



# شركة أبو قير للأسمدة والصناعات الكيماوية

Alexandria, April 09, 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 December 31, 2024 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 December 31, 2024.

Yours faithfully,

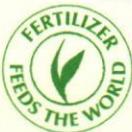
Head, Investor Relations  
& Media Sector (IRO)

*Nervana Sabbah*

Acc. Nervana Sabbah Oraby



الشركة حاصلة على شهادات أيزو 9001 - أيزو 14001 - أيزو 18001 - أيزو 27001



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

تليفون : ٣/٥٦٠٣٠٥٣ ( سبع خطوط )  
فاكس الإدارة : ٣/٥٦٠٣٠٣٢  
فاكس المشتريات : ٣/٥٦٠٣٠٤٦  
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كيس بريدي مخصص  
الرقم البريدي : ٢١٩١١  
www.abugir.com

*Translation of separate financial statements  
originally issued in Arabic*



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

**Interim Separate Financial Statements**  
**For The Financial Period Ended**  
**December 31, 2024**



# Hazem Hassan

Public Accountants & Consultants

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*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 December 31, 2024. These interim separate financial statements include:

- The interim separate statement of financial position as of December 31, 2024;
- The interim separate statement of profit or loss for the three-month period and for the six-month period ended December 31, 2024;
- The interim separate statement of comprehensive income for the three-month period and for the six-month period ended December 31, 2024;
- The interim separate statement of changes in equity for the six-month period ended December 31, 2024;
- The interim separate statement of cash flows for the six-month period ended December 31, 2024;
- 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 December 31, 2024, its financial performance and its cash flows for the six-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, February 12, 2025**

**KPMG Hazem Hassan**  
**Public Accountants and Consultants**  
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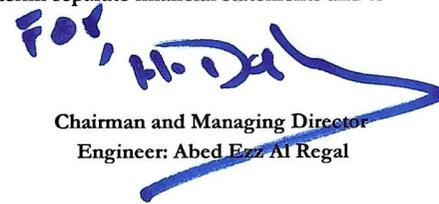


AbuQir Fertilizers and Chemical Industries Company "S.A.E."  
Separate Statement of Financial Position As of December 31, 2024

EGP	Note No.	31 December 2024	30 June 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	(4)	1 838 239 623	1 875 134 305
Intangible assets	(5)	10 175 496	-
Assets under construction	(6)	529 291 082	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)	12 899 869 859	11 096 831 025
Other financial assets (treasury bills)	(11)	432 210 724	434 928 408
<b>Total non-current assets</b>		<b>15 833 735 502</b>	<b>13 952 929 670</b>
<b>Current assets</b>			
Inventories	(12)	2 854 050 166	2 072 434 578
Trade and notes receivables	(13)	186 950 308	241 793 653
Due from related parties	(14)	4 176 750	3 108 171
Suppliers – Advance payments	(15)	79 777 980	39 847 024
Debtors and other debit balances	(16)	250 082 508	187 370 221
Financial assets at amortized cost (treasury bills)	(17)	2 344 973 434	2 457 265 965
Cash and cash equivalents	(18)	18 577 991 842	23 354 598 768
<b>Total current assets</b>		<b>24 298 002 988</b>	<b>28 356 418 381</b>
<b>Total assets</b>		<b>40 131 738 490</b>	<b>42 309 348 051</b>
<b>Equity</b>			
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)	9 566 592 843	8 118 918 515
Retained earnings	(23)	9 353 937 108	16 315 887 345
<b>Total equity</b>		<b>27 607 944 895</b>	<b>33 121 608 804</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Pension plan liabilities	(28)	530 588 529	647 603 067
Deferred tax liabilities	(24)	4 493 309 407	3 799 342 016
<b>Total non-current liabilities</b>		<b>5 023 897 936</b>	<b>4 446 945 083</b>
<b>Current liabilities</b>			
Suppliers	(25)	105 850 430	92 153 797
Due to related parties	(26)	935 396 108	342 064 460
Customers advance payment - contract liabilities	(27)	535 394 192	498 571 182
Pension plan liabilities	(28)	60 122 310	54 540 136
Creditors and other credit balances	(29)	4 590 570 767	1 781 962 209
Current income tax	(30)	964 838 557	1 702 097 947
Provisions	(31)	307 723 295	269 404 433
<b>Total current liabilities</b>		<b>7 499 895 658</b>	<b>4 740 794 164</b>
<b>Total equity and liabilities</b>		<b>40 131 738 490</b>	<b>42 309 348 051</b>

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

  
Deputy Chief financial officer  
Accountant: Mohamed AbdelMoniem

  
Chairman and Managing Director  
Engineer: Abed Ezz Al Regal

Auditor's report "attached"



AbuQir Fertilizers and Chemical Industries Company "S.A.E."  
Separate Statement of Profit or Loss for The Financial Period Ended December 31, 2024

EGP	Note No.	2025/2024		2024/2023	
		Six months ended for 31 December 2024	Three months ended for 31 December 2024	Six months ended for 31 December 2023 Reclassified and restated	Three months ended for 31 December 2023 Reclassified and restated
Sales/Operating revenue	(32)	10 249 128 331	6 627 928 973	8 616 057 218	4 284 949 765
Cost of goods sold	(33)	(5883 092 596)	(3450 032 560)	(4339 155 494)	(2047 872 048)
Gross profit		4 366 035 735	3 177 896 414	4 276 901 724	2 237 077 717
Other income	(34)	110 944 944	17 885 937	26 680 012	13 236 981
Selling & marketing expenses	(35)	( 578 749 908)	(303 905 792)	(447 795 707)	(223 907 389)
General & administrative expenses	(36)	(376 197 619)	(221 378 793)	(246 281 335)	(123 739 917)
Other expenses	(37)	(44 667 949)	(43 633 827)	(13 739 491)	(2 221 497)
Reversed expected credit losses	(38)	50 289 596	31 423 492	9 414 905	(43 669 591)
Operating profit		3 527 654 800	2 658 287 431	3 605 180 108	1 856 776 304
Finance income	(39)	1 264 967 850	614 134 280	1 513 969 557	704 937 508
Finance cost	(40)	(76 500 028)	(35 838 895)	(54 771 903)	(27 411 497)
Foreign currency exchange gains	( 41)	1 062 905 439	897 367 454	31 675 692	10 802 140
Net financing income		2 251 373 260	1 475 662 839	1 490 873 346	688 328 151
Net profit for the period before income tax		5 779 028 060	4 133 950 270	5 096 053 454	2 545 104 455
Income tax expense	(42)	(1333 507 320)	(972 751 416)	(1122 802 447)	(558 465 290)
Net profit for the period		4 445 520 740	3 161 198 853	3 973 251 007	1 986 639 164
Basic and diluted earnings per share	( 43)	3.01	2.15	2.69	1.34

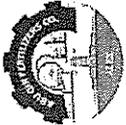
\* The accompanying notes from (1) to (48) form an integral part of these interim separate financial statements and to be read therewith.



