



# شركة أبو قير للأسمدة والصناعات الكيماوية

Alexandria, December 14, 2025

To: EGX  
Disclosure Sector

Dear Sir,

Kindly Find Attached The English Translation for the Following:-

- Interim Financial Statements for the Financial Period Ended September 30, 2025 and the Accompanying Notes .
- Auditor's (Hazem Hassan - KPMG) Limited Review Report on the Interim Financial Statements as of September 30, 2025.

Yours faithfully,

Head, Investor Relations  
& Media Sector (IRO)

Acc. Nervana Sabbah Oraby



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



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Abu Qir Fertilizers  
and Chemical Industries CO.  
Financial Statements  
For The Financial Period Ended  
September 30, 2025



## **Hazem Hassan**

**Public Accountants & Consultants**

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

#### ***Introduction***

We have performed a limited review for the accompanying interim statement of financial position of Abu Qir Fertilizers & Chemical Industries (“the Company”) (S.A.E) as of September 30, 2025, and the related interim statements of profit or loss, comprehensive income, changes in equity, and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

#### ***Scope of Review***

Except as described in paragraph (2) under the Basis for Qualified conclusion, 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 financial statements.

#### ***Basis for Qualified conclusion***

1-As disclosed in Note (9) to the interim financial statements, the Company holds an investment in Helwan Fertilizers Company amounting to EGP 5.5 billion as of 30 September 2025. The Company classified and measured this investment at fair value through OCI. In our opinion, this treatment is not in accordance with Egyptian Accounting Standards, since the Company holds 17% of Helwan Fertilizers Company’s shares, and represented by two members on its Board of Directors, participates in technical committees, and provides key technical information to Helwan Fertilizers Company. Accordingly, in our opinion, management should classify this investment as an investment in an associate, in accordance with the requirements of Egyptian Accounting Standard No. (18) “*Investments in Associates.*”

2- As disclosed in note (33) to the accompanying interim financial statements, the company released from the obligation an amount of EGP 362 million, which represents 50% from the obligation due to the Training and Qualification Fund. the Company has not provide us with the legal and accounting basis upon which this reduction was made. Accordingly, we were unable to determine the financial impact on the interim financial statements for the three-month period ended 30 September 2025.



Hazem Hassan

Translation of limited review report  
originally issued in Arabic

### **Qualified conclusion**

Based on our limited review, except for the matter described in paragraph (1) above, and except for the possible adjustments that might have been necessary had we been able to obtain the legal and accounting bases relied upon by the Company in reversed the amount of EGP 362 million, representing 50% of the obligation due to the Training and Qualification Fund, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as of 30 September 2025 do not present fairly in all material respects, the financial position, financial performance, and cash flows of the Company in accordance with Egyptian Accounting Standards.

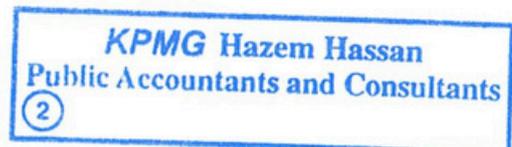
### ***Emphasis of Matter***

Without considering the following as additional qualifying to our conclusion, and as disclosed in Note (32) to the accompanying interim financial statements, Prime Ministerial Decree No. (3285) of 2025 was issued regarding the determination of natural gas selling prices in accordance with the mechanism stated in the decree effective from gas withdrawals starting 16 September 2025. However, the natural gas consumption invoice for the period from 16 September 2025 to 30 September 2025 was issued based on a different pricing mechanism than that specified in the aforementioned decree. The Company is still negotiating with the gas supplier to determine the approved pricing mechanism.

Accordingly, as of the date of the interim financial statements, there is uncertainty regarding the pricing of natural gas for the period from 16 September 2025 to 30 September 2025, which may affect the balances and amounts recorded in the interim financial statements for the three-month period ended 30 September 2025.

  
**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 November 12, 2025



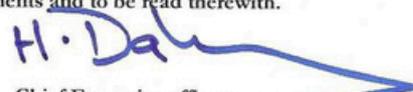


AbuQir Fertilizers and Chemical Industries Company "S.A.E."  
Statement of Financial Position As of Septemebr 30, 2025

EGP	Note No.	30 September 2025	30 June 2025
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	(4)	2 365 535 350	2 354 490 447
Intangible assets	(5)	9 881 240	10 161 267
Assets under construction	(6)	517 639 290	411 198 655
Investment property	(7)	500 718	500 718
Investments accounted at equity method	(8)	124 407 083	150 766 386
Investment at fair value through OCI	(9)	12 130 499 189	12 520 842 773
Other financial assets	(10)	409 355 723	369 139 373
<b>Total non-current assets</b>		<b>15 557 818 593</b>	<b>15 817 099 620</b>
<b>Current assets</b>			
Inventories	(11)	3 414 551 818	2 318 079 620
Trade and notes receivables	(12)	200 998 445	126 188 707
Due from related parties	(13)	81 129 391	8 116 466
Suppliers – Advance payments	(14)	786 869 072	437 678 086
Debtors and other debit balances	(15)	286 049 306	294 712 343
Financial assets at amortized cost (treasury bills)	(16)	3 473 435 942	2 075 823 085
Cash and cash equivalents	(17)	20 216 966 730	21 141 350 072
<b>Total current assets</b>		<b>28 460 000 704</b>	<b>26 401 948 379</b>
<b>Total assets</b>		<b>44 017 819 297</b>	<b>42 219 047 998</b>
<b>Equity</b>			
Issued and paid-up capital	(18)	1 892 813 580	1 892 813 580
Legal reserve	(19)	946 406 790	946 406 790
Other reserves	(20)	5 884 200 774	5 848 194 574
Revaluation reserve	(21)	8 868 077 384	9 188 096 139
Retained earnings	(22)	6 300 373 925	14 259 540 572
<b>Total equity</b>		<b>23 891 872 454</b>	<b>32 135 051 656</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Pension plan liabilities	(27)	720 494 907	676 033 140
Deferred tax liabilities	(23)	2 729 601 486	2 940 863 932
<b>Total non-current liabilities</b>		<b>3 450 096 393</b>	<b>3 616 897 072</b>
<b>Current liabilities</b>			
Suppliers	(24)	831 047 586	509 094 802
Due to related parties	(25)	537 316 821	63 658 847
Customers advance payment - contract liabilities	(26)	751 632 716	243 268 610
Pension plan liabilities	(27)	64 967 077	80 064 006
Creditors and other credit balances	(28)	10 271 487 194	1 732 867 886
Current income tax	(29)	3 914 458 460	3 511 467 312
Provisions	(30)	304 940 597	326 677 808
<b>Total current liabilities</b>		<b>16 675 850 451</b>	<b>6 467 099 271</b>
<b>Total equity and liabilities</b>		<b>44 017 819 297</b>	<b>42 219 047 998</b>

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

  
Deputy CFO  
Accountant: Mohamed Abd ElMoniem

  
Chief Executive officer  
Eng. Hany Daby



**AbuQir Fertilizers and Chemical Industries Company "S.A.E."  
Statement of Profit or Loss for the period ended September 30, 2025**

<u>EGP</u>	Note No.	30 September 2025	30 September 2024 Reclassified and restated
Operating revenue	(31)	3 911 429 164	3 621 199 358
Cost of sales	(32)	(2 130 130 195)	(2 433 060 036)
<b>Gross profit</b>		<b>1 781 298 969</b>	<b>1 188 139 322</b>
Other income	(33)	383 637 387	93 059 007
Selling and marketing expenses	(34)	(281 081 017)	(274 844 115)
General and administrative expenses	(35)	(150 089 132)	(108 229 040)
Other expenses	(36)	(154 403 309)	(47 623 908)
Reversed expected credit losses and impairment of assets	(37)	12 472 850	18 866 104
<b>Operating profit</b>		<b>1 591 835 748</b>	<b>869 367 369</b>
Finance income	(38)	649 163 817	650 833 569
Finance cost	(39)	(41 196 772)	(40 661 133)
Foreign currency exchange losses (gains)	(40)	(533 927 570)	165 537 984
<b>Net financing income</b>		<b>74 039 475</b>	<b>775 710 421</b>
Share of profit (loss) of equity accounted investees	(41)	7 373 014	( 1 858 092)
<b>Net profit for the period before income tax</b>		<b>1 673 248 237</b>	<b>1 643 219 698</b>
Income tax expense	(42)	( 365 154 365)	( 360 570 095)
<b>Net profit for the period</b>		<b>1 308 093 873</b>	<b>1 282 649 604</b>
<b>Basic earnings per share</b>	(43)	<b>0.86</b>	<b>0.86</b>

