



شركة أبو قير للأسمدة والصناعات الكيماوية

Alexandria, July 16, 2025

To: EGX
Disclosure Sector

Dear Sir,

Kindly Find Attached The English Translation for the Following:-

- Interim Separate Financial Statements for the Financial Period Ended March 31, 2025 and the Accompanying Notes to the Interim Separate Financial Statements.
- Auditor's (Hazem Hassan - KPMG) Limited Review Report on the Interim Financial Statements as of March 31, 2025.

Yours faithfully,

Head, Investor Relations
& Media Sector (IRO)

Acc. Nervana Sabbah Oraby



الشركة حاصلة على شهادات أيزو 9001 - أيزو 14001 - أيزو 18001 - أيزو 25005

تليفون : ٣/٥٦٠٣٠٥٣ (سبع خطوط)
مكتب الأسكندرية : ٩٥ طريق ٢٦ يوليو - برج السلسلة
تليفون : ٣/٤٨٧٩٩١١ - ٣/٤٨٤٧٢٢٩
مكتب القاهرة : ٥ شارع شريف الصغير
تليفون وفاكس : ٢/٢٣٩٣٤١٧٦

الإدارة والمصانع :
الطابية - خط رشيد - إسكندرية
كيس بريدي مخصص
الرقم البريدي : ٢١٩١١
www.abuqir.com



E-mail:afc@abuqir.com



**Abu Qir Fertilizers
and Chemical Industries CO.
(S.A.E.)
Interim Separate Financial Statements
For The Financial Period Ended
March 31, 2025**



Hazem Hassan
Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

*Translation of review report
originally issued in Arabic*

Limited Review Report on the Interim Separate Financial Statements

To the Board of Directors of Abu Qir Fertilizers & Chemical Industries Company (S.A.E)

Introduction

We have conducted a limited review of the accompanying interim separate financial statements of Abu Qir Fertilizers & Chemical Industries Company (S.A.E) (the "Company") as of March 31, 2025. These interim separate financial statements include:

- The interim separate statement of financial position as of March 31, 2025;
- The interim separate statement of profit or loss for the three-month period and for the nine-month period ended March 31, 2025;
- The interim separate statement of comprehensive income for the three-month period and for the nine-month period ended March 31, 2025;
- The interim separate statement of changes in equity for the nine-month period ended March 31, 2025;
- The interim separate statement of cash flows for the nine-month period ended March 31, 2025;
- The accompanying notes to the interim separate financial statements.

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

Scope of the 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 separate financial statements.



Hazem Hassan

*Translation of review report
originally issued in Arabic*

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements of Abu Qir Fertilizers & Chemical Industries Company (S.A.E) do not present fairly, in all material respects, the financial position of Abu Qir Fertilizers & Chemical Industries Company (S.A.E) as of March 31, 2025, its financial performance and its cash flows for the nine-months then ended in accordance with the Egyptian Accounting Standards.

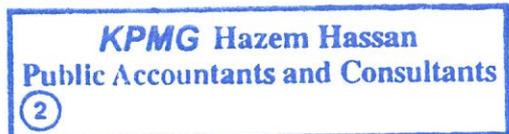
Mohamed Hassan Mohamed Youssif

**Registered in Auditor's register of the
Financial Regulatory Authority under No. (400)**

KPMG Hazem Hassan

Public Accountants and Consultants

Cairo May 21, 2025





AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Financial Position As of March 31, 2025

EGP	Note No.	31 March 2025	30 June 2024
Assets			
Non-current assets			
Fixed assets	(4)	1 808 064 220	1 875 134 305
Intangible assets	(5)	10 175 496	-
Assets under construction	(6)	656 635 300	379 818 409
Intangible assets under progress	(7)	-	42 268 805
Investment property	(8)	500 718	500 718
Investments in associates	(9)	123 448 000	123 448 000
Investment in equity securities at fair value through OCI	(10)	12 834 051 023	11 096 831 025
Other financial assets (treasury bills)	(11)	373 826 036	434 928 408
Total non-current assets		15 806 700 793	13 952 929 670
Current assets			
Inventories	(12)	2 492 995 431	2 072 434 578
Trade and notes receivables	(13)	357 530 758	241 793 653
Due from related parties	(14)	989 773 894	3 108 171
Suppliers – Advance payments	(15)	1 142 165 318	39 847 024
Debtors and other debit balances	(16)	235 016 148	187 370 221
Financial assets at amortized cost (treasury bills)	(17)	561 166 174	2 457 265 965
Cash and cash equivalents	(18)	19 488 605 639	23 354 598 768
Total current assets		25 267 253 363	28 356 418 381
Total assets		41 073 954 156	42 309 348 051
Equity			
Issued and paid-up capital	(19)	1 892 813 580	1 892 813 580
Legal reserve	(20)	946 406 790	946 406 790
Other reserves	(21)	5 848 194 574	5 847 582 574
Revaluation reserve	(22)	9 515 583 246	8 118 918 515
Retained earnings	(23)	12 687 194 711	16 315 887 345
Total equity		30 890 192 901	33 121 608 804
Liabilities			
Non-current liabilities			
Pension plan liabilities	(28)	566 930 633	647 603 067
Deferred tax liabilities	(24)	4 466 657 521	3 799 342 016
Total non-current liabilities		5 033 588 154	4 446 945 083
Current liabilities			
Suppliers	(25)	778 593 832	92 153 797
Due to related parties	(26)	429 492 838	342 064 460
Customers advance payment - contract liabilities	(27)	438 587 126	498 571 182
Pension plan liabilities	(28)	39 264 357	54 540 136
Creditors and other credit balances	(29)	1 506 371 016	1 781 962 209
Current income tax	(30)	1 649 940 638	1 702 097 947
Provisions	(31)	307 923 295	269 404 433
Total current liabilities		5 150 173 101	4 740 794 164
Total equity and liabilities		41 073 954 156	42 309 348 051

* The accompanying notes from (1) to (48) form an integral part of these interim separate financial statements and to be read therewith.


Accountant: Mohamed AbdelMoniem
Deputy CFO


Engineer: Hany Dahi
Chairman and Managing Director

Auditor's report "attached"



AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Profit or Loss for The Financial Period Ended March 31, 2025

<u>EGP</u>	Note No.	<u>2025/2024</u>		<u>2024/2023</u>	
		Nine months ended for 31 March 2025	Three months ended for 31 March 2025	Nine months ended for 31 March 2024 Reclassified and restated	Three months ended for 31 March 2024 Reclassified and restated
Sales/Operating revenue	(32)	16 893 510 095	6 644 381 764	14 041 647 277	5 425 590 059
Cost of goods sold	(33)	(9 206 952 756)	(3 323 860 160)	(7 156 003 467)	(2 816 847 973)
Gross profit		7 686 557 339	3 320 521 604	6 885 643 811	2 608 742 087
Other income	(34)	162 732 436	51 787 492	35 763 946	9 083 934
Selling & marketing expenses	(35)	(899 361 274)	(320 611 366)	(718 812 950)	(271 017 242)
General & administrative expenses	(36)	(699 789 064)	(323 591 445)	(554 340 867)	(308 059 532)
Other expenses	(37)	(49 755 258)	(5 087 309)	(60 196 856)	(46 457 365)
Reversed expected credit losses	(38)	31 281 474	(19 008 122)	(108 548 423)	(117 963 329)
Operating profit		6 231 665 654	2 704 010 854	5 479 508 661	1 874 328 553
Share dividends	(39)	1 091 097 833	1 091 097 833	1 485 115 084	1 485 115 084
Finance income	(40)	1 700 821 555	435 853 705	1 994 795 737	480 826 180
Finance cost	(41)	(108 732 864)	(32 232 836)	(82 160 983)	(27 389 080)
Foreign currency exchange gains	(42)	992 803 357	(70 102 081)	6 390 008 182	6 358 332 490
Net financing income		2 584 892 048	333 518 788	8 302 642 936	6 811 769 590
Net profit for the period before income tax		9 907 655 535	4 128 627 475	15 267 266 681	10 171 213 227
Income tax expense	(43)	(2 128 877 192)	(795 369 872)	(3 209 514 361)	(2 086 711 914)
Net profit for the period		7 778 778 343	3 333 257 603	12 057 752 320	8 084 501 313
Basic and diluted earnings per share	(44)	5.27	2.26	8.19	5.50

* The accompanying notes from (1) to (48) form an integral part of these interim separate financial statements and to be read therewith.



AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Comprehensive Income for The Financial Period Ended March 31, 2025

EGP	Note No.	2025		2024	
		Nine months ended for 31 March 2025	Three months ended for 31 March 2025	Nine months ended for 31 March 2024	Three months ended for 31 March 2024
Net profit for the period		7 778 778 343	3 333 257 603	12 057 752 320	8 084 501 313
Other comprehensive income				Reclassified and restated	Reclassified and restated
Equity investments at FVOCI- net change in fair value	(22)	1 737 219 998	(65 818 835)	5 806 937 379	4 442 804 134
Actuarial gains (losses) from defined benefits schemes for employees		64 928 042			
Income tax for other comprehensive income		(405 483 309)	14 809 238	(1306 560 910)	(999 630 930)
Total comprehensive income for the period		9 175 443 074	3 282 248 006	16 558 128 789	11 527 674 517

* The accompanying notes from (1) to (48) form an integral part of these interim separate financial statements and to be read therewith.