AbuQir Fertilizers and Chemical Industries Company "S.A.E."  
Separate Statement of Comprehensive Income for The Financial Period Ended December 31, 2024

EGP	Note No.	2025/2024		2024/2023	
		Six months ended for 31 December 2024	Three months ended for 31 December 2024	Six months ended for 31 December 2023 Reclassified and restated	Three months ended for 31 December 2023 Reclassified and restated
Net profit for the period		4 445 520 740	3 161 198 853	3 973 251 007	1 986 639 164
<b>Other comprehensive income</b>					
Equity investments at FVOCI- net change in fair value	(22)	1 803 038 834	1 733 554 796	1 364 133 246	1 347 605 468
Actuarial gains (losses) from defined benefits schemes for employees		64 928 042	64 928 042		
Income tax for other comprehensive income		(420 292 547)	(404 658 638)	(306 929 980)	(303 211 230)
Total comprehensive income for the period		5 893 195 068	4 555 023 052	5 030 454 272	3 031 033 402

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



AbuQr Fertilizers and Chemical Industries Company "S.A.E."  
Separate Statement of Changes in Equity for The Financial Period Ended December 31, 2024

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
Comprehensive income	-	-	-	-	3 973 251 007	3 973 251 007
Restated net profit for the period	-	-	-	1 364 133 246	-	1 364 133 246
Revaluation reserve	-	-	-	(306 929 980)	-	(306 929 980)
Deferred tax on other comprehensive income items	-	-	-	1 057 203 265	-	1 057 203 265
Total comprehensive income	-	-	-	1 057 203 265	3 973 251 007	5 030 454 272
Transferred to reserves	-	-	24 849 172	-	(24 849 172)	-
Transactions with owners of the company	-	-	-	-	-	-
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 December 31, 2023 (Restated)	1 892 813 580	946 406 790	5 847 582 575	5 635 112 430	6 810 732 946	21 132 648 321
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
Comprehensive income	-	-	-	-	4 445 520 740	4 445 520 740
Net profit for the period	-	-	-	-	-	1 867 966 875
Revaluation reserve	-	-	-	1 867 966 875	-	1 867 966 875
Deferred tax on other comprehensive income items	-	-	-	(420 292 547)	-	(420 292 547)
Total comprehensive income	-	-	-	1 447 674 328	4 445 520 740	5 893 195 068
Transferred to reserves	-	-	612 000	-	(612 000)	-
Transactions with owners of the company	-	-	-	-	(1 942 791 077)	(1 942 791 077)
Employees and Board of directors' members dividends	-	-	-	-	(9 464 067 900)	(9 464 067 900)
Shareholders' dividends	-	-	-	-	(11 406 858 977)	(11 406 858 977)
Total transactions with the owners of the Company	-	-	-	-	9 353 937 108	27 607 944 895
Balance as at December 31, 2024	(19)	(20)	(21)	(22)	(23)	

Note No.

\* 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 December 31, 2024**

<b>EGP</b>	Note No.	31 December 2024	31 December 2023
<b><u>First: Cash flows from operating activities:</u></b>			
Cash sales and proceeds from trade receivables		10 546 626 833	8 902 786 880
Cash purchases and payments to trade payables		(6 402 382 698)	(4 428 271 019)
Paid salaries and wages		( 950 781 223)	( 741 859 160)
Paid taxes and fees		(2 133 956 412)	(3 785 393 804)
Other proceeds		605 108 984	500 508 805
Other payments		( 954 564 796)	(1 141 677 690)
Employees and Board of directors' members dividends		(1 337 887 050)	(1 411 830 286)
<b>Net cash flows provided from operating activities No. (1)</b>		<b>( 627 836 362)</b>	<b>(2 105 736 274)</b>
<b><u>Second: Cash flows from investing activities:</u></b>			
Payments for purchase of fixed assets and assets under construction		(256 411 803)	(174 497 724)
Proceeds from the sale of fixed assets		3 107 500	-
Payments for investment in financial assets at amortized cost		(5 553 135 020)	(14 117 248 098)
Proceeds from investment in financial assets at amortized cost		5 547 713 096	16 363 863 637
Credit Interest received - Time Deposits		888 590 702	526 357 647
Credit Interest received - Treasury bills		445 689 524	963 029 091
<b>Net cash flows provided from investing activities No. (2)</b>		<b>1 075 553 998</b>	<b>3 561 504 553</b>
<b><u>Third: Cash flows from financing activities:</u></b>			
Shareholders' dividends paid		(6309 378 600)	(6309 378 600)
<b>Net cash flows provided from financing activities No. (3)</b>		<b>(6 309 378 600)</b>	<b>(6 309 378 600)</b>
<b>Net Change in cash and cash equivalents (1) + (2) + (3)</b>		<b>(5861 660 964)</b>	<b>(4 853 610 321)</b>
Cash & cash equivalent at the beginning of the period		<b>23 391 511 070</b>	<b>17 445 801 237</b>
Effect of movements in exchange rates on cash held		1 067 877 163	30 759 689
Accrued interest from deposits		38 224 424	47 018 785
debts in disclosure in equity	(38)	(57 959 852)	(115 732 268)
<b>Cash at banks</b>		<b>18 577 991 841</b>	<b>12 554 237 122</b>
<b>Deduct:</b>			
Restricted deposits and cash covered against letter of guarantees and letter of credits		( 979 485 302)	(883 582 651)
<b>Cash &amp; cash equivalent available at the end of the period</b>	(18)	<b>17 598 506 540</b>	<b>11 670 654 470</b>

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



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

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**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 Abed Ezz Al Regal.

**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 February 5, 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 December 31, 2024**

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**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 recognised 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 recognised 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 December 31, 2024**

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**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 December 31, 2024**

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**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.



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**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).



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- 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%



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**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.



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**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 be 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.



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**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.



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**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 31/12/2024, 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..



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**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.



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**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 rereasurement 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.