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



**Abu Qir Fertilizers and Chemical Industries Company "S.A.E."**  
**Statement of Comprehensive Income for the period ended September 30, 2025**

<u>EGP</u>	Note No.	30 September 2025	30 September 2024 Restated
Net profit for the period		1 308 093 873	1 282 649 604
<b><u>Other comprehensive income</u></b>			
Revaluation differences of financial investments at fair value through OCI	(21)	(390 343 584)	69 484 038
Translation differences of Equity accounted investees		-	2 031 223
Reclassification of revaluation differences of equity accounted investees to statement profit and loss	(8)	(22 583 840)	-
Income tax for other comprehensive income elements		92 908 671	(16 090 934)
<b>Total other comprehensive income</b>		<b>(320 018 753)</b>	<b>55 424 328</b>
<b>Total comprehensive income for the period</b>		<b>988 075 120</b>	<b>1338 073 931</b>

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



AbuQir Fertilizers and Chemical Industries Company "S.A.E."  
Statement of Changes in Equity for the Interim Financial Statement September 30, 2025

**EGP**

	Share capital	Legal reserves	Other reserves	Revaluation differences reserves	Retained earnings	Total
Balance as at July 1, 2024	1 892 813 580	946 406 790	5 847 582 574	8 135 679 043	16 314 248 301	33 136 730 289
<b>Comprehensive income</b>						
Net profit for the period - restated	-	-	-	-	1 282 649 604	1 282 649 604
Investment revaluation and translation reserve	-	-	-	71 515 261	-	71 515 261
Deferred tax on other comprehensive income items	-	-	-	(16 090 934)	-	(16 090 934)
<b>Total comprehensive income - Restated</b>	-	-	-	55 424 328	1 282 649 604	1 338 073 931
Transferred to reserves	-	-	612 000	-	(612 000)	-
<b>Transactions with owners of the company and employees</b>						
Employees and Board of directors' members dividends	-	-	-	-	(1 942 791 077)	(1 942 791 077)
Shareholders' dividends	-	-	-	-	(9 464 067 900)	(9 464 067 900)
<b>Total transactions with the owners of the Company and employees</b>	-	-	-	-	(11 406 858 977)	(11 406 858 977)
Balance as at September 30, 2024 - Restated	1 892 813 580	946 406 790	5 848 194 574	8 191 103 371	6 189 426 928	23 067 945 243
Balance as at July 1, 2025	1 892 813 580	946 406 790	5 848 194 574	9 188 096 139	14 259 540 572	32 135 051 656
<b>Comprehensive income</b>						
Net profit for the period	-	-	-	-	1 308 093 873	1 308 093 873
Investment revaluation and translation reserve	-	-	-	(412 927 424)	-	(412 927 424)
Deferred tax on other comprehensive income items	-	-	-	92 908 671	-	92 908 671
<b>Total comprehensive income</b>	-	-	-	(320 018 754)	1 308 093 873	988 075 119
Transferred to reserves	-	-	36 006 200	-	(36 006 200)	-
<b>Transactions with owners of the company and employees</b>						
Employees and Board of directors' members dividends	-	-	-	-	(1 660 000 000)	(1 660 000 000)
Shareholders' dividends	-	-	-	-	(7 571 254 320)	(7 571 254 320)
<b>Total transactions with the owners of the Company and employees</b>	-	-	-	-	(9 231 254 320)	(9 231 254 320)
Balance as at September 30, 2025	1 892 813 580	946 406 790	5 884 200 774	8 868 077 385	6 300 373 925	23 891 872 454
Note No.	(18)	(19)	(20)	(21)	(22)	

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



**AbuQir Fertilizers and Chemical Industries Company "S.A.E."  
Statement of Cash Flows for the Financial period ended September 30, 2025**

<b>EGP First: Cash flows from operating activities:</b>	<b>Note No.30 September 2025</b>	<b>30 September 2024</b>
Cash sales and proceeds from trade receivables		
<del>Cash purchases and payments to trade payables</del>		
Paid salaries and wages	4 407 323 800	3 458 058 271
Paid taxes and fees	(2 650 899 299)	(3 053 939 602)
Other proceeds	( 729 340 735)	( 701 334 126)
Other payments	( 315 230 291)	( 377 430 979)
<b>Net cash flows provided from operating activities No. (1)</b>	<b>75 306 278</b>	<b>137 117 561</b>
	<b>(168 367 795)</b>	<b>(102 322 782)</b>
	<b>618 791 959</b>	<b>(639 851 657)</b>
<b>Second: Cash flows from investing activities:</b>		
Payments for acquisition of fixed assets and assets under construction		
<del>Payments for investment in financial assets at amortized cost</del>		
Proceeds from investment in financial assets at amortized cost	( 171 007 212)	(175,927,828)
Credit Interest received	(7 894 981 214)	-
Credit Interest received - Treasury bills	3 315 188 598	740 465 335
<b>Net cash flows provided from investing activities No. (2)</b>	<b>258 583 313</b>	<b>476 495 771</b>
<b>Net Change in cash and cash equivalents (1) + (2)</b>	<b>103 549 122</b>	<b>76 787 732</b>
<b>Cash &amp; cash equivalent at the beginning of the year</b>	<b>(4 388 667 394)</b>	<b>1 117 821 011</b>
Effect of change in exchange rates on foreign currencies	<b>(3 769 875 435)</b>	<b>477 969 354</b>
Treasury bills with a maturity of less than three months	<b>21 184 421 361</b>	<b>23 391 511 070</b>
Accrued interest from deposits	(559 077 454)	172 448 886
Expected credit loss	3 393 988 067	-
<b>Cash balance at banks</b>	<b>22 972 426</b>	<b>80 186 516</b>
<b>Deduct:</b>	<b>(55 462 235)</b>	<b>(87 711 990)</b>
Restricted deposits and cash covered against letters of credit	<b>20 216 966 730</b>	<b>24 034 403 836</b>
<b>Cash &amp; cash equivalent available for use</b>	<b>(1 605 962 570)</b>	<b>(871 969 462)</b>
	<b>18 611 004 160</b>	<b>23 162 434 375</b>

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



**Abu Qir Fertilizers and Chemical Industries Co. (S.A.E.)**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**1- Company overview**

**1-1 Legal entity**

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

**1-2 Company's purpose**

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

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

**2- Basis for preparation of financial statements**

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

**2-1 Compliance with accounting standards and laws**

- The financial statements are prepared in accordance with the Egyptian Accounting Standards and relevant laws and regulations.
- The significant policies applied in the company were disclosed in the disclosure No. (3).
- Board of directors approved the financial statements on October 29, 2025.

**2-2 Functional and reporting currency**

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

**2-3 Use of estimates and assumptions**

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

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



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**A- Professional judgement**

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

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

**B- Estimation and Assumptions Uncertainty**

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

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

**Impairment of non-financial assets**

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

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

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

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

**Provisions**

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

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

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



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**Useful lives of fixed assets**

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

**Lease contracts** The company cannot easily determine the implicit interest rate in the lease contracts, and

therefore it uses the

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

**Current deferred tax assets and liabilities recognition and measurement**

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

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

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

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

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

**C- Fair value measurement**

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

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

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



**Abu Qir Fertilizers and Chemical Industries Company "S.A.E"**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

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

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

### **3- Significant accounting policies**

The financial statements were prepared using the same accounting policies followed continuously except for using the equity method in recognizing investment in associates instead of cost method as clarified in note 9.

#### **3-1 Foreign currency transactions**

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

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

#### **3-2 Revenue from contracts with customers**

Revenue recognition depends on the following five steps:

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

#### **Revenue recognition**

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

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

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

#### **3-3 Investment income**

The investments income is recognized in the statement of profit and loss on the date on which the company has the right to collect the amounts.



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

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.



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**3-7 Fixed assets and depreciation**

**A- Initial recognition and measurement**

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

**B- Subsequent costs**

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

**C- Depreciation**

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

<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%

**D- Capital gain or loss**

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

**3-8 Assets under construction**

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

**3-9 Intangible assets**

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

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



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
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**3-10 Investment properties**

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

**3-11 Investments accounted for using equity method**

Investments accounted for using the equity method consist of company’s shares in associates.

Associates are entities over which the company has significant influence over financial and operating policies, but not control or joint control.

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

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

**3-12 Financial instruments**

**Financial assets**

**Classification**

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

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

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

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

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

**Recognition and derecognition**

The 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 the control over the financial asset have been transferred.

**Measurement**

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

**Debt instruments:**

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



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**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 reclassified 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.

