Shares Valuation and Follow-up in the Economic Performance Sector of the General Authority for Investment and Free Zones. The Assembly also approved the completion of the merger process between the two companies and amending Articles (7 and 21) of the Articles of Association. The Assembly was also informed of the purchase by East Gas Company of the shares owned by Al Ahli Capital Holding Company in Abu Tartour and Wadi companies.

- The total amount paid from the company's contribution to the capital of Abu Tartour Phosphoric Acid Company amounting EGP 30 million, equivalent to USD 950 thousand, representing 100% of the company's share of 9.5% of the company's issued capital of USD 10 million. The authorized capital is USD 100 million. This investment was classified using the equity method and was valued at EGP 50 million after the merger with Wadi Phosphate Industries and Fertilizers Company.

  - On December 21, 2024, the Board of Directors of Abu Tartour Phosphoric Acid Company issued a resolution recommending a study on implementing the project in two phases, starting with half the production capacity and self-financing without resorting to bank financing and the remaining procedures are being completed

  - On June 29, 2025, the general contractor contract for the project was signed with an investment cost of $643 million. This was followed by the completion of the procedures for signing the shareholders' loan agreement and the framework agreement regulating project financing and remaining procedures are currently being finalized.

  - On October 14, 2025, the Extraordinary General Assembly of Abu Tartour Phosphoric Acid Company and Wadi Phosphate Industries and Fertilizers Company was held. The report contained in the letter from the Head of the Central Department for In-Kind Shares Valuation and Follow-up in the Economic Performance Sector of the General Authority for Investment and Free Zones was approved. Approval was also granted for the completion of the merger between the two companies and the amendment of Articles No. (7, 21) of the Articles of Association. The Assembly was also informed of the purchase by East Gas Company of the shares owned by Al Ahli Capital Holding Company in Abu Tartour and Wadi.

- On 06/01/2026, a Board meeting of Abu Tartour for Phosphoric Acid was held to discuss GAFI's note requiring the Company to fully pay its issued capital before completing the merger procedures, as five years have passed since the Company's establishment.
  The Board approved completing the payment of the issued capital no later than 29/01/2026 in accordance with what was stated in the letter from the General Authority for Investment and Free Zones. The Extraordinary General Assembly approved this on 21/01/2026.

- **Project status as of 30 June 2026:**
  During the reporting period, the project entered a new stage of execution, moving gradually from completing contractual requirements and preparatory works to the actual implementation phase. Engineering works and procurement are being carried out in parallel with the commencement of construction activities at the site, in line with the priorities of the project's master schedule and under continuous coordination between the owner, the general consultant (ENPPI), the general contractor consortium (CSCEC / ECEC), and the licensors. This ensures swift decision-making, reduces the time needed for reviewing technical documents, and addresses execution challenges promptly several milestones have been achieved:
  - Site handover to the general contractor.
  - Commencement of construction works at the site.
  - Holding the project kick off meeting.
  - Ongoing technical coordination with licensors.
  - Preparation of purchase orders for equipment from licensors for the phosphoric acid and sulfuric acid production units.
  - Completion of topographic survey of the plant boundaries covering approximately 3,320 meters, as well as surveying the plant land area of 561,000 square meters.
  - Completion of soil investigation and awaiting approval of the final report.

  The total amount paid from the company's contribution to the capital of North Abu Qir Agricultural was EGP 112.500 million, representing 25% of the company's shareholding, which equals 45% of the issued capital amounting to EGP 1 billion. The authorized capital is EGP 10 billion. This investment was classified using the equity method and according to the financial statements of North Abu Qir Agricultural as of 31 March 2026, has been recognized at a value of EGP 135 million.
- On 21/05/2023, the first Founding General Assembly of North Abu Qir for Agricultural Nutrients was held.
- Approvals have been obtained from the shareholders and powers of attorney issued to establish a new company named "Abu Qir Gulf for Agricultural Nutrients" as a private Free Zone entity with an authorized capital of USD 100 million and paid-in capital of USD 5 million.
  The file is currently being submitted to the Free Zones Authority.
  After incorporation, an Extraordinary General Assembly will be held for each company to approve the merger of North Abu Qir for Agricultural Nutrients into the new company, with the same ownership percentages and without affecting them.
  The company file is currently under review by the Ministerial Committee for Industrial Development for project approval.

10- Other financial assets

	30/06/2026 EGP	31/12/2025 EGP
*Global Company for Methanol and its Derivatives – under liquidation	34 461 000	33 320 000
**Letter of guarantees pledged by treasury bills	377 980 167	361 372 470
	412 441 167	**394 692 470**

* The company's participation in the share capital of the International Methanol and Derivatives Company at a rate of 35%. This investment was previously accounted for using at equity method. On 12 March 2025, the Board of Directors of the International Methanol and Derivatives Company approved the initiation of liquidation procedures and the recovery of shareholders' capital contributions. The company's General Assembly subsequently approved the liquidation decision, setting a one-year liquidation period starting from 1 May 2025. The liquidation period was later extended for another year, pursuant to the General Assembly resolution dated 4 June 2026, until completion of the company's tax inspection.