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**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:

	2024/12/31	2024/06/30
	<u>EGP</u>	<u>EGP</u>
Related parties	4 767 541	3 826 726
Other debit balances	103 845 568	133 095 591
Financial assets at amortized cost and other financial assets	2 777 184 158	2 892 194 373
Trade and notes receivables	187 335 356	244 301 409
Cash and cash equivalents	18 597 727 270	23 391 511 070
	<u>21 670 859 893</u>	<u>26 664 929 169</u>

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

**Measurement of credit risk**

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

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

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

**Measurement of Expected Credit Losses for Customers**

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

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



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

	Book value	Expected credit losses	Credit-impaired
<b>31 December 2024</b>			
Balances not due yet	182 741 971	273 147	No
Due balance from 1-30 day	3 956 190	72 630	No
Due balance from 31-60 day	513 277	28 294	No
Due balance from 61-90 day	104 028	8 988	No
Due balance More than 90 day	19 890	1 989	No
	<b>187 335 356</b>	<b>385 048</b>	
<b>30 June 2024</b>			
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
	<b>244 301 409</b>	<b>2 507 756</b>	

**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.



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**Financial assets according to the credit rating**

The outstanding balance subject to expected credit losses amounted to EGP 17 703 976 049, 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 December 31, 2024, amounted to EGP 93 376 401 (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 December 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 21 670 859 893 (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:**

	<b>Book Value</b>	<b>Expected Cash flow</b>	<b>Due during the year</b>
<b>December 31, 2024</b>			
Creditors and other credit balances	4 590 570 767	4 590 570 767	4 590 570 767
Due to related parties	935 396 108	935 396 108	935 396 108
Suppliers	105 850 430	105 850 430	105 850 430
	<b>5 631 817 305</b>	<b>5 631 817 305</b>	<b>5 631 817 305</b>
<b>June 30 2024</b>			
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
	<b>2 216 180 466</b>	<b>2 216 180 466</b>	<b>2 216 180 466</b>



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

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**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 following:

**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 17 billion equivalent to USD 343 million, EUR 105 thousand and GBP 426 (with the exchange rate at the reporting date being EGP 50.77 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 1.7 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 December 31, 2024**

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**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.



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

Notes to the Separate Financial Statements for Financial Period Ended December 31, 2024

**4- Fixed assets**

**Fixed assets as at 31/12/2024**

<u>Cost</u>	<u>Lands &amp; Buildings</u>	<u>Machines &amp; equipment</u>	<u>Vehicles</u>	<u>Tools &amp; equipment</u>	<u>Furniture &amp; office equipment</u>	<u>Balance at 31/12/2024</u>
Balance at 01/07/2024	594 702 866	3 932 308 921	60 554 690	61 470 803	59 235 089	4 708 272 369
Additions	2 529 047	30 389 935	-	12 275 008	1 699 530	46 893 520
Disposals	-	-	-	-	(21 753)	(21 753)
<b>Balance at 31/12/2024</b>	<b>597 231 913</b>	<b>3 962 698 856</b>	<b>60 554 690</b>	<b>73 745 811</b>	<b>60 912 866</b>	<b>4 755 144 136</b>
<b>Accumulated Depreciation</b>						
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	10 940 358	65 877 557	2 568 747	2007054	2 394 486	83 788 202
Disposals	-	-	-	-	(21 753)	(21 753)
<b>Balance at 31/12/2024</b>	<b>313 316 362</b>	<b>2 475 350 416</b>	<b>50 561 638</b>	<b>38 046 666</b>	<b>39 629 431</b>	<b>2 916 904 513</b>
<b>Net book value as at 31/12/2024</b>	<b>283 915 551</b>	<b>1 487 348 440</b>	<b>9 993 052</b>	<b>35 699 145</b>	<b>21 283 435</b>	<b>1 838 239 623</b>

**Fixed assets as at 30/6/2024**

<u>Cost</u>	<u>Lands &amp; Buildings</u>	<u>Machines &amp; equipment</u>	<u>Vehicles</u>	<u>Tools &amp; equipment</u>	<u>Furniture &amp; office equipment</u>	<u>Balance at 30/06/2024</u>
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)
<b>Balance at 30/6/2024</b>	<b>594 702 866</b>	<b>3 932 308 921</b>	<b>60 554 690</b>	<b>61 470 803</b>	<b>59 235 089</b>	<b>4 708 272 369</b>
<b>Accumulated Depreciation</b>						
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)
<b>Balance at 30/6/2024</b>	<b>302 376 004</b>	<b>2 409 472 859</b>	<b>47 992 891</b>	<b>36 039 612</b>	<b>37 256 698</b>	<b>2 833 138 064</b>
<b>Net book value as at 30/6/2024</b>	<b>292 326 862</b>	<b>1 522 836 062</b>	<b>12 561 799</b>	<b>25 431 191</b>	<b>21 978 391</b>	<b>1 875 134 305</b>

- 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.



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**5- Intangible assets**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Net opening balance for the period	-	-
Addition/disposal during the period	10 175 496	-
<b>Net ending balance for the period</b>	<b>10 175 496</b>	<b>-</b>

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.

**6- Assets Under Construction**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Assets under installation	253 882 073	31 332 386
Advance payment – Fixed Assets	49 644 191	13 389 160
Payments – Fixed Assets	225 764 817	335 096 863
	<b>529 291 082</b>	<b>379 818 409</b>

**7- Intangible assets under implementation**

	31/12/2024	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
<b>Net ending balance for the period</b>	<b>-</b>	<b>42 268 805</b>

**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 915 million as of December 31, 2024, 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 15.81 million. The historical cost of these lands is as follows:

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Balance at the beginning of the period	500 718	500 718
<b>Balance at the ending of the period</b>	<b>500 718</b>	<b>500 718</b>

**9- Investments in associates**

	Percentage	Investment Currency	31/12/2024	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
			<b>123 448 000</b>	<b>123 448 000</b>



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

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**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.

- The project's purpose is to produce 1 million tons of methanol and 400 thousand tons of ammonia annually and is located within the Economic Zone in Ain Sokhna.
- The first general assembly meeting of the investee was held on 16/12/2021, and the contract for the establishment of the investee was signed on 21/12/2021.
- The possibility of changing the investee's activity to align with the country vision of establishing friendly environmental projects (green economy) is currently being studied.

**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.

- The project's purpose is to establish ammonia production facility with a production capacity of 1200 tons/day, a nitric acid production plant with a production capacity of 1830 tons/day, and a plant to produce mined ammonium nitrate with a production capacity of 2400 tons/day on the plot owned by the Egyptian General Petroleum Authority (land of Rakta).
- 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.

**10- Investment in equity instruments at fair value through OCI**

	Percentage	Currency	31/12/2024	30/06/2024
			<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company	15%	USD	6 761 533 646	5 851 689 525
Helwan Fertilizers Company	17%	USD	6 090 859 713	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
			<u>12 899 869 859</u>	<u>11 096 831 025</u>

- **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 December 31, 2024**

- **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 6.09 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**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Letter of guarantees pledged by treasury bills	432 210 724	434 928 408
	<u>432 210 724</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 432 Million.