**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 securities at 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.



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

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

**Derecognition of financial liability**

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

**The effective interest rate method**

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

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

The return on all debt instruments is recognized on the basis of the effective interest rate, except for those classified as financial assets at fair value through profit 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.



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

- Inventories' cost includes expenditures incurred in acquiring the inventories and bringing it to its existing location and condition.
- The finished and semi-finished goods was counted on 30/09/2025, and the company follows a perpetual inventory method for the remaining inventory items.
- Spare parts and maintenance equipment are usually kept as inventory and recognized as an expense in profit or loss (income statement) as they are used. However, strategic spare parts (main) as well as spare equipment are suitable as fixed assets when the entity expects to use them within more than one period.

**3-14 Receivables and debtors and other debit balances**

The balances of receivables, debtors and other debit balances are recognized at par 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.

**3-15 Cash and cash equivalents**

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

**3-16 Legal reserve**

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

**3-17 Borrowing cost**

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

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

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



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
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**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 company shall pay cash dividend to employees not exceeding the total amount wages of the company's employees, the remaining portion of the employees share shall be allocated to employees in accordance with the decision of the board of directors.

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

**3-22 Earnings per share**

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

**3-23 Employee benefits**

**Pension liabilities**

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

**Defined Contribution plan**

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

**Post-retirement medical care (defined benefit plans)**

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

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

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



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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. 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 and presents some additional quantitative disclosures included in these financial statements.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also is responsible for identifying and analyzing the risks faced by the Company's to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company's management aims to establish a controlled and disciplined regulatory environment in which all employees are aware of and understand their role and obligations.

The Audit Committee and the Internal Audit Department assist the Board of Directors in its oversight role. The Internal Audit Department undertakes both predictable and nonpredictable inspections of controls and policies related to risk management and reports the results of the inspection to the Board of Directors.

**3-26-1 Credit risk**

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

**Exposure to Credit risk.**

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

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b>EGP</b>	<b>EGP</b>
Related parties	92 744 362	9 281 410
Other debit balances	77 394 362	113 593 529
Financial assets at amortized cost and other financial assets	7 276 779 732	2 444 962 458
Trade and notes receivables	201 973 325	126 992 050
Cash and cash equivalents	16 878 170 126	21 184 421 361
	<b>24 493 475 893</b>	<b>23 879 250 808</b>

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



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**Measurement of credit risk**

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

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

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

**Measurement of Expected Credit Losses for Customers**

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

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

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

	Bookvalue	Expected credit losses	Credit-impaired
<b>30 September 2025</b>			
Balances not due yet	187790 843	176 972	No
Due balance from 1-30 day	3280 790	39 385	No
Due balance from 31-60 day	6662 440	341 442	No
Due balance from 61-90 day	565 331	49 689	No
Due balance More than 90 day	3673 921	367 392	No
	<b>201973 325</b>	<b>974 880</b>	
	BookValue	Expected credit losses	Credit-impaired
<b>30 June 2025</b>			
Balances not due yet			
Due balance from 1-30 day	115711 574	142 465	No
Due balance from 31-60 day	2929 988	40 097	No
Due balance from 61-90 day	3628 313	179 948	No
Due balance More than 90 day	2377 768	206 391	No
	<b>2344 407</b>	<b>234 442</b>	No
	<b>126992 050</b>	<b>803 343</b>	



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

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

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

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

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

**Financial assets according to the credit rating**

The outstanding balance subject to expected credit losses amounted to EGP 15 548 618 465, 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 September 30, 2025, amounted to EGP 107 161 905 (compared to EGP 119 634 755 as of June 30, 2025).

**3-26-2 Liquidity risk**

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

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

On September 30, 2025, 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 24 009 033 847 (compared to EGP 23 400 008 924 as of June 30, 2025). The potential impact of unusual circumstances that cannot reasonably be predicted such as natural disasters have not been taken into consideration.



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**Contractual cash flows of financial liabilities as follows:**

	Book Value	Expected Cash flow	Due during the year
<b>September 30, 2025</b>			
Creditors and other credit balances	10 271 487 194	10 271 487 194	10 271 487 194
Due to related parties	537 316 821	537 316 821	537 316 821
Suppliers	831 047 586	831 047 586	831 047 586
	<b>11 639 851 601</b>	<b>11 639 851 601</b>	<b>11 639 851 601</b>
<b>June 30, 2025</b>			
Creditors and other credit balances	1 732 867 886	1 732 867 886	1 732 867 886
Due to related parties	63 658 847	63 658 847	63 658 847
Suppliers	509 094 802	509 094 802	509 094 802
	<b>2 305 621 535</b>	<b>2 305 621 535</b>	<b>2 305 621 535</b>

**3-26-3 Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity instruments prices will affect the Company’s income or the value of its financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Market risk for the company as follows:

**A. Currency risk**

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

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

The net foreign currency balances amounted to EGP 15 175 607 090 equivalent to USD 316 million, EUR 28 thousand and GBP 2 thousand (with the exchange rate at the reporting date being EGP 47.98 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 1 517 560 709 billion assuming that all other variables remain constant.

**B. Interest rate risk**

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



**Abu Qir Fertilizers and Chemical Industries Company "S.A.E"**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**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 an 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.



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

**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**4- Fixed assets**

**Fixed assets as at 30/9/2025**

	<b>Lands and Buildings</b>	<b>Machines and equipment</b>	<b>Vehicles</b>	<b>Tools and equipment</b>	<b>Furniture and office equipment</b>	<b>Balance at 30/6/2025</b>
<b>Cost</b> Balance as at 01/07/2025						
Additions	599 243 706	4 505 835 115	66 002 090	89 399 703	58 554 891	5 319 035 505
Disposals	-	63 976 537	-	3 648 764	1 147 434	68 772 735
<b>Balance as at 30/9/2025</b>	-	-	-	( 211 119)	( 31 864)	( 242 983)
<b>Accumulated depreciation</b>	<b>599 243 706</b>	<b>4 569 811 652</b>	<b>66 002 090</b>	<b>92 837 348</b>	<b>59 670 461</b>	<b>5 387 565 257</b>
Balance as at 01/07/2025						
Depreciation	324 089 821	2 510 063 281	53 025 847	39 481 568	37 884 541	2 964 545 058
Disposals <b>Balance as at 30/9/2025</b>	5 462 317	48 452 974	1 163 905	1 454 631	1 154 640	57 688 467
	-	-	-	( 171 754)	( 31 864)	( 203 618)
<b>Net book value as at 30/9/2025</b>	<b>329 552 138</b>	<b>2 558 516 255</b>	<b>54 189 752</b>	<b>40 764 445</b>	<b>39 007 317</b>	<b>3 022 029 907</b>
<b>Fixed assets as at 30/6/2025</b>	<b>269 691 568</b>	<b>2 011 295 397</b>	<b>11 812 338</b>	<b>52 072 903</b>	<b>20 663 144</b>	<b>2 365 535 350</b>

	<b>Lands and Buildings</b>	<b>Machines and equipment</b>	<b>Vehicles</b>	<b>Tools and equipment</b>	<b>Furniture and office equipment</b>	<b>Balance at 30/06/2024</b>
<b>Cost</b>						
Balance as 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	4 540 840	605 129 974	5 450 000	29 559 030	3 643 385	648 323 229
Disposals	-	(31 603 780)	( 2 600)	(1 630 130)	(4 323 583)	(37 560 093)
<b>Balance as at 30/6/2025</b>	<b>599 243 706</b>	<b>4 505 835 115</b>	<b>66 002 090</b>	<b>89 399 703</b>	<b>58 554 891</b>	<b>5 319 035 505</b>
<b>Accumulated depreciation</b>						
Balance 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	21 713 817	132 194 201	5 035 555	4 686 485	4 961 261	168 591 319
Disposals	-	(31 603 779)	( 2 599)	(1 244 529)	(4 333 418)	(37 184 325)
<b>Balance as at 30/6/2025</b>	<b>324 089 821</b>	<b>2 510 063 281</b>	<b>53 025 847</b>	<b>39 481 568</b>	<b>37 884 541</b>	<b>2 964 545 058</b>
<b>Net book value as at 30/6/2025</b>	<b>275 153 885</b>	<b>1 995 771 834</b>	<b>12 976 243</b>	<b>49 918 135</b>	<b>20 670 350</b>	<b>2 354 490 447</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 25/06/2025.

There are also no restrictions on the ownership of assets and liabilities at the date of the financial position. The unutilization of the liquid fertilizer plant's production capacity during the period is due to demand conditions and operating economics, and the same applies to the company's other plants as a result of a shortage of natural gas supplies to the company, with the overall results reflecting this situation.