AbuQir Fertilizers and Chemical Industries Company "S.A.E."

Separate Statement of Changes in Equity for The Financial Period Ended March 31, 2025

EGP

	Paid-up capital	Legal reserves	Other reserves	Revaluation reserves	Retained earnings	Total
Balance as at July 1, 2023	1 892 813 580	946 406 790	5 822 733 403	4 577 909 165	13 731 802 340	26 971 665 278
<u>Comperhensive income</u>						
Restated net profit for the period	-	-	-	-	12 057 752 320	12 057 752 320
Revaluation reserve	-	-	-	5 806 937 379	-	5 806 937 379
Deferred tax on other comperhensive income items	-	-	-	(1306 560 910)	-	(1306 560 910)
Total comperhensive income	-	-	-	4 500 376 469	12 057 752 320	16 558 128 789
Transferred to reserves	-	-	24 849 172	-	(24 849 172)	-
<u>Transactions with owners of the company</u>						
Employees and Board of directors' members dividends	-	-	-	-	(2 036 341 189)	(2 036 341 189)
Shareholders' dividends	-	-	-	-	(8 833 130 040)	(8 833 130 040)
Total transactions with the owners of the Company	-	-	-	-	(10 869 471 229)	(10 869 471 229)
Balance as at March 31, 2024 (Restated)	1 892 813 580	946 406 790	5 847 582 575	9 078 285 634	14 895 234 259	32 660 322 838
Balance as at July 1, 2024	1 892 813 580	946 406 790	5 847 582 574	8 118 918 515	16 315 887 345	33 121 608 804
<u>Comperhensive income</u>						
Net profit for the period	-	-	-	-	7 778 778 343	7 778 778 343
Revaluation reserve	-	-	-	1 802 148 040	-	1 802 148 040
Deferred tax on other comperhensive income items	-	-	-	(405 483 309)	-	(405 483 309)
Total comperhensive income	-	-	-	1 396 664 731	7 778 778 343	9 175 443 074
Transferred to reserves	-	-	612 000	-	(612 000)	-
<u>Transactions with owners of the company</u>						
Employees and Board of directors' members dividends	-	-	-	-	(1 942 791 077)	(1 942 791 077)
Shareholders' dividends	-	-	-	-	(9 464 067 900)	(9 464 067 900)
Total transactions with the owners of the Company	-	-	-	-	(11 406 858 977)	(11 406 858 977)
Balance as at March 31, 2025	1 892 813 580	946 406 790	5 848 194 574	9 515 583 246	12 687 194 711	30 890 192 901
Note No.	(19)	(20)	(21)	(22)	(23)	

* The accompanying notes from (1) to (48) form an integral part of these interim separate financial statements and to be read therewith.



AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Cash Flows for The Financial Period March 31, 2025

EGP	Note No.	31 March 2025	31 March 2024
<u>First: Cash flows from operating activities:</u>			
Cash sales and proceeds from trade receivables		16 860 424 442	14 580 038 974
Cash purchases and payments to trade payables		(9 679 752 795)	(6 809 654 881)
Paid salaries and wages		(1 397 570 944)	(1 125 461 794)
Paid taxes and fees		(2 304 673 036)	(3 986 624 310)
Other proceeds		667 625 027	716 489 199
Other payments		(1 556 390 256)	(1 588 933 763)
Employees and Board of directors' members dividends		(1 337 887 050)	(1 416 972 257)
Net cash flows provided from operating activities No. (1)		1 251 775 388	368 881 168
<u>Second: Cash flows from investing activities:</u>			
Payments for purchase of fixed assets and assets under construction		(273 154 105)	(294 310 772)
Proceeds from investment in other companies		-	39 473 120
Proceeds from the sale of fixed assets		34 113 700	697,680
Payments for investment in financial assets at amortized cost		(6 944 110 262)	(16 166 960 669)
Proceeds from investment in financial assets at amortized cost		8 669 458 821	19 802 587 309
Credit Interest received - Time Deposits		1 211 588 813	796 506 833
Credit Interest received - Treasury bills		647 192 944	1 136 090 153
Net cash flows provided from investing activities No. (2)		3 345 089 910	5 314 083 654
<u>Third: Cash flows from financing activities:</u>			
Shareholders' dividends paid		(9 464 067 900)	(8 833 130 040)
Net cash flows used in financing activities No. (3)		(9 464 067 900)	(8 833 130 040)
Net Change in cash and cash equivalents (1) + (2) + (3)		(4 867 202 602)	(3 150 165 218)
Cash & cash equivalent at the beginning of the period		23 391 511 070	17 445 801 237
Effect of movements in exchange rates on cash held		987 587 696	6 392 488 312
Accrued interest from deposits		38 784 917	55 255 817
expected credit loss	(38)	(62 075 443)	(183 365 099)
Cash at banks		19 488 605 638	20 560 015 049
Deduct:			
Restricted deposits and cash covered against letter of guarantees and letter of credits		(1 329 684 944)	(1 337 566 909)
Cash & cash equivalent available at the end of the period	(18)	18 158 920 694	19 222 448 140

* The accompanying notes from (1) to (48) form an integral part of these interim separate financial statements and to be read therewith.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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 bylaws 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 Said Mohamed Dahi.

2- Basis for preparation of separate financial statements

The separate 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 on at fair value through profit and loss, or other comprehensive income, and amortized cost.

2-1 Compliance with accounting standards and laws

- The separate 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 April 30, 2025.

2-2 Functional and reporting currency

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

2-3 Use of estimates and assumptions

The preparation of the separate 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, income 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.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

A- Professional judgement

Information about the judgments used in applying accounting policies that have a significant impact on the amounts presented in the separate 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 of assets.
- Pension plan liabilities

B- Estimation and Assumptions Uncertainty

Information regarding uncertain assumptions and estimates at the date of the separate 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 plans liabilities.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine 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. the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) .

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted .

- 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 (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount 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.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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 an outflow of economic benefit 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.

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.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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 unobservable inputs the usage limit.
- All assets and liabilities that are measured or disclosed in the separate financial statements at fair value are classified into categories based the fair value hierarchy.

3- Significant accounting policies

The accounting policies, presentation and calculation methods adopted in the preparation of these separate financial statements are consistent with the annual separate financial statements, except for calculating the expected credit losses for the current period, the company has stopped calculating the expected credit losses for treasury bills in the local currency and also for bank current accounts and time deposits in local currency with banks operating in Egypt have a maturity date of one month or less, in accordance with Ministerial Resolution no. 4575 during 2023, which was issued on November 28, 2023, which allowed that the companies have an option of do not calculate 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.

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 separate 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.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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 on which the company has the right to collect the amounts.

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
- Profits 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).



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

- 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

Cost related to the replacement of fixed assets, or any main components are capitalized and any subsequent cost to the acquisition will be capitalized 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 or the useful lives of major components of an item of fixed assets which are accounted for individually (land is not subject to depreciation). 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:

<u>Assets</u>	<u>Depreciation Rates</u>
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%



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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 deducting 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 in Companies

Investments in associates

Investments in associates are recorded at cost. In the event of a permanent decline in their market value or the book value, the book value of the investment is reduced to the recoverable amount and impairment losses are recognized immediately in the separate income statement for each investment separately. The value of the impairment previously recorded in prior periods is reversed so that the book value of these investments does not exceed their original net book value before recording the impairment.

3-12 Financial instruments

Financial assets

Classification

The Company classifies its financial assets into the following measurement categories :

- 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 through other comprehensive income.

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



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

Recognition and derecognition

The usual 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 all the risks and rewards of ownership of 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 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.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

Impairment

At each financial position date, The Company assesses the expected credit losses associated with the investment in debt instruments, which are carried at amortized cost and fair value through other comprehensive income. Expected credit losses of a financial asset occur when there is one or more adverse events to the expected cash flow of the financial asset.

Evidence of expected credit losses includes the following observable data:

- Breach of contract by defaulting on loan repayment or delaying payment from the due date.
- Restructuring the loan and the advance payment from the company on terms not in the interest of the company.
- It is probable that the borrower will go bankrupt or other financial scheduling, or the active market will disappear due to financial difficulties.

Provision of financial assets at amortized cost will be deducted from the total amount of assets.

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

Derecognition of financial assets, 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 another entity.

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. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, 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, and only when, the Company's obligations are discharged, cancelled or they expire.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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.

Expected credit losses measurement

It is a probability weighted estimate of credit losses, as the present value of all shortage of cash is measured (i.e. the difference between the cash flows outstanding in accordance with the contract and the cash flows that the company expects to receive, and expected credit losses are discounted at the effective interest rate of the financial asset.

Expected credit losses presentation in the statement of financial position

The expected credit losses for financial assets are deducted from the total amount of the book value of the assets.

Debt write-off

The total book value of a financial asset is written off when the company does not have reasonable expectations of collecting all or part of the financial asset. For individual customers, the company has a policy of writing off the customer balance is due more than two years, based on historical experience in collecting those assets. For companies' customers, the company conducts an assessment individually regarding the timing and amount of write-off based on whether there is a reasonable expectation of collection.

