



شركة أبو قير للأسمدة والصناعات الكيماوية

Alexandria, December 10, 2024

To: EGX
Disclosure Sector

Dear Sir,

Kindly Find Attached The Following:-

- Interim Financial Statements for the Financial Period Ended September 30, 2024 and Related Notes to the Financial Statements.
- Auditor's (Hazem Hassan - KPMG) Report on Limited Review of Interim Financial Statements.

Yours faithfully,

Head,
Financial Affairs Sectors

Acc. Khaled Moustafa Sokkar

Head,
Investor Relations
& Media Sector

Acc. Nervana Sabbah Oraby



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



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

تليفون: ٣/٥٦٠٣٠٥٣ (سبع خطوط)
فاكس الإدارة: ٣/٥٦٠٣٠٣٢
فاكس المشتريات: ٣/٥٦٠٣٠٤٦
فاكس التسويق: ٣/٥٦٠٣٠٤٧
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كيس بريدي مخصص
الرقم البريدي : ٢١٩١١
www.abuqir.com

*Translation of separate financial statements
originally issued in Arabic*



**Abu Qir Fertilizers
and Chemical Industries CO.
(S.A.E.)
Interim Separate Financial Statements
For The Financial Period Ended
September 30, 2024**



Hazem Hassan

Public Accountants & Consultants

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Report on Limited Review of Interim Separate 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 separate statement of financial position of Abu Qir Fertilizers & Chemical Industries ("the Company") (S.A.E) as of September 30, 2024, and the related interim separate 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 separate financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim separate financial statements based on our limited review.

Scope of Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements of Abu Qir Fertilizers & Chemical Industries Company (S.A.E) do not present fairly, in all material respects, the financial position of Abu Qir Fertilizers & Chemical Industries Company (S.A.E) as of September 30, 2024, its financial performance and its cash flows for the three-months then ended in accordance with the Egyptian Accounting Standards.

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

Cairo November 13, 2024

KPMG Hazem Hassan
Public Accountants and Consultants
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Abu Qir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Financial Position As of September 30, 2024

| EGP | Note No. | 30 September 2024 | 30 June 2024 |
|---|----------|-----------------------|-----------------------|
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | (4) | 1 864 700 953 | 1 875 134 305 |
| Assets under construction | (5) | 488 611 278 | 379 818 409 |
| Intangible assets under progress | (6) | 50 511 806 | 42 268 805 |
| Investment property | (7) | 500 718 | 500 718 |
| Investments in associates | (8) | 123 448 000 | 123 448 000 |
| Investment in equity securities at fair value through OCI | (9) | 11 166 315 063 | 11 096 831 025 |
| Other financial assets (treasury bills) | (10) | 456 294 032 | 434 928 408 |
| Total non-current assets | | 14 150 381 850 | 13 952 929 670 |
| Current assets | | | |
| Inventories | (11) | 2 743 271 653 | 2 072 434 578 |
| Trade and notes receivables | (12) | 189 982 264 | 241 793 653 |
| Due from related parties | (13) | 3 238 201 | 3 108 171 |
| Suppliers – Advance payments | (14) | 89 469 806 | 39 847 024 |
| Debtors and other debit balances | (15) | 427 609 318 | 187 370 222 |
| Financial assets at amortized cost (treasury bills) | (16) | 1 749 039 258 | 2 457 265 965 |
| Cash and cash equivalents | (17) | 24 034 403 837 | 23 354 598 768 |
| Total current assets | | 29 237 014 337 | 28 356 418 381 |
| Total assets | | 43 387 396 187 | 42 309 348 051 |
| Equity | | | |
| Issued and paid-up capital | (18) | 1 892 813 580 | 1 892 813 580 |
| Legal reserve | (19) | 946 406 790 | 946 406 790 |
| Other reserves | (20) | 5 848 194 574 | 5 847 582 574 |
| Revaluation reserve | (21) | 8 172 768 644 | 8 118 918 515 |
| Retained earnings | (22) | 6 192 738 254 | 16 315 887 345 |
| Total equity | | 23 052 921 843 | 33 121 608 804 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Pension plan liabilities | (27) | 691 060 286 | 647 603 067 |
| Deferred tax liabilities | (23) | 3 836 938 816 | 3 799 342 016 |
| Total non-current liabilities | | 4 527 999 102 | 4 446 945 083 |
| Current liabilities | | | |
| Suppliers | (24) | 92 521 834 | 92 153 797 |
| Due to related parties | (25) | 393 240 772 | 342 064 460 |
| Customers advance payment - contract liabilities | (26) | 194 855 316 | 498 571 182 |
| Pension plan liabilities | (27) | 40 466 161 | 54 540 136 |
| Creditors and other credit balances | (28) | 12 808 255 763 | 1 781 962 209 |
| Current income tax | (29) | 2 008 292 963 | 1 702 097 947 |
| Provisions | (30) | 268 842 433 | 269 404 433 |
| Total current liabilities | | 15 806 475 242 | 4 740 794 164 |
| Total equity and liabilities | | 43 387 396 187 | 42 309 348 051 |

* The accompanying notes from (1) to (47) form an integral part of these interim separate financial statements and to be read therewith.

Head of Financial Sectors
Accountant: Khaled Mostafa Sokkar

Chairman and Managing Director
Engineer: Abed Ezz-Al Regal

Auditor's report "attached"



*Translation of separate financial statements
originally issued in Arabic*

AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Profit or Loss for The Financial Period Ended September 30, 2024

| <u>EGP</u> | <u>Note No.</u> | <u>30 September 2024</u> | <u>30 September 2023 Restated and Reclassified</u> |
|--|---------------------|--------------------------|--|
| Operating revenue | (31) | 3 621 199 358 | 4 331 107 453 |
| Cost of sales | (32) | (2 433 060 036) | (2 291 283 446) |
| Gross profit | | 1 188 139 322 | 2 039 824 007 |
| Other income | (33) | 93 059 007 | 13 443 031 |
| Selling & marketing expenses | (34) | (274 844 115) | (223 888 318) |
| General & administrative expenses | (35) | (154 818 826) | (122 541 418) |
| Other expenses | (36) | (1 034 122) | (11 517 994) |
| Reversed expected credit losses | (37) | 18 866 104 | 53 084 496 |
| Operating profit | | 869 367 369 | 1 748 403 804 |
| Finance income | (38) | 650 833 569 | 809 032 049 |
| Finance cost | (39) | (40 661 133) | (27 360 407) |
| Foreign currency exchange gains | (40) | 165 537 984 | 20 873 552 |
| Net financing income | | 775 710 421 | 802 545 195 |
| Net profit for the period before income tax | | 1 645 077 790 | 2 550 948 999 |
| Income tax expense | (41) | (360 755 904) | (564 337 156) |
| Net profit for the period | | 1 284 321 886 | 1 986 611 843 |
| Basic and diluted earnings per share | (42) | 0.86 | 1.35 |

* The accompanying notes from (1) to (47) form an integral part of these interim separate financial statements and to be read therewith.



*Translation of separate financial statements
originally issued in Arabic*

AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Comprehensive Income for The Financial Period Ended September 30, 2024

| <u>EGP</u> | Note No. | <u>30 September 2024</u> | <u>30 September 2023</u> <u>Restated and</u> <u>Reclassified</u> |
|---|-------------|--------------------------|--|
| Net profit for the period | | 1 284 321 886 | 1 986 611 843 |
| <u>Other comprehensive income</u> | | | |
| Equity investments at FVOCI- net change in fair value | (21) | 69 484 038 | 16 527 778 |
| Income tax for other comprehensive income | | (15 633 909) | (3 718 750) |
| comprehensive income for the period | | 53 850 129 | 12 809 028 |
| Total comprehensive income for the period | | 1 338 172 015 | 1 999 420 871 |

* The accompanying notes from (1) to (47) form an integral part of these interim separate financial statements and to be read therewith.



AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Changes in Equity for The Financial Period Ended September 30, 2024

EGP

| | Paid-up capital | Legal reserves | Other reserves | Revaluation reserves | Retained earnings | Total |
|--|-----------------|----------------|----------------|----------------------|-------------------------|-------------------------|
| Balance as at July 1, 2023 | 1 892 813 580 | 946 406 790 | 5 822 733 403 | 4 577 909 165 | 13 731 802 340 | 26 971 665 278 |
| Comprehensive income | | | | | | |
| Restated net profit for the period | - | - | - | - | 1 986 611 843 | 1 986 611 843 |
| Revaluation reserve | - | - | - | 16 527 778 | - | 16 527 778 |
| Deferred tax on other comprehensive income items | - | - | - | (3 718 750) | - | (3 718 750) |
| Total comprehensive income | | | | 12 809 028 | 1 986 611 843 | 1 999 420 871 |
| Transferred to reserves | - | - | 24 849 172 | - | (24 849 172) | - |
| Transactions with owners of the company | | | | | | |
| Employees and Board of directors' members dividends | - | - | - | - | (2 036 341 189) | (2 036 341 189) |
| Shareholders' dividends | - | - | - | - | (8 833 130 040) | (8 833 130 040) |
| Total transactions with the owners of the Company | | | | | (10 869 471 229) | (10 869 471 229) |
| Balance as at September 30, 2023 (Restated) | 1 892 813 580 | 946 406 790 | 5 847 582 575 | 4 590 718 193 | 4 824 093 782 | 18 101 614 920 |
| Balance as at July 1, 2024 | 1 892 813 580 | 946 406 790 | 5 847 582 574 | 8 118 918 515 | 16 315 887 345 | 33 121 608 804 |
| Restated balance as at July 1, 2023 | 1 892 813 580 | 946 406 790 | 5 847 582 574 | 6 755 561 859 | 16 252 776 078 | 31 695 140 881 |
| Comprehensive income | | | | | | |
| Net profit for the period | - | - | - | - | 1 284 321 886 | 1 284 321 886 |
| Revaluation reserve | - | - | - | 69 484 038 | - | 69 484 038 |
| Deferred tax on other comprehensive income items | - | - | - | (15 633 909) | - | (15 633 909) |
| Total comprehensive income | | | | 53 850 129 | 1 284 321 886 | 1 338 172 015 |
| Transferred to reserves | - | - | 612 000 | - | (612 000) | - |
| Transactions with owners of the company | | | | | | |
| Employees and Board of directors' members dividends | - | - | - | - | (1 942 791 077) | (1 942 791 077) |
| Shareholders' dividends | - | - | - | - | (9 464 067 900) | (9 464 067 900) |
| Total transactions with the owners of the Company | | | | | (11 406 858 977) | (11 406 858 977) |
| Balance as at September 30, 2024 | 1 892 813 580 | 946 406 790 | 5 848 194 574 | 8 172 768 644 | 6 192 738 254 | 23 052 921 843 |
| Note No. | (18) | (19) | (20) | (21) | (22) | |

