



شركة أبو قير للأسمدة والصناعات الكيماوية

Alexandria, September 12, 2024

To: EGX
Disclosure Sector

Dear Sir,

Kindly Find Attached The Followings:-

- Separate Financial Statements For the Financial Year Ended June 30, 2024 and Related Notes to the Separate Financial Statements.
- Auditor's Report (Hazem Hassan - KPMG) on the Separate Financial Statements.

Yours faithfully,

Acc. Khaled Moustafa Sokkar

Head,
Financial Affairs Sectors

Acc. Nervana Sabbah Oraby

General Manager,
Investor Relations & Media



الشركة حاصلة على شهادات أيزو 9001 - أيزو 14001 - أيزو 18001 - أيزو 25001



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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الرقم البريدي : ٢١٩١١
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**Abu Qir Fertilizers
and Chemical Industries CO.
(S.A.E.)
Separate Financial Statements
For The Financial year Ended
June 30, 2024**



*Translation of auditor's report
originally issued in Arabic*

Hazem Hassan

Public Accountants & Consultants

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AUDITOR'S REPORT

To: The shareholders of Abu Qir Fertilizers & Chemical Industries Company (S.A.E)

Report on the separate Financial Statements

We have audited the accompanying separate financial statements of Abu Qir Fertilizers & Chemical Industries Company S.A.E “the Company”, which comprise the separate statement of financial position as of June 30, 2024, and the related statements of profit or loss, comprehensive income, changes in equity, and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the separate Financial Statements

These separate financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Egyptian Accounting Standards, and in light of Egyptian laws prevailing, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit, we conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

The separate financial Statements of Abu Qir Fertilizers & Chemical Industries Company S.A.E for the year ended June 30, 2023, was audited by another auditor who expressed an unqualified opinion with an emphasis of matter paragraph to these financial statements on August 28, 2023.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of



Hazem Hassan

*Translation of auditor's report
Originally issued in Arabic*

expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on these separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Abu Qir Fertilizers & Chemical Industries Company S.A.E "the Company" as of June 30, 2024 and of its separate financial performance and its separate cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these separate financial statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note (48) of the notes to the separate financial statements, which indicate that the comparative information as at and for the year ended June 30, 2023, has been restated.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company; the separate financial statements are in agreement thereto, the Company maintains proper costing accounts, the inventory was counted by management in accordance with methods in practice.

The financial records contained in the report of the Board of Directors prepared in accordance with the requirements of Law No. 159 of 1981 and its executive regulations are consistent with what is contained in the company's books, within the limits to which such data is recorded in the books.

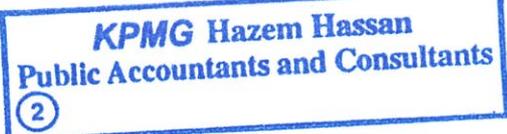
Khaled Mahmoud Samir

**Registered in Auditor's register of the
Financial Regulatory Authority under
No. (398)**

KPMG Hazem Hassan

Public Accountants & Consultants

Cairo, August 29, 2024





AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Separate Statement of Financial Position As of June 30, 2024