3-13 Inventories

Finished goods inventory are valued at the lower of 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 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 31/3/2025, 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 other debit balances

The balances of customers, debtors and other debit balances are recognized at nominal value, and the values that will be collected for the goods and services that have been delivered or performed are recognized and appear in the statement of financial position minus any amounts as a result of the decrease in their value, which is expected not to be collected by the company, which is estimated when it is unlikely to collect the full amount, as well as bad debts after determining them, and other debit balances are recognized at cost less impairment losses in the value of Financial assets..



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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 they 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 company's issued capital again.

3-17 Borrowing cost

Borrowing costs are recognized as expense in the statement of profit or loss when incurred using the effective interest rate. Borrowing costs related to the acquisition or constructions of qualifying assets are capitalized during the construction period, and this capitalization is stopped during temporary stopping periods of construction, and capitalization ceases when the activities necessary to prepare the asset for its intended 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 direct method.

3-20 Dividends

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

3-21 Employees profit share

The percentage of the employees in dividends is 14%, the company pays a 10% portion of cash dividend distributions to employees, not exceeding the total annual salaries of the company's employees, in addition to a 4% portion for employee funds. The employees' profit shares are recognized in the statement of changes in equity and as a liability during the financial period 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 period.

3-23 Employee benefits

Social Security contributions

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.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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 post-retirement health care benefits to eligible retirees and their dependents. The expected costs of these benefits are accrued over the employment period using an accounting method similar to that used in defined benefit plans and are calculated according to the estimated units added method.

The remeasurement gains or losses resulting from adjustments and changes based on experience in actuarial assumptions are charged to the statement of other comprehensive income in the period in which they arise, and the obligations are evaluated annually by an actuary.

Accounting for these plans requires the Company to make certain assumptions related to the discount rates used to measure the obligations and future expenses, inflation rates, health care cost and mortality trend rates, other assumptions, actuarial valuations, market conditions and contracted benefits. These assumptions are subject to significant change.

The selection of assumptions is based on past trends and future estimates based on economic and market conditions at the valuation date, but actual results may differ materially from estimates based on the significant assumptions used.

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 are represented by financial assets and liabilities. Financial assets include cash balances on hand, deposits at banks, debtors and other debit balances, trade receivables and due from related parties and financial investments by fair value. Financial liabilities also include creditors and other credit balances, suppliers, due to related parties and the tax authority dues. The company measures the fair value of these instruments to ensure that they represent a reasonable estimate of their fair value at the date of the financial position.

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 as well as the Company's management of capital and presents some additional quantitative disclosures included in these separate 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.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

3-26-1 Credit risk

Credit risk is the risk that one party to a financial instrument fail to fulfill its obligation and expose the other party to financial loss. This risk is mainly associated with the Company's customers and 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 separate financial statements as following:

	31/03/2025	30/6/2024
	<u>EGP</u>	<u>EGP</u>
Related parties	1 003 114 889	3 826 726
Other debit balances	111 051 449	133 095 591
Financial assets at amortized cost and other financial assets	934 992 210	2 892 194 373
Trade and notes receivables	358 680 556	244 301 409
Cash and cash equivalents	19 511 896 167	23 391 511 070
	<u>21 919 735 271</u>	<u>26 664 929 169</u>

Expected credit losses for financial assets as of the financial position date refer to note (38)

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.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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

	Book value	Expected credit losses	Credit-impaired
31 March 2025			
Balances not due yet	338 206 456	698 434	No
Due balance from 1-30 day	18 318 636	297 707	No
Due balance from 31-60 day	996 073	52 997	No
Due balance from 61-90 day	1 159 391	100 660	No
Due balance More than 90 day	-	-	No
	358 680 556	1 149 798	

	Book Value	Expected credit losses	Credit-impaired
30 June 2024			
Balances not due yet	226 116 819	1 148 249	No
Due balance from 1-30 day	6 026 598	183 169	No
Due balance from 31-60 day	926 963	64 333	No
Due balance from 61-90 day	1 502 958	139 197	No
Due balance More than 90 day	9 728 071	972 808	No
	244 301 409	2 507 756	

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 that have a credit rating.

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.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

Financial assets according to the credit rating

The outstanding balance subject to expected credit losses amounted to EGP 19 757 635 251, 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 March 31, 2025, amounted to EGP 112 384 522 (compared to EGP 143 665 997 as of June 30, 2024).

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 March 31, 2024, the available cash flows from cash and cash equivalents, financial assets at amortized cost, receivables, other debit balances, and due from related parties that maturing within one year amounted to EGP 20 952 478 496,(compared to EGP 26 664 929 168, as of June 30, 2024). 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 following:

	Book Value	Expected Cash flow	Due during the year
March 31, 2024			
Creditors and other credit balances	1 506 371 016	1 506 371 016	1 506 371 016
Due to related parties	429 492 838	429 492 838	429 492 838
Suppliers	778 593 832	778 593 832	778 593 832
	2 714 457 686	2 714 457 686	2 714 457 686
June 30, 2024			
Creditors and other credit balances	1 781 962 209	1 781 962 209	1 781 962 209
Due to related parties	342 064 460	342 064 460	342 064 460
Suppliers	92 153 797	92 153 797	92 153 797
	2 216 180 466	2 216 180 466	2 216 180 466



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

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 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 19.2 billion equivalent to USD 381 million, EUR 21 thousand and GBP 295 (with the exchange rate at the reporting date being EGP 50.51 per dollar).

Sensitivity

A 10% increase or decrease in the foreign currencies may result in an increase or decrease in equity and net profit approximately EGP 1.92 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 long-term borrowings or long term financial obligations 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 Separate Financial Statements for the Financial Period Ended March 31, 2025

3-28 New issuance for Egyptian Accounting Policies

-On 3/6/2023 the Prime Minister issued Decree No 883 of 2023 amending the Egyptian Accounting Standards and on 3/3/2024, the Prime Minister issued Decree No. 636 of 2024 amending the Egyptian Accounting Standards by adding a new Standard No. (51), the Financial Statements in Hyperinflationary Economies. This standard applies to financial statements, including consolidated financial statements, for any entity whose functional currency is in a hyperinflationary economy. It also applies to standalone and separate financial statements and any group with a foreign operation in a hyperinflationary economy. The classification of economic transactions as hyperinflationary is assessed through the characteristics of the economic environment.

-A decree will be issued by the Prime Minister or an authorized delegate to specify the start and end dates of the financial period(s) during which this standard must be applied when the functional currency is the local currency. The decision will be effective from the beginning of the financial period in which the economy is classified as hyperinflationary, with comparative figures in the financial statements adjusted accordingly.

-The management is currently studying the impact on the company's financial statements.

-The standard is effective from its issuance date and applies to the financial periods specified in accordance with paragraph (6) of this standard.

Accounting Interpretation No. (2) - "Carbon Emission Reduction Credits:"

Carbon credits (Credits Carbon) are financial instruments that can be traded, representing units of reduced greenhouse gas emissions, with each unit equivalent to one metric ton of carbon dioxide equivalent. These credits are granted to an emissions reduction project (the seller or holder) upon verification and approval by the relevant authorities, whether local or international, in accordance with the policies and procedures set by the governing financial regulatory bodies.

Companies use carbon reduction credits to achieve their voluntary emissions reduction targets (e.g., corporations) or for other incentives through trading in the Voluntary Carbon Market (VCM). The accounting treatments vary based on the composition and contractual obligations of the buyers and the obligations of the project owners.

Companies must determine the facts and address various situations according to global accounting standards and appropriate market prices. The accounting treatment differs depending on the circumstances, whether in the initial recognition, subsequent measurement, derecognition, or the required financial disclosures.

Management is responsible for applying these principles in good faith to the company's financial statements.

The application begins on or after January 1, 2025, with early adoption permitted.

On April 17, 2025, the Central Bank of Egypt issued a decision to reduce the overnight deposit and lending rates by 225 basis points, bringing them to 25% and 26%, respectively. The credit and discount rates were also reduced by 225 basis points, reaching 25.50%.



AbuQir Fertilizers and Chemical Industries Company "S.A.E."