**** Treasury bills pledged to cover letter of guarantees**

	30/06/2026 EGP	31/12/2025 EGP
Amount paid	362 629 450	352 192 244
Add: accrued revenues	19 188 463	11 475 283
Deduct: treasury bills accrued tax	(3 837 746)	(2 295 057)
	377 980 167	**361 372 470**

11- Inventories

	30/06/2026 EGP	31/12/2025 EGP
Raw material	433 230 108	416 280 676
Oil and fuel	22 919 324	19 407 746
Spare parts	2 035 821 094	1 877 631 894
Packing	53 407 618	54 062 165
Wastes	120 627	126 465
Finished goods at cost	1 026 908 215	730 936 225
Work in process at cost	237 148 452	213 145 135
Advance payments for inventory purchases	26 951 189	25 785 002
	3 836 506 627	**3 337 375 309**

12- Trade and notes receivable

	Note No.	30/06/2026 EGP	31/12/2025 EGP
Trade receivable – Public sector		569 447 835	345 170 734
Trade receivable – Private sector		47 683 852	20 800 550
Trade receivable- foreign sector		190 848 103	
		807 979 790	**365 971 284**
Expected credit losses	(37)	(32 080 901)	(1 977 092)
		775 898 889	**363 994 192**

The receivables balance Included approximately EGP 488 million owed by the Ministry of Agriculture. This amount relates to price differences on fertilizer supplies, which the Ministry paid on behalf of the agricultural associations, in with the revised selling price of fertilizers set at EGP 6,000 per ton instead of EGP 4,500 per ton.

13- Due from Related Parties

13-1 Related parties that have transactions with the company:

– Alexandria Fertilizers Company	Shareholder by 15 %
– Helwan Fertilizers Company	Shareholder by 17 %
– Abu Tartur for Phosphoric Acid Company after the merge with El Wadi company	Shareholder by 10%
– North Abu Qir Company for Agricultural Nutrients	shareholder by 45 %
– Chemical Industries Company – KIMA	Shareholder by 2.7 %

13-2 Related party transactions

The following is a summary of transactions with related parties:

Description	Nature of transactions	30/06/2026 EGP	31/12/2025 EGP
Alexandria Fertilizers Company	Lease /Services / Dividends	30 699 015	36 725 735
Helwan Fertilizers Company	Services / Dividends	20 587 519	–
Abu Tartur for Phosphoric Acid Company	Shareholder loan	155 408 184	78 375 590
North Abu Qir Company for Agricultural Nutrients	Payments on behalf	6 724 936	8 684 020
		213 419 653	**123 785 345**

13-3 Transactions resulted in the following debit balances:

Due from related parties

	Note no.	30/06/2026 EGP	31/12/2025 EGP
Alexandria Fertilizers Company		24 103 908	961 459
Abu Tartur for Phosphoric Acid Company		244 015 486	76 887 625
North Abu Qir Company for Agricultural		6 806 232	121 470
		274 925 626	**77 970 554**
Expected Credit losses	(37)	(31 968 106)	(8 142 954)
		242 957 520	**69 827 600**
Long-term Receivables from Related Parties		235 939 201	68 811 339
Short-term Receivables from Related Parties		7 018 319	1 016 261
		242 957 520	**69 827 600**

13-4 Significant contracts with related parties

Lease agreements with Alexandria Fertilizers Company, including the land on which the factory is built, vacant land, land on which the water pumping station is located, and a residential building (the company's administrative headquarters), and ammonia shipping contracts for the use of our company's land and sea facilities to export quantities of ammonia produced by Alexandria and Helwan Fertilizers companies.

14- Suppliers – Advance payments

	Note no.	30/06/2026 EGP	31/12/2025 EGP
Suppliers - public sector		171 485 412	127 402 122
Suppliers - foreign sector		362 248 145	274 422 557
		533 733 557	401 824 679
Expected credit losses	(37)	(18 487 707)	(33 274 451)
		515 245 850	**368 550 228**

15- Debtors and other debit balances

	Note no.	30/06/2026 EGP	31/12/2025 EGP
Deposits with others		24 789 773	21 728 248
Employee advances		5 385	70 385
Advance receivable		3 078 058	-
Sales tax		40 088 080	93 573 029
Property tax		2 424 000	2 424 000
Withholding tax		19 281 520	12 818 480
Prepaid expenses		142 730	1 366 322
Employees debts		5 653 555	3 311 325
Employees borrowings		5 674 970	7 484 133
Prepaid expenses – platinum		102 281 581	146 289 275
Other debit balances		2 503 291	1 914 461
Debit balances related to specific activities that are offset by credit balances			
Environmental and infrastructure debit balances		19 399 795	17 821 485
Employees benefits debit balances (family healthcare - employee services)		741 846 675	373 278 668
Residential city assets		23 161 784	23 161 784
Less: corresponding credit balances		(782 315 817)	(344 169 545)
		208 015 380	**361 072 050**
Expected credit losses	(37)	(5 337 923)	(3 907 975)
		202 677 457	**357 164 075**

Within debtors and other debit balances, balances amounting to approximately EGP 782 million related to current accounts, deposits, and treasury bills for (sports and social activities, the medical treatment fund, infrastructure fund, environmental fund, residential city assets and Provision for Employees' Funds) have been excluded along with the corresponding credit balances.

16- Financial assets at amortized cost

16-1 Treasury bills

	30/06/2026 EGP	31/12/2025 EGP
Amount paid	1 557 212 962	2 336 543 146
Add: accrued revenues	37 657 985	63 077 866
Deduct: treasury bills accrued tax	(7 531 013)	(12 615 573)
	1 587 339 934	**2 387 005 439**

Treasury bills are investment held to maturity for the purpose of collecting the cash flow of interest and principal at maturity.

16-2 Treasury Bonds

		30/06/2026 EGP	31/12/2025 EGP
Amount paid		2 676 806 211	-
Add: accrued revenues		81 498 634	-
		2 758 304 845	-
Expected credit losses	(37)	(339 970 684)	-
		2 418 334 161	-
Short-term Treasury Bond		79 501 435	-
Long-term Treasury Bond		2 338 832 725	-
Short-term Financial Assets at Amortized Cost (Treasury bills/Treasury bond)		1 666 841 369	2 387 005 439
Long-term Financial Assets at Amortized Cost		2 338 832 725	-

These investments are government debt securities in foreign currency, held until maturity on 4 February 2030, with the purpose of collecting the contractual cash flows represented by interest and the principal of the bond at maturity.