- Legal procedures are being completed to register some of the company's lands, an area of 23 shares, 4 acres, including about 12 shares, 22 karats, 1 acre outside the company's walls, as well as registering the company's administrative headquarters in Cairo.



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**5- Intangible assets**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Net opening balance for the period	10 161 267	-
Addition/disposal during the period	-	14 244 618
<b><u>Less: -</u></b>		
Accumulated amortization	(280 027)	(4 083 350)
<b>Net ending balance for the period</b>	<b><u>9 881 240</u></b>	<b><u>10 161 267</u></b>

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

**Assets Under Construction**

**6- \_\_\_\_\_**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Assets under installation	144 424 770	134 846 922
Advance payment – fixed assets	373 214 520	276 351 733
	<b><u>517 639 290</u></b>	<b><u>411 198 655</u></b>

**7- 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 1119 million as of September 30, 2025, according to the latest study in this regard conducted in 2025 by an external appraiser registered in the Financial Regulatory Authority. Considering these leased investments generated revenues equal to EGP 8.6 million. The historical cost of these lands is as follows:

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Balance at the beginning of the period	500 718	500 718
<b>Balance at the ending of the period</b>	<b><u>500 718</u></b>	<b><u>500 718</u></b>



Abu Qir Fertilizers and Chemical Industries Company "S.A.E"  
Notes to the Financial Statements for the Financial Period Ended September 30, 2025

8- Investments accounted for at equity method

	30/9/2025		30/6/2025	
	EGP		EGP	
	North Abu Qir Company for Agricultural Nutrients	Global Company for Methanol and its Derivatives	North Abu Qir Company for Agricultural Nutrients	Global Company for Methanol and its Derivatives
Balance at the beginning of the period	117 034 069	33 732 137	112 500 000	30 753 328
Company's share of Income	7	-	4 534 069	2 021 636
Investment evaluation	-	-	-	957 353
<b>Less: -</b>				
Disposal resulting from losing of significant influence	-	(33 732 137)	-	-
Dividends distribution	-	-	-	-
<b>Balance at the end of the period</b>	<b>124 407 083</b>		<b>117 034 069</b>	<b>33 732 317</b>
<b>Total</b>	<b>124 407 083</b>		<b>150 766 386</b>	

**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. this investment was revaluated using equity method, in accordance with the financial statements of the Global Company for Methanol as of 31/12/2024. The use of the equity method was discontinued as of 01/07/2025 due to the loss of significant influence over the company as it entered the liquidation phase, and the necessary adjustments were made.

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

**The total amount paid for the contribution in the capital of the North Abu Qir Company for Agricultural Fertilizers** is EGP 112.5 million represents 25% from the total share that constitutes 45% of the issued capital of the investee that amounted EGP 1 billion. The authorized capital is EGP 10 billion, this investment was revaluated using equity method in accordance to North Abu Qir Company for Agricultural Nutrients financial statements as of December 31, 2024.

- On May 21, 2023, the First founding general assembly meeting of the investee was held.
- The approvals of the esteemed shareholders have been obtained, and powers of attorney have been issued to establish a new company under the name "Abu Qir Gulf for Agricultural Nutrients" in a special free zone, with an authorized capital of 100 million USD and a paid-up capital of 5 million USD. The file is currently being submitted to the Free Zones Administration. After the establishment, an extraordinary general assembly will be held for each company, and approval will be granted to merge North Abu Qir for Agricultural Nutrients with the new company, maintaining the same contribution ratios without altering them.



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

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

	Percentage	Investmen	30/09/2025	30/06/2025
			<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company	15%	USD	6 633 519 730	6 847 816 428
Helwan Fertilizers Company	17%	USD	5 449 502 959	5 625 549 845
El Wady for Phosphatic industries and fertilizer	10%	EGP	40 000 000	40 000 000
Abu Tartur for Phosphoric Acid Company	9.5%	USD	7 476 500	7 476 500
			<b>12 130 499 189</b>	<b>12 520 842 773</b>

- **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 6.63 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.

- **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 5.45 billion represents 100% of the Company's share, 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 share, which constitutes 10% of the investee's issued capital of the company that amounted EGP 400 million. The authorized capital is EGP 4 billion.

On May 13, 2025, the Extraordinary General Assembly of El Wadi for Phosphate Industries approved the merger of El Wadi for Phosphate and Fertilizers with Abu Tartur for Phosphoric Acid Company as an alternative to liquidation, subject to the approval of the Economic Performance Department at the General Authority for Investment, and the procedures are currently being completed.

- **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.

- On 29/06/2025, the contractor agreement for the project was signed with an investment cost of USD 643 million. This was followed by the completion of the procedures signing for the shareholders' loan agreement and the framework agreement governing the project financing, and the remaining procedures are currently being finalized.

- On 14/10/2025, the Extraordinary General Assembly of Abu Tartur for Phosphoric Acid Company and El Wadi for Phosphate and Fertilizers was held. The report contained in the letter from the Head of the Central Administration for the Valuation of In-Kind Shares and Follow-up within the Economic Performance Sector of the General Authority for Investment and Free Zones (GAFI) was approved. also approved the completion of the merger between the two companies and the amendment of Articles (7) and (21) of the Articles of Association. The assembly was also informed of the acquisition by Elsharq Gas Company of the shares owned by Al Ahly Capital Holding in both Abu Tartur and El Wadi companies.



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**10- Other financial assets**

	30/09/2025	30/06/2025
	<u>EGP</u>	<u>EGP</u>
Global Company for Methanol and its Derivatives – under liquidation	33 586 000	-
Letter of guarantees pledged by treasury bills	375 769 723	369 139 373
	<b>409 355 723</b>	<b>369 139 373</b>

- Other financial assets are represented in the recoverable amount of treasury bills at banks pledged to cover letter of guarantees amounting to EGP 328 million.

**11- Inventories**

	30/09/2025	30/06/2025
	<u>EGP</u>	<u>EGP</u>
Raw material	431 430 686	435 127 374
Oil and fuel	25 328 844	21 021 520
Spare parts	1 916 701 011	1 515 449 459
Packing	55 345 717	73 544 038
Wastes	40 298	31 348
Finished goods at cost	741 785 004	95 312 734
Work in process at cost	87 704 837	1 809 188
Payments for inventory purchases	156 215 422	175 783 959
	<b>3 414 551 818</b>	<b>2 318 079 620</b>

**12- Trade and notes receivable**

	NoteNo.	30/09/2025	30/06/2025
		<u>EGP</u>	<u>EGP</u>
Trade receivable – Public sector		184 001 080	121 576 224
Trade receivable – Private sector		17 947 939	5 391 520
Trade receivable – foreign sector		24 306	24 306
		<b>201 973 325</b>	<b>126 992 050</b>
Expected credit losses	(37)	(974 880)	(803 343)
		<b>200 998 445</b>	<b>126 188 707</b>

**13- Due from Related Parties**

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

– Alexandria Fertilizers Company	Shareholder by 15 %
– Helwan Fertilizers Company	Shareholder by 17 %
– Abu Tartur for Phosphoric Acid Company	Shareholder by 9.5%
– Global Company for Methanol and Derivatives	shareholder by 35 %
– North Abu Qir Company for Agricultural Nutrients	shareholder by 45 %
– Chemical Industries Company – KIMA	Shareholder by 2.7 %



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**13-2 Related party transactions**

The following is a summary of transactions with related parties:

<u>Description</u>	<u>Nature of transactions</u>	<u>30/09/2025</u> <u>EGP</u>	<u>30/06/2025</u> <u>EGP</u>
Alexandria Fertilizers Company	Services / Dividends	36 885 885	510418 323
Helwan Fertilizers Company	Services / Dividends	-	580679 500
Abu Tartur for Phosphoric Acid Company	Shareholder loan	76 939 298	-
North Abu Qir Company for Agricultural Nutrients	Payments for the project	457 772	5190 696
Chemical Industries Company – KIMA	Services	1 997 015	-
		<b><u>116 279 970</u></b>	<b><u>1 096288 519</u></b>

**13-3 Transactions resulted in the following debit balances:**

**Due from related parties**

<u>Noteno.</u>	<u>30/09/2025</u> <u>EGP</u>	<u>30/06/2025</u> <u>EGP</u>
Alexandria Fertilizers Company	6 999 639	475 920
Abu Tartur for Phosphoric Acid Company	76 481 462	-
North Abu Qir Company for Agricultural Nutrients	9 263 261	8 805 492
Expected Credit losses	92 744 362	9 281 412
(37)	(11 614 971)	(1 164 946)
	<b><u>81 129 391</u></b>	<b><u>8 116 466</u></b>