Notes to the Interim Separate Financial Statements for Financial Period Ended March 31, 2025

4- Fixed assets

Fixed assets as at 31/3/2025

	Lands & Buildings	Machines & equipment	Vehicles	Tools & equipment	Furniture & office equipment	Balance at 31/3/2025
Cost						
Balance at 01/07/2024	594 702 866	3 932 308 920	60 554 690	61 470 803	59 235 090	4 708 272 369
Additions	2 529 047	30 500 313	-	22 591 236	3 538 279	59 158 875
Disposals	-	(31 603 780)	-	(758,145)	(180 249)	(32 542 174)
Balance at 31/3/2025	597 231 913	3 931 205 453	60 554 690	83 303 894	62 593 120	4 734 889 070
Accumulated Depreciation						
Accumulated depreciation as at 01/07/2024	302 376 004	2 409 472 859	47 992 891	36 039 612	37 256 698	2 833 138 064
Depreciation	16 285 029	99 141 895	3 833 114	3 162 093	3 449 202	125 871 333
Disposals	-	(31,603,780)	-	(403 373)	(177 394)	(32 184 547)
Balance at 31/3/2025	318 661 033	2 477 010 974	51 826 005	38 798 332	40 528 506	2 926 824 850
Net book value as at 31/3/2025	278 570 880	1 454 194 479	8 728 685	44 505 562	22 064 614	1 808 064 220

Fixed assets as at 30/6/2024

	Lands & Buildings	Machines & equipment	Vehicles	Tools & equipment	Furniture & office equipment	Balance at 30/06/2024
Cost						
Balance at 01/07/2023	524 978 620	3 213 139 673	62 900 225	52 127 915	52 806 749	3 905 953 182
Additions	69 724 246	725 127 186	1 516 862	10 851 631	6 620 213	813 840 138
Disposals	-	(5 957 938)	(3 862 397)	(1 508 743)	(191 873)	(11 520 951)
Balance at 30/6/2024	594 702 866	3 932 308 921	60 554 690	61 470 803	59 235 089	4 708 272 369
Accumulated Depreciation						
Balance at 01/07/2023	284 253 077	2 322 800 178	45 613 464	34 355 707	32 530 726	2 719 553 152
Depreciation	18 122 927	88 028 799	6 241 824	3 192 648	4 917 845	120 504 043
Disposals	-	(1 356 118)	(3 862 397)	(1 508 743)	(191 873)	(6 919 131)
Balance at 30/6/2024	302 376 004	2 409 472 859	47 992 891	36 039 612	37 256 698	2 833 138 064
Net book value as at 30/6/2024	292 326 862	1 522 836 062	12 561 799	25 431 191	21 978 391	1 875 134 305

- The historical cost of the fully depreciated fixed assets which are still operate are amounted to EGP 2.3 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 (141) for the year 2024 and the approval of the Board of Directors by Resolution No. (124) dated 26/06/2024.

- There are no assets that are temporarily idle and there are no assets with book value that are no longer in use or held for disposal. There are also no restrictions on the ownership of assets and liabilities at the date of the financial position. The non-utilization of the production capacity of the liquid fertilizer plant during the period is due to demand and operating conditions. And for the remaining company plants, due to the shortage of natural gas supplies provided to the company, the total was accordingly adjusted.

- Legal procedures are being completed to register some of the company's lands, an area of 2 shares, 4 acres, including about 15 shares, 21 karats, 1 acre outside the company's walls, as well as registering the company's administrative headquarters in Cairo.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

5- Intangible assets

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Net opening balance for the period	-	-
Addition/disposal during the period	10 175 496	-
Net ending balance for the period	10 175 496	-

This balance represents the value of what has been raised on the assets of the SAP information system and the application of the ERP system for digital transformation. which will be depreciated over 10 years.

6- Assets Under Construction

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Assets under installation	332 773 161	31 332 386
Advance payment – Fixed Assets	323 862 139	348 486 023
	656 635 300	379 818 409

7- Intangible assets under implementation

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Net opening balance for the period	42 268 805	20 714 808
Addition/disposal during the period	(42 268 805)	21 553 997
Net ending balance for the period	-	42 268 805

8- Investment property

It represents lands are leased to companies of Alexandria Fertilizers, Pargas, Med Gas, and Air Liquid. The fair value of these investments amounted to EGP 972 million as of March 31, 2025, according to the latest study in this regard conducted in 2024 by an external appraiser registered in the Financial Regulatory Authority. Considering these leased investments generated revenues equal to EGP 24.21 million. The historical cost of these lands is as follows:

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
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 associates

	Percentage	Investment Currency	31/03/2025	30/06/2024
			<u>EGP</u>	<u>EGP</u>
Global Company for Methanol and its Derivatives	35%	USD	10 948 000	10 948 000
North Abu Qir Company for Agricultural Nutrients	45%	EGP	112 500 000	112 500 000
			123 448 000	123 448 000



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

The total amount paid for the contribution in the capital of the Global Company for Methanol and its Derivatives is EGP 10.948 million the equivalent to USD 700 thousand represents 10% from the total sharing that constitutes 35% of the issued capital of the investee that amounted USD 20 million. The authorized capital amounted USD 200 million.

- Based on the unanimous approval of the Board of Directors on 12/03/2025, it was agreed to take the necessary steps for the liquidation of the company and the recovery of the shares of the contributing companies in the capital. The proposal was presented to the General Assembly on 30/04/2025, and the remaining liquidation procedures are currently being finalized.

The total amount paid for the contribution in the capital of the North Abu Qir Company for Agricultural Fertilizers is EGP 112.500 million represents 25% from the total sharing that constitutes 45% of the issued capital of the investee that amounted EGP 1 billion. The authorized capital is EGP 10 billion.

- On May 21, 2023, the general assembly meeting of the investee was held.
- On January 2, 2024, a memorandum of understanding was signed among the investee, ABB Group, MPS for Sustainable Infrastructure Solutions, and Petro-jet to provide the investee with green hydrogen and renewable electricity necessary to produce green ammonia, which represents the raw material for the production of ammonium nitrate fertilizer.
- The approvals of the esteemed shareholders have been obtained, and powers of attorney have been issued to establish a new company under the name "Abu Qir Gulf for Agricultural Nutrients" in a special free zone, with an authorized capital of 100 million USD and a paid-up capital of 5 million USD. The file is currently being submitted to the Free Zones Administration. After the establishment, an extraordinary general assembly will be held for each company, and approval will be granted to merge North Abu Qir for Agricultural Nutrients with the new company, maintaining the same contribution ratios without altering them.

10- Investment in equity instruments at fair value through OCI

	Percentage	Currency	31/03/2025	30/06/2024
			<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company	15%	USD	6 726 906 922	5 851 689 525
Helwan Fertilizers Company	17%	USD	6 059 667 601	5 197 665 000
El Wady for Phosphate and Fertilizers Industries	10%	EGP	40 000 000	40 000 000
Abu Tartur for Phosphoric Acid Company	9.5%	USD	7 476 500	7 476 500
			12 834 051 023	11 096 831 025

- **The total amount paid for the contribution in the capital of Alexandria Fertilizers Company** is EGP 226.52 million equivalent to USD 22.3875 million with a fair value of EGP 6.76 billion represents 100% of the Company's sharing, which constitutes 15% of the investee's issued capital that amounted to USD 149.250 million. The authorized capital is USD 500 million.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

- **The total amount paid for the contribution in the capital of Helwan Fertilizers Company** is EGP 157.59 million equivalent to USD 25.5 million with fair value of EGP 6.1 billion represents in 100% of the Company's sharing, which constitutes 17% of the investee's issued capital that amounted USD 150 million. The authorized capital is USD 700 million.
- **The total amount paid for the contribution in the capital of El Wadi for Phosphates and Fertilizers** is EGP 40 million represents 100% of the Company's sharing, which constitutes 10% of the investee's issued capital of the company that amounted EGP 400 million. The authorized capital is EGP 4 billion.
 - The investee works to find other activities to ensure its continuity and achieve its objectives. It prepared an integrated study to access into a project for the purpose of increasing the concentration of phosphoric ores, achieving quality and manufacturing compound phosphate fertilizers. It is also in the process of completing the necessary documents to obtain licenses for phosphate ore consumption rights.
 - The investee studies the purchase of raw materials and fertilizers from other joint-stock and local companies and selling them for its own benefit while achieving a profit margin.
- **The total amount paid for the contribution in the capital of Abu Tartur for Phosphoric Acid** amounted to EGP 7.476 million the equivalent of USD 475 thousand represents 50% from the total sharing which constitutes 9.5% of the issued capital of the company amounting to USD 10 million. The authorized capital is USD 100 million. On 21/12/2024, the Board of Directors of Abu Tartur Phosphoric Acid Company issued a decision recommending studying the implementation of the project in two phases and starting half of the production capacity and self-financing it without resorting to bank financing, and the rest of the procedures are being completed.

11- Other financial assets

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Letter of guarantees pledged by treasury bills	373 826 036	434 928 408
	<u>373 826 036</u>	<u>434 928 408</u>

- Other financial assets are represented in the recoverable amount of treasury bills at banks pledged to cover letter of guarantees amounted to EGP 382 million.