* The accompanying notes from (1) to (47) form an integral part of these interim separate financial statements and to be read therewith.



AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Cash Flows for The Financial Period September 30, 2024

| <u>EGP</u> | Note No. | 30 September 2024 | 30 September 2023 Restated and reclassified |
|---|----------|-----------------------|---|
| <u>First: Cash flows from operating activities:</u> | | | |
| Cash sales and proceeds from trade receivables | | 3 458 058 271 | 4 612 967 657 |
| Cash purchases and payments to trade payables | | (3 053 939 602) | (2 161 663 097) |
| Paid salaries and wages | | (701 334 126) | (523 241 249) |
| Paid taxes and fees | | (377 430 979) | (165 042 394) |
| Other proceeds | | 137 117 561 | 111 151 977 |
| Other payments | | (102 322 782) | (219 590 714) |
| Net cash flows provided from operating activities no. (1) | | (639 851 657) | 1 654 582 181 |
| <u>Second: Cash flows from investing activities:</u> | | | |
| Payments for purchase of fixed assets and assets under construction | | (175 927 828) | (95 107 938) |
| Payments for investment in financial assets at amortized cost | | - | (8 047 634 289) |
| Proceeds from investment in financial assets at amortized cost | | 740 465 335 | 3 105 789 011 |
| Credit Interest received - Time Deposits | | 476 495 771 | 286 097 638 |
| Credit Interest received - Treasury bills | | 76 787 732 | 170 688 791 |
| Net cash flows provided from investing activities no. (2) | | 1 117 821 011 | (4 580 166 787) |
| <u>Third: Cash flows from financing activities:</u> | | | |
| Shareholders' dividends paid | | - | - |
| Net cash flows provided from financing activities no. (3) | | - | - |
| Net Change in cash and cash equivalents (1) + (2) + (3) | | 477 969 354 | (2 925 584 606) |
| Cash & cash equivalent at the beginning of the period | | 23 391 511 070 | 17 445 801 237 |
| Effect of movements in exchange rates on cash held | | 172 448 886 | 21 864 926 |
| Accrued interest from deposits | | 80 186 516 | 33 516 687 |
| Expected credit losses | (37) | (87 711 990) | (30 669 285) |
| Cash at banks | | 24 034 403 837 | 14 544 928 959 |
| Deduct: | | | |
| Restricted deposits and cash covered against letter of guarantees and letter of credits | | (871 969 462) | (928 255 321) |
| Cash & cash equivalent available at the end of the period | (17) | 23 162 434 375 | 13 616 673 637 |

* The accompanying notes from (1) to (47) form an integral part of these interim separate financial statements and to be read



Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

1- Company overview

1-1 Legal entity

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

1-2 Company's purpose

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

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

2- Basis for preparation of separate financial statements

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

2-1 Compliance with accounting standards and laws

- The separate financial statements are prepared in accordance with the Egyptian Accounting Standards and relevant laws and regulations.
- The significant policies applied in the company were disclosed in the disclosure No. (3).
- Board of directors approved the financial statements on November 7, 2024.

2-2 Functional and reporting currency

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

2-3 Use of estimates and assumptions

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

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



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

A- Professional judgement

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

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

B- Estimation and Assumptions Uncertainty

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

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

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non - financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the company estimates the recoverable amount of the asset. the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) .

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted .

- If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

Provisions

- Provisions are recognized when there is a present (legal or constructive) obligation as a result of past events, requires future cashflow, and it is probable that an outflow of economic benefit will be required to settle the obligation and It can be measured reliably.
- The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into consideration the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.
- In the event that some or all of the economic benefits of the provisions are expected to be recovered from a third party, the amount due is recognized as an asset if it is certain that the amount will be recovered and the value of the amount due can be measured reliably.

Useful lives of fixed assets

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

Lease contracts

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

Current deferred tax assets and liabilities recognition and measurement

- The current and deferred income tax are determined in accordance with the requirements of the tax law.
- The company's profits are subject to income taxes, which require the use of estimates to determine the total income tax liability.
- Since, final tax amounts are difficult to be determined certainly through accounting period the company establishes the current tax liability according to estimates of the extent to which the transactions are finally subject to tax, as well as the extent of the possibility of additional tax arising upon tax examination, and when there are differences between the final tax result and the amounts previously recorded, those differences are recognized in the income tax and current tax liability in the period in which those differences become clear , it is considered as changes in accounting estimates.

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

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



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

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 a fair transaction between market participants or on the measurement date. The fair value measurement is based on the assumption that the transaction for selling the asset or transferring the liability will occur either in the underlying market for the asset or liability, In the absence of a primary market for the asset or liability.
- The fair value of an asset or liability is measured using the assumptions used by market participants when pricing the asset or liability, assuming that market participants will act in their economic interest.
- Measuring the fair value of a non-financial asset takes into consideration the ability of the market participant in generating economic benefits by using the asset to its best and best use.
- The company uses valuation methods that are considered appropriate according to the circumstances and for which sufficient information is available to measure fair value while maximizing the benefit of relevant observable inputs and unobservable inputs the usage limit.
- All assets and liabilities that are measured or disclosed in the separate financial statements at fair value are classified into categories based the fair value hierarchy.

3- Significant accounting policies

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

3-1 Foreign currency transactions

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

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

3-2 Revenue from contracts with customers

Revenue recognition depends on the following five steps:

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



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

Revenue recognition

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

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

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

3-3 Investment income

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

3-4 Investment gain

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

3-5 Finance income and finance costs

Finance income and costs include the following:

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

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

3-6 Income tax

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

Current income tax

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

Deferred tax

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

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



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- Temporary differences associated with investments in subsidiaries, associate companies, and shares in joint ventures, to the extent that it is possible to control the timing of the reversal of such temporary differences, and it is likely that such differences will not reverse in the foreseeable future.
- The tax asset arising from the carry forward of tax losses, the right to an unused tax deduction, and deductible temporary differences are recognized. When there is a strong possibility that taxable profits can be achieved in the future through which this asset can be used. The future tax profit is determined by the company's future business plan. The position of deferred tax assets that were not previously recognized is re-estimated to the extent that it has become more likely in the future that there will be a tax profit that allows the value of the deferred tax asset to be absorbed.
- Deferred tax is measured using the tax rates expected to be applied when the temporary differences are achieved, using the tax rates in effect or about to be issued.
- When measuring the deferred tax at the end of the financial period, the tax implications of the procedures followed by the company to recover or pay the balance of its assets and liabilities are taken into consideration.
- Deferred tax assets and liabilities are not offset except when certain conditions are met.

3-7 Fixed assets and depreciation

A- Initial recognition and measurement

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

B- Subsequent costs

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

C- Depreciation

Depreciation is charged to statement of profits or losses on a straight-line basis over the estimated useful lives of each type of asset or the useful lives of major components of an item of fixed assets which are accounted for individually (land is not subject to depreciation). Depreciation begins for the asset when it is ready for use for the purpose for which it was intended. The following is a statement of the depreciation rates for each type of fixed assets for the purpose of calculating depreciation:

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



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D- Capital gain or loss

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

3-8 Assets under construction

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

3-9 Intangible assets

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

3-10 Investment properties

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

3-11 Investments in associates

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

3-12 Financial instruments

Financial assets

Classification

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

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

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

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

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



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Recognition and derecognition

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

Measurement

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

Debt instruments:

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

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

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

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

Equity instruments

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

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



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Impairment

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

Evidence of expected credit losses includes the following observable data:

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

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

Financial liabilities

Classification

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

Other financial liabilities

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

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

Derecognition of financial instruments

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

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

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

Derecognition of financial liability. when the Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.



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The effective interest rate method

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

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

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

Expected credit losses measurement

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

Expected credit losses presentation in the statement of financial position

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

Debt write-off

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

3-13 Inventories

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

- Inventories' cost includes expenditures incurred in acquiring the inventories and bringing it to its existing location and condition.
- The finished and semi-finished goods was counted on 30/9/2024, and the company follows a perpetual inventory method for the remaining inventory items.
- Spare parts and maintenance equipment are usually kept as inventory and recognized as an expense in profit or loss (income statement) as they are used. However, strategic spare parts (main) as well as spare equipment are suitable as fixed assets when the entity expects to use them within more than one period (that is, when they meet the definition of fixed assets).