**12- Inventories**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Raw material	356 573 250	310 009 142
Oil and fuel	14 703 082	10 637 903
Spare parts	1 334 666 576	1 140 953 723
Packing	60 288 723	58 413 749
Wastes	1 282 886	1 298 445
Finished goods at cost	582 835 614	192 851 814
Work in process at cost	98 411 794	65 143 069
Inventory held at third party	11 295 993	20 936 903
Payments from under an inventory purchase account	393 992 248	272 189 832
	<u>2 854 050 166</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 December 31, 2024**

**13- Trade and notes receivable**

	Note No.	31/12/2024	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Trade receivable – Private sector		187 335 356	176 709 463
Trade receivable – foreign sector		-	67 591 946
		<u>187 335 356</u>	<u>244 301 409</u>
Expected credit losses	(38)	(385 048)	(2 507 756)
		<u>186 950 308</u>	<u>241 793 653</u>

**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>	31/12/2024	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company	Services / Dividends	29 660 972	719 211 907
Helwan Fertilizers Company	Services / Dividends	-	695 717 057
North Abu Qir Company for Agricultural Nutrients	Payments for the project	944 789	266 319
		<u>30 605 761</u>	<u>1 415 195 283</u>

**14-3 Transactions resulted in the following debit balances:**

**Due from related parties**

	Note no.	31/12/2024	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company		171 028	211 932
Helwan Fertilizers Company		36 931	-
North Abu Qir Company for Agricultural Nutrients		4 559 583	3 614 794
		<u>4 767 542</u>	<u>3 826 726</u>
Expected Credit losses	(38)	(590 792)	(718 555)
		<u>4 176 750</u>	<u>3 108 171</u>

**14-4 Significant contracts with related parties**

Lease contracts as a lessor with Alexandria Fertilizers Company "the leasee" 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 December 31, 2024**

**15- Suppliers – Advance payments**

	Note no.	31/12/2024	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Suppliers - public sector		5 665 318	1 227 207
Suppliers - private sector		51 958 901	36 268 329
Suppliers - foreign sector		51 715 044	29 851 284
		<u>109 339 263</u>	<u>67 346 820</u>
Impairment losses	(38)	(29 561 283)	(27 499 796)
		<u>79 777 980</u>	<u>39 847 024</u>

**16- Debtors and other debit balances**

	Note no.	31/12/2024	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Deposits with others		14 026 141	13 014 141
Employees loans and Installments		-	460 000
Petty cash		3 495 211	-
Sales tax		93 573 029	93 573 029
Custom Authority (custody)		1 908 001	2 343 524
Property tax		2 424 000	2 424 000
Withholding tax		13 657 173	41 347 357
Custom Authority (Current account)		39 173 488	7 839 717
Sales tax		-	3 525 495
Prepaid expenses		581 513	3 776 879
Employees debts		861 755	2 535 860
Employees loans		21 141 940	19 396 337
Prepaid expenses – platinum		53 794 647	1 165 181
Other debit balances		3 342 522	1 189 861
<b><u>Debit balances related to specific activities that are offset by credit balances</u></b>			
Environmental and infrastructure debit balances		14 525 734	12 976 420
Employees benefits debit balances (family healthcare - employee services)		820 746 980	504 155 843
Social and sport activities debit balances		557 135 965	367 817 496
Burj El Arab Project		54 469 272	31 260 103
Residential city assets		23 161 784	24 569 340
<b><u>Less: corresponding credit balances</u></b>		<u>(1 463 057 221)</u>	<u>(939 164 707)</u>
		<u>254 961 934</u>	<u>194 205 875</u>
Expected credit losses	(38)	(4 879 426)	(6 835 654)
		<u>250 082 508</u>	<u>187 370 221</u>

- Debtors and other debit balances include balances amounting to EGP 1.463 million for banks current accounts, time deposits and treasury bills related to "sports and social activities, healthcare fund, infrastructure, environment fund, Burj Al Arab project and residential city assets" which were offset against the related credit balances.



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**17- Financial assets at amortized cost (treasury bills)**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Amount paid	2 262 127 931	2 255 740 657
<b>Add:</b> accrued revenues	103 556 879	251 906 635
<b>Deduct:</b> Treasury bills accrued tax	<u>(20 711 376)</u>	<u>(50 381 327)</u>
	<u>2 344 973 434</u>	<u>2 457 265 965</u>

**18- Cash and cash equivalents**

	Note no.	31/12/2024	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Banks - current accounts with return		742 768 197	248 074 344
Time Deposits		17 854 653 950	23 143 101 042
Cash on hand		<u>305 123</u>	<u>335 684</u>
		<u>18 597 727 270</u>	<u>23 391 511 070</u>
Accrued interest from deposits		38 224 424	69 191 934
Expected credit losses	(38)	<u>(57 959 852)</u>	<u>(106 104 236)</u>
<b>Cash at banks</b>		<u>18 577 991 842</u>	<u>23 354 598 768</u>
<b>Deduct:</b>			
Restricted deposits against letter of guarantees and letter of credits		<u>(979 485 302)</u>	<u>(993 195 639)</u>
<b>Cash and cash equivalent for cash flow Preparation purpose</b>		<u>17 598 506 540</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 31/12/2024 "time deposits" restricted at Ebank with an amount equals to USD 11 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 December 31, 2024**

**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.

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Legal reserve	946 406 790	946 406 790
	<u>946 406 790</u>	<u>946 406 790</u>

**21- Other reserves**

	31/12/2024	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
	<u>5 848 194 574</u>	<u>5 847 582 574</u>

**22- Revaluation reserve**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Fair value revaluation for Alexandria Fertilizers Company	5 134 856 921	4 429 727 727
Fair value revaluation for Helwan Fertilizers Company	4 598 284 027	3 906 058 125
Actuarial losses– employee benefits	(166 548 105)	(216 867 337)
	<u>9 566 592 843</u>	<u>8 118 918 515</u>

- The Company hired Baker Tilly - Egypt to conduct a fair value assessment of its investments in Alexandria Fertilizers Company and Helwan Fertilizers Company on December 31, 2024. 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 September 30, 2024, and considering the exchange rate on the date of preparation of the company's financial position on December 31, 2024.
- 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 on December 31, 2024. 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 as per December 31, 2024, financial statements represents the expressive value for both companies as of December 31, 2024.