12- Inventories

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Raw material	379 647 805	310 009 142
Oil and fuel	23 864 682	10 637 903
Spare parts	1 481 778 539	1 434 080 458
Packing	55 479 118	58 413 749
Wastes	66 464	1 298 445
Finished goods at cost	491 576 830	192 851 814
Work in process at cost	60 581 993	65 143 069
	<u>2 492 995 431</u>	<u>2 072 434 578</u>



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

13- Trade and notes receivable

	Note No.	31/03/2025 <u>EGP</u>	30/06/2024 <u>EGP</u>
Trade receivable – Public sector		232 052 908	173 334 350
Trade receivable – Private sector		9 821 840	3 375 113
Trade receivable – foreign sector		115 855 808	67 591 946
Notes receivables		950 000	-
		358 680 556	244 301 409
Expected credit losses	(38)	(1 149 798)	(2 507 756)
		357 530 758	241 793 653

14- Due from Related Parties

14-1 Related parties that have transactions with the company:

– Alexandria Fertilizers Company	Shareholder by 15 %
– Helwan Fertilizers Company	Shareholder by 17 %
– Global Company for Methanol and Derivatives	Major shareholder by 35 %
– North Abu Qir Company for Agricultural Nutrients	Major shareholder by 45 %

14-2 Related party transactions

The following is a summary of transactions with related parties:

<u>Description</u>	<u>Nature of transactions</u>	31/03/2025 <u>EGP</u>	30/06/2024 <u>EGP</u>
Alexandria Fertilizers Company	Services / Dividends	67 113 655	719 211 907
Helwan Fertilizers Company	Services / Dividends	30 287 970	695 717 057
North Abu Qir Company for Agricultural Nutrients	Payments for the project	-	266 319
Chemical Industries Company – KIMA	Services	75 983 600	-
		173 385 225	1 415 195 283

14-3 Transactions resulted in the following debit balances:

Due from related parties

	Note no.	31/03/2025 <u>EGP</u>	30/06/2024 <u>EGP</u>
Alexandria Fertilizers Company		468 163 006	211 932
Helwan Fertilizers Company		526 647 550	-
North Abu Qir Company for Agricultural Nutrients		8 304 333	3 614 794
		1 003 114 889	3 826 726
Expected Credit losses	(38)	(13 340 995)	(718 555)
		989 773 894	3 108 171

14-4 Significant contracts with related parties

Lease contracts as a lessor with Alexandria Fertilizers Company “the lessee” include the factory’s land, vacant land, land with a water pumping station, and the company’s headquarters. Additionally, there is a contract with Alexandria Fertilizers Company and Helwan Fertilizers Company to use the onshore and sea facilities that available to the Company to export quantities of ammonia produced by both companies.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

15- Suppliers – Advance payments

	Note no.	31/03/2025	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Suppliers - public sector		93 573 029	1 227 207
Suppliers - private sector & foreign sector		1 079 240 145	66 119 613
		1 172 813 174	67 346 820
Impairment losses	(38)	(30 647 856)	(27 499 796)
		1 142 165 318	39 847 024

16- Debtors and other debit balances

	Note no.	31/03/2025	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Deposits with others		15 934 142	13 014 141
Employees loans and Installments		5 385	460 000
Petty cash		3 372 520	-
Sales tax		138 845 040	93 573 029
Property tax		2 424 000	2 424 000
Income tax		542 963	-
Withholding tax		27 927 222	41 347 357
Prepaid expenses		1 051 715	3 776 879
Employees debts		3 142 100	2 535 860
Employees loans		10 534 571	19 396 337
Prepaid expenses – platinum		8 010 531	1 165 181
Other debit balances		5 234 606	12 555 071
<u>Debit balances related to specific activities that are offset by credit balances</u>			
Environmental and infrastructure debit balances		14 804 527	12 976 420
Employees benefits debit balances (family healthcare - employee services)		680 938 420	504 155 843
Social and sport activities debit balances		449 454 306	367 817 496
Burj El Arab Project		56 850 282	31 260 103
Residential city assets		23 161 784	24 569 340
<u>Less: corresponding credit balances</u>		(1 202 047 535)	(939 164 707)
		240 186 578	194 205 875
Expected credit losses	(38)	(5 170 431)	(6 835 654)
		235 016 148	187 370 221



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

17- Financial assets at amortized cost (treasury bills)

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Amount paid	557 922 229	2 255 740 657
Add: accrued revenues	4 054 931	251 906 635
Deduct: Treasury bills accrued tax	(810 986)	(50 381 327)
	<u>561 166 174</u>	<u>2 457 265 965</u>

18- Cash and cash equivalents

	Note no.	31/03/2025	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Banks - current accounts with return		472 882 486	248 074 344
Time Deposits		19 038 673 100	23 143 101 042
Cash on hand		340 581	335 684
		<u>19 511 896 167</u>	<u>23 391 511 070</u>
Accrued interest from deposits		38 784 917	69 191 934
Expected credit losses	(38)	(62 075 443)	(106 104 236)
Cash at banks		<u>19 488 605 639</u>	<u>23 354 598 768</u>
Deduct:			
Restricted deposits against letter of guarantees and letter of credits		(1 329 684 944)	(993 195 639)
Cash and cash equivalent for cash flow Preparation purpose		<u>18 158 920 695</u>	<u>22 361 403 129</u>

- Short-term deposits are dominated in USD to pay the company's current foreign currency liabilities.
- Within the cash accounts on 31/3/2025 “time deposits” restricted at Ebank with an amount equals to USD 18 million, and Qatar National Bank with an amount equals to of USD 8 million against letter of credits.

19- Share capital

19-1 Authorized capital

The Company’s authorized capital is amounting to EGP 3 billion.

19-2 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 bank. 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	5.47	69 055 673	103 583 509
Union of shareholder Employee	Egyptian	5.03	63 500 000	95 250 000
Other investors	Multinational	22.57	284 709 637	427 064 456
		<u>100</u>	<u>1 261 875 720</u>	<u>1 892 813 580</u>



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

20- 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 investment gazette.

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Legal reserve	946 406 790	946 406 790
	946 406 790	946 406 790

21- Other reserves

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Expansions reserve	5 800 000 000	5 800 000 000
Other reserves (capital gains - environment fund)	48 194 574	47 582 574
	5 848 194 574	5 847 582 574

22- Revaluation reserve

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Fair value revaluation for Alexandria Fertilizers Company	5 108 021 210	4 429 727 727
Fair value revaluation for Helwan Fertilizers Company	4 574 110 141	3 906 058 125
Actuarial losses– employee benefits	(166 548 105)	(216 867 337)
	9 515 583 246	8 118 918 515

- The Company hired Baker Tilly - Egypt to conduct a fair value assessment of its investments in Alexandria Fertilizers Company and Helwan Fertilizers Company on March 31, 2025. Necessary adjustments were proceeded based on the study's result. The income and market approaches were utilized in the valuation process, leading to the estimated fair value per share for both companies. This was done according to the data provided in the latest reviewed financial statements for both companies as of December 31, 2024 and considering the exchange rate on the date of preparation of the company's financial position on March 31, 2025.
- The Company hired Baker Tilly- Egypt to conduct a fair value assessment of its investments in Wadi Phosphate Industries and Abu Tartur for Phosphoric Acid. The study concluded, because of the investee hasn't started the operation, and due to the absence of a future business plan for both companies that could be used to perform the evaluation either through the discounted cash flow method or the multiples method, the book value for both companies financial statements represents the expressive value as of March 31, 2025.



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

23- Retained earnings

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Beginning balance	16 315 887 345	13 731 802 340
Add / (Deduct):		
Transfer to reserve	(612 000)	(24 849 172)
Dividends	(1 942 791 077)	(2 036 341 188)
Shareholders dividends	(9 464 067 900)	(8 833 130 040)
Net profit for the period	7 778 778 343	13 478 405 405
Ending balance for the period	<u>12 687 194 711</u>	<u>16 315 887 345</u>

24- Deferred tax liabilities

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Fixed assets and other assets	249 521 577	236 246 918
Investments fair value revaluation differences	2 810 941 360	2 420 066 860
Foreign currency exchange differences	1 608 644 943	1 393 951 305
Deduct:		
Expected credit losses	(25 286 518)	(32 324 849)
Employee benefit obligations	(161 372 983)	(157 982 221)
Provisions	(15 790 858)	(60 615 997)
	<u>4 466 657 521</u>	<u>3 799 342 016</u>

25- Suppliers

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Suppliers - public sector	392 999 776	18 259 077
Suppliers - private sector	89 990 119	36 541 358
Suppliers - foreign sector	295 603 937	37 353 362
	<u>778 593 832</u>	<u>92 153 797</u>

26- Due to Related Parties

26-1 Related parties:

– Helwan Fertilizers Company	Shareholder by 17 %
– Global Company for Methanol and Derivatives	Shareholder by 35 %
– Egyptian Natural Gas GASCO – Petro trade	Founder affiliate
– Shareholders employees’ union	Shareholder by 5.03 %



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

26-2 Related parties' transactions

The following is a summary of transactions with related parties:

<u>Description</u>	<u>Nature of transactions</u>	<u>31/03/2025</u> <u>EGP</u>	<u>30/06/2024</u> <u>EGP</u>
Shareholders employees' union	Payment of employee's dues	2 516 837	2 040 126
Egyptian Natural Gas GASCO – Petro trade	Natural gas supply	21 013 768 363	7 576 946 457
		<u>21 016 285 200</u>	<u>7 578 986 584</u>

26-3 Transactions resulted in the following credit balances:

Due to related parties

<u>Description</u>	<u>31/03/2025</u> <u>EGP</u>	<u>30/06/2024</u> <u>EGP</u>
Shareholders employees' union	744 218	3 261 055
Egyptian Natural Gas “GASCO” – Petro trade	428 748 620	338 803 405
	<u>429 492 838</u>	<u>342 064 460</u>

26-4 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 companies affiliated of the Egyptian General Petroleum Corporation. Natural gas is supplied to the Company's factories at a price of USD 5.75/million thermal units (TU), effective from 01/11/2021 to 12/09/2022. From 13/09/2022, 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, so that the minimum selling price is not less than USD 4.5/million British thermal units (BTU).