3-14 Receivables and other debit balances

Receivables, debtors, and other debit balances are recorded on initial recognition at their fair value, and subsequently are measured at amortized cost.



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Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

3-15 Cash and cash equivalents

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

3-16 Legal reserve

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

3-17 Borrowing cost

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

3-18 Provisions

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

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

3-19 Statement of cash flows

The cash flow statement is prepared using the direct method.

3-20 Dividends

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

3-21 Employees profit share

The percentage of the employees in dividends is 14%, the company pays a 10% portion of cash dividend distributions to employees, not exceeding the total annual salaries of the company's employees, in addition to a 4% portion for employee funds. The employees' profit shares are recognized in the statement of changes in equity and as a liability during the financial period in which the company's shareholders declare the distribution. No liability is recognized for the employees' share regarding undistributed dividends.

3-22 Earnings per share

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

3-23 Employee benefits

Social Security contributions

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



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Defined Contribution plan

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

Post-retirement medical care (defined benefit plans)

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

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

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

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

3-24 Operating segments

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

3-25 Fair value of financial instruments

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

3-26 Financial risk management

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

3-26-1 Credit risk

3-26-2 Liquidity risk

3-26-3 Market risk

This note presents information on the Company's exposure to the above-mentioned risks as well as the Company's objectives, policies and methods for measuring and managing the risk as well as the Company's management of capital and presents some additional quantitative disclosures included in these separate financial statements.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board also is responsible for identifying and analyzing the risks faced by the Company's to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company's management aims to establish a controlled and disciplined regulatory environment in which all employees are aware of and understand their role and obligations.



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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 fail to fulfill its obligation and expose the other party to financial loss. This risk is mainly associated with the Company's customers and debt instruments.

Exposure to Credit risk.

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

| | 30/9/2024 | 30/09/2023 |
|---|-----------------------|-----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Related parties | 3 994 585 | 3 826 726 |
| Other debit balances | 115 044 289 | 133 095 591 |
| Financial assets at amortized cost and other financial assets | 2 205 333 290 | 2 892 194 373 |
| Trade and notes receivables | 191 195 942 | 244 301 409 |
| Cash and cash equivalents | 24 041 929 310 | 23 391 511 070 |
| | <u>26 557 497 416</u> | <u>26 664 929 169</u> |

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

Measurement of credit risk

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

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

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

Measurement of Expected Credit Losses for Customers

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

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



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

| | Book value | Expected credit losses | Credit-impaired |
|------------------------------|--------------------|------------------------|-----------------|
| 30 September 2024 | | | |
| Balances not due yet | 185 946 726 | 869 080 | No |
| Due balance from 1-30 day | 534 371 | 16 097 | No |
| Due balance from 31-60 day | 4 679 114 | 325 064 | No |
| Due balance from 61-90 day | 16 446 | 1 508 | No |
| Due balance More than 90 day | 19 285 | 1 929 | No |
| | 191 195 942 | 1 213 678 | |

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

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

The company limits its exposure to credit risks by investing only in debt instruments issued by the Egyptian government and in cash and deposits with banks that have a credit rating.

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

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

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



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Financial assets according to the credit rating

The outstanding balance subject to expected credit losses amounted to EGP 19 434 689 670, 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 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, 2024, amounted to EGP 124 799 893 (compared to EGP 143 665 997 as of June 30, 2024).

3-26-2 Liquidity risk

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

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

On September 30, 2024, the available cash flows from cash and cash equivalents, financial assets at amortized cost, receivables, other debit balances, and due from related parties that maturing within one year amounted to EGP 26 557 497 416 (compared to EGP 26 664 929 168 as of June 30, 2024). The potential impact of unusual circumstances that cannot reasonably be predicted such as natural disasters have not been taken into consideration.

Contractual cash flows of financial liabilities as following:

| | Book Value | Expected Cash flow | Due during the year |
|-------------------------------------|-----------------------|-----------------------|-----------------------|
| September 30 2024 | | | |
| Creditors and other credit balances | 12 808 255 763 | 12 808 255 763 | 12 808 255 763 |
| Due to related parties | 393 240 772 | 393 240 772 | 393 240 772 |
| Suppliers | 92 521 834 | 92 521 834 | 92 521 834 |
| | 13 294 018 369 | 13 294 018 369 | 13 294 018 369 |
| | Book value | Expected Cash flow | Due during the year |
| June 30 2024 | | | |
| Creditors and other credit balances | 1 781 962 209 | 1 781 962 209 | 1 781 962 209 |
| Due to related parties | 342 064 460 | 342 064 460 | 342 064 460 |
| Suppliers | 92 153 797 | 92 153 797 | 92 153 797 |
| | 2 216 180 466 | 2 216 180 466 | 2 216 180 466 |



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3-26-3 Market risk

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

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

Market risk for the company as following:

A. Currency risk

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

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

The net foreign currency balances amounted to EGP 19.6 billion equivalent to USD 396 million, EUR 526 thousand and GBP 447 (with the exchange rate at the reporting date being EGP 48.23 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 1.96 billion assuming that all other variables remain constant.

B. Interest rate risk

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

3-27 Capital management

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

The Board of Directors of the Company also monitors the level of dividend distributions to shareholders and seeks to maintain 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.



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3-28 Subsequent event

New issuance for Egyptian Accounting Policies

-On 23/10/2024, the Prime Minister issued Decree No. 3527 of 2024 amending the Egyptian Accounting Standards by adding a new Standard No. (51), the Financial Statements in Hyperinflationary Economies. This standard applies to financial statements, including consolidated financial statements, for any entity whose functional currency is in a hyperinflationary economy. It also applies to standalone and separate financial statements and any group with a foreign operation in a hyperinflationary economy. The classification of economic transactions as hyperinflationary is assessed through the characteristics of the economic environment.

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

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

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



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4- Fixed assets

Fixed assets as at 30/9/2024

| Cost | Lands & Buildings | Machines & equipment | Vehicles | Tools & equipment | Furniture & office equipment | Balance at 30/09/2024 |
|---|--------------------|----------------------|-------------------|-------------------|------------------------------|-----------------------|
| Balance at 01/07/2024 | 594 702 866 | 3 932 308 921 | 60 554 690 | 61 470 803 | 59 235 089 | 4 708 272 369 |
| Additions | 2 529 047 | 20 853 203 | - | 7 087 047 | 944 473 | 31 413 770 |
| Disposals | - | - | - | - | (21 753) | (21 753) |
| Balance at 30/09/2024 | 597 231 913 | 3 953 162 124 | 60 554 690 | 68 557 850 | 60 157 809 | 4 739 664 386 |
| Accumulated Depreciation | | | | | | |
| Accumulated depreciation as at 01/07/2024 | 302 376 004 | 2 409 472 859 | 47 992 891 | 36 039 612 | 37 256 698 | 2 833 138 064 |
| Depreciation | 5 460 152 | 32 942 140 | 1 290 035 | 948 365 | 1 206 430 | 41 847 122 |
| Disposals | - | - | - | - | (21 753) | (21 753) |
| Balance at 30/09/2024 | 307 836 156 | 2 442 414 999 | 49 282 926 | 36 987 977 | 38 441 375 | 2 874 963 433 |
| Net book value as at 30/09/2024 | 289 395 757 | 1 510 747 125 | 11 271 764 | 31 569 873 | 21 716 434 | 1 864 700 953 |

Fixed assets as at 30/6/2024

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

- The historical cost of the fully depreciated fixed assets which are still operate are amounted to EGP 2.3 billion.

- The appropriateness of the current expected useful lives of the assets and the absence of any losses resulting from impairment in value is in accordance with the decision of the committee formed by Administrative Resolution (141) for the year 2024 and the approval of the Board of Directors by Resolution No. (124) dated 26/06/2024.

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

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



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

5- Assets Under Construction

| | 30/09/2024 | 30/06/2024 |
|--------------------------------|--------------------|--------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Assets under installation | 253 534 142 | 31 332 386 |
| Advance payment – Fixed Assets | 32 373 277 | 13 389 160 |
| Payments – Fixed Assets | 202 703 859 | 335 096 863 |
| | <u>488 611 278</u> | <u>379 818 409</u> |

6- Intangible assets under progress

| | 30/09/2024 | 30/06/2024 |
|--|-------------------|-------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Net opening balance for the period | 42 268 805 | 20 714 808 |
| Addition during the period | 8 243 001 | 21 553 997 |
| Net ending balance for the period | <u>50 511 806</u> | <u>42 268 805</u> |

The amounts above represent what was spent over SAP "ERP" and related digital transformation (Solex).