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**23- Retained earnings**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Beginning balance	16 315 887 345	13 731 802 340
<b>Add (Deduct):</b>		
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	4 445 520 740	13 478 405 405
<b>Ending balance for the period</b>	<b>9 353 937 108</b>	<b>16 315 887 345</b>

**24- Deferred tax liabilities**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Fixed assets and other assets	241 074 178	236 246 918
Investments fair value revaluation differences	2 825 750 598	2 420 066 860
Foreign currency exchange differences	1 626 159 081	1 393 951 305
<b>Deduct:</b>		
Expected credit losses	(21 009 690)	(32 324 849)
Employee benefit obligations	(162 918 902)	(157 982 221)
Provisions	(15 745 858)	(60 615 997)
	<b>4 493 309 407</b>	<b>3 799 342 016</b>

**25- Suppliers**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Suppliers - public sector	42 235 157	18 259 077
Suppliers - private sector	53 383 228	36 541 358
Suppliers - foreign sector	10 232 045	37 353 362
	<b>105 850 430</b>	<b>92 153 797</b>

**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 December 31, 2024**

**26-2 Related parties' transactions**

The following is a summary of transactions with related parties:

<u>Description</u>	<u>Nature of transactions</u>	31/12/2024 <u>EGP</u>	30/06/2024 <u>EGP</u>
Shareholders employees' union	Payment of employee's dues	441 402 978	2 040 126
Egyptian Natural Gas GASCO – Petro trade	Natural gas supply	4 924 869 011	7 576 946 457
		<u>5 366 271 989</u>	<u>7 578 986 584</u>

**26-3 Transactions resulted in the following credit balances:**

Due to related parties

<u>Description</u>	31/12/2024 <u>EGP</u>	30/06/2024 <u>EGP</u>
Shareholders employees' union	444 664 033	3 261 055
Egyptian Natural Gas "GASCO" – Petro trade	490 732 075	338 803 405
	<u>935 396 108</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:

	31/12/2024 <u>EGP</u>	30/06/2024 <u>EGP</u>
Salaries, attendance and travel allowances, and bonuses	10 584 278	8 665 473
	<u>10 584 278</u>	<u>8 665 473</u>

**27- Customers advance payment - contract liabilities**

	31/12/2024 <u>EGP</u>	30/06/2024 <u>EGP</u>
Customers - public sector	50 659 084	1 638 991
Customers - private sector	11 506 884	15 944 553
Customers - foreign sector	473 228 224	480 987 638
	<u>535 394 192</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 December 31, 2024**

**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.

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
<b>Opening balance of the period</b>	702 143 203	503 277 469
Current service cost	7 589 083	11 086 928
Interest expense	79 279 760	505 065 108
Benefits paid	(28 723 646)	(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>695 360 358</u>	<u>702 143 203</u>
Assets of the Employee Benefits System	(104 649 519)	-
<b>Total liabilities</b>	<u>590 710 839</u>	<u>702 143 203</u>
Short-term liabilities	60 122 310	54 540 136
Long-term liabilities	<u>530 588 529</u>	<u>647 603 067</u>

**28-2 Included in the statement of profit and loss**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Current service cost and interest cost	75 446 419	106 237 521
	<u>75 446 419</u>	<u>106 237 521</u>

**Actuarial assumptions**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Discount Rate	24.54%	24.74%
Inflation rate	24%	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				9 323 161



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**29- Creditors and other credit balances**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Deposits from others	29 559 522	28 961 669
Salary tax	2 068 058	71 650 076
Withholding and Stamp tax	3 365 360	2 545 289
Value added tax	3 156 156	1 885 034
Salary tax "Sport activities"	456 144	443 206
Withholding tax "Club"	153 173	52 929
Sales tax on product	26 707 743	-
Sales tax on Newlon	987 009	-
Accrued Social insurance Authority	-	20 885 551
Dividend payables	3 155 253 258	802 406
Fixed assets creditors	120 574 390	189 559 962
General authority for health insurance	31 719 866	69 683 356
Training and rehabilitation fund	675 594 772	631 189 564
Sales tax of Abu Qir plant (3)	53 484 950	53 484 950
Accrued wages and donations	147 645 972	387 967 062
Cars and housing loans	14 011 973	14 951 412
Retention from employees	32 869 578	9 219 578
Other credit balances	49 874 243	36 026 522
<b><u>Credit balances related to specific activities that are offset by debit balances</u></b>		
Employees benefit funds (Family medical, complementary, private insurance, restricted for employee's fund)	992 803 925	893 112 152
Social and sports activities	622 538 763	231 899 299
Burj Al Arab Project	54 419 872	34 506 632
Carbon revenue (Environmental Fund deposits)	5 262 427	5 251 632
Environmental and infrastructure deposits	7 959 050	12 479 293
housing city assets	23 161 784	24 569 340
<u>Less: corresponding debit balances</u>	<u>(1 463 057 221)</u>	<u>(939 164 707)</u>
	<b><u>4 590 570 767</u></b>	<b><u>1 781 962 209</u></b>

Within the accounts of dividend creditors in the account of creditors and other credit balances, an amount of 3.155 billion pounds belonging to the company's shareholders (coupon 2023/2024) at the rate of EGP 2.5 / share due on 27/02/2025), according to the dividend distribution account approved by the company's ordinary general assembly on 28/09/2024.

**30- Current Income Tax**

	31/12/2024	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Current income tax	978 402 681	1 715 662 071
Disputes 9A reservation with tax authority	32 522 755	32 522 755
Tax advances deposits	(46 086 879)	(46 086 879)
	<b><u>964 838 557</u></b>	<b><u>1 702 097 947</u></b>



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**31- Claims provisions**

	31/12/2024	30/06/2024
	<b>EGP</b>	<b>EGP</b>
Beginning balance	269 404 433	183 504 004
Provisions formed during the period	38 880 862	90 673 976
Provisions no longer needed	(562 000)	(4 618 687)
Provisions used during the period	-	(154 860)
<b>Ending balance</b>	<b>307 723 295</b>	<b>269 404 433</b>

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**

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Urea sales	3 432 714 135	2 096 543 049	3 004 634 111	1 308 931 841
Nitrate sales	2 768 085 530	1 553 301 673	2 031 930 063	1 052 556 210
Granulated urea sales	3 629 704 766	2 641 747 840	3 223 953 368	1 838 567 590
Ammonia sales	262 363 950	249 770 026	280 374 281	47 415 756
Plastic bags sales	1 683 125	455 625	-	-
<b>Sales Revenue</b>	<b>10 094 551 506</b>	<b>6 541 818 214</b>	<b>8 540 891 823</b>	<b>4 247 471 397</b>
Revenue from operating to others	147 000	(79 264)	172 427	101 073
Services revenue	162 376 228	89 248 447	87 122 458	42 651 807
Wastes revenue	3 259 373	1 459 842	2 530 965	1 329 686
<b>Deduct:</b>				
Sale of casual products	(11 205 776)	(4 518 266)	(14 660 455)	( 6 604 198)
	<b>10 249 128 331</b>	<b>6 627 928 973</b>	<b>8 616 057 218</b>	<b>4 284 949 765</b>