17- Cash and cash equivalents

	Note no.	30/06/2026 EGP	31/12/2025 EGP
Banks - current accounts with return		707 400 363	426 862 904
Time deposits		17 780 983 800	13 079 816 000
Cash on hand		321 170	260 289
		18 488 705 333	**13 506 939 193**
Accrued interest from deposits		20 783 763	17 601 723
Treasury bills less than 3 month		–	3 592 861 398
Expected credit losses	(37)	(49 478 210)	(44 263 377)
Cash at banks		**18 460 010 886**	**17 073 138 937**
Deduct:			
Restricted deposits against letter of credits		(1 670 112 193)	(1 683 945 200)
Cash and cash equivalent for cash flow preparation purpose		**16 789 898 693**	**15 389 193 737**

- Short-term deposits are dominated in USD to pay the company's current foreign currency liabilities.
- Within the cash accounts on 30/6/2026 "time deposits" restricted at Ebank with an amount equals to USD 14 million, and Qatar National Bank with an amount equals to of USD 19 million against letter of credits.

18- Share capital

18-1 Authorized capital

The Company's authorized capital is amounting to EGP 3 billiogn.

18-2 Issued and fully paid-up capital

Issued and paid-up capital is amounting to EGP 1 892 813 580 divided into 1 261 875 720 shares of EGP 1.5 par value each shareholder. Share types are common and cash shares and are fully registered at the central depository. The structure of the shareholders of the Company as follows:

Shareholder	Nationality	Percentage %	No. of shares	Amount EGP
Alpha Oryx Limited	United Arab Emirates	21.52	271 573 655	407 360 483
Saudi Egyptian Investment Company	Saudi Arabia	20.40	257 405 245	386 107 867
Egyptian General Petroleum Corporation	Egyptian	19.11	241 153 540	361 730 310
Nasser Social Bank	Egyptian	5.90	74 477 970	111 716 955
Holding Company for Chemical Industries	Egyptian	7.36	92 802 709	139 204 063
Union of shareholder Employees	Egyptian	5.15	65 000 000	97 500 000
Other investors	Multinational	20.56	259 462 601	389 193 902
		100	**1 261 875 720**	**1 892 813 580**

19- Legal reserve

The balance of reserves amounted to EGP 946 406 790, which is equivalent to 50% of the company's issued and paid in capital in accordance with the company's article of association.

	30/06/2026 EGP	31/12/2025 EGP
Legal reserve	946 406 790	946 406 790
	946 406 790	**946 406 790**

20- Other reserves

	30/06/2026 EGP	31/12/2025 EGP
Expansions reserve	5 800 000 000	5 800 000 000
Other reserves (capital gains - environment fund)	85 618 774	84 200 774
	5 885 618 774	**5 884 200 774**

21- Revaluation differences reserves

	30/06/2026 EGP	31/12/2025 EGP
Translation differences of Investments Equity Method	4 135 497 573	3 788 882 114
Actuarial losses– employee benefits	(256 718 682)	(256 718 682)
	3 878 778 891	**3 532 163 432**

22- Retained earnings

	30/06/2026 EGP	31/12/2025 EGP
Beginning balance for the period	10 986 255 725	14 578 415 751
Add (Deduct):		
Transfer to reserve	(1 418 000)	(36 006 200)
Dividends	(4 137 762 856)	(9 231 254 320)
Net profit for the period	10 011 519 905	5 675 100 494
Ending balance for the period	**16 858 594 774**	**10 986 255 725**

23- Deferred tax Assets /(liabilities)

	30/06/2026 EGP	31/12/2025 EGP
Expected credit losses	107 397 794	20 602 316
Foreign currency exchange differences	156 081 810	149 244 995
Employee benefit obligations	174 862 767	168 756 108
Provisions	15 648 284	15 250 068
Deduct:		
Fixed assets and other assets	(341 221 235)	(342 164 069)
Share of Investments accounted at equity method	(74 474 317)	(100 768 058)
	38 295 103	**(89 078 640)**

24- Suppliers

	30/06/2026 EGP	31/12/2025 EGP
Suppliers - Public sector	3 798 301	-
Suppliers - private sector	275 498 470	176 808 905
Suppliers - foreign sector	249 971 165	104 737 890
	529 267 936	**281 546 795**

25- Due to Related Parties

25-1 Related parties:

– Helwan Fertilizers Company	Shareholder by 17 %
– Egyptian General Petroleum Corporation (EGPC)	Shareholder by 19.11 %
– Egyptian Natural Gas GASCO – Petro trade	Founder subsidiary supplier
– Shareholders employees' union	Shareholder by 5%

25-2 Related parties' transactions

The following is a summary of transactions with related parties:

Description	Nature of transactions	30/06/2026 EGP	31/12/2025 EGP
Shareholders employees' union	Supplies and payments of dues	791 904	1 219 160
Egyptian General Petroleum Corporation (EGPC)	Payments on behalf	1 550 000 000	-
Egyptian Natural Gas GASCO – Petro trade	Natural gas supply	9 084 428 000	5 450 025 058

25-3 Transactions resulted in the following credit balances:

Due to related parties

Description	30/06/2026 EGP	31/12/2025 EGP
Shareholders employees' union	1 599 531	807 627
Egyptian General Petroleum Corporation (EGPC)	350 000 000	1 000 000 000
Egyptian Natural Gas "GASCO" – Petro trade	886 163 507	577 684 374
	1 237 763 038	**1 578 492 001**

25-4 Significant contracts with related parties

A contract to supply natural gas to the Company's factories with the Egyptian Natural Gas Company - GASCO, one of the subsidiaries companies of the Egyptian General Petroleum Corporation. The selling price of natural gas supplied to the fertilizer industry was determined according to a price formula that takes into consideration the selling prices of the Ministry of Agriculture and export prices according to the average price of international bulletins and the average selling price of the USD against EGP at the central bank of Egypt.