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 915 million as of September 30, 2024, according to the latest study in this regard conducted in 2024 by an external appraiser registered in the Financial Regulatory Authority. Considering these leased investments generated revenues equal to EGP 6.9 million. The historical cost of these lands is as follows:

| | 30/09/2024 | 30/06/2024 |
|--|----------------|----------------|
| | <u>EGP</u> | <u>EGP</u> |
| Balance at the beginning of the period | 500 718 | 500 718 |
| Balance at the ending of the period | <u>500 718</u> | <u>500 718</u> |

8- Investments in associates

| | Percentage | Investment Currency | 30/09/2024 | 30/06/2024 |
|--|------------|------------------------|--------------------|--------------------|
| | | | <u>EGP</u> | <u>EGP</u> |
| Global Company for Methanol and its Derivatives | 35% | USD | 10 948 000 | 10 948 000 |
| North Abu Qir Company for Agricultural Nutrients | 45% | EGP | 112 500 000 | 112 500 000 |
| | | | <u>123 448 000</u> | <u>123 448 000</u> |



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

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

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

- The project’s purpose is to establish ammonia production facility with a production capacity of 1200 tons/day, a nitric acid production plant with a production capacity of 1830 tons/day, and a plant to produce mined ammonium nitrate with a production capacity of 2400 tons/day on the plot owned by the Egyptian General Petroleum Authority (land of Rakta).
- On May 21, 2023, the general assembly meeting of the investee was held.
- On January 2, 2024, a memorandum of understanding was signed among the investee, ABB Group, MPS for Sustainable Infrastructure Solutions, and Petro-jet to provide the investee with green hydrogen and renewable electricity necessary to produce green ammonia, which represents the raw material for the production of ammonium nitrate fertilizer.

9- Investment in equity instruments at fair value through OCI

| | Percentage | Currency | 30/09/2024 <u>EGP</u> | 30/06/2024 <u>EGP</u> |
|--|------------|----------|--------------------------|--------------------------|
| Alexandria Fertilizers Company | 15% | USD | 5 888 094 599 | 5 851 689 525 |
| Helwan Fertilizers Company | 17% | USD | 5 230 743 964 | 5 197 665 000 |
| El Wady for Phosphate and Fertilizers Industries | 10% | EGP | 40 000 000 | 40 000 000 |
| Abu Tartur for Phosphoric Acid Company | 9.5% | USD | 7 476 500 | 7 476 500 |
| | | | <u>11 166 315 063</u> | <u>11 096 831 025</u> |

- The total amount paid for the contribution in the capital of Alexandria Fertilizers Company “the investee” is EGP 226.52 million equivalent to USD 22.3875 million with a fair value of EGP 5.89 billion represents 100% of the Company's sharing, which constitutes 15% of the investee’s issued capital that amounted to USD 149.250 million. The authorized capital is USD 500 million.



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

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- **The total amount paid for the contribution in the capital of Helwan Fertilizers Company "the investee"** is EGP 157.59 million equivalent to USD 25.5 million with fair value of EGP 5.23 billion represents in 100% of the Company's sharing, which constitutes 17% of the investee's issued capital that amounted USD 150 million. The authorized capital is USD 700 million.
- **The total amount paid for the contribution in the capital of El Wadi for Phosphates and Fertilizers "the investee"** is EGP 40 million represents 100% of the Company's sharing, which constitutes 10% of the investee's issued capital of the company that amounted EGP 400 million. The authorized capital is EGP 4 billion.
 - The investee works to find other activities to ensure its continuity and achieve its objectives. It prepared an integrated study to access into a project for the purpose of increasing the concentration of phosphoric ores, achieving quality and manufacturing compound phosphate fertilizers. It is also in the process of completing the necessary documents to obtain licenses for phosphate ore consumption rights.
 - The investee studies the purchase of raw materials and fertilizers from other joint-stock and local companies and selling them for its own benefit while achieving a profit margin.
- **The total amount paid for the contribution in the capital of Abu Tartur for Phosphoric Acid "the investee"** 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.
- Currently in communication with Bryon and K-Tech to prepare a technical-economic study for reducing the production capacity of the phosphoric acid plant to 50% of the current production volume, with an estimated cost of USD 605 million. The financing will rely on shareholders' equity, and the study will be presented to the Financial and Technical Committee of the Board of Directors in preparation for submitting the recommendations to the company's Board of Directors.

10- Other financial assets

| | 30/09/2024 | 30/06/2024 |
|--|--------------------|--------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Letter of guarantees pledged by treasury bills | 456 294 032 | 434 928 408 |
| | <u>456 294 032</u> | <u>434 928 408</u> |
| Expected credit losses (37) | - | - |
| | <u>456 294 032</u> | <u>434 928 408</u> |

- Other financial assets are represented in the recoverable amount of treasury bills at banks pledged to cover letter of guarantees amounted to EGP 456 M.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

11- Inventories

| | 30/09/2024 | 30/06/2024 |
|-------------------------------|----------------------|----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Raw material | 365 018 152 | 310 009 142 |
| Oil and fuel | 10 515 089 | 10 637 903 |
| Spare parts | 1 273 900 896 | 1 140 953 723 |
| Packing | 36 680 564 | 58 413 749 |
| Wastes | 1 277 919 | 1 298 445 |
| Finished goods at cost | 588 710 071 | 192 851 814 |
| Work in process at cost | 93 613 957 | 65 143 069 |
| Inventory held at third party | 3 882 587 | 20 936 903 |
| Letter of credits | 369 672 418 | 272 189 832 |
| | <u>2 743 271 653</u> | <u>2 072 434 578</u> |

12- Trade and notes receivable

| | Note no. | 30/09/2024 | 30/06/2024 |
|-----------------------------------|-------------|--------------------|--------------------|
| | | <u>EGP</u> | <u>EGP</u> |
| Trade receivable – Public sector | | 159 600 | - |
| Trade receivable – Private sector | | 191 036 342 | 176 709 463 |
| Notes receivable | | - | 67 591 946 |
| | | <u>191 195 942</u> | <u>244 301 409</u> |
| Expected credit losses | (37) | (1 213 678) | (2 507 756) |
| | | <u>189 982 264</u> | <u>241 793 653</u> |

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 % |
| - Global Company for Methanol and Derivatives | Major shareholder by 35 % |
| - North Abu Qir Company for Agricultural Nutrients | Major shareholder by 45 % |

13-2 Related party transactions

The following is a summary of transactions with related parties:

| <u>Description</u> | <u>Nature of transactions</u> | 30/09/2024 | 30/06/2024 |
|---|-------------------------------|-------------------|----------------------|
| | | <u>EGP</u> | <u>EGP</u> |
| Alexandria Fertilizers Company | Services / Dividends | 29 263 819 | 719 211 907 |
| Helwan Fertilizers Company | Services / Dividends | - | 695 717 057 |
| North Abu Qir Company for Agricultural Nutrients | Payments for the project | - | 266 319 |
| | | <u>29 263 819</u> | <u>1 415 195 283</u> |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

13-3 Transactions resulted in the following debit balances:

| Due from related parties | Note no. | 30/09/2024 | 30/06/2024 |
|--|----------|-------------------------|-------------------------|
| | | EGP | EGP |
| Alexandria Fertilizers Company | | 274 462 | 211 932 |
| Helwan Fertilizers Company | | 36 930 | - |
| North Abu Qir Company for Agricultural Nutrients | | 3 683 193 | 3 614 794 |
| | | <u>3 994 585</u> | <u>3 826 726</u> |
| Expected Credit losses | (37) | (756 384) | (718 555) |
| | | <u>3 238 201</u> | <u>3 108 171</u> |

13-4 Significant contracts with related parties

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

14- Suppliers – Advance payments

| | Note no. | 30/09/2024 | 30/06/2024 |
|----------------------------|----------|--------------------------|--------------------------|
| | | EGP | EGP |
| Suppliers - public sector | | 4 952 486 | 1 227 207 |
| Suppliers - private sector | | 62 211 945 | 36 268 329 |
| Suppliers - foreign sector | | 49 798 539 | 29 851 284 |
| | | <u>116 962 970</u> | <u>67 346 820</u> |
| Impairment losses | (37) | (27 493 164) | (27 499 796) |
| | | <u>89 469 806</u> | <u>39 847 024</u> |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

15- Debtors and other debit balances

| | Note no. | 30/09/2024 | 30/06/2024 |
|--|----------|----------------------|----------------------|
| | | <u>EGP</u> | <u>EGP</u> |
| Deposits with others | | 13 014 141 | 13 014 141 |
| Employees loans and Installments | | 1 360 000 | 460 000 |
| Petty cash | | 9 092 643 | - |
| Sales tax | | 164 350 676 | 93 573 029 |
| Custom Authority (custody) | | 2 394 455 | 2 343 524 |
| Property tax | | 2 424 000 | 2 424 000 |
| Salary tax (Sport activities) | | 18 132 358 | - |
| Withholding tax | | 52 481 166 | 41 347 357 |
| Custom Authority (Current account) | | 54 145 468 | 7 839 717 |
| Sales tax | | - | 3 525 495 |
| Prepaid expenses | | 58 763 | 3 776 879 |
| Employees debts | | 2 535 860 | 2 535 860 |
| Employees loans | | 18 629 463 | 19 396 337 |
| Prepaid expenses – platinum | | 95 456 877 | 1 165 181 |
| Other debit balances | | 1 026 282 | 1 189 861 |
| <u>Debit balances related to specific activities that are offset by credit balances</u> | | | |
| Environmental and infrastructure debit balances | | 13 745 768 | 12 976 420 |
| Employees benefits debit balances (family healthcare - employee services) | | 538 147 446 | 504 155 843 |
| Social and sport activities debit balances | | 351 682 158 | 367 817 496 |
| Burj El Arab Project | | 35 697 174 | 31 260 103 |
| Residential city assets | | 23 161 784 | 24 569 340 |
| <u>Less: corresponding credit balances</u> | | <u>(962 302 487)</u> | <u>(939 164 707)</u> |
| | | 435 233 995 | 194 205 875 |
| Expected credit losses | (37) | <u>(7 624 677)</u> | <u>(6 835 654)</u> |
| | | 427 609 318 | 187 370 221 |