**13-4 Significant contracts with related parties**

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

**14- Suppliers – Advance payments**

<u>Note no.</u>	<u>30/09/2025</u> <u>EGP</u>	<u>30/06/2025</u> <u>EGP</u>
Suppliers - public sector	231 818 627	182 193 779
Suppliers - foreign sector	588 709 837	287 883 033
	<b><u>820 528 463</u></b>	<b><u>470 076 812</u></b>
Expected credit losses	(33 659 391)	(32 398 726)
(37)	<b><u>786 869 072</u></b>	<b><u>437 678 086</u></b>



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”  
Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**15- Debtors and other debit balances**

	Note no.	30/09/2025	30/06/2025
		<u>EGP</u>	<u>EGP</u>
Deposits with others		23 448 253	23 909 761
Employees loans		2 430 385	2 530 385
Employee advances		1 772 481	-
Sales tax		128 406 831	93 573 029
Property tax		2 424 000	2 424 000
Withholding tax		56 162 017	40 974 723
Prepaid expenses		2 074 411	1 916 509
Employees debts		3 236 148	3 194 810
Employees borrowings		8 702 583	9 253 132
Prepaid expenses – platinum		60 478 708	107 293 488
Other debit balances		1 724 680	15 214 339
<b>Debit balances related to specific activities that are offset by credit balances</b>			
Environmental and infrastructure debit balances		17 052 950	16 234 441
Employees benefits debit balances (family healthcare - employee services)		896 663 383	1 037 002 553
Social and sport activities debit balances		506 465 960	538 778 185
Residential city assets		23 161 784	23 161 784
<b>Less: corresponding credit balances</b>		(1 442 704 842)	(1 615 084 221)
		<b>291 499 733</b>	<b>300 376 917</b>
		<u>(5 450 427)</u>	<u>(5 664 574)</u>
Expected credit losses	(37)	<b>286 049 306</b>	<b>294 712 343</b>

Within debtors and other debit balances, balances amounting to approximately EGP 1 443 million related to current accounts, deposits, and treasury bills for (sports and social activities, the medical treatment fund, infrastructure fund, environmental fund, Burj El Arab project, and residential city assets) have been excluded along with the corresponding credit balances.

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

	30/09/2025	30/06/2025
	<u>EGP</u>	<u>EGP</u>
Amount paid	3 301 244 080	2 049 269 704
<b>Add:</b> accrued revenues	215 239 828	33 191 726
<b>Deduct:</b> treasury bills accrued tax	(43 047 966)	(6 638 345)
	<b>3 473 435 942</b>	<b>2 075 823 085</b>



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**17- Cash and cash equivalents**

	Note no.	30/09/2025 <u>EGP</u>	30/06/2025 <u>EGP</u>
Banks - current accounts with return		1 734 245 899	391 766 301
Time deposits		15 120 951 800	20 792 369 150
Cash on hand		270 772	<u>285 910</u>
		<b>16 855 468 471</b>	<b>21 184 421 361</b>
Accrued interest from deposits		22 972 427	36 531 878
Treasury bills less than 3 month		3 393 988 067	-
Expected credit losses	(37)	(55 462 235)	<u>(79 603 166)</u>
<b>Cash at banks</b>		<b>20 216 966 730</b>	<b>21 141 350 072</b> <u>(1 744 673 547)</u>
<b>Deduct:</b>			
Restricted deposits against letter of credits		(1 605 962 570)	
		<u>18 611 004 160</u>	
<b>Cash and cash equivalent for cash flow preparation purpose</b>		<u><b>20 216 966 730</b></u>	<u><b>19 396 676 525</b></u>

- Short-term deposits are dominated in USD to pay the company's current foreign currency liabilities.
- Within the cash accounts on 30/9/2025 “time deposits” restricted at Ebank with an amount equals to USD 14 million, and Qatar National Bank with an amount equals to of USD 19 million against letter of credits.

**18- Share capital**

**18-1 Authorized capital**

The Company's authorized capital is amounting to EGP 3 billion. **18-2 Issued and fully paid-up capital**

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

Shareholder	Nationality	Percentage %	No. of shares	Amount EGP
Alpha Oryx Limited	United Arab Emirates	21.52	271 573 655	407 360 483
Saudi Egyptian Investment Company	Saudi Arabia	20.40	257 405 245	386 107 867
Egyptian General Petroleum Corporation	Egyptian	19.11	241 153 540	361 730 310
Nasser Social Bank	Egyptian	5.90	74 477 970	111 716 955
Holding Company for Chemical Industries	Egyptian	5.47	69 055 673	103 583 509
Union of shareholder Employees	Egyptian	5.15	65 000 000	97 500 000
Other investors	Multinational	22.45	283 209 637	424 814 456
		<b>100</b>	<u><b>1 261 875 720</b></u>	<u><b>1 892 813 580</b></u>



**Abu Qir Fertilizers and Chemical Industries Company "S.A.E"**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**19- Legal reserve**

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

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Legal reserve	946 406 790	946 406 790
	<b><u>946 406 790</u></b>	<b><u>946 406 790</u></b>

**20- Other reserves**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Expansions reserve	5 800 000 000	5 800 000 000
Other reserves (capital gains - environment fund)	84 200 774	48 194 574
	<b><u>5 884 200 774</u></b>	<b><u>5 848 194 574</u></b>

**21- Revaluation differences reserves**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Fair value revaluation for Alexandria Fertilizers Company	5 035 646 136	5 201 726 077
Fair value revaluation for Helwan Fertilizers Company	4 101 232 543	4 237 668 880
Revaluation differences of Global company for Methanol through equity method	-	17 502 477
Accumulated benefits	(268 801 295)	-
	<b><u>8 868 077 384</u></b>	<b><u>9 439 395 354</u></b>

The Company hired Baker Tilly - Egypt to conduct a fair value assessment of its investments in Alexandria

- Fertilizers Company and Helwan Fertilizers Company on September 30, 2025. Necessary adjustments were proceeded based on the study's result. The income and market approaches were utilized in the valuation process, leading to the estimated fair value per share for both companies. This was done according to the data provided in the latest audited financial statements for both companies as of June 30, 2025 and considering the exchange rate on the date of preparation of the company's financial position on September 30, 2025.

The Company hired Baker Tilly- Egypt to conduct a fair value assessment of its investments in Wadi

- Phosphate Industries and Abu Tartur for Phosphoric Acid. The study concluded, because of the investee hasn't started the operation yet, 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 according to their audited financial statements represents the expressive value as of 30 September 2025.

The company recognized revaluation differences on its investment at Global Company for Methanol using

- the equity method.



**Abu Qir Fertilizers and Chemical Industries Company "S.A.E"**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**22- Retained earnings**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Beginning balance for the period	14 259 540 572	16 314 248 301
<b>Add (Deduct):</b>		
Transfer to reserve	(36 006 200)	(612 000)
Dividends distribution	(1 660 000 000)	(1 942 791 077)
Shareholders dividends	(7 571 254 320)	(9 464 067 900)
Net profit for the period	1 308 093 873	9 352 763 248
<b>Ending balance for the period</b>	<b><u>6 300 373 925</u></b>	<b><u>14 259 540 572</u></b>

**23- Deferred tax liabilities**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Fixed assets and other assets	315446 328	313 184 181
Investments fair value revaluation differences	2 652642 197	2 740 469 504
Revaluation of Investments accounted at equity method	-	5 081 364
Investments at equity method	1190 708	473 454
Foreign currency exchange differences	-	94 494 740
<b>Deduct:</b>		
Expected credit losses	(24 111 429)	(26 917 820)
Foreign currency exchange differences	(23 950 101)	-
Employee benefit obligations	(176 728 946)	(170 121 858)
Provisions	(14 887 271)	(15 799 633)
	<b><u>2 729 601 486</u></b>	<b><u>2 940 863 932</u></b>

**24- Suppliers**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Suppliers - public sector	1 374 461	3 172 840
Suppliers - private sector	730 189 890	412 120 471
Suppliers - foreign sector	99 483 235	93 801 491
	<b><u>831 047 586</u></b>	<b><u>509 094 802</u></b>

**25- Due to Related Parties**

**25-1 Related parties:**

– Helwan Fertilizers Company	Shareholder by 17 %
– Global Company for Methanol and Derivatives	Shareholder by 35 %
– Egyptian Natural Gas GASCO–Petrotrade	Founder affiliate supplier
– Shareholders employees' union	Shareholder by 5%



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**25-2 Related parties’ transactions**

The following is a summary of transactions with related parties:

<u>Description</u>	<u>Nature of transactions</u>	<u>30/09/2025</u> <u>EGP</u>	<u>30/06/2025</u> <u>EGP</u>
Shareholders employees’ union	Supplies and payments of dues	463 285	1 234 267
Egyptian Natural Gas GASCO – Petro trade	Natural gas supply	2 199 750 074	9 768 565 881
		<u>2 200 213 359</u>	<u>9 769 800 148</u>

**25-3 Transactions resulted in the following credit balances:**

Due to related parties

<u>Description</u>	<u>30/09/2025</u> <u>EGP</u>	<u>30/06/2025</u> <u>EGP</u>
Shareholders employees’ union	1 563 503	2 026 788
Egyptian Natural Gas “GASCO” – Petro trade	535 753 318	<u>61 632 059</u>
	<u>537 316 821</u>	<u>63 658 847</u>

**25-4 Significant contracts with related parties**

A contract to supply natural gas to the Company’s factories with the Egyptian Natural Gas Company - GASCO, one of the subsidiaries companies of the Egyptian General Petroleum Corporation. 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.