- Sales revenue may be classified as follows:

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Local sales	3 877 274 332	2 236 496 552	2 812 621 632	1 640 269 968
Export sales	6 217 277 174	4 305 321 662	5 728 270 190	2 607 201 428
<b>Sales Revenue</b>	<b>10 094 551 506</b>	<b>6 541 818 214</b>	<b>8 540 891 823</b>	<b>4 247 471 397</b>

- 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 December 31, 2024**

**33- Cost of goods sold**

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Materials and supplies	5 518 900 409	3 081 579 023	3 805 533 586	1 917 588 449
Salaries and wages	546 471 959	250 134 028	502 862 116	236 070 922
Depreciation of fixed assets	68 907 054	36 622 196	49 091 536	23 518 781
Employees Benefit (contributions / benefit plans)	16 029 484	7 791 759	18 114 211	8 859 716
Other operating cost	167 241 992	77 347 201	97 851 889	47 668 107
Change in inventory (Finished goods)	(389 983 801)	5 874 456	(140 944 366)	(135 331 993)
Change in inventory (work in progress)	(33 268 725)	(4 797 837)	21 306 976	(43 897 737)
<b>Deduct:</b>				
Sale of by- products	(11 205 776)	(4 518 266)	(14 660 454)	(6 604 197)
	<b>5 883 092 596</b>	<b>3 450 032 560</b>	<b>4 339 155 494</b>	<b>2 047 872 048</b>

**34- Other income**

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Rent	16 073 065	8 262 825	10 543 210	5 428 336
Capital gains	5 000 000	5 000 000	-	-
Compensation and penalties	83 004 390	438 039	3 253 445	3 145 225
Provision no longer	562 000	-	4 618 687	-
Wastes gain	5 189 435	3 544 681	7 938 971	5 202 586
Other miscellaneous revenues	1 116 054	640 392	325 699	(539 166)
	<b>110 944 944</b>	<b>17 885 937</b>	<b>26 680 012</b>	<b>13 236 981</b>



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**35- Selling & marketing expenses**

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Salaries and wages	175 448 770	76 402 547	156 219 055	73 910 122
Commodity supplies for packaging	165 562 125	90 535 038	120 431 136	62 723 277
Depreciation	3 829 544	1 871 843	2 853 425	1 509 093
Employees Benefit (contributions , benefit plans)	5 172 293	2 468 820	2 939 827	1 416 637
Shipping expenses	115 987 294	61 614 213	62 859 902	30 206 958
Exporting expenses	76 964 541	53 571 525	81 214 775	37 706 548
Other selling & marketing expense	35 785 341	17 441 807	21 277 587	16 434 754
	<b>578 749 908</b>	<b>303 905 793</b>	<b>447 795 707</b>	<b>223 907 389</b>

**36- General & administrative expenses**

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Salaries and wages	104 407 725	32 719 772	76 613 079	34 199 850
Depreciation	9 653 763	2 477 549	2 546 486	197 814
Chairman and board of directors' members transportation allowance:	6 642 298	2 207 907	5 163 609	1 994 988
Comprehensive health insurance fund	31 719 866	20 393 291	25 474 061	12 539 701
Training and rehabilitation fund	44 405 207	31 561 988	40 203 121	20 029 631
Employees club	72 175 351	51 611 879	64 459 718	32 269 799
Employees Benefit (contributions , benefit plans)	3 586 245	1 567 788	2 868 830	2 018 623
Other general & administrative expenses	103 607 163	78 838 618	28 952 431	20 489 511
	<b>376 197 619</b>	<b>221 378 793</b>	<b>246 281 335</b>	<b>123 739 917</b>

-The administrative and general expenses including an amount of 45.9 million EGP, representing the cost of ideal capacity for the company during the period from 01/07/2024 to 31/12/2024. 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.



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**37- Other expenses**

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Donations	5 460 082	4 752 965	4 263 088	1 677 894
Compensations and penalties	327 005	-	5 123 508	190 708
Provision claims	38 880 862	38 880 862	4 000 000	-
Others	-	-	352 895	352 895
	<b>44 667 949</b>	<b>43 633 827</b>	<b>13 739 491</b>	<b>2 221 497</b>

**38- Expected credit losses and assets impairment**

EGP	Note No.	01/07/2024	Formed	Used	No longer required	31/12/2024
Cash and cash equivalents	(18)	106 104 236	-	-	(48 144 384)	57 959 852
Trade and notes receivables	(13)	2 507 756	-	-	(2 122 708)	385 048
Debtors and other debit balances	(16)	6 835 654	789 023	-	(2 745 251)	4 879 426
Due from related parties	(14)	718 555	37 829	-	(165 592)	590 792
Suppliers – Advance payments	(15)	27 499 796	2 068 119	-	(6 632)	29 561 283
		<b>143 665 997</b>	<b>2 894 971</b>	<b>-</b>	<b>(53 184 567)</b>	<b>93 376 401</b>

- The Company hired Baker Tilly Egypt to perform the study of expected credit losses for its financial assets as of 31/12/2024. 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
  - 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%.



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

- 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- Finance income**

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Credit interest	858 396 119	370 552 530	507 946 797	254 110 518
Interest income from financial assets at amortized cost	406 571 731	243 581 750	1 006 022 760	450 826 990
	<b>1 264 967 850</b>	<b>614 134 280</b>	<b>1 513 969 557</b>	<b>704 937 508</b>

**40- Finance cost**

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Bank charges	1 492 138	670 477	491 291	231 135
Letter of guarantees commissions	139 046	69 523	137 023	137 023
Securities custody commissions and stock listing fees	238 602	108 533	110 837	26 962
Interest on employees benefit liabilities	74 630 241	34 990 361	54 032 752	27 016 376
	<b>76 500 028</b>	<b>35 838 895</b>	<b>54 771 903</b>	<b>27 411 496</b>

**41- Foreign currency exchange gains**

	2024/2025		2023/2024	
	From July 1, 2024, to December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Unrealized foreign currency exchange gain resulting from the	1 032 034 560	999 693 872	(2 756 702)	435 834
Realized foreign currency exchange gain	30 870 879	(102 326 418)	34 432 394	10 366 306
	<b>1 062 905 439</b>	<b>897 367 454</b>	<b>31 675 692</b>	<b>10 802 140</b>