25-5 Top management remunerations

Top management includes the Board of Directors and top executives of the company. salaries, benefits, and bonuses paid to top management are as follows:

	30/06/2026 EGP	31/12/2025 EGP
Salaries, attendance, travel allowances, and bonuses	35 696 606	22 366 035
	35 696 606	**22 366 035**

26- Customers advance payment (contract liabilities)

	30/06/2026 EGP	31/12/2025 EGP
Customers - local sector	129 317 125	37 785 770
Customers - export sector	231 811 917	191 637 382
	361 129 042	**229 423 152**

27- Pension benefit liabilities

27- 1 Plan description

The company applies defined benefit plan system that is not funded at the present value and the amounts paid upon termination of employee services are calculated according to the plan on the basis of the actual treatment incurred by the company for retired employees.

	30/06/2026	31/12/2025
	EGP	EGP
Opening balance of the period	927 780 829	873 250 358
Current service cost	6 521 201	6 174 280
Interest expense	86 134 301	94 015 792
Benefits paid	(43 508 745)	(30 069 132)
Actuarial losses - remeasurement of actuarial financial assumption	-	(15 590 469)
	976 927 585	**927 780 829**
Assets of the employee benefits system	199 759 732	177 753 680
Net liabilities	**777 167 853**	**750 027 149**
Short-term liabilities	74 516 100	78 683 230
Long-term liabilities	702 651 753	671 343 919

27-2 Amount recorded in the income statement

	30/06/2026	31/12/2025
	EGP	EGP
Current service cost and interest cost	61 720 173	30 704 408
	61 720 173	**30 704 408**

Actuarial assumptions determine benefit obligation

	30/06/2026	31/12/2025
	EGP	EGP
Discount rate	20.56%	20.56%
Inflation rate	12.30%	12.30%
Benefit increase rate	14.05%	14.05%

Sensitivity analysis for actuarial assumptions

	Change in assumption		Change in plan benefit	
	Increase	Decrease	Increase	Decrease
Discount rate (%)	0.5%	-0.5%	(36 503 046)	39 578 320
Inflation rate (%)	0.5%	-0.5%	14 186 484	(13 032 727)
Mortality rate (Year)	1	-1	(247 420)	252 585

Dispose withdrawal coefficients **11 997 832**

28- Creditors and other credit balances

	30/06/2026	31/12/2025
	EGP	EGP
Deposits for others	51 370 219	49 431 704
Other companies' deposits	22 428 416	1 106 116
Salary tax	–	14 914 223
Taxes on commercial and industrial profits and stamp	1 281 405	3 604 952
Value added tax	75 546 380	37 548 762
Accrued social insurance authority	361 281	–
Dividend payables	14 476 422	3 170 819 171
General authority for health insurance	61 765 838	38 075 226
Training fund	72 895	37 255
Sales tax of Abu Qir plant (3)	3 891 341	53 484 950
Accrued wages and donations	735 553 502	625 255 159
Cars and housing loans	82 695 085	79 504 324
Accrued Rent	3 696 889	17 615 158
Burj El Arab	1 363 138	17 443
Retention from employees under settlement	64 216 148	34 216 148
Other credit balances	28 183 520	31 508 325
Credit balances related to specific activities that are offset by debit balances		
Employees benefit funds (Family medical, supplementary private insurance, union, restricted for employee's fund)	572 442 674	315 680 068
Social and sports activities	242 317 892	95 448 469
Environmental and infrastructure deposits	24 154 650	22 576 340
Housing city assets	23 161 784	23 161 784
Less: corresponding debit balances	(782 315 817)	(344 169 545)
	1 226 663 662	**4 269 836 032**

29- Current income tax

	30/06/2026	31/12/2025
	EGP	EGP
Current income tax	2 532 010 664	1 588 828 049
Disputes 9A reservation with tax authority	–	32 522 755
Tax advances deposits	(9 457 983)	(41 836 825)
	2 522 552 681	**1 579 513 979**

30- Claims provisions

	30/06/2026	31/12/2025
	EGP	EGP
Beginning balance of the period	585 420 321	326 677 808
Provisions formed during the period	167 267 884	282 467 295
Provisions no longer needed	(20 135)	(5 920 222)
Provisions used during the period	(10 015)	(17 804 560)
Ending balance of the period	**752 658 055**	**585 420 321**

The provision for claims represents in the expected amounts probable be paid to specific government entities, and the Company didn't disclose the information required in accordance with Egyptian Accounting Standard No. (28) because the Company's management believes that such disclosure will weaken the Company's position in its disputes.

31- Revenue

-Revenue recognition at a point of time

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Urea sales	8 779 022 588	5 125 583 147	4 515 770 758	2 098 742 898
Nitrate sales	3 394 181 945	1 740 016 699	2 088 099 573	1 193 425 837
Granulated urea sales	9 553 944 362	5 869 885 496	5 876 347 945	2 632 888 417
Ammonia sales	913 210 517	458 717 995	16 751 543	5 840 429
Liquid fertilizer	693 084 000	693 084 000	-	-
Sales Revenue	**23 333 443 412**	**13 887 287 337**	**12 496 969 819**	**5 930 897 581**
Services sales	264 899 486	153 464 939	178 950 860	94 797 909
Wastes sales	9 395 784	3 859 063	5 097 072	3 289 876
Deduct:				
Sale of casual products	(83 181 553)	(53 480 973)	(14 489 061)	(6 838 440)
	23 524 557 129	**13 991 130 366**	**12 666 528 690**	**6 022 146 926**

Sales revenue can be classified as follows:

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Local	4 361 975 621	2 445 820 746	2 871 393 475	1 887 640 152
Export	18 971 467 791	11 441 466 591	9 625 576 344	4 043 257 429
	23 333 443 412	**13 887 287 337**	**12 496 969 819**	**5 930 897 581**

- The company supplies its share agreed upon with the Ministry of Agriculture in accordance with the decision of the Prime Minister and at the specified prices.