26-5 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:

	<u>31/03/2025</u> <u>EGP</u>	<u>31/03/2024</u> <u>EGP</u>
Salaries, attendance and travel allowances, and bonuses	16 862 212	15 196 986
	<u>16 862 212</u>	<u>15 196 986</u>

27- Customers advance payment - contract liabilities

	<u>31/03/2025</u> <u>EGP</u>	<u>30/06/2024</u> <u>EGP</u>
Customers - public sector	3 237 528	1 638 991
Customers - private sector	21 651 707	15 944 553
Customers - foreign sector	413 697 890	480 987 638
	<u>438 587 126</u>	<u>498 571 182</u>



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

28- Pension Plan liabilities

28- 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.

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Opening balance of the period	702 143 203	503 277 469
Current service cost	10 284 315	11 086 928
Interest expense	116 868 492	108 065 505
Benefits paid	(47 154 713)	(47 732 174)
Actuarial losses /(gain) - Remeasurement of defined benefit liabilities	23 469 726	(62 418 119)
Actuarial losses (gain) - experience	(88 397 768)	189 863 594
	<u>717 213 255</u>	<u>702 143 203</u>
Assets of the Employee Benefits System	(111 018 265)	-
Net liabilities	<u>606 194 990</u>	<u>702 143 203</u>
Short-term liabilities	39 264 357	54 540 136
Long-term liabilities	566 930 633	647 603 067

28-2 Included in the statement of profit and loss

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Current service cost and interest cost	106 037 081	106 237 521
	<u>106 037 081</u>	<u>106 237 521</u>

Actuarial assumptions

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Discount Rate	24%	24.74%
Inflation rate	24.54%	16%
Benefit increase rate	18.75%	19.5%

Sensitivity analysis for actuarial assumptions

	Change in assumption		Change in plan benefit	
	Increase	Decrease	Increase	Decrease
Discount rate (%)	0.5%	-0.5%	(26 823 875)	29 007 539
Inflation rate(%)	0.5%	-0.5%	11 283 539	(10 386 243)
Mortality rate (Year)	1	-1	(190 856)	194 432

Dispose withdrawal coefficients

9 503 161



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

29- Creditors and other credit balances

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Deposits from others	26 850 468	28 961 669
Salary tax	-	71 650 076
Withholding and Stamp tax	2 721 573	2 545 289
Value added tax	170 499 604	1 885 034
Income tax on earnings from sports activities	-	443 206
Commercial and industrial profits tax for a club	-	52 929
Accrued Social insurance Authority	22 909 325	20 885 551
Dividend payables	563 958	802 406
Fixed assets creditors	-	189 559 962
General authority for health insurance	49 327 528	69 683 356
Training and rehabilitation fund	708 617 286	631 189 564
Sales tax of Abu Qir plant (3)	53 484 950	53 484 950
Accrued wages and donations	133 635 692	387 967 062
Cars and housing loans	4 576 075	14 951 412
Retention from employees	10 322 289	9 219 578
Other credit balances	53 459 689	36 026 522
<u>Credit balances related to specific activities that are offset by debit balances</u>		
Employees benefit funds (Family medical, complementary, private insurance, restricted for employee's fund)	802 329 182	893 112 152
Social and sports activities	566 710 156	231 899 299
Burj Al Arab Project	59 689 960	34 506 632
Carbon revenue (Environmental Fund deposits)		5 251 632
Environmental and infrastructure deposits	19 559 032	12 479 293
housing city assets	23 161 784	24 569 340
<u>Less: corresponding debit balances</u>	<u>(1 202 047 535)</u>	<u>(939 164 707)</u>
	<u>1 506 371 016</u>	<u>1 781 962 209</u>

30- Current Income Tax

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Current income tax	1 663 504 763	1 715 662 071
Disputes 9A reservation with tax authority	32 522 754	32 522 755
Tax advances deposits	(46 086 879)	(46 086 879)
	<u>1 649 940 638</u>	<u>1 702 097 947</u>



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

31- Claims provisions

	31/03/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Beginning balance	269 404 433	183 504 004
Provisions formed during the period	39 080 862	90 673 976
Provisions no longer needed	(562 000)	(4 618 687)
Provisions used during the period	-	(154 860)
Ending balance	<u>307 923 295</u>	<u>269 404 433</u>

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 dispute

32- Revenue

	<u>2024/2025</u>		<u>2023/2024</u>	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31,2025	From July 1, 2023, to March 31, 2024	From January 1, 2024, to March 31, 2024
Urea sales	5 849 741 994	2 417 027 860	4 965 775 583	1 961 141 472
Nitrate sales	3 662 759 267	894 673 736	3 010 142 149	978 212 086
Granulated urea sales	6 873 164 294	3 243 459 528	5 375 637 755	2 151 684 387
Ammonia sales	273 275 064	10 911 114	554 755 609	274 381 328
Plastic bags sales	1 683 125	-	1 825 000	1 825 000
Sales Revenue	<u>16 660 623 744</u>	<u>6 566 072 238</u>	<u>13 908 136 096</u>	<u>5 367 244 273</u>
Revenue from operating to others	-	-	287 427	115 000
Services revenue	246 676 179	84 152 951	148 111 832	60 989 374
Wastes revenue	5 066 569	1 807 197	4 264 256	1 733 291
Deduct:				
Sale of casual products	(18 856 397)	(7 650 621)	(19 152 334)	(4 491 879)
	<u>16 893 510 095</u>	<u>6 644 381 764</u>	<u>14 041 647 277</u>	<u>5 425 590 059</u>

- Sales revenue may be classified as follows:

	<u>2024/2025</u>		<u>2023/2024</u>	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31, 2025	From July 1, 2023, to March 31 2024	From January 1, 2024, to March 31 2024
Local sales	4 861 027 654	983 753 323	4 035 089 272	1 222 467 640
Export sales	11 799 596 090	5 582 318 916	9 873 046 824	4 144 776 633
Sales Revenue	<u>16 660 623 744</u>	<u>6 566 072 238</u>	<u>13 908 136 096</u>	<u>5 367 244 273</u>

- 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.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

33- Cost of goods sold

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31,2025	From July 1, 2023, to March 31, 2024	From January 1, 2024, to March 31, 2024
Materials and supplies	8 105 391 670	3 009 743 786	6 068 859 339	2 382 963 143
Salaries and wages	845 850 170	299 378 211	865 291 074	362 428 958
Depreciation of fixed assets	82 719 638	13 812 584	74 204 438	25 112 902
Employees Benefit (contributions / benefit plans)	27 965 765	11 936 281	27 626 314	9 512 103
Other operating cost	163 881 910	(3 360 081)	139 174 636	41 322 747
Deduct:				
Sale of by- products	(18 856 397)	(7 650 621)	(19 152 334)	(4 491 880)
	9 206 952 756	3 323 860 160	7 156 003 467	2 816 847 973

34- Other income

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31,2025	From July 1, 2023, to March 31 2024	From January 1, 2024, to March 31 2024
Rent	24 766 342	8 693 277	16 119 772	5 576 562
Capital gains	36 006 200	31 006 200	612 000	612 000
Compensation and penalties	92 835 815	9 831 425	4 709 577	1 456 132
Provision no longer required	562 000	–	4 618 687	–
Wastes gains	6 602 373	1 412 937	7 601 637	(337 334)
Other miscellaneous revenues	1 959 706	843 653	2 102 273	1 776 574
	162 732 436	51 787 492	35 763 946	9 083 934



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

35- Selling & marketing expenses

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31, 2025	From July 1, 2023, to March 31 2024 Reclassified and restated	From January 1, 2024, to March 31 2024 Reclassified and restated
Salaries and wages	273 938 725	98 489 955	243 820 923	87 601 868
Commodity supplies for packaging	223 745 995	58 183 870	189 599 696	69 168 560
Depreciation of fixed assets	20 010 539	16 180 995	3 924 385	1 070 960
Employees Benefit (contributions , benefit plans)	4 587 112	(585 180)	2 787 770	(152 057)
Shipping expenses	158 783 577	42 796 282	103 123 177	40 263 275
Exporting expenses	142 665 218	65 700 677	136 549 605	55 334 829
Other selling & marketing expense	75 630 108	39 844 767	39 007 394	17 729 807
	899 361 274	320 611 366	718 812 950	271 017 242

36- General & administrative expenses

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31, 2025	From July 1, 2023, to March 31 2024 Reclassified and restated	From January 1, 2024, to March 31 2024 Reclassified and restated
Salaries and wages	243 246 982	138 839 257	121 778 777	45 165 698
Depreciation of fixed assets	23 141 156	13 487 392	5 198 434	2 651 948
Chairman and board of directors' members transportation allowances	9 393 822	2 751 524	7 585 329	2 421 720
Comprehensive health insurance fund	49 327 528	17 607 661	56 358 320	30 884 259
Training and rehabilitation fund	77 427 721	33 022 514	121 418 818	81 215 697
Employees club	123 395 617	51 220 266	192 199 982	127 740 264
Employees Benefit (contributions , benefit plans)	3 336 663	(249 582)	(35 237 667)	(38 106 497)
Other general & administrative expenses	170 519 576	66 912 413	85 038 874	56 086 443
	699 789 064	323 591 445	554 340 867	308 059 532



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

-The administrative and general expenses including an amount of 178 million EGP, representing the cost of ideal capacity for the company during the period from 01/07/2024 to 31/03/2025. This amount has been deducted from the cost of sales due to the reduced supply of natural gas to the company, load reduction, and operating conditions.