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**42- Income taxes**

	<u>2024/2025</u>		<u>2023/2024</u>	
	<u>From July 1, 2024, to December 31 2024</u>	<u>From October 1, 2024, to December 31 2024</u>	<u>From July 1, 2023, to December 31 2023</u>	<u>From October 1, 2023, to December 31 2023</u>
<b><u>Current income taxes</u></b>	978 402 681	672 207 664	930 317 491	485 645 296
Current income tax	81 314 346	48 716 350	201 204 552	90 165 398
independent tax base (treasury bills)	115 449	115 449	(527 176)	(527 176)
<b>Total Current taxes</b>	<b>1 059 832 476</b>	<b>721 039 463</b>	<b>1 130 994 867</b>	<b>575 283 518</b>
<b><u>Deferred income taxes</u></b>				
Fixed assets and other assets	4 827 260	(15 260 398)	3 548 185	330 013
Foreign currency exchange differences	232 207 776	224 931 121	(620 258)	(620 258)
Pension plan liabilities	(19 545 490)	(9 772 745)	(13 404 649)	(6 702 325)
Provisions formed	44 870 139	44 743 689	165 948	-
Expected credit losses	11 315 159	7 070 286	2 118 354	(9 825 658)
<b>Deferred income taxes</b>	<b>273 674 844</b>	<b>251 711 953</b>	<b>(8 192 420)</b>	<b>(16 818 228)</b>
<b>Income tax at income statement</b>	<b>1 333 507 320</b>	<b>972 751 416</b>	<b>1 122 802 447</b>	<b>558 465 290</b>
<b><u>Deferred income taxes on other comprehensive income</u></b>				
Equity investments at FVOCI- net change in fair value	405 683 738	390 049 829	306 929 980	303 211 230
Actuarial gains (losses) from defined benefits schemes for employees	14 608 809	14 608 809	-	-
<b>Deferred income taxes on other comprehensive</b>	<b>420 292 547</b>	<b>404 658 638</b>	<b>306 929 980</b>	<b>303 211 230</b>

**Effective income tax rate as of December 31, 2024**

	<u>31/12/2024</u>	<u>31/12/2023</u>
	<u>EGP</u>	<u>EGP</u>
Profit before income tax	5 779 028 060	5 096 053 454
Income tax according to tax law "22.5%"	1 300 281 312	1 146 612 027
Non-deductible expenses	57 387 654	25 459 248
Revenue exempted from tax	(24 161 646)	(49 268 828)
<b>Income tax</b>	<b>1 333 507 320</b>	<b>1 122 802 447</b>
<b>Effective income tax rate</b>	<b>%23.07</b>	<b>%22.03</b>



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**43- 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 December 31 2024	From October 1, 2024, to December 31 2024	From July 1, 2023, to December 31 2023	From October 1, 2023, to December 31 2023
Net profit after tax	4 445 520 740	3 161 198 854	3 973 251 007	1 986 639 164
<b><u>Deduct:</u></b>				
Employees dividends	(617 122 904)	(439 592 840)	(552 755 141)	(276 379 483)
Board of directors' dividends	(32 500 000)	(16 250 000)	(25 000 000)	(12 500 000)
<b>Shareholders profit share</b>	3 795 897 836	2 705 356 014	3 395 495 866	1 697 759 681
Number of issued shares	1 261 875 720	1 261 875 720	1 261 875 720	1 261 875 720
<b>Basic and diluted earnings Per Share</b>	<b>3.01</b>	<b>2.15</b>	<b>2.69</b>	<b>1.34</b>

**44- 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 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.



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**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**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 61 for the year 2022 was implemented which state that the ministry of finance will bear the real estate tax of the company's factories for three years to December 31, 2024, 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.

**45- Legal position**

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

**46- Contractual commitments and contingent liabilities**

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

- Project Number (39/2022/2021) SAP and ERP amounted to USD 1 827 K and EGP 2 174 K.
- Various purchase orders amounts are EUR 28 M, USD 2 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	319 851 000
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	24 115 750
						681 446 750

**46-3 Letter of guarantee**

The letters of guarantee held at banks for the benefit of others as of December 31, 2024, amounted to EGP 328 million. are covered by treasury bills with nominal value of EGP 456 million.



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**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**47- Operating segments**

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

**Company's operating segments comprise as follows:**

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

**First: Operating segments - assets and liabilities:**

<u>Description</u>	<u>Abu Qir Plant (1)</u>	<u>Abu Qir Plant (2)</u>	<u>Abu Qir Plant (3)</u>	<u>Liquid fertilizer</u>	<u>Plastic Bags Plant</u>	<u>Other</u>	<u>Total</u>
Operating segments assets	1 355 220 815	344 417 046	582 428 918	4 165 354	81 298 572	-	2 367 530 705
Unassigned segments assets	-	-	-	-	-	37 764 207 785	37 764 207 785
<b>Total assets</b>	<b>1 355 220 815</b>	<b>344 417 046</b>	<b>582 428 918</b>	<b>4 165 354</b>	<b>81 298 572</b>	<b>37 764 207 785</b>	<b>40 131 738 490</b>
Operating segments liabilities	-	-	-	-	-	12 523 793 594	12 523 793 594
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12 523 793 594</b>	<b>12 523 793 594</b>



*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 December 31, 2024**

**Second: Operating segments - net profit for the period:**

<u>Description</u>	<u>Abu Qir Plant (1)</u>	<u>Abu Qir Plant (2)</u>	<u>Abu Qir Plant (3)</u>	<u>Ammonia</u>	<u>Plastic Bags</u>	<u>Other</u>	<u>Total</u>
revenue	3 584 031 587	2 771 344 903	3 629 704 766	262 363 949	1 683 125	-	10 249 128 331
Cost of sales	(1 945 696 935)	(1 809 450 641)	(2 024 565 523)	(101 909 018)	(1 470 479)	-	(5 883 092 596)
<b>Gross profit</b>	<b>1 638 334 653</b>	<b>961 894 262</b>	<b>1 605 139 244</b>	<b>160 454 931</b>	<b>212 646</b>	<b>-</b>	<b>4 366 035 735</b>
Other revenues						110 944 944	110 944 944
Selling & marketing expenses	(143 136 496)	(281 732 856)	(144 369 954)	(9 510 602)	-	-	(578 749 908)
General & administrative expenses	(96 231 191)	(171 202 919)	(108 763 510)	-	-	-	(376 197 619)
Other expenses	-	-	-	-	-	(44 667 949)	(44 667 949)
Expected credit losses	-	-	-	-	-	50 289 596	50 289 596
<b>Operating profit</b>	<b>1 398 966 966</b>	<b>508 958 488</b>	<b>1 352 005 780</b>	<b>150 944 330</b>	<b>212 646</b>	<b>116 566 591</b>	<b>3 527 654 800</b>
Finance income	-	-	-	-	-	1 264 967 850	1 264 967 850
Finance cost	-	-	-	-	-	(76 500 028)	(76 500 028)
Foreign currency exchange gains	-	-	-	-	-	1 062 905 439	1 062 905 439
Net financing income	-	-	-	-	-	<b>2 251 373 260</b>	<b>2 251 373 260</b>
<b>Net profit for the period before income tax</b>	<b>1 398 966 966</b>	<b>508 958 488</b>	<b>1 352 005 780</b>	<b>150 944 330</b>	<b>212 646</b>	<b>2 367 939 851</b>	<b>5 779 028 060</b>
Income tax expense	(322 810 803)	(117 441 871)	(311 974 537)	(34 830 315)	(49 068)	(546 400 726)	(1 333 507 320)
<b>Net profit for the period</b>	<b>1 076 156 162</b>	<b>391 516 616</b>	<b>1 040 031 243</b>	<b>116 114 014</b>	<b>163 578</b>	<b>1 821 539 126</b>	<b>4 445 520 740</b>