32- Cost of sales

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From January 1, 2025, to June 30, 2025 EGP
Materials and supplies	9 339 082 380	5 638 862 234	5 792 302 532	2 628 150 962
Salaries and wages	1 046 936 849	486 684 987	640 678 671	380 951 181
Depreciation	94 527 659	46 733 669	79 987 930	23 850 093
Employees benefit (contributions / benefit plans)	28 546 633	12 471 531	21 163 092	9 226 811
Other operating cost	127 080 802	71 045 815	67 671 790	228 114 187
Deduct:				
Sale of casual products	(83 181 533)	(53 480 953)	(14 489 061)	(6 838 440)
	10 552 992 790	**6 202 317 283**	**6 587 314 954**	**3 263 454 794**

33- Other income

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Rent	18 047 733	9 048 501	17 151 470	8 458 193
Capital gain	2 027 400	–	31 006 200	-
Compensation and penalties	4 920 457	883 113	29 111 902	19 280 477
Provision no longer required	10 015	10 015	1 736	1 736
Wastes sales gains	216 814	34 693	17 282 826	15 869 889
Other miscellaneous revenues	98 945 578	2 108 592	96 763 552	721 565
	124 167 997	**12 084 914**	**191 317 686**	**44 331 860**

34- Selling and marketing expenses

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Salaries and wages	313 930 558	146 919 956	265 129 373	166 639 418
Packaging materials	115 235 470	63 966 371	141 985 493	83 801 623
Depreciation	13 706 071	6 859 141	22 910 265	6 729 270
Employees benefit	4 584 158	4 584 158	856 673	856 673
Shipping expenses	80 569 403	29 702 847	104 846 725	62 050 443
Exporting expenses	625 269 525	542 775 556	114 366 770	48 666 093
Other selling and marketing expenses	58 426 216	28 874 473	46 936 035	7 676 448
	1 211 721 401	**823 682 502**	**697 031 334**	**376 419 968**

35- General and administrative expenses

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Salaries, wages and Depreciation	159 891 663	84 271 465	131 042 676	28 107 751
Chairman and board of directors' members transportation allowances	32 380 367	18 074 426	21 689 213	14 311 477
Comprehensive health insurance fund	61 765 838	36 215 839	32 891 912	15 284 251
Training fund	35 640	17 767	48 762 363	15 739 849
Employees club	158 198 370	68 212 508	76 581 260	25 360 994
Employees benefit	3 890 774	1 862 277	1 010 759	1 260 341
Other General and administrative expenses	95 561 701	48 452 141	60 521 594	965 009
	511 724 353	**257 106 423**	**372 499 777**	**101 029 672**

36- Other expenses

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Donations	14 421 958	9 357 813	27 675 484	22 788 175
Provision	167 267 884	65 559 731	19 024 513	18 824 513
Downtime expenses	81 492 947	41 058 224	397 576 968	345 455 628
Other	–	–	35 431	35 431
	263 182 789	**115 975 768**	**444 312 396**	**387 103 747**

The other expenses include an amount of 81 million EGP, representing the cost of idle capacity for the company during the year from 01/01/2026 to 30/06/2026.

37- Expected credit losses and assets impairment

EGP	Note No.	01/01/2026	Formed	Used	No longer required	30/6/2026
Cash and cash equivalents	**(17)**	44 263 377	17 877 073	–	(12 662 240)	49 478 210
Trade and notes receivables	**(12)**	1 977 092	30 103 809	–	–	32 080 901
Debtors and other debit balances	**(15)**	3 907 975	1 610 463	–	(180 515)	5 337 923
Due from related parties	**(13)**	8 142 954	48 186 104	–	(24 360 952)	31 968 106
Financial assets at amortized cost (treasury bonds)	**(16)**	–	339 970 684	–	–	339 970 684
Suppliers – Advance payments	**(14)**	33 274 451	256 222	–	(15 042 967)	18 487 707
		91 565 850	**438 004 355**	**–**	**(52 246 674)**	**477 323 531**

The Company hired Baker Tilly Egypt to perform the study of expected credit losses for its financial assets as of 30/06/2026. The necessary adjustments have been made considering the results of the study regarding the determination of expected credit losses, based on the following:

-The simplified approach was used to measure credit risk for customer facilities for trade and notes receivables by categorizing customers into groups that have similar characteristics and determining the historical period used to calculate the loss rate between two and five years. The loss rate was determined based on historical data while considering expected changes in economic indicators (growth rate, inflation rate and unemployment rate) and then the expected credit losses were calculated by multiplying the loss given default x exposure amount of default x The probability of default.

- The general approach was used to calculate the expected losses related to the company's investments in time deposits, current accounts, and other financial assets using external ratings from external institutions authorized by the Central Bank's credit risk management instructions. Future data was also used to determine whether there was a significant increase in credit risk for financial assets by using some macroeconomic indicators (GDP growth rate, annual inflation rate, unemployment rate) under three scenarios (base, best, worst) in line with Egyptian Accounting Standard No. (47) The approach for calculating expected credit losses also referenced the Basel explanatory note on the internal ratings-based approach and risk weights
- It was considered that the loss rate for government debt instruments and deposits for one month or less in Egyptian pounds was zero starting from 28/11/2023, according to the Prime Minister's decision in this regard.
- Using the Egyptian classification with a loss rate of 45% in case of default when measuring credit losses for other receivables and amounts due from related parties.

  The company has excluded debt instruments issued by the Egyptian government in local currency (treasury bills), as well as current accounts and deposits in local currency with banks operating in Egypt with a maturity of one month or less from the date of the financial statement, from recognition and measurement of expected credit losses.