37- Other expenses

	<u>2024/2025</u>		<u>2023/2024</u>	
	<u>From July 1, 2024, to March 31, 2025</u>	<u>From January 1, 2025, to March 31,2025</u>	<u>From July 1, 2023, to March 31 2024 Reclassified</u>	<u>From January 1, 2024, to March 31 2024 Reclassified</u>
Donations	10 347 391	4 887 309	9 030 679	4 767 591
Compensations and penalties	327 005	-	5 170 691	47 183
Provision claims	39 080 862	200 000	45 642 278	41 642 278
Others	-	-	353 208	313
	<u>49 755 258</u>	<u>5 087 309</u>	<u>60 196 856</u>	<u>46 457 365</u>

38- Expected credit losses and assets impairment

EGP	Note No.	01/07/2024	Formed	Used	No longer required	31/03/2025
Cash and cash equivalents	(18)	106 104 236	4 115 591	-	(48 144 384)	62 075 443
Trade and notes receivables	(13)	2 507 756	764 750	-	(2 122 708)	1 149 798
Debtors and other debit balances	(16)	6 835 654	1 080 028	-	(2 745 251)	5 170 431
Due from related parties	(14)	718 555	12 788 032	-	(165 592)	13 340 995
Suppliers – Advance payments	(15)	27 499 796	3 154 692	-	(6 632)	30 647 856
		<u>143 665 997</u>	<u>21 903 093</u>	<u>-</u>	<u>(53 184 567)</u>	<u>112 384 523</u>

- The Company hired Baker Tilly Egypt to perform the study of expected credit losses for its financial assets as of 31/03/2025. 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 foreign 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 Base explanatory note on the internal ratings-based approach and risk weights



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

- 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.
- The credit loss rate was used when measuring credit losses for other debit balances and amounts due from related parties at 45%.
- The company excluded government debt instruments issued by the Egyptian government in local currency (treasury bills) as well as current accounts and local currency deposits with banks operating in Egypt with a maturity of one month or less from the financial statement date from the recognition and measurement of expected credit losses.

39- Dividends

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31, 2025	From July 1, 2023, to March 31 2024 Reclassified	From January 1, 2024, to March 31 2024 Reclassified
Alexandria Fertilizers Company	510 418 333	510 418 333	751 951 221	751 951 221
Helwan Fertilizers Company	580 679 500	580 679 500	733 163 863	733 163 863
	1 091 097 833	1 091 097 833	1 485 115 084	1 485 115 084

40- Finance income

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31, 2025	From July 1, 2023, to March 31 2024 restated	From January 1, 2024, to March 31 2024 restated
Credit interest	1 181 647 380	323 251 262	786 505 617	278 558 820
Interest income from financial assets at amortized cost	519 174 175	112 602 443	1 208 290 120	202 267 360
	1 700 821 555	435 853 705	1 994 795 737	480 826 180

41- Finance cost

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31, 2025	From July 1, 2023, to March 31 2024 restated	From January 1, 2024, to March 31 2024 restated
Bank charges	2 192 915	700 777	751 796	260 505
Letter of guarantees commissions	281 688	142 642	206 546	69 523
Securities custody commissions and stock listing fees	408 034	169 431	153 512	42 675
Interest on employees benefit liabilities	105 850 227	31 219 986	81 049 129	27 016 377
	108 732 864	32 232 836	82 160 983	27 389 080



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

42- Foreign currency exchange gains

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31, 2025	From July 1, 2023, to March 31 2024	From January 1, 2024, to March 31 2024
Unrealized foreign currency exchange gain resulting from the	954 193 414	(77 841 145)	5 824 565 529	5 827 322 231
Realized foreign currency exchange gain	38 609 943	7 739 064	565 442 653	531 010 259
	992 803 357	(70 102 081)	6 390 008 182	6 358 332 490

43- Income taxes

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31, 2025	From July 1, 2023, to March 31 2024 restated	From January 1, 2024, to March 31 2024 restated
Current income taxes				
Current income tax	1 663 504 763	685 102 082	1 567 227 761	636 910 272
Withholding Tax on Collected Dividends	99 589 950	99 589 950	140 180 624	140 180 624
Withholding tax on treasury bills	103 834 835	22 520 489	241 658 024	40 453 472
Tax differences	115 449	-	(527 176)	-
Total Current taxes	1 867 044 996	807 212 520	1 948 539 233	817 544 368
Deferred income taxes				
Fixed assets and other assets	13 274 659	8 447 399	4 181 817	633 632
Foreign currency exchange differences	214 693 637	(17 514 138)	1 310 527 244	1 311 147 501
Pension plan liabilities	(17 999 571)	1 545 919	(20 106 973)	(6 702 324)
Provisions formed	44 825 139	(45 000)	(9 203 565)	(9 369 514)
Expected credit losses	7 038 332	(4 276 827)	(24 423 395)	(26 541 749)
Deferred income taxes	261 832 196	(11 842 648)	1 260 975 128	1 269 167 547
Income tax at income statement	2 128 877 192	795 369 872	3 209 514 361	2 086 711 914

Deferred income taxes on other comprehensive income

Deferred tax on equity investments - net change in fair value	390 874 500	(14 809 238)	1 306 560 910	999 630 930
Actuarial gains (losses) from defined benefits schemes for employees	14 608 809	-	-	-
Deferred income taxes on other comprehensive income	405 483 309	(14 809 238)	1 306 560 910	999 630 930



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

Effective income tax rate as of March 31, 2025

	31/03/2025	31/03/2024
	<u>EGP</u>	<u>EGP</u>
Profit before income tax	9 907 655 535	15 267 266 681
Income tax according to tax law "22.5%"	2 229 222 495	3 435 135 003
Non-deductible expenses	89 637 874	68 328 246
Revenue exempted from tax	(189 983 177)	(293 948 888)
Income tax	2 128 877 192	3 209 514 361
Effective income tax rate	%21.49	%21.02

44- Basic and diluted 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:

	2024/2025		2023/2024	
	From July 1, 2024, to March 31, 2025	From January 1, 2025, to March 31,2025	From July 1, 2023, to March 31 2024	From January 1, 2024, to March 31 2024
Net profit after tax	7 778 778 343	3 333 257 603	12 057 752 320	8 084 501 313
<u>Deduct:</u>				
Employees dividends	(1 077 163 100)	(460 040 196)	(1 682 749 645)	(1 129 994 504)
Board of directors' dividends	(48 750 000)	(16 250 000)	(37 500 000)	(12 500 000)
Shareholders profit share	6 652 865 243	2 856 967 407	10 337 502 675	6 942 006 809
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	5.27	2.26	8.19	5.50

45- Tax Position

Corporate Tax

- a- Inspection was completed by Tax Authority and paid by the company for the periods 2014/2015.
- b- For the periods 2015/2018 the dispute of tax inspection is in progress.
- c- For the periods 2018/2020 it is under inspection by tax authority.
- d- For the periods 2020/2021 till date is not inspected yet.
- e- The company's due balance according to '9A form - reservation ' which was received from the Tax Authority was verified in the company's records with the company's right to object in the legal tenure by letters and legal procedures concerning this matter and this to reserve all the company's rights to the settlement.

Payroll tax

- a- Inspection was completed by Tax Authority and paid by the company for the year 2019.
- b- For the periods since 2020 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 March 1996 and May 1998 to February 1999 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. Considering the issuance of Law No. 9 of 2005 which related to the deduction of sales tax on capital



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

goods, an amount of EGP 53.5 million was reserved in sub account and this amount is related to sales tax on machines of Abu Qir plant (3) only and offset by the same value of (credit balances) until final settlement with the tax authority.

Value added tax

- a- The company is obligated to implement Law No. 67 of 2016 regarding value added tax.
- b- Inspection was completed by Tax Authority and paid by the company for the periods 2019/2020.
- c- For the periods 2020/2021 till date is not inspected yet.

Stamp tax

- a- Inspection and payment have been completed for the periods until 2019/2020.
- b- The periods from 2020/2022 are being examined in by 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 discussed 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 June 30, 2024, to Abany and Co. office (the company's tax advisor), and necessary settlements were made based on the study prepared for this purpose.

46- 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.

47- Contractual commitments and contingent liabilities

46-1 The capital commitments and contracts that have not yet been completed as of December 31, 2024, as follows:

- Project Number (39/2021/2022) SAP and ERP amounted to USD 1 652 K and EGP 2 174 K.
- Various purchase orders amounts are EUR 16261 M, USD 2035 M, GBP 10 K and EGP 90 K.

46-2 The outstanding portion of the investees' capital (In investment Currency)

	Currency	Percentage %	Investment value	Paid amount	Outstanding amount	Outstanding Amount (EGP)
Global Company for Methanol and Derivatives	USD	35%	7 000 000	700 000	6 300 000	318 213 000
North Abu Qir Company for Agricultural Nutrients	EGP	45%	450 000 000	112 500 000	337 500 000	337 500 000
Abu Tartur for Phosphoric Acid Company	USD	9.5%	950 000	475 000	475 000	23 992 250
						679 705 250



Abu Qir Fertilizers and Chemical Industries Company “S.A.E”

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

46-3 Letter of guarantee

The letters of guarantee held at banks for the benefit of others as of March 31, 2025, amounted to EGP 328 million. are covered by treasury bills with nominal value of EGP 408 million.