- Debtors and other debit balances include balances amounting to EGP 962 million for banks current accounts, time deposits and treasury bills related to "sports and social activities, healthcare fund, infrastructure, environment fund, Burj Al Arab project and residential city assets" which were offset against the related credit balances.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

16- Financial assets at amortized cost (treasury bills)

| | 30/09/2024 | 30/06/2023 |
|---|----------------------|----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Nominal value | 1 515 275 321 | 2 255 740 657 |
| Add: accrued revenues | 292 204 921 | 251 906 635 |
| Deduct: Treasury bills accrued tax | (58 440 984) | (50 381 327) |
| | <u>1 749 039 258</u> | <u>2 457 265 965</u> |

17- Cash and cash equivalents

| | Note no. | 30/09/2024 | 30/06/2024 |
|--|----------|-----------------------|-----------------------|
| | | <u>EGP</u> | <u>EGP</u> |
| Banks - current accounts | | 448 587 917 | 248 074 344 |
| Time Deposits | | 23 593 025 250 | 23 143 101 042 |
| Cash on hand | | 316 143 | 335 684 |
| | | <u>24 041 929 310</u> | <u>23 391 511 070</u> |
| Accrued interest from deposits | | 80 186 517 | 69 191 934 |
| Expected credit losses | (37) | (87 711 990) | (106 104 236) |
| Cash at banks | | <u>24 034 403 837</u> | <u>23 354 598 768</u> |
| Deduct: | | | |
| Restricted deposits against letter of guarantees and letter of credits | | (871 969 462) | (993 195 639) |
| Cash and cash equivalent for cash flow workings | | <u>23 162 434 375</u> | <u>22 361 403 129</u> |

- Short-term deposits are dominated in USD to pay the company's current foreign currency liabilities.
- Within the cash accounts on 30/9/2024 "time deposits" restricted at Ebank with an amount equals to USD 10 million, and Qatar National Bank with an amount equals to of USD 8 million against letter of credits.

18- 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 bank. The structure of the shareholders of the Company as follows:

| Shareholder | Nationality | Percentage % | No. Of shares | Amount EGP |
|---|----------------------|--------------|----------------------|----------------------|
| Alpha Oryx Limited | United Arab Emirates | 21.52 | 271 573 655 | 407 360 483 |
| Saudi Egyptian Investment Company | Saudi Arabia | 20.40 | 257 405 245 | 386 107 867 |
| Egyptian General Petroleum Corporation | Egyptian | 19.11 | 241 153 540 | 361 730 310 |
| Nasser Social Bank | Egyptian | 5.90 | 74 477 970 | 111 716 955 |
| Holding Company for Chemical Industries | Egyptian | 5.47 | 69 055 673 | 103 583 509 |
| Union of shareholder Employee | Egyptian | 5.03 | 63 500 000 | 95 250 000 |
| Investment Funds and Individuals | Multinational | 22.57 | 284 709 637 | 427 064 456 |
| | | <u>100</u> | <u>1 261 875 720</u> | <u>1 892 813 580</u> |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

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 investment gazette.

| | 30/09/2024 | 30/06/2024 |
|---------------|--------------------|--------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Legal reserve | 946 406 790 | 946 406 790 |
| | <u>946 406 790</u> | <u>946 406 790</u> |

20- Other reserves

| | 30/09/2024 | 30/06/2024 |
|---|----------------------|----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Expansions reserve | 5 800 000 000 | 5 800 000 000 |
| Other reserves (capital gains - environment fund) | 48 194 574 | 47 582 574 |
| | <u>5 848 194 574</u> | <u>5 847 582 574</u> |

21- Revaluation reserve

| | 30/09/2024 | 30/06/2024 |
|---|----------------------|----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Fair value revaluation for Alexandria Fertilizers Company | 4 457 941 659 | 4 429 727 727 |
| Fair value revaluation for Helwan Fertilizers Company | 3 931 694 322 | 3 906 058 125 |
| Actuarial losses— employee benefits | (216 867 337) | (216 867 337) |
| | <u>8 172 768 644</u> | <u>8 118 918 515</u> |

- The Company hired Baker Tilly - Egypt to conduct a fair value assessment of its investments in Alexandria Fertilizers Company and Helwan Fertilizers Company on June 30, 2024. Necessary adjustments were proceeded based on the study's result. The income and market approaches were utilized in the valuation process, leading to the estimated fair value per share for both companies. This was done according to the data provided in the latest reviewed financial statements for both companies as of March 31, 2024, and considering the exchange rate on the date of preparation of the company's financial position on September 30, 2024.
- The Company hired Baker Tilly- Egypt to conduct a fair value assessment of its investments in Wadi Phosphate Industries and Abu Tartur for Phosphoric Acid on June 30, 2024. The study concluded, because of the investee hasn't started the operation, and due to the absence of a future business plan for both companies that could be used to perform the evaluation either through the discounted cash flow method or the multiples method, the book value for both companies as per March 31, 2024, financial statements represents the expressive value for both companies as of September 30, 2024.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

22- Retained earnings

| | 30/09/2024 | 30/06/2024 |
|---------------------------|----------------------|-----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Beginning balance | 16 315 887 345 | 13 731 802 340 |
| Add (Deduct): | | |
| Transfer to reserve | (612 000) | (24 849 172) |
| Dividends | (1 942 791 077) | (2 036 341 188) |
| Shareholders dividends | (9 464 067 900) | (8 833 130 040) |
| Net profit for the period | 1 284 321 886 | 13 478 405 405 |
| Ending balance | 6 192 738 254 | 16 315 887 345 |

23- Deferred tax liabilities

| | 30/09/2024 | 30/06/2024 |
|--|----------------------|----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Fixed assets and other assets | 256 334 576 | 236 246 918 |
| Investments fair value revaluation differences | 2 435 700 769 | 2 420 066 860 |
| Foreign currency exchange differences | 1 401 227 960 | 1 393 951 305 |
| Deduct: | | |
| Expected credit losses | (28 079 976) | (32 324 849) |
| Employee benefit obligations | (167 754 966) | (157 982 221) |
| Provisions | (60 489 547) | (60 615 997) |
| | 3 836 938 816 | 3 799 342 016 |

24- Suppliers

| | 30/09/2024 | 30/06/2024 |
|----------------------------|-------------------|-------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Suppliers - public sector | 18 421 839 | 18 259 077 |
| Suppliers - private sector | 39 248 950 | 36 541 358 |
| Suppliers - foreign sector | 34 851 045 | 37 353 362 |
| | 92 521 834 | 92 153 797 |

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 – Petro trade | Founder affiliate |
| - Shareholders employees' union | Shareholder by 5.03 % |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

25-2 Related parties' transactions

The following is a summary of transactions with related parties:

| <u>Description</u> | <u>Nature of transactions</u> | 30/09/2024 | 30/06/2024 |
|--|-------------------------------|----------------------|----------------------|
| | | <u>EGP</u> | <u>EGP</u> |
| Shareholders employees' union | Payment of employee's dues | (285 665) | 2 040 126 |
| Egyptian Natural Gas GASCO – Petro trade | Natural gas supply | 2 201 465 483 | 7 576 946 457 |
| | | <u>2 201 179 818</u> | <u>7 578 986 584</u> |

25-3 Transactions resulted in the following credit balances:

Due to related parties

| <u>Description</u> | 30/09/2024 | 30/06/2024 |
|--|--------------------|--------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Shareholders employees' union | 2 975 390 | 3 261 055 |
| Egyptian Natural Gas "GASCO" – Petro trade | 390 265 382 | 338 803 405 |
| | <u>393 240 772</u> | <u>342 064 460</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 companies affiliated of the Egyptian General Petroleum Corporation. Natural gas is supplied to the Company's factories at a price of USD 5.75/million thermal units (TU), effective from 01/11/2021 to 12/09/2022. From 13/09/2022, the selling price of natural gas supplied to the fertilizer industry was determined according to a price formula that takes into consideration the selling prices of the Ministry of Agriculture and export prices according to the average price of international bulletins, so that the minimum selling price is not less than USD 4.5/million British thermal units (BTU).