38- Finance income

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Credit interest	412 923 991	226 960 603	640 845 933	317 594 671
Returns on investments at amortized cost (Treasury bills)	618 730 025	232 120 429	232 115 161	119 512 718
Returns on investments measured at amortized cost (Treasury bonds)	8 844 863	8 844 863	–	–
Interest in Shareholder Loan	5 027 823	3 122 960	–	–
Returns on Investment in Gold Funds	12 100	–	–	–
Interest in employees' benefit liabilities	–	–	33 223 934	64 443 920
	1 045 538 802	**471 048 855**	**906 185 028**	**501 551 309**

39- Finance cost

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Charges (Bank charges – letter of guarantee)	3 510 184	2 981 837	2 262 105	1 418 686
Securities custody commissions and stock listing fees	992 894	215 888	457 120	287 689
Interest on employees benefit liabilities	61 409 198	31 430 399	–	–
	65 912 276	**34 628 124**	**2 719 225**	**1 706 375**

40- Foreign currency exchange gains / (loses)

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Unrealized foreign currency exchange gains (losses) resulting from the revaluation of foreign currency balances in banks	(30 385 842)	(1 787 291 288)	(612 057 938)	(534 216 793)
Realized foreign currency exchange gain (losses)	42 457 127	47 738 685	133 214 396	125 475 332
	12 071 285	**(1 739 552 603)**	**(478 843 542)**	**(408 741 461)**

41- Share of profit of investments at equity method

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Alex Fertilizer	600 645 906	350 968 740	281 753 238	104 244 170
Helwan Fertilizer	334 764 000	103 054 000	337 672 348	130 519 043
North Abu Qir Company for Agricultural Nutrients	7 443 164	6 257 101	4 534 069	4 534 069
Global company for methanol	–	–	2 021 636	2 021 636
	942 853 070	**460 279 841**	**625 981 291**	**241 318 918**

42- Income taxes

	2026		2025	
Current income tax	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Current income taxes				
Current income tax	2 532 010 664	1 460 159 376	1 156 655 939	471 553 857
Current dividends tax	123 760 000	–	99 589 950	–
Tax on treasury bills	123 745 474	46 423 804	46 423 032	23 902 544
Tax differences	(5 765 309)	(5 765 309)	–	–
Total Current taxes	**2 773 750 829**	**1 500 817 871**	**1 302 668 921**	**495 456 401**
Deferred income taxes				
Fixed assets and other assets	(942 834)	3 089 424	72 110 004	63 662 605
Foreign currency exchange differences	(6 836 815)	(402 140 540)	(137 713 036)	(120 198 898)
Deferred tax of pension plan liabilities	(6 106 658)	(3 453 514)	22 483 454	20 937 535
Deferred tax of provisions formed	(398 216)	(398 216)	(53 775)	(8 775)
Deferred tax of investment at equity method	(26 293 741)	49 208 936	(40 970 311)	20 153 403
Deferred tax of Expected credit losses	(86 795 478)	(68 463 151)	(5 908 130)	(1 631 303)
Deferred income taxes	**(127 373 742)**	**(422 157 061)**	**(90 051 794)**	**(17 085 433)**
Income tax at profit or loss statement	**2 646 377 087**	**1 078 660 810**	**1 212 617 127**	**478 370 968**
Deferred taxes on actuarial gains/losses from defined benefit liabilities	–	–	29 686 406	29 686 406
Deferred tax at other comprehensive income	–	–	**290 686 406**	**290 686 406**

Effective income tax rate as of 30/06/2026

	30/06/2026 EGP	30/06/2025 EGP
Profit before income tax	12 657 896 993	5 781 033 113
Income tax according to tax law "22.5%"	2 848 026 823	1 300 732 450
Non-deductible expenses for tax purposes	56 246 501	25 881 026
Revenue exempted from tax	(236 380 928)	(101 396 349)
Tax expenses previous years	(5 765 309)	-
Reverse of deductible expenses not previously recognized as deferred tax assets	(15 750 000)	(12 600 000)
Income tax	2 646 377 087	1 212 617 127
Effective income tax rate	**%20.91**	**%20.98**

43- Basic earnings Per Share

Basic earnings per share after deducting the proposed dividends prepared by the Board of Directors for the share of each of the employee and the Board of Director as follows:

	2026		2025	
	From January 1, 2026, to June 30, 2026 EGP	From April 1, 2026, to June 30, 2026 EGP	From January 1, 2025, to June 30, 2025 EGP	From April 1, 2025, to June 30, 2025 EGP
Net profit after tax	10 011 519 905	4 378 339 788	4 568 415 986	1 785 271 796
Shareholders' profit share	8 525 910 955	3 723 232 219	3 848 898 616	1 465 028 745
Number of issued shares	1 261 875 720	1 261 875 720	1 261 875 720	1 261 875 720
Basic and diluted earnings per share	6.76	2.95	3.05	1.15

44- Tax Position

Corporate Tax

a- Inspection was completed by Tax Authority and paid by the company till the periods 2017/2018.
b- For the periods 2018/2020 it is under inspection by tax authority.
c- For the periods 2020/2021 till date is not inspected yet.
d- The company's due balance according to '9A form - reservation ' which was received from the Tax Authority was verified in the company's records on 5/1/2021, It is noted that the Company received another Form 9A on 08/04/2026 under issuance number 1256 the company objection was filed within the legal time frame to safeguard its rights, and the necessary actions will be taken upon receipt of the amended Form 9A.

Payroll tax

a- Inspection was completed by Tax Authority and paid by the company for the years till 2022.
b- For the periods from 2023 till date is not inspected yet.

Sales Tax

a- For periods from January 1994 to June 2003 the tax disputes are in front of Administrative Judiciary, excluding the period from January 1995 to February 1999 and July 2000 to June 2003 as the Administrative Judiciary judged in favor of the company.
b- For the period from July 2005 to December 2009, tax disputes are in front of Administrative Judiciary.
c- Inspection was completed by Tax Authority and paid by the company for the periods 2015/2016.