**25-5 Top management remunerations**

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

	<u>30/09/2025</u> <u>EGP</u>	<u>30/09/2024</u> <u>EGP</u>	<u>30/06/2025</u> <u>EGP</u>
Salaries, attendance and travel allowances, and bonuses	10 908 361	7 501 581	104 302 975
	<u>10 908 361</u>	<u>7 501 581</u>	<u>104 302 975</u>

**26- Customers advance payment (contract liabilities)**

	<u>30/09/2025</u> <u>EGP</u>	<u>30/06/2025</u> <u>EGP</u>
Customers - local sector	39 550 982	196 664 227
Customers - export sector	712 081 734	46 604 383
	<u>751 632 716</u>	<u>243 268 610</u>



**Abu Qir Fertilizers and Chemical Industries Company "S.A.E"**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**27- Pension plan liabilities**

**27- 1 Plan description**

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

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Opening balance of the period	873 250 358	702 143 203
Current service cost	3 619 413	9 428 757
Interest expense	47 007 896	158 559 519
Benefits paid	(15 096 929)	(63 892 680)
Actuarial losses - remeasurement of actuarial financial assumption	-	(156 018 375)
Actuarial losses - experience	-	223 029 934
Assets of the employee benefits system	<b>908 780 738</b>	<b>873 250 358</b>
<b>Net liabilities</b>	<b>123 318 754</b>	<b>117 153 212</b>
Short-term liabilities	<b>785 461 984</b>	<b>756 097 146</b>
Long-term liabilities	<b>64 967 077</b>	<b>80 064 006</b>
	<b>720 494 907</b>	<b>676 033 140</b>

**27-2 Amount recorded in the income statement**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Current service cost and interest cost	41 824 996	35 965 875
	<b>41 824 996</b>	<b>35 965 875</b>

**Actuarial assumptions determine benefit obligation**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Discount rate	23.96%	23.96%
Inflation rate	14.90%	14.90%
Benefit increase rate	16.75%	16.75%

**Sensitivity analysis for actuarial assumptions**

	<b>Change in assumption</b>		<b>Change in plan benefit</b>	
	Increase	Decrease	Increase	Decrease
Discount rate (%)	0.5%	-0.5%	(30336 109)	32 550 970
Inflation rate (%)	0.5%	-0.5%	13953 202	(12 942 366)
Mortality rate (Year)	1	-1	(186 075)	189 363

Dispose withdrawal coefficients **10 933 388**



**Abu Qir Fertilizers and Chemical Industries Company "S.A.E"**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**28- Creditors and other credit balances**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Deposits for others	49 737 399	31 565 687
Other companies' deposits	1 197 723	35 666 220
Salary tax	66 011 786	122 724 835
Taxes on commercial and industrial profits and stamp	891 176	724 728
Value added tax	67 160 456	1 355 614
Accrued social insurance authority	14 458 579	25 777 340
Dividend payables	9 237 143 873	8 609 735
General authority for health insurance	76 972 354	64 611 778
Training fund	362 197 792	724 357 135
Sales tax of Abu Qir plant (3)	53 484 950	53 484 950
Accrued wages and donations	79 245 774	404 237 298
Cars and housing loans	7 390 949	7 172 861
Retention from employees under settlement	10 322 289	10 322 289
Other credit balances	54 997 508	43 482 224
<b>Credit balances related to specific activities that are offset by debit balances</b>		
Employees benefit funds (Family medical, supplementary private insurance, union, restricted for employee's fund)	910 420 394	1 081 563 825
Social and sports activities	677 589 445	688 144 860
Environmental and infrastructure deposits	21 807 804	20 988 945
Housing city assets	23 161 784	23 161 784
Less: corresponding debit balances	(1442 704 842)	(1 615 084 221)
	<b><u>10271 487 194</u></b>	<b><u>1 732 867 886</u></b>

**29- Current income tax**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Current income tax	3 928 022 584	3 525 031 436
Disputes 9A reservation with tax authority	32 522 755	32 522 755
Tax advances deposits	(46 086 879)	(46 086 879)
	<b><u>3 914 458 460</u></b>	<b><u>3 511 467 312</u></b>

**30- Claims provisions**

	<b>30/09/2025</b>	<b>30/06/2025</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Beginning balance of the period	326 677 808	269 404 434
Provisions formed during the period	-	57 905 375
Provisions no longer needed	(3 932 651)	(563 736)
Provisions used during the period	(17 804 560)	(68 265)
<b>Ending balance of the period</b>	<b><u>304 940 597</u></b>	<b><u>326 677 808</u></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 disputes.



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**31- Revenue**

	<b>30/09/2025</b>	<b>30/09/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Urea sales	2 084 750 383	1 336 171 086
Nitrate sales	1 226 576 955	1 214 783 857
Granulated urea sales	491 687 485	987 956 926
Ammonia sales	22 102 327	12 593 923
Liquid fertilizer	2 647 792	-
Plastic bags sales	-	1 227 500
<b>Sales Revenue</b>	<b><u>3 827 764 942</u></b>	<b><u>3 552 733 292</u></b>
Services sales	92 738 477	73 354 045
Wastes sales	3 036 300	1 799 531
<b>Deduct:</b>		
Sale of casual products	(12 110 555)	(6 687 510)
	<b><u>3 911 429 164</u></b>	<b><u>3 621 199 358</u></b>

**Sales revenue can be classified as follows:**

	<b>30/09/2025</b>	<b>30/09/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Local	1 735 261 437	1 640 777 780
Export	2 092 503 505	1 911 955 512
	<b><u>3 827 764 942</u></b>	<b><u>3 552 733 292</u></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.

**32- Cost of sales**

	<b>30/09/2025</b>	<b>30/09/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Materials and supplies	1 717 980 986	2 012 992 240
Salaries and wages	305 476 792	296 337 931
Depreciation of fixed assets	36 507 284	32 284 858
Employees benefit (contributions / benefit plans)	14 781 675	8 237 725
Other operating cost	67 494 012	89 894 792
<b>Deduct:</b>		(6 687 510)
Sale of casual products	(12 110 555)	<b>2 433 060 036</b>
	<b><u>2 130 130 195</u></b>	<b><u>2 433 060 036</u></b>

- A decree by the Prime Minister No. (3285) of 2025 was issued regarding the determination of natural gas sale prices in accordance with the mechanism stated in the decree, effective from the beginning of gas withdrawals dated September 16, 2025. However, the natural gas consumption bill for the period from September 16, 2025, to September 30, 2025, was issued according to a pricing mechanism different from that stipulated in the decree. The company is still in the negotiation stage with the gas supplier to determine the approved pricing mechanism.



**Abu Qir Fertilizers and Chemical Industries Company "S.A.E"**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**33- Other income**

	<b>30/09/2025</b>	<b>30/09/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Rent	8 735 173	7 810 240
Compensation and penalties	5 464 879	82 566 351
Provision no longer required	3 932 651	562 000
Wastes sales gains	542 510	1 644 754
Other miscellaneous revenues	364 962 175	475 662
	<b><u>383 637 387</u></b>	<b><u>93 059 007</u></b>

- 50% of the provision formed for the Training and Qualification Fund has been settled, pending clarification of the executive procedures related to the fund's balance in light of the new Labor Law.