25-5 Top management remunerations

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

| | 30/09/2024 | 30/06/2024 |
|---|------------------|------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Salaries, attendance and travel allowances, and bonuses | 7 501 581 | 5 736 695 |
| | <u>7 501 581</u> | <u>5 736 695</u> |

26- Customers advance payment - contract liabilities

| | 30/09/2024 | 30/06/2024 |
|----------------------------|--------------------|--------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Customers - public sector | 1 494 238 | 1 638 991 |
| Customers - private sector | 49 090 578 | 15 944 553 |
| Customers - foreign sector | 144 270 500 | 480 987 638 |
| | <u>194 855 316</u> | <u>498 571 182</u> |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

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.

| | 30/09/2024 | 30/06/2024 |
|--|--------------------|--------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Opening balance of the period | 702 143 203 | 503 277 469 |
| Current service cost | 3 794 542 | 11 086 928 |
| Interest expense | 39 639 880 | 108 065 505 |
| Benefits paid | (14 051 178) | (47 732 174) |
| Actuarial losses / (gain) - Remeasurement of defined benefit liabilities | - | (62 418 119) |
| Actuarial losses - experience | - | 189 863 594 |
| Total | 731 526 447 | 702 143 203 |
| Short-term liabilities | 40 466 161 | 54 540 136 |
| Long-term liabilities | 691 060 286 | 647 603 067 |

27-2 Included in the statement of profit and loss

| | 30/09/2024 | 30/06/2024 |
|--|-------------------|--------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Current service cost and interest cost | 40 507 269 | 106 237 521 |
| | 40 507 269 | 106 237 521 |

Actuarial assumptions

| | 30/09/2024 | 30/06/2024 |
|-----------------------|------------|------------|
| | <u>EGP</u> | <u>EGP</u> |
| Discount Rate | 24.74% | 24.74% |
| Inflation rate | 16% | 16% |
| Benefit increase rate | 19.5% | 19.5% |

Sensitivity analysis for actuarial assumptions

| | Change in assumption | | Change in plan benefit | |
|---------------------------------|----------------------|----------|------------------------|--------------|
| | Increase | Decrease | Increase | Decrease |
| Discount rate | 0.5% | -0.5% | (26 975 068) | 29 056 285 |
| Inflation rate | 0.5% | -0.5% | 13 958 794 | (12 884 061) |
| Mortality rate | 10% | -10% | (1 287 762) | 1 310 875 |
| Dispose withdrawal coefficients | | | | 11 131 564 |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

28- Creditors and other credit balances

| | 30/09/2024 | 30/06/2024 |
|--|------------------------------|-----------------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Deposits from others | 26 714 297 | 28 961 669 |
| Salary tax | - | 71 650 076 |
| Withholding and Stamp tax | 3 591 328 | 2 545 289 |
| Value added tax | 6 301 220 | 1 885 034 |
| Salary tax "Sport activities" | 1 502 507 | 443 206 |
| Withholding tax "Club" | 739 592 | 52 929 |
| Sales tax on product | 39 864 148 | - |
| Sales tax on Newlon | 440 324 | - |
| Accrued Social insurance Authority | 11 766 663 | 20 885 551 |
| Dividend payables | 10 969 602 417 | 802 406 |
| Fixed assets creditors | 155 211 991 | 189 559 962 |
| General authority for health insurance | 81 009 931 | 69 683 356 |
| Training and rehabilitation fund | 644 032 783 | 631 189 564 |
| Sales tax of Abu Qir plant (3) | 53 484 950 | 53 484 950 |
| Accrued wages and donations | 54 607 765 | 387 967 062 |
| Cars and housing loans | 24 897 355 | 14 951 412 |
| Retention from employees | 32 869 578 | 9 219 578 |
| Other credit balances | 49 781 858 | 36 026 522 |
| <u>Credit balances related to specific activities that are offset by debit balances</u> | | |
| Employees benefit funds (Family medical, complementary, private insurance, restricted for employee's fund) | 980 550 660 | 893 112 152 |
| Social and sports activities | 556 294 229 | 231 899 299 |
| Burj Al Arab Project | 35 632 597 | 34 506 632 |
| Carbon revenue (Environmental Fund deposits) | 5 272 288 | 5 251 632 |
| Environmental and infrastructure deposits | 13 227 985 | 12 479 293 |
| housing city assets | 23 161 784 | 24 569 340 |
| <u>Less: corresponding debit balances</u> | <u>(962 302 487)</u> | <u>(939 164 707)</u> |
| | <u>12 808 255 763</u> | <u>1 781 962 209</u> |

- Creditors of Distributions account under Creditors and Other Credit Balances amounts totaling 10.97 billion EGP. Of this, 9.5 billion EGP pertains to the shareholders of the company (for the 2023/2024 dividend at 7.5 EGP per share). Additionally, EGP 1.4 billion represents a portion of the employees' share in the profits for the year 2023/2024, and EGP 65 million is allocated as a bonus for the Board of Directors for the year 2023/2024, in accordance with the profit distribution statement approved by the company's Ordinary General Assembly on 28/09/2024.

29- Current Income Tax

| | 30/09/2024 | 30/06/2024 |
|--|-----------------------------|-----------------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Current income tax | 2 021 857 088 | 1 715 662 071 |
| Disputes 9A reservation with tax authority | 32 522 755 | 32 522 755 |
| Tax advances deposits | (46 086 879) | (46 086 879) |
| | <u>2 008 292 963</u> | <u>1 702 097 947</u> |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

30- Claims provisions

| | 30/09/2024 | 30/06/2024 |
|-------------------------------------|---------------------------|---------------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Beginning balance | 269 404 433 | 183 504 004 |
| Provisions formed during the period | - | 90 673 976 |
| Provisions no longer needed | (562 000) | (4 618 687) |
| Provisions used during the period | - | (154 860) |
| Ending balance | <u>268 842 433</u> | <u>269 404 433</u> |

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

31- Operating Revenue

| | 30/09/2024 | 30/09/2023 |
|---|-----------------------------|-----------------------------|
| | <u>EGP</u> | <u>EGP</u> |
| <u>Revenues recognized at point in time:</u> | | |
| Urea sales | 1 336 171 086 | 1 695 702 270 |
| Nitrate sales | 1 214 783 857 | 979 373 853 |
| Granulated urea sales | 987 956 926 | 1 385 385 778 |
| Ammonia sales | 12 593 923 | 232 958 525 |
| Plastic bags sales | 1 227 500 | - |
| Sales Revenue | <u>3 552 733 292</u> | <u>4 293 420 426</u> |
| Revenue from operating to others | 226 264 | 71 354 |
| Services revenue | 73 127 781 | 44 470 651 |
| Fertilizers waste revenue | 1 799 531 | 1 201 279 |
| <u>Deduct:</u> | | |
| Sale of by- products | (6 687 510) | (8 056 257) |
| | <u>3 621 199 358</u> | <u>4 331 107 453</u> |

Revenue can be classified as follows:

| | 30/09/2024 | 30/09/2023 |
|--------|-----------------------------|-----------------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Export | 1 911 955 512 | 3 121 068 762 |
| Local | 1 640 777 780 | 1 172 351 664 |
| | <u>3 552 733 292</u> | <u>4 293 420 426</u> |

The company supplies its quota to the Ministry of Agriculture in accordance with the decision of the Prime Minister and as per the specified prices.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

32- Cost of goods sold

| | 30/09/2024 | 30/09/2023 |
|---|----------------------|----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Materials and supplies | 2 437 321 386 | 1 887 945 137 |
| Salaries and wages | 296 337 931 | 266 791 194 |
| Depreciation of fixed assets | 32 284 858 | 25 572 755 |
| Employees Benefit (contributions / benefit plans) | 8 237 725 | 9 254 495 |
| Other operating cost | 89 894 791 | 50 183 782 |
| Change in inventory (Finished goods) | (395 858 257) | (5 612 373) |
| Change in inventory (work in progress) | (28 470 888) | 65 204 713 |
| <u>Deduct:</u> | | |
| Sale of by- products | (6 687 510) | (8 056 257) |
| | 2 433 060 036 | 2 291 283 446 |

33- Other income

| | 30/09/2024 | 30/09/2023 |
|------------------------------|-------------------|-------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Rent | 7 810 240 | 5 114 874 |
| Compensation and penalties | 82 566 351 | 108 220 |
| Provision no longer required | 562 000 | 4 618 687 |
| Wastes gain | 1 644 754 | 2 736 386 |
| Others | 475 662 | 864 864 |
| | 93 059 007 | 13 443 031 |

34- Selling & marketing expenses

| | 30/09/2024 | 30/09/2023 |
|---|--------------------|--------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Salaries and wages | 99 046 223 | 82 308 933 |
| Commodity supplies for packaging | 75 027 087 | 57 707 859 |
| Depreciation | 1 957 701 | 1 344 332 |
| Employees Benefit (contributions / benefit plans) | 2 703 473 | 1 523 190 |
| Shipping expenses | 54 373 081 | 32 652 944 |
| Exporting expenses | 23 393 016 | 43 508 227 |
| Other selling & marketing expenses | 18 343 534 | 4 842 833 |
| | 274 844 115 | 223 888 318 |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

35- General & administrative expenses

| | 30/09/2024 | 30/09/2023 |
|---|---------------------------|---------------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Salaries and wages | 71 687 953 | 42 413 229 |
| Depreciation | 7 176 214 | 2 348 672 |
| Chairman and board of directors' allowances | 4 434 391 | 3 168 621 |
| Comprehensive health insurance fund | 11 326 575 | 12 934 360 |
| Training and rehabilitation fund | 12 843 219 | 20 173 490 |
| Employees club | 20 563 472 | 32 189 919 |
| Employees Benefit (contributions / benefit plans) | 2 018 457 | 850 207 |
| Other general & administrative expenses | 24 768 544 | 8 462 920 |
| | <u>154 818 826</u> | <u>122 541 418</u> |

-The administrative and general expenses including an amount of 46.6 million EGP, representing the cost of ideal capacity for the company during the period from 01/07/2024 to 30/09/2024. This amount has been deducted from the cost of sales due to the reduced supply of natural gas to the company, load reduction, and operating conditions.