Value added tax

a- Inspection was completed by Tax Authority and paid by the company for the periods till 2019/2020.
b- For the periods 2020/2023 are being inspected by the Tax Authority.

c- For the periods 2023/2024 till date is not inspected yet

Stamp tax

a- Inspection and payment have been completed for the periods till 2019/2020.
b- The periods from 2020/2022 are being inspected by the Tax Authority.
c- For the periods 2022/2023 till date is not inspected yet.

Real estate tax

a- The dispute regarding the start of connecting the Abu Qir 3 factory is being held in front of the court with an amount equal to EGP 1.174 million which was paid by the company.
b- All the tax due was paid to December 31, 2021, in accordance with the law of real estate tax promulgated by Law No. 196 of 2008 and amended by Law No. 117 of 2014.
c- The decision of the council of ministers no. 3 for the year 2024 was implemented which state that the ministry of finance will bear the real estate tax of the company's factories for two years to December 31, 2026, and the procedures are in progress with the real estate tax authority and demanding a refund of EGP 1.25 million had already been paid and related to a period of the previously mentioned decision.
d- The company assigned the provision study on 30/6/2026, to Abany and Co. office (the company's tax advisor), and necessary settlements were made based on the study prepared for this purpose

45- Legal position

There are some lawsuits raised against the Company representing labour lawsuits, the required provisions are formed according to company's legal department assessment.

46- Contractual commitments and contingent liabilities

46-1 The capital commitments and contracts that have not yet been completed as of March 31, 2026, as follows:

- Project Number (39/2021/2022) SAP and ERP amounted to USD 740 K and EGP 2 174 K.
- Various purchase orders amounts EUR 18 M, USD 1 M, and EGP 90 K.

46-2 The outstanding portion of the investees' capital

	Investment currency	Percentage %	Investment value	Paid amount	Outstanding amount	Outstanding Amount (EGP)
North Abu Qir Company for Agricultural Nutrients	EGP	45%	450 000 000	112 500 000	337 500 000	**337 500 000**
Abu Tartur (shareholder loan)	USD	10% (after merge)	55 705 000	4 834 248	50 870 752	**2 504 367 121**
						2 841 867 121

- The statement didn't include both global company for methanol since it is under liquidation.

46-3 Letter of guarantee

The letters of guarantee held at banks for the benefit of others as of June 30, 2026, amounted to EGP 328 million. are covered by treasury bills with nominal value of EGP 420 million.

47- Operating segments

The operating segment is one of the entity's elements that participate in the business activities in which the entity can earn revenues and incur expenses. The results of the operating segments are regularly reviewed by the chief executive officer of the company's operating decision-making to make decisions about the resources to be allocated to the segment and assess its performance. Separate financial information on these operating segments should be available for these operating segments, and not necessary every part of the entity is an operating segment or part of an operating segment.

Company's operating segments comprise as follows:

1- Abu Qir Plant (1)
2- Abu Qir Plant (2)
3- Abu Qir Plant (3)
4- Ammonia and nitric acid
5- Plastic Bags Plant
6- Other

First: Operating segments - assets and liabilities:

Description	Abu Qir Plant (1)	Abu Qir Plant (2)	Abu Qir Plant (3)	Liquid fertilizer	Plastic Bags Plant	Other	Total
Operating segment assets	1 620 866 097	844 736 589	719 733 685	3 201 254	74 109 225	–	3 262 646 850
Unassigned segment assets	–	–	–	–	–	33 606 768 226	33 606 768 226
Total assets	**1 620 866 097**	**844 736 589**	**719 733 685**	**3 201 254**	**74 109 225**	**33 606 768 226**	**36 869 415 076**
Operating segments liabilities	–	–	–	–	–	**7 407 202 268**	**7 407 202 268**
Total liabilities	–	–	–	–	–	**7 407 202 268**	**7 407 202 268**

Second: Operating segments - net profit for the period:

Description	Abu QirPlant (1)	Abu QirPlant (2)	Abu QirPlant (3)	Ammonia	Liquid fertilizer	Other	Total
Revenue	8 886 988 207	3 477 330 043	9 553 944 362	913 210 517	693 084 000	-	23 524 557 129
Cost of sales	(3 412 609 776)	(3 213 288 150)	(3 274 684 665)	(475 602 146)	(176 808 053)	-	(10 552 992 790)
Gross profit	**5 474 378 431**	**264 041 893**	**6 279 259 697**	**437 608 371**	**516 275 947**	-	**12 971 564 340**
Other revenues	-	-	-	-	-	124 167 997	124 167 997
Selling and marketing expenses	(342 351 164)	(149 389 732)	(677 396 783)	(15 371 490)	(27 212 232)	-	(1 211 721 401)
General and administrative expenses	(192 532 220)	(74 437 601)	(209 526 983)	(15 199 984)	(20 027 565)	-	(511 724 353)
Other expenses	-	-	-	-	-	(263 182 789)	(263 182 789)
Expected credit losses and impairment of assets	-	-	-	-	-	(385 757 681)	(385 757 681)
Operating profit	**4 939 495 047**	**40 214 560**	**5 392 335 931**	**407 036 897**	**469 036 150**	**(524 772 473)**	**10 723 346 113**
Finance income	-	-	-	-	-	1 045 538 802	1 045 538 802
Finance cost	-	-	-	-	-	(65 912 276)	(65 912 276)
Foreign currency exchange gains	-	-	-	-	-	12 071 285	12 071 285
Net financing income	-	-	-	-	-	991 697 810	991 697 810
Share of profit (losses) of equity accounted investees	-	-	-	-	-	942 853 070	942 853 070
Net profit for the period before income tax	4 939 495 047	40 214 560	5 392 335 931	407 036 897	469 036 150	1 409 778 407	**12 657 896 993**
Income tax expense	(1 032 696 547)	(8 407 628)	(1 127 371 653)	(85 098 901)	(98 061 038)	(294 741 321)	**(2 646 377 087)**
Net profit for the period	3 906 798 500	31 806 932	4 264 964 278	321 937 996	370 975 112	1 115 037 086	**10 011 519 905**

48- Significant events

1- On December 25, 2025, the Central Bank of Egypt issued a decision to reduce the overnight deposit and lending rates by 100 basis points, bringing them to 20% and 21%, respectively. On February 12, 2026 the credit and discount rates were also reduced, bringing them to 19% and 20%, respectively also issued a decision dated April 2, 2026 to maintain the prices unchanged.