48- 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 segments assets	1 403 624 600	395 157 763	282 300 584	250 347 745	80 053 844	-	2 411 484 535
Unassigned segments assets	-	-	-	-	-	38 662 469 621	38 662 469 621
Total assets	1 403 624 600	395 157 763	282 300 584	250 347 745	80 053 844	38 662 469 621	41 073 954 157
Operating segments liabilities	-	-	-	-	-	10 183 761 255	10 183 761 255
Total liabilities	-	-	-	-	-	10 183 761 255	10 183 761 255



*Translation of separate financial statements
originally issued in Arabic*

Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

Second: Operating segments - net profit for the period:

<u>Description</u>	<u>Abu QirPlant (1)</u>	<u>Abu QirPlant (2)</u>	<u>Abu QirPlant (3)</u>	<u>Ammonia</u>	<u>Plastic Bags</u>	<u>Other</u>	<u>Total</u>
revenue	6 082 628 345	3 662 759 267	6 873 164 294	273 275 064	1 683 125	-	16 893 510 095
Cost of sales	(3 059 451 961)	(2 845 215 621)	(3 183 466 473)	(117 440 556)	(1 378 145)	-	(9 206 952 756)
Gross profit	3 023 176 384	817 543 646	3 689 697 821	115 834 821	304 980	-	7 686 557 339
Other revenues	-	-	-	-	-	162 732 436	162 732 436
Selling & marketing expenses	(232 323 286)	(390 920 005)	(265 122 804)	(10 995 179)	-	-	(899 361 274)
General & administrative expenses	(183 007 091)	(307 937 849)	(208 844 124)	-	-	-	(699 789 064)
Other expenses	-	-	-	-	-	(49 755 258)	(49 755 258)
Expected credit losses	-	-	-	-	-	31 281 474	31 281 474
Operating profit	2 622 311 090	132 137 966	3 230 782 316	102 793 782	304 980	144 258 652	6 231 665 653
Dividends	-	-	-	-	-	1 091 097 833	1 091 097 833
Finance income	-	-	-	-	-	1 700 821 555	1 700 821 555
Finance cost	-	-	-	-	-	(108 732 864)	(108 732 864)
Foreign currency exchange gains	-	-	-	-	-	992 803 357	992 803 357
Net financing income	-	-	-	-	-	2 584 892 048	2 584 892 048
Net profit for the period before income tax	2 607 846 007	118 685 792	3 215 730 893	144 839 329	304 980	3 820 248 533	9 907 655 535
Income tax expense	(560 352 938)	(25 502 247)	(690 970 344)	(31 121 908)	(65 532)	(820 864 224)	(2 128 877 192)
Net profit for the period	2 047 493 069	93 183 545	2 524 760 549	113 717 421	239 448	2 999 384 309	7 778 778 343



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

49- The effect of reclassifications and restatements the income statement on 31/12/2023:

<u>Description</u>	<u>As previously issued</u>	<u>Reclassification</u>	<u>Restatement</u>	<u>Balances after reclassification and restatement</u>
revenue	14 041 647 277	-	-	14 041 647 277
Cost of goods sold	(7 091 996 945)	(28 325 231)	(35 681 291)	(7 156 003 467)
Gross profit	6 949 650 333	(28 325 231)	(35 681 291)	6 885 643 811
Other income	117 657 646	(83 308 841)	1 415 142	35 763 946
Selling & marketing expenses	(716 025 180)	(2 858 298)	70 528	(718 812 950)
General & administrative expenses	(589 578 534)	30 117 480	5 120 187	(554 340 867)
Other expenses	(61 262 904)	1 066 048	-	(60 196 856)
Expected credit losses	(108 548 424)	-	-	(108 548 424)
Operating profit	5 591 892 936	(83 308 841)	(29 075 435)	5 479 508 661
Dividends	1 401 806 243	83 308 841	-	1 485 115 084
Finance income	1 994 015 079	-	780 658	1 994 795 737
Finance costs	(1 111 855)	-	(81 049 129)	(82 160 983)
Foreign currency exchange gains / (Losses)	6 390 008 182	-	-	6 390 008 182
Net financing income	8 382 911 407	-	(80 268 471)	8 302 642 935
Net profit for the period before income tax	15 376 610 587	-	(109 343 906)	15 267 266 681
Income tax expense	(3 234 116 740)	-	24 602 379	(3 209 514 362)
Net profit for the period	12 142 493 846	-	(84 741 527)	12 057 752 319
Basic and diluted earnings per share	8.25	-	(0.06)	8.19

Adjustment and reclassification of comparative figures as of 31/03/2024 as follows:

- 1- The value of employee-defined benefit obligations and their impact on reducing general and administrative expenses amounting to 5.1 million Egyptian pounds, Selling & marketing expenses amounting 7.1 thousands Egyptian pounds. Other revenues increase for an amounting of 1.4 million Egyptian pounds, Financial income amounting to 781 thousand Egyptian pounds, Financing expenses amounting to 81 million Egyptian pounds, Income tax expense amounting to 2.7 million Egyptian pounds and Deferred income tax expense amounting to 20.1 million Egyptian pounds.
- 2- Amendment of the income statement as of 31/03/2024 of The costs Rotor and Platinum and their impact on the cost of sales amounting to 35.7 million Egyptian pounds. Income tax expense amounting to 2.6 million Egyptian pounds.
- 3- Reclassification of the contributions specified for the Private Insurance Fund, the supplementary pension and the support of service leavers on 31/03/2024 and its impact on reducing the cost of goods sold by EGP 18 million and reducing selling and marketing expenses by EGP 3 million in exchange for increasing administrative and general expenses by EGP 30 million and an increase in other expenses by EGP 1 million.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

- 4- Reclassification of the Board of Directors' bonus for my companies, Alexandria and Helwan Fertilizers, on 31/03/2024 and its effect on reducing other revenues and increasing investment distributions by 83 million Egyptian pounds.

The effect of reclassifications and restatements on the statement of cash flows on 31/03/2024:

<u>Description</u>	As previously issued	Reclassification	Restatement	Balances after reclassification and restatement
<u>First: Cash flows from operating activities:</u>				
Cash sales and proceeds from trade receivables	14 580 038 974	-	-	14 580 038 974
Cash purchases and payments to trade payables	(6 809 654 881)	-	-	(6 809 654 881)
Paid salaries and wages	(1 125 461 794)	-	-	(1 125 461 794)
Paid taxes and fees	(3 986 624 310)	-	-	(3 986 624 310)
Other proceeds	716 489 199	-	-	716 489 199
Other payments	(1 588 933 763)	-	-	(1 588 933 763)
Employees and Board of directors' members dividends	(1 416 972 257)	-	-	(1 416 972 257)
Net cash flows provided from operating activities no. (1)	368 881 168	-	-	368 881 168
<u>Second: Cash flows from investing activities:</u>				
Payments for purchase of fixed assets	(294 310 772)	-	-	(294 310 772)
Dividends collection from investments in other companies	39 473 120	-	-	39 473 120
Proceeds from sale of fixed assets	697 680	-	-	697 680
Payments for financial assets at amortized cost	(16 166 960 669)	-	-	(16 166 960 669)
Proceeds from financial assets at amortized cost	19 802 587 309	-	-	19 802 587 309
Credit interest received – Time Deposits	796 506 833	-	-	796 506 833
Credit interest received from Treasury bills	1 136 090 153	-	-	1 136 090 153
Net cash flows provided from investing activities no. (2)	5 314 083 654	-	-	5 314 083 654
<u>Third: Cash flows from financing activities:</u>				
Shareholders' dividends paid	(8 833 130 040)	-	-	(8 833 130 040)
Net cash flows provided from financing activities no. (3)	(8 833 130 040)	-	-	(8 833 130 040)
Net change in cash and cash equivalents (1) + (2) + (3)	(3 150 165 218)	-	-	(3 150 165 218)
Cash and cash equivalent at the beginning of the period	17 445 801 237	-	-	17 445 801 237
Foreign currency exchange differences effect	6 392 488 312	-	-	6 392 488 312
Accrued interest from deposits	-	-	55 255 817	55 255 817
Expected credit losses	(182 756 466)	-	(608 633)	(183 365 099)
Cash and cash equivalent	20 505 367 866	-	54 647 183	20 560 015 049
Deduct:				
Restricted deposits and cash covered against letter of guarantees and letter of credits	(1 337 566 909)	-	-	(1 337 566 909)
Cash & cash equivalent available at the end of the period	19 167 800 956	-	54 647 183	19 222 448 140



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended March 31, 2025

The adjustment of comparative figures as of 31/12/2023 included the following:

- 1- The net cash at the end of the period has been impacted by the accrued interest in deposits, amounting to EGP 55 million.
- 2- The net cash at the end of the period has been impacted by increase the expected credit loss for accrued interest in deposits, amounting to EGP 608 thousands.