36- Other expenses

| | 30/09/2024 | 30/09/2023 |
|---|-------------------------|--------------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Donations | 707 117 | 2 585 194 |
| Losses (Capital, selling supplies, compensations and penalties) | 327 005 | 4 932 800 |
| Provision claims | - | 4 000 000 |
| | <u>1 034 122</u> | <u>11 517 994</u> |

37- Expected credit losses and assets impairment

| EGP | Note no. | 01/07/2024 | Formed | Used | No longer required | 30/09/2024 |
|----------------------------------|-------------|---------------------------|-----------------------|-----------------|----------------------------|---------------------------|
| Cash and cash equivalents | (17) | 106 104 236 | - | - | (18 392 246) | 87 711 990 |
| Trade and notes receivables | (12) | 2 507 756 | - | - | (1 294 078) | 1 213 678 |
| Debtors and other debit balances | (15) | 6 835 654 | 789 023 | - | - | 7 624 677 |
| Due from related parties | (13) | 718 555 | 37 829 | - | - | 756 384 |
| Suppliers – Advance payments | (14) | 27 499 796 | - | - | (6 632) | 27 493 164 |
| | | <u>143 665 997</u> | <u>826 852</u> | <u>-</u> | <u>(19 692 956)</u> | <u>124 799 893</u> |

- The Company hired Baker Tilly Egypt to perform the study of expected credit losses for its financial assets as of 30/09/2024. The necessary adjustments have been made considering the results of the study regarding the determination of expected credit losses, based on the following:
- The simplified approach was used to measure credit risk for customer facilities for trade and notes receivables by categorizing customers into groups that have similar characteristics and determining the historical period used to calculate the loss rate between two and five years. The loss rate was determined based on historical data while considering expected changes in economic indicators (growth rate, inflation rate and unemployment rate) and then



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Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

the expected credit losses were calculated by multiplying the (loss given default x exposure amount of default x The probability of default).

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

38- Finance income

| | 30/09/2024 | 30/09/2023 |
|---|--------------------|--------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Credit interest | 487 843 588 | 253 836 279 |
| Interest income from financial assets at amortized cost | 162 989 981 | 555 195 770 |
| | <u>650 833 569</u> | <u>809 032 049</u> |

39- Finance cost

| | 30/09/2024 | 30/09/2023 |
|---|-------------------|-------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Bank charges | 821 661 | 260 156 |
| Letter of guarantees commission | 69 523 | - |
| Securities custody commissions and stock listing fees | 130 069 | 83 875 |
| Local interest | - | - |
| Interest on employees benefit liabilities | 39 639 880 | 27 016 376 |
| | <u>40 661 133</u> | <u>27 360 407</u> |

40- Foreign currency exchange gains

| | 30/09/2024 | 30/09/2023 |
|--|--------------------|-------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Unrealized foreign currency exchange gain resulting from the revaluation of foreign currency balances in banks | 32 340 687 | (3 192 536) |
| Realized foreign currency exchange gain | 133 197 297 | 24 066 088 |
| | <u>165 537 984</u> | <u>20 873 552</u> |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

41- Income taxes

| | 30/09/2024 | 30/09/2023 |
|--|----------------------|----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| <u>Current income taxes</u> | | |
| Current income tax | 306 195 017 | 444 672 195 |
| independent tax base (treasury bills) | 32 597 996 | 111 039 154 |
| Total Current taxes | 338 793 013 | 555 711 349 |
| <u>Deferred income taxes</u> | | |
| Fixed assets and other assets | 20 087 658 | 3 218 172 |
| Foreign currency exchange differences | 7 276 655 | - |
| Pension plan liabilities | (9 772 745) | (6 702 324) |
| Provisions formed | 126 450 | 165 948 |
| Expected credit losses | 4 244 873 | 11 944 012 |
| Deferred income taxes | 21 962 891 | 8 625 807 |
| Income tax at income statement | 360 755 904 | 564 337 156 |
| <u>Effective income tax rate as of September 30, 2024</u> | | |
| Profit before income tax | 1 645 077 790 | 2 550 948 999 |
| Income tax according to tax law "22.5%" | 370 142 502 | 573 963 524 |
| Non-deductible expenses | 22 954 522 | 19 414 670 |
| Revenue exempted from tax | (32 341 120) | (29 041 038) |
| Income tax | 360 755 904 | 564 337 156 |
| Effective income tax rate | 21.93% | 22.12% |

42- Basic and diluted earnings Per Share

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

| | 30/09/2024 | 30/09/2023 |
|---|----------------------|----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Net profit after tax | 1 284 321 886 | 1 986 611 843 |
| <u>Deduct:</u> | | |
| Employees dividends | (177 530 064) | (276 375 658) |
| Board of directors' dividends | (16 250 000) | (12 500 000) |
| Shareholders profit share | 1 090 541 822 | 1 697 736 185 |
| Number of issued shares | 1 261 875 720 | 1 261 875 720 |
| Basic and diluted earnings Per Share | 0.86 | 1.35 |



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Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

43- Tax Position

Corporate Tax

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

Payroll tax

- a- Inspection was completed by Tax Authority and paid by the company for the year 2019.
- b- bFor the periods since 2020 till date is not inspected yet.

Sales Tax

- a- For periods from January 1994 to June 2003 the tax disputes are in front of Administrative Judiciary, excluding the period from January 1995 to March 1996 and May 1998 to February 1999 as the Administrative Judiciary judged in favor of the company.
- b- For the period from July 2005 to December 2009, tax disputes are in front of Administrative Judiciary.
- c- Inspection was completed by Tax Authority and paid by the company for the periods 2015/2016.

Considering the issuance of Law No. 9 of 2005 which related to the deduction of sales tax on capital goods, an amount of EGP 53.5 million was reserved in sub account and this amount is related to sales tax on machines of Abu Qir plant (3) only and offset by the same value of (credit balances) until final settlement with the tax authority.

Value added tax

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

Stamp tax

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

Real estate tax

- a- The dispute regarding the start of connecting the Abu Qir 3 factory is being discussed in front of the court with an amount equal to EGP 1.174 million which was paid by the company.
- b- All the tax due was paid to December 31, 2021, in accordance with the law of real estate tax promulgated by Law No. 196 of 2008 and amended by Law No. 117 of 2014.
- c- The decision of the council of ministers no 61 for the year 2022 was implemented which state that the ministry of finance will bear the real estate tax of the company's factories for three years to December 31, 2024, and the procedures are in progress with the real estate tax authority and demanding a refund of EGP 1.25 million had already been paid and related to a period of the previously mentioned decision.
- d- The company assigned the provision study on June 30, 2024, to Abany and Co. office (the company's tax advisor), and necessary settlements were made based on the study prepared for this purpose.

44- 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.



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

45- Contractual commitments and contingent liabilities

45-1 The capital commitments and contracts that have not yet been completed as of September 30, 2024, as following:

- Project Number (39/2022/2021) SAP and ERP amounted to USD 2014K and EGP 3359 K.
- Various purchase orders amounts are EUR 13 M, USD 3 M, GBP 10 K and EGP 90 K.

45-2 The outstanding portion of the investees' capital (In investment Currency)

| | Currency | Percentage % | Investment value | Paid amount | Outstanding amount | Outstanding Amount (EGP) |
|--|----------|--------------|------------------|-------------|--------------------|--------------------------|
| Global Company for Methanol and Derivatives | USD | 35% | 7 000 000 | 700 000 | 6 300 000 | 303 849 000 |
| North Abu Qir Company for Agricultural Nutrients | EGP | 45% | 450 000 000 | 112 500 000 | 337 500 000 | 337 500 000 |
| Abu Tartur for Phosphoric Acid Company | USD | 9.5% | 950 000 | 475 000 | 475 000 | 22 909 250 |
| | | | | | | 664 258 250 |

45-3 Letter of guarantee

The letters of guarantee held at banks for the benefit of others as of September 30, 2024, amounted to EGP 332 million. are covered by treasury bills with nominal value of EGP 497 million.

46- Operating segments

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

Company's operating segments comprise as follows:

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

First: Operating segments - assets and liabilities:

| Description | Abu Qir Plant (1) | Abu Qir Plant (2) | Abu Qir Plant (3) | Liquid fertilizer | Plastic Bags Plant | Other | Total |
|--------------------------------|----------------------|--------------------|--------------------|-------------------|--------------------|-----------------------|-----------------------|
| Operating segments assets | 1 358 581 106 | 326 317 180 | 581 543 073 | 4 326 760 | 82 544 113 | - | 2 353 312 232 |
| Unassigned segments assets | - | - | - | - | - | 41 034 083 955 | 41 034 083 955 |
| Total assets | 1 358 581 106 | 326 317 180 | 581 543 073 | 4 326 760 | 82 544 113 | 41 034 083 955 | 43 387 396 187 |
| Operating segments liabilities | - | - | - | - | - | 20 334 474 344 | 20 334 474 344 |
| Total liabilities | - | - | - | - | - | 20 334 474 344 | 20 334 474 344 |