2- On 29 March 2026, the Prime Minister issued Decree No. (928) of 2026 regarding the determination of the selling price of natural gas supplied to the nitrogen fertilizer industry, in line with the applicable pricing formula, with a minimum cap of USD 8.5 per million British thermal units.

3- On 4 May 2026 , The Minister of Investment and Foreign Trade issued Decision No. 190 of 2026 regarding the imposition of an export duty on exports of nitrogenous fertilizers of all types at a rate of USD 90 per ton, or its equivalent in Egyptian pounds based on the exchange rates announced by the Central Bank of Egypt on the date of payment. The decision shall remain in effect for a period of three months, starting from the day following the date of its publication.

4- On 23/06/2026,The Minister of Investment and Foreign Trade issued Decision No. (258) of 2026 imposing an export duty on all types of fertilizers at the rate of 10% of the FOB value, supported by an invoice submitted to the Egyptian Customs Authority and certified by the Chemical Industries Chamber of the Federation of Egyptian Industries before export. This decision also repealed Ministerial Decisions Nos. (190) and (203) of 2026.

5- On 25/06/2026, The Minister of Investment and Foreign Trade issued Decision No. (340) of 2026 cancelling Ministerial Decisions Nos. (190) of 2026, (203) of 2026, and (258) of 2026 related to the imposition of export duties on all types of fertilizers, effective from 1 August 2026. This decision is expected to have a positive impact on business results during subsequent periods.

49- The comparative figures have been restated and reclassified to align with the presentation of the financial statements as of June 30, 2025:

Impact of reclassification and restatement the profit and loss statement as of June 30, 2025:

Description	As previously issued	Reclassification	Restatement	Balances after reclassification and restatement
Revenue	12 666 528 690	-	-	12 666 528 690
Cost of Sales	(6 587 314 954)	-	-	(6 587 314 954)
Gross profit	6 079 213 736	-	-	6 079 213 736
Other income	96 119 353	95 198 333	-	191 317 686
Selling and marketing expenses	(697 031 334)	-	-	(697 031 334)
General and administrative expenses	(326 567 000)	(45 932 777)	-	(372 499 777)
Other expenses	(490 245 175)	45 932 777	-	(444 312 396)
Expected credit losses and impairment of assets	(26 258 354)	-	-	(26 258 354)
Operating profit	4 635 231 226	95 198 333	-	4 730 429 561
Investment dividends	1 091 097 833	(95 198 333)	(995 899 500)	
Finance income	872 961 094	33 223 934	-	906 185 028
Finance costs	30 504 711	(33 223 934)	-	(2 719 225)
Foreign currency exchange gains / (Losses)	(478 843 542)	-	-	(478 843 542)
Net financing income	424 622 263	-	-	424 622 261
Company share at profits of investment through equity method	6 555 705	-	619 425 586	625 981 291
Net profit for the period before income tax	6 157 507 027	-	(376 473 914)	5 781 033 113
Income tax expense	(1 250 264 518)	-	37 647 391	(1 212 617 127)
Net profit for the period after tax	4 907 242 509	-	(338 826 523)	4 568 415 986
Basic and diluted earnings per share	**2.85**	-	**0.20**	**3.05**

- The recognition of the company share at profits of investment through equity method in Helwan Fertilizers and Alexandria Fertilizers was adjusted, with an effect on the company's share at investment profits amounting to EGP 619 million, income tax (dividend tax) amounting to EGP 38 million, and a reduction in investment dividend by EGP 996 million resulting a net effect of reduction of net profit after tax amounting 339 million.
- The reclassification of the Board of Directors' remuneration of Alexandria Fertilizers and Helwan Fertilizers from the investment divided to other revenues in the amount of EGP 95 million.
- The reclassification of unutilized cost from general and administrative Expenses to other expenses by EGP 45 million.
- The reclassification of employee benefit interest expenses from finance costs to Finance Income by EGP 33 million.

Impact of restatement the Statement of Comprehensive Income as of June 30, 2025:

Description	As previously issued	Restatement	Balances after reclassification and restatement
Net profit for the period	4 907 242 508	(338 826 522)	4 568 415 986
Other comprehensive income			
Items that that may be subsequently classified in the statement of profit or loss			
Fair Value of Investments through Other Comprehensive Income	(379 027 086)	379 027 086	-
Foreign currency Translation differences of Investments at Equity Method	957 353	(16 353 467)	(15 396 114)
Income tax related to	85 065 690	(85 065 690)	-
	(293 004 043)	**277 607 929**	**(15 396 114)**
Items that will not be reclassified or profit or loss			
Actuarial losses from defined benefit labilities	(131 939 601)	-	(131 939 601)
Income tax related to	29 686 410	-	29 686 410
	(102 253 191)	-	**(102 253 177)**
Total other comprehensive (loss)	**(395 257 234)**	**277 607 929**	**(117 649 291)**
Total comprehensive income for the period	**4 511 985 274**	**(61 218 593)**	**4 450 766 695**

-The statement of comprehensive income as of 30 June 2025 was amended by reducing fair value revaluation differences of financial investments by EGP 379 million and the related income tax by EGP 85 million, and by recognizing translation differences of equity-accounted investments in Helwan Fertilizers and Alexandria Fertilizers amounting to EGP 15 million