**34- Selling and marketing expenses**

	<b>30/09/2025</b>	<b>30/09/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Salaries and wages	97 817 940	99 046 223
Packaging materials	65 725 294	75 027 087
Depreciation of fixed assets	6 726 855	1 957 701
Employees benefit (contributions / benefit plans)	2 450 755	2 703 473
Shipping expenses	67 378 408	54 373 081
Exporting expenses	20 254 408	23 393 016
Other selling and marketing expenses	20 727 357	18 343 534
	<b><u>281 081 017</u></b>	<b><u>274 844 115</u></b>

**35- General administrative expenses**

	<b>30/09/2025</b>	<b>30/09/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Salaries and wages	43 835 603	39 972 161
Depreciation of fixed assets	1 426 748	1 001 911
Chairman and board of directors' members transportation allowances	8 361 006	4 434 391
Comprehensive health insurance fund	12 360 576	11 326 575
Training fund	18 225	12 843 219
Employees club	20 915 603	20 563 472
Employees benefit (contributions / benefit plans)	1 738 873	2 018 457
Other general and administrative expenses	61 432 498	160 078 853
	<b><u>150 089 132</u></b>	<b><u>108 229 040</u></b>

**36- Other expenses**

	<b>30/09/2025</b>	<b>30/09/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Donations	51526 911	707 117
Losses (Capital losses, sale of supplies, compensations and penalties)	-	327 005
Losses of influential influence - Global Methanol and Derivatives	180 429	-
Other downtime expenses	102695 969	46 589 786
	<b><u>154403 309</u></b>	<b><u>47 623 908</u></b>



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”  
Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

The other expenses includes an amount of 103 million EGP, representing the cost of idle capacity for the company during the year from 01/07/2025 to 30/09/2025. This amount has been deducted from the cost of sales due to the reduced supply of natural gas to the company, and operating conditions.

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

EGP	Note No.	01/07/2025	Formed	Used	No longer required	30/09/2025
Cash and cash equivalents	(17)	79 479 914	-	-	(24 017 680)	55 462 235
Trade and notes receivables	(12)	803 343	171 538	-	-	974 880
Debtors and other debit balances	(15)	5 787 827	-	-	(337 399)	5 450 427
Due from related parties	(13)	1 164 945	10 450 026	-	-	11 614 971
Suppliers – Advance payments	(14)	32 398 726	1 260 665	-	-	33 659 391
		<b>119 634 755</b>	<b>11 882 229</b>	<b>-</b>	<b>(24 355 079)</b>	<b>107 161 905</b>

- The Company hired Baker Tilly Egypt to perform the study of expected credit losses for its financial assets as of 30/09/2025. The necessary adjustments have been made considering the results of the study regarding the determination of expected credit losses, based on the following:
  - The simplified approach was used to measure credit risk for customer facilities for trade and notes receivables by categorizing customers into groups that have similar characteristics and determining the historical period used to calculate the loss rate between two and five years. The loss rate was determined based on historical data while considering expected changes in economic indicators (growth rate, inflation rate and unemployment rate) and then the expected credit losses were calculated by multiplying the loss given default x exposure amount of default x The probability of default.
  - The general approach was used to calculate the expected losses related to the company’s investments in time deposits, current accounts, and other financial assets using external ratings from external institutions authorized by the Central Bank’s credit risk management instructions. Future data was also used to determine whether there was a significant increase in credit risk for financial assets by using some macroeconomic indicators (GDP growth rate, annual inflation rate, unemployment rate) under three scenarios (base, best, worst) in line with Egyptian Accounting Standard No. (47) The approach for calculating expected credit losses also referenced the Basel explanatory note on the internal ratings-based approach and risk weights
  - It was considered that the loss rate for government debt instruments and deposits for one month or less in Egyptian pounds was zero starting from 28/11/2023, according to the Prime Minister's decision in this regard.
  - Using the Egyptian classification with a loss rate of 45% in case of default when measuring credit losses for other receivables and amounts due from related parties.

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

**38-Finance income**

	30/09/2025	30/09/2024
	<u>EGP</u>	<u>EGP</u>
Credit interest	246 679 093	487 843 588
Interest income from financial assets at amortized cost	402 484 724	162 989 981
	<b>649 163 817</b>	<b>650 833 569</b>



Abu Qir Fertilizers and Chemical Industries Company "S.A.E"  
Notes to the Financial Statements for the Financial Period Ended September 30, 2025

**39- Finance cost**

	30/09/2025	30/09/2024
	<u>EGP</u>	<u>EGP</u>
Charges (Bank charges – letter of guarantee)	345 317	891 184
Securities custody commissions and stock listing fees	9 100	130 069
Interest on employees benefit liabilities	40 842 355	39 639 880
	<u>41 196 772</u>	<u>40 661 133</u>

**40- Foreign currency exchange (gains) losses**

	30/09/2025	30/09/2024
	<u>EGP</u>	<u>EGP</u>
Unrealized foreign currency exchange (gain) losses resulting from the revaluation of foreign currency balances in banks	526 421 520	)32 340 687(
Realized foreign currency exchange (gain) losses	7 506 049	)133 197 297(
	<u>533 927 570</u>	<u>)165 537 984(</u>

**41- Share of profit (losses) of equity accounted investees**

	30/09/2025	30/09/2024
	<u>EGP</u>	<u>EGP</u>
Global Company for Methanol and Derivatives	-	(1 858 092)
North Abu Qir Company for Agricultural Nutrients	7 373 014	-
	<u>7 373 014</u>	<u>(1 858 092)</u>

**42- Incometaxes**

	30/09/2025	30/09/2024
	<u>EGP</u>	<u>EGP</u>
<b><u>Current income tax</u></b>		
Current income tax	402 991 148	306 195 017
Tax on treasury bills	80 496 945	32 597 996
<b>Total Current taxes</b>	<u>483 488 093</u>	<u>338 793 013</u>
<b><u>Deferred income taxes</u></b>		
Fixed assets and other assets	2 262 147	20087 658
Foreign currency exchange differences	(118 444 842)	7276 655
Pension plan liabilities	(6 607 089)	(9772 745)
Provisions formed	912 362	126 450
Deferred tax (Revaluation of investment at equity method)	737 301	(185 809)
Expected credit losses	2 806 391	4244 873
<b>Deferred income taxes</b>	<u>(118 333 728)</u>	<u>21777 082</u>
<b>Income tax at profit and loss statement</b>	<u>365 154 365</u>	<u>360570 095</u>
Deferred tax for investment at fair value	) 87 827 306(	15633 909
Deferred tax (revaluation of equity accounted investees)	) 5 081 365(	457 025
<b>Deferred tax on other comprehensive income</b>	<u>) 92 908 671</u>	<u>16090 934</u>



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**Effective income tax rate as of 30/09/2025**

	<b>30/09/2025</b>	<b>30/09/2024</b>
	<b>EGP</b>	<b>EGP</b>
Profit before income tax	1 673 248 237	1 643 219 698
Income tax according to tax law “22.5%”	376 480 853	369 724 432
Non-deductible expenses for tax purposes	(5 662 063)	(3 862 553)
Reverse of deductible expenses not previously recognized as tax assets	-	15 414 110
Change in deferred tax	(10 983 745)	(4 074 750)
Revenue exempted from tax	<b>365 154 365</b>	<b>360 570 095</b>
<b>Income tax</b>	<b>%21.82</b>	<b>%21.94</b>
<b>Effective income tax rate</b>		

**Basic earnings Per Share**

- 43- ~~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:

	<b>30/09/2025</b>	<b>30/09/2024</b>
	<b>EGP</b>	<b>EGP</b>
Net profit after tax	1 308 093 873	1 282 649 604
<b>Deduct:</b>		
Employees dividends	(177 533 142)	(177 530 064)
Board of directors’ dividends	(40 000 000)	(16 250 000)
<b>Shareholders’ profit share</b>	<b>1 090 560 730</b>	<b>1 088 869 540</b>
Number of issued shares	1 261 875 720	1 261 875 720
<b>Basic and diluted earnings Per Share</b>	<b>0.86</b>	<b>0.86</b>

**44- Tax Position**

**Corporate Tax**

- a- Inspection was completed by Tax Authority and paid by the company till the periods 2017/2018.
- b- For the periods 2018/2020 it is under inspection by tax authority.
- c- For the periods 2020/2021 till date is not inspected yet.
- d- The company’s due balance according to ‘9A form - reservation ‘ which was received from the Tax Authority was verified in the company's records 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 years til 2019.
- b- For the periods 2020/2022 it is under inspection by tax authority.
- c- For the periods from 2023 till date is not inspected yet.

**Sales Tax**

- a- For periods from January 1994 to June 2003 the tax disputes are in front of Administrative Judiciary, excluding the period from January 1995 to 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.