Translation of separate financial statements
originally issued in Arabic

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Second: Operating segments - net profit for the period:

| Description | Abu Qir Plant (1) | Abu Qir Plant (2) | Abu Qir Plant (3) | Ammonia | Plastic Bags | Other | Total |
|--|--------------------|--------------------|-------------------|---------------------|----------------|--------------------|----------------------|
| Operating revenue | 1 402 837 622 | 1 216 583 388 | 987 956 926 | 12 593 923 | 1 227 500 | - | 3 621 199 358 |
| Cost of sales | (775 891 762) | (798 005 731) | (852 362 696) | (5 807 433) | (992 415) | - | (2 433 060 036) |
| Gross profit | 626 945 860 | 418 577 657 | 135 594 230 | 6 786 490 | 235 085 | - | 1 188 139 322 |
| Other revenues | - | - | - | - | - | 93 059 007 | 93 059 007 |
| Selling & marketing expenses | (63 518 876) | (131 132 165) | (70 682 473) | (9 510 602) | - | - | (274 844 115) |
| General & administrative expenses | (34 281 994) | (79 428 722) | (41 108 110) | - | - | - | (154 818 826) |
| Other expenses | - | - | - | - | - | (1 034 122) | (1 034 122) |
| Expected credit losses | - | - | - | - | - | 18 866 104 | 18 866 104 |
| Operating profit | 529 144 990 | 208 016 770 | 23 803 647 | (2 724 112) | 235 085 | 110 890 989 | 869 367 369 |
| Finance income | - | - | - | - | - | 650 833 569 | 650 833 569 |
| Finance cost | - | - | - | - | - | (40 661 133) | (40 661 133) |
| Foreign currency exchange gains | - | - | - | - | - | 165 537 984 | 165 537 984 |
| Net financing income | - | - | - | - | - | 775 710 421 | 775 710 421 |
| Net profit for the period before income tax | 529 144 990 | 208 016 770 | 23 803 648 | (2 724 112) | 235 085 | 886 601 410 | 1 645 077 790 |
| Income tax expense | (116 038 390) | (45 616 857) | (5 220 000) | 597 382 | (51 553) | (194 426 486) | (360 755 904) |
| Net profit for the period | 413 106 600 | 162 399 913 | 18 583 648 | (2 126 730) | 183 532 | 692 174 924 | 1 284 321 886 |



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

Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

47- The comparative figures have been restated and reclassified to be consistent with the presentation of the financial statements as at 30/9/2024.

The effect of reclassifications and restatements the income statement on 30/9/2023:

| <u>Description</u> | <u>As previously issued</u> | <u>Reclassification</u> | <u>Restatement</u> | <u>Balances after reclassification and restatement</u> |
|---|-----------------------------|-------------------------|---------------------|--|
| Operating revenue | 4 331 107 453 | - | - | 4 331 107 453 |
| Cost of goods sold | (2 282 028 951) | (9 022 146) | (232 349) | (2 291 283 446) |
| Gross profit | 2 049 078 502 | (9 022 146) | (232 349) | 2 039 824 007 |
| Other income | 8 282 557 | 4 618 687 | 541 788 | 13 443 031 |
| Selling & marketing expenses | (222 365 128) | (1 484 948) | (38 242) | (223 888 318) |
| General & administrative expenses | (90 156 260) | 18 369 118 | (50 754 276) | (122 541 418) |
| Other expenses | - | (11 517 994) | - | (11 517 994) |
| Capital gain | - | - | - | - |
| Expected credit losses | - | - | 53 084 496 | 53 084 496 |
| Provisions formed | (4 000 000) | 4 000 000 | - | - |
| Provisions no longer required | 4 618 687 | (4 618 687) | - | - |
| Operating profit | 1 745 458 357 | 344 030 | 2 601 417 | 1 748 403 804 |
| Financing income: | | | | |
| Investment income | - | - | - | - |
| Finance income | - | 808 861 583 | 170 466 | 809 032 049 |
| Finance costs | - | (344 030) | (27 016 376) | (27 360 407) |
| Foreign currency exchange gains / (Losses) | 20 873 552 | - | - | 20 873 552 |
| Credit interest | 253 665 813 | (253 665 813) | - | - |
| Treasury bills income | 555 195 770 | (555 195 770) | - | - |
| Net financing income | 829 735 136 | (344 030) | (26 845 910) | 802 545 195 |
| Net profit for the period before income tax | 2 575 193 493 | - | (24 244 494) | 2 550 948 999 |
| Income tax expense | (557 844 452) | - | (6 492 704) | (564 337 156) |
| Net profit for the period | 2 017 349 040 | - | (30 737 198) | 1 986 611 843 |
| Basic and diluted earnings per share | 1.33 | - | 0.02 | 1.35 |

Adjustment and reclassification of comparative figures as of 30/09/2023 as follows:

- 1- Adjustment to the profit and loss statement as of 30/09/2023 for expected credit losses on financial assets with amount equals to EGP 53 million and deferred tax resulting from these expected credit losses with amount equals to EGP 12 million, as well as deferred tax for provisions with amount equals to EGP 116 million.
- 2- Adjustment to the profit and loss statement as of 30/09/2023 for the share of the Training and Rehabilitation Fund and the share of sports and social activities with amount equals to EGP 52 million, and its impact on administrative and general expenses.



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Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

- 3- The profit and loss statement as of 30/09/2023 has been adjusted for employee defined benefits, affecting cost of sales increased by EGP 232 thousand, Selling and marketing expenses increased by EGP 38 thousand, Administrative and general expenses decreased (net revenue) by EGP 1,609 thousand, Other income increased by EGP 542 thousand, Finance income increased by 170 thousand EGP, Finance expenses increased by EGP 27 million, Income tax increased by EGP 1 million, Deferred tax (net revenue) increased by EGP 6.7 million.
- 4- Reclassification of capital gain and provisions is no longer required as of 30/09/2023, and its impact on other income and provisions with amount equals to EGP 4.6 million.
- 5- Reclassification of provision formed, donations, and other losses as of 30/09/2023, and its impact on other expenses and general & administrative with amount equals to EGP 11.5 million.
- 6- The reclassification of the defined contributions to the private insurance fund and the supplementary pension as of 30/09/2023 and the impact on Cost of goods sold, Selling and marketing expenses and Administrative and general expenses with amount equals to EGP 11.3 million.
- 7- Reclassification of credit interest income and treasury bills' interest as of 30/09/2023, and its impact on finance income with amount equals to EGP 809 million.
- 8- Reclassification of commissions, bank charges, letter of guarantees commissions, and stocks issuances fees as of 30/09/2023, and its impact on finance cost with an amount equals to EGP 344 thousand.



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The effect of reclassifications and restatements on the statement of cash flows on 30/9/2023:

| <u>Description</u> | As previously issued | Reclassification | Restatement | Balances after reclassification and restatement |
|---|------------------------|----------------------|----------------------|---|
| <u>First: Cash flows from operating activities:</u> | | | | |
| Cash sales and proceeds from trade receivables | 4 612 967 657 | - | - | 4 612 967 657 |
| Cash purchases and payments to trade payables | (2 161 663 097) | - | - | (2 161 663 097) |
| Paid salaries and wages | (523 241 249) | - | - | (523 241 249) |
| Paid taxes and fees | (165 042 394) | - | - | (165 042 394) |
| Credit interest | 286 097 638 | (286 097 638) | - | - |
| Other proceeds | 111 151 977 | - | - | 111 151 977 |
| Other payments | (219 590 714) | - | - | (219 590 714) |
| Employees and Board of directors' members dividends | - | - | - | - |
| Net cash flows (used in) / provided from operating activities no. (1) | 1 940 679 819 | (286 097 638) | - | 1 654 582 181 |
| <u>Second: Cash flows from investing activities:</u> | | | | |
| Payments for purchase of fixed assets | (95 107 938) | - | - | (95 107 938) |
| Proceeds from investments in other entities | - | - | - | - |
| Payments from investments in other entities | - | - | - | - |
| Proceeds from sale of fixed assets | - | - | - | - |
| Payments for financial assets at amortized cost | (8 047 634 289) | - | - | (8 047 634 289) |
| Proceeds from financial assets at amortized cost | 3 105 789 011 | - | - | 3 105 789 011 |
| Credit interest received – Time Deposits | - | 286 097 638 | - | 286 097 638 |
| Credit interest received from Treasury bills | 170 688 791 | - | - | 170 688 791 |
| Net cash flows provided from investing activities no. (2) | (4 866 264 425) | 286 097 638 | - | (4 580 166 787) |
| <u>Third: Cash flows from financing activities:</u> | | | | |
| Proceeds from bank facilities | - | - | - | - |
| Payment of bank facilities | - | - | - | - |
| Shareholders' dividends paid | - | - | - | - |
| Net cash flows (used in) financing activities no. (3) | - | - | - | - |
| Net (decrease)/ increase in cash and cash equivalents (1) + (2) + (3) | (2 925 584 605) | - | - | (2 925 584 605) |
| Cash & cash equivalent at the beginning of the period | 17 445 801 237 | - | - | 17 445 801 237 |
| Foreign currency exchange differences effect | 21 864 926 | - | - | 21 864 926 |
| Accrued interest from deposits | - | - | 33 516 687 | 33 516 687 |
| Expected credit losses | - | - | (30 669 285) | (30 669 285) |
| Cash at banks | 14 542 081 558 | - | 2 847 402 | 14 544 928 960 |
| Deduct: | | | | |
| Restricted deposits and cash covered against letter of guarantees and letter of credits | - | - | (928 255 321) | (928 255 321) |
| Cash & cash equivalent available at the end of the period | 14 542 081 558 | - | (925 407 920) | 13 616 673 637 |



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Notes to the Interim Separate Financial Statements for the Financial Period Ended September 30, 2024

The adjustment of comparative figures as of 30/09/2023 included the following:

- 1- The interest income has been reclassified from cash flows resulting from operating activities to cash flows from investing activities amounting to EGP 286 million.
- 2- The net cash at the end of the period has been impacted by the accrued interest in deposits, amounting to EGP 34 million.
- 3- The net cash at the end of the period has been impacted by the expected credit loss, amounting to EGP 31 million.
- 4- The net cash available for use at the end of the period has been impacted by deposits and LG and letters of credit, amounting to EGP 928 million.