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

**Notes to the Interim Separate Financial Statements for the Financial Period Ended December 31, 2024**

**48- 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	8 616 057 218	-	-	8 616 057 218
Cost of goods sold	(4 309 633 100)	(18 120 547)	(11 401 847)	(4 339 155 494)
<b>Gross profit</b>	<b>4 306 424 118</b>	<b>(18 120 547)</b>	<b>(11 401 847)</b>	<b>4 276 901 724</b>
Other income	25 684 262	-	995 749	26 680 012
Selling & marketing expenses	(444 855 880)	(2 940 855)	1 028	(447 795 707)
General & administrative expenses	(269 471 620)	19 995 354	3 194 931	(246 281 335)
Other expenses	(14 805 539)	1 066 048	-	(13 739 491)
Expected credit losses	9 414 905.	-	-	9 414 905
<b>Operating profit</b>	<b>3 612 390 246</b>	<b>-</b>	<b>(7 210 138)</b>	<b>3 605 180 108</b>
Finance income	1 513 450 680	-	518 877	1 513 969 557
Finance costs	(739 151)	-	(54 032 753)	(54 771 903)
Foreign currency exchange gains / (Losses)	31 675 692	-	-	31 675 692
<b>Net financing income</b>	<b>1 544 387 222</b>	<b>-</b>	<b>(53 513 876)</b>	<b>1 490 873 346</b>
Net profit for the period before income tax	5 156 777 468	-	(60 724 014)	5 096 053 454
Income tax expense	(1 136 465 350)	-	13 662 903	(1 122 802 447)
<b>Net profit for the period</b>	<b>4 020 312 118</b>	<b>-</b>	<b>(47 061 111)</b>	<b>3 973 251 007</b>
<b>Basic and diluted earnings per share</b>	<b>2.72</b>	<b>-</b>	<b>(0.03)</b>	<b>2.69</b>

**Adjustment and reclassification of comparative figures as of 31/12/2023 as follows:**

- 1- The value of employee-defined benefit obligations and their impact on reducing administrative and selling expenses amounting to 3.1 million Egyptian pounds, Other revenues amounting to 1 995 thousand Egyptian pounds, Financial income amounting to 518 thousand Egyptian pounds, Financing expenses amounting to 54 million Egyptian pounds, Income tax expense amounting to 2.3 million Egyptian pounds and Deferred income tax expense amounting to 13.4 million Egyptian pounds.
- 2- Amendment of the income statement as of 31/12/2023 of The costs Rotor and Platinum and their impact on the cost of sales amounting to 11.4 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 31/12/2023 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 20 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 December 31, 2024**

**The effect of reclassifications and restatements on the statement of cash flows on 31/12/2023:**

<u>Description</u>	As previously issued	Reclassification	Restatement	Balances after reclassification and restatement
<b><u>First: Cash flows from operating activities:</u></b>				
Cash sales and proceeds from trade receivables	8 902 786 880	-	-	8 902 786 880
Cash purchases and payments to trade payables	(4 428 271 019)	-	-	(4 428 271 019)
Paid salaries and wages	(741 859 160)	-	-	(741 859 160)
Paid taxes and fees	(3 785 393 804)	-	-	(3 785 393 804)
Other proceeds	500 508 805	-	-	500 508 805
Other payments	(1 141 677 690)	-	-	(1 141 677 690)
Employees and Board of directors' members dividends	(1 411 830 286)	-	-	(1 411 830 286)
<b>Net cash flows provided from operating activities no. (1)</b>	<b>(2 105 736 274)</b>	<b>-</b>	<b>-</b>	<b>(2 105 736 274)</b>
<b><u>Second: Cash flows from investing activities:</u></b>				
Payments for purchase of fixed assets	(174 497 724)	-	-	(174 497 724)
Payments for financial assets at amortized cost	(14 117 248 098)	-	-	(14 117 248 098)
Proceeds from financial assets at amortized cost	16 363 863 637	-	-	16 363 863 637
Credit interest received – Time Deposits	526 357 647	-	-	526 357 647
Credit interest received from Treasury bills	963 029 091	-	-	963 029 091
<b>Net cash flows provided from investing activities no. (2)</b>	<b>3 561 504 553</b>	<b>-</b>	<b>-</b>	<b>3 561 504 553</b>
<b><u>Third: Cash flows from financing activities:</u></b>				
Proceeds from bank facilities	-	-	-	-
Payment of bank facilities	-	-	-	-
Shareholders' dividends paid	(6 309 378 600)	-	-	(6 309 378 600)
<b>Net cash flows provided from financing activities no. (3)</b>	<b>(6 309 378 600)</b>	<b>-</b>	<b>-</b>	<b>(6 309 378 600)</b>
<b>Net change in cash and cash equivalents (1) + (2) + (3)</b>	<b>(4 853 610 321)</b>	<b>-</b>	<b>-</b>	<b>(4 853 610 321)</b>
Cash and cash equivalent at the beginning of the period	17 445 801 237	-	-	17 445 801 237
Foreign currency exchange differences effect	30 759 689	-	-	30 759 689
Accrued interest from deposits	-	-	47 018 785	47 018 785
Expected credit losses	(111 481 081)	-	(4 251 188)	(115 732 268)
<b>Cash and cash equivalent</b>	<b>12 511 469 524</b>	<b>-</b>	<b>42 767 597</b>	<b>12 554 237 121</b>
<b>Deduct:</b>				
Restricted deposits and cash covered against letter of guarantees and letter of credits	(883 582 651)	-	-	(883 582 651)
<b>Cash &amp; cash equivalent available at the end of the period</b>	<b>11 627 886 873</b>	<b>-</b>	<b>42 767 597</b>	<b>11 670 654 470</b>

**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 47 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 4 million.