**Abu Qir Fertilizers and Chemical Industries Company “S.A.E”  
Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

- In the light of 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- Inspection was completed by Tax Authority and paid by the company for the periods till 2019/2020.
- b- For the periods 2020/2021 till date is not inspected yet.

**Stamp tax**

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

**Real estate tax**

- a- The dispute regarding the start of connecting the Abu Qir 3 factory is being held in front of the court with an amount equal to EGP 1.174 million which was paid by the company.
- b- All the tax due was paid to December 31, 2021, in accordance with the law of real estate tax promulgated by Law No. 196 of 2008 and amended by Law No. 117 of 2014.
- c- The decision of the council of ministers no. 3 for the year 2024 was implemented which state that the ministry of finance will bear the real estate tax of the company’s factories for two years to December 31, 2026, and the procedures are in progress with the real estate tax authority and demanding a refund of EGP 1.25 million had already been paid and related to a period of the previously mentioned decision.
- d- The company assigned the provision study on June 30, 2025, 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 September 30, 2025, as follows:**

- Project Number (39/2021/2022) SAP and ERP amounted to USD 1 293 K and EGP 2 174 K.
- Various purchase orders amounts EUR 14 M, USD 2 M, and EGP 90 K.

**46-2 The outstanding portion of the investees’ capital**

	Investment currency	Percentage %	Investment value	Paid amount	Outstanding amount 337 500 000	Outstanding Amount (EGP)
North Abu Qir Company for Agricultural Nutrients	EGP	45%	450 000 000	112 500 000		337 500 000
Abu Tartur for Phosphoric Acid Company	USD	9.5% 10% (after merger)	55 950 000	475 000	-	-
Abu Tartur (shareholder loan)				1 585 070	54 119 930	2 596 674 241
						2 934 174 241

- The statement didn't include both global company for methanol since it is under liquidation, and Elwadi company for being merged with Abu Tartur for phosphoric acid company.



**Abu Qir Fertilizers and Chemical Industries Company "S.A.E"**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**46-3 Letter of guarantee**

The letters of guarantee held at banks for the benefit of others as of September 30, 2025, amounted to EGP 328 million. are covered by treasury bills with nominal value of EGP 394 million.

**47- Operating segments**

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

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

- |                      |                            |
|----------------------|----------------------------|
| 1- Abu Qir Plant (1) | 4- Ammonia and nitric acid |
| 2- Abu Qir Plant (2) | 5- Plastic Bags Plant      |
| 3- Abu Qir Plant (3) | 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	1 370 929 862 718 475 878 712 734 996 3 684 923 77 348 981					-	2 883 174 640	
Unassigned segments assets	-	-	-	-	-	41 134 644 657	41 134 644 657	
<b>Total assets</b>	<b>1 370 929 862 718 475 878 712 734 996 3 684 923 77 348 981</b>						<b>41 134 644 657</b>	<b>44 017 819 297</b>
Operating segments liabilities	-	-	-	-	-	20 125 946 844	20 125 946 844	
<b>Total liabilities</b>	<b>-</b>						<b>20 125 946 844</b>	<b>-</b>



*Translation of financial statements  
originally issued in Arabic*

**Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)**  
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**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>Liquid fertilizers</u>	<u>Other</u>	<u>Total</u>
Revenue	2 168 414 605	1 226 576 955	491 687 485	22102 327	2 647 792	-	3 911 429 164
Cost of sales	(828 989 524)	(1 117 959 813)	(170 265 653)	(12482 050)	(433 155)	-	(2 130 130 195)
<b>Gross profit</b>	<b>1 339 425 081</b>	<b>108 617 142</b>	<b>321 421 832</b>	<b>9620 277</b>	<b>2 214 637</b>	<b>-</b>	<b>1 781 298 969</b>
Other revenues	-	-	-	-	-	383637 387	383 637 387
Selling and marketing expenses	(85 435 491)	(174 955 825)	(20 066 140)	(511 270)	(112 291)	-	(281 081 017)
General and administrative expenses	(47 268 997)	(91 725 029)	(10 611 498)	(396 520)	(87 088)	-	(150 089 132)
Other expenses	-	-	-	-	-	(154403 309)	(154 403 309)
Expected credit losses and impairment of assets	-	-	-	-	-	12472 850	12 472 850
<b>Operating profit</b>	<b>1 206 720 593</b>	<b>(158 063 712)</b>	<b>290 744 194</b>	<b>8712 487</b>	<b>2 015 258</b>	<b>241706 928</b>	<b>1 591 835 748</b>
Finance income	-	-	-	-	-	649163 817	649 163 817
Finance cost	-	-	-	-	-	(41196 772)	(41 196 772)
Foreign currency exchange gains	-	-	-	-	-	(533927 570)	(533 927 570)
Net financing income	-	-	-	-	-	74039 475	74 039 475
Share of profit (losses) of equity accounted investees	-	-	-	-	-	7373 014	7 373 014
<b>Net profit for the period before income tax</b>	<b>1 206 720 593</b>	<b>(158 063 712)</b>	<b>290 744 194</b>	<b>8 712 487</b>	<b>2 015 258</b>	<b>323119 417</b>	<b>1 673 248 237</b>
Income tax expense	(263 343 646)	34 494 375	(63 449 349)	(1 901 333)	(439 791)	(70514 621)	(365 154 365)
<b>Netprofit for the period</b>	<b>943 376 947</b>	<b>(123 569 337)</b>	<b>227 294 845</b>	<b>6 811 154</b>	<b>1 575 467</b>	<b>252604 796</b>	<b>1 308 093 873</b>



**Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)**  
**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

**48- Significant events**

- The company faced challenges resulting from factors beyond its control, including regional geopolitical factors. These factors led to a shortage in natural gas supply to the company's plants, resulting in a production shutdown that lasted for approximately two months for Abu Qir 3 during the financial period covered by the financial statement. However, the company's management succeeded in turning these challenges into opportunities as During this period, management carried out during the financial period covered by the financial statement a comprehensive maintenance program for Abu Qir 3, This is expected to support the long-term continuity of operations and align with the company's periodic planned overhaul.
- On August 28, 2025, the Central Bank of Egypt issued a decision to reduce the overnight deposit and lending rates by 200 basis points, bringing them to 22% and 23%, respectively. On October, 2, 2025 the credit and discount rates were also reduced by 100 basis points, bringing them to 21% and 22%, respectively
- The company has amended Article (54) of its Articles of Association so that the financial year of the company begins on the first day of January and ends on the last day of December of each year, in accordance with the resolution of the Extraordinary General Assembly.



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

**Notes to the Financial Statements for the Financial Period Ended September 30, 2025**

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

**Impact of reclassification and restatement the profit and loss statement as of September 30, 2024:**

<b>Description</b>	<b>As previously issued</b>	<b>Reclassification</b>	<b>Restatement</b>	<b>Balances after reclassification and restatement</b>
Revenue				
Cost of Sales	3 621 199 358	-	-	3 621 199 358
<b>Gross profit</b>	(2 433 060 036)	-	-	(2 433 060 036)
Other income	<b>1 188 139 322</b>	-	-	<b>1 188 139 322</b>
Selling and marketing expenses	93 059 007	-	-	93 059 007
General and administrative expenses	(274 844 115)	-	-	(274 844 115)
Other expenses	(154 818 826)	46 589786	-	(108 229 040)
Expected credit losses	(1 034 122)	(46 589786)	-	(47 623 908)
<b>Operating profit</b>	18 866 104	-	-	18 866 104
Finance income	<b>869 367 369</b>	-	-	<b>869 367 369</b>
Finance costs	650 833 569	-	-	650 833 569
Foreign currency exchange gains / (Losses)	(40 661 133)	-	-	(40 661 133)
<b>Net financing income</b>	165 537 984	-	-	165 537 984
Company share at profits of investment through equity method	<b>775 710 421</b>	-	-	<b>775 710 421</b>
Net profit for the period before income tax	-	-	(1 858092)	(1 858 092)
Income tax expense	1 645 077 790	-	-	1 643 219 698
<b>Net profit for the period after tax Basicand diluted earnings per share</b>	(360 755 904)	-	185809	(360 570 095)
	<b>1 284 321 886</b>	-	(1 672283)	<b>1 282 649 604</b>
	<b>0.86</b>	-	-	<b>0.86</b>

The income statement as of 30/09/2024 has been adjusted to recognize the company's share of profits from investments using the equity method in global for Methanol Company. The impact of this adjustment includes an increase in the company's share of profits from equity-accounted investments by EGP 1.86 million, and an income tax (dividend tax) of EGP 186 thousand.

The idle capacity was reclassified from general and administrative expenses to other expenses by EGP 46.59 million