EGP	Note No.	30 June 2024	30 June 2023 Restated and reclassified	01 July 2022 Restated and reclassified
Assets				
Non-current assets				
Fixed assets	(4)	1 875 134 305	1 186 400 030	1 220 753 810
Assets under construction	(5)	379 818 409	376 239 039	294 255 347
Intangible assets under progress	(6)	42 268 805	20 714 808	-
Investment property	(7)	500 718	500 718	500 718
Investments in associates	(8)	123 448 000	123 448 000	10 948 000
Investment in equity securities at fair value through OCI	(9)	11 096 831 025	6 400 341 228	4 212 161 325
Other financial assets (treasury bills)	(10)	434 928 408	386 765 130	474 216 283
Total non-current assets		13 952 929 670	8 494 408 953	6 212 835 483
Current assets				
Inventories	(11)	2 072 434 578	1 873 998 330	1 423 139 137
Trade and notes receivables	(12)	241 793 653	257 042 674	191 284 992
Due from related parties	(13)	3 108 171	10 111 103	99 182 093
Suppliers – Advance payments	(14)	39 847 024	45 842 438	20 687 811
Debtors and other debit balances	(15)	187 370 222	306 944 165	354 095 608
Financial assets at amortized cost (treasury bills)	(16)	2 457 265 965	6 251 340 530	10 779 750 852
Cash and cash equivalents	(17)	23 354 598 768	17 464 775 441	2 938 568 516
Total current assets		28 356 418 381	26 210 054 681	15 806 709 009
Total assets		42 309 348 051	34 704 463 634	22 019 544 492
Equity				
Issued and paid-up capital	(18)	1 892 813 580	1 892 813 580	1 892 813 580
Legal reserve	(19)	946 406 790	946 406 790	705 719 331
Other reserves	(20)	5 847 582 574	5 822 733 403	22 145 601
Revaluation reserve	(21)	8 118 918 515	4 577 909 165	2 959 543 520
Retained earnings	(22)	16 315 887 345	13 731 802 340	10 776 869 072
Total equity		33 121 608 804	26 971 665 278	16 357 091 104
Liabilities				
Non-current liabilities				
Pension plan liabilities	(27)	647 603 067	455 545 295	337 779 536
Deferred tax liabilities	(23)	3 799 342 016	1 335 408 620	859 664 267
Total non-current liabilities		4 446 945 083	1 790 953 915	1 197 443 803
Current liabilities				
Trade and notes payables	(24)	92 153 797	41 178 382	29 095 620
Due to related parties	(25)	342 064 460	545 987 593	518 102 100
Customers advance payment - contract liabilities	(26)	498 571 182	211 700 781	318 179 892
Pension plan liabilities	(27)	54 540 136	47 732 174	31 148 201
Creditors and other credit balances	(28)	1 781 962 209	1 459 527 552	1 044 611 289
Current income tax	(29)	1 702 097 947	3 452 213 955	2 176 037 084
Provisions	(30)	269 404 433	183 504 004	347 835 399
Total current liabilities		4 740 794 164	5 941 844 441	4 465 009 585
Total equity and liabilities		42 309 348 051	34 704 463 634	22 019 544 492

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

Head of Financial Sectors
Accountant: Khaled Mostafa Sokar

Chairman and Managing Director
Engineer: Abed Ezz Al Regal

Auditor's report "attached"



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

<u>EGP</u>	Note No.	<u>30 June 2024</u>	<u>30 June 2023</u> <u>Restated and</u> <u>Reclassified</u>
Operating revenue	(31)	18 527 811 974	21 657 256 289
Cost of sales	(32)	<u>(10 192 200 227)</u>	<u>(9 041 419 564)</u>
Gross profit		8 335 611 747	12 615 836 725
Other income	(33)	45 930 716	209 240 601
Selling & marketing expenses	(34)	(1 085 969 759)	(777 218 814)
General & administrative expenses	(35)	(729 401 857)	(697 101 648)
Other expenses	(36)	(121 223 964)	(33 658 715)
Expected credit losses	(37)	(8 956 748)	(117 850 015)
Operating profit		<u>6 435 990 135</u>	<u>11 199 248 134</u>
Dividends income	(38)	1 485 115 084	1 032 338 375
Finance income	(39)	2 550 733 178	1 837 507 150
Finance cost	(40)	(110 284 295)	(70 401 373)
Foreign currency exchange gains	(41)	6 748 866 655	3 869 376 441
Net financing income		<u>9 189 315 538</u>	<u>5 636 482 218</u>
Net profit for the year before income tax		<u>17 110 420 757</u>	<u>17 868 068 727</u>
Income tax expense	(42)	<u>(3 632 015 353)</u>	<u>(3 847 599 932)</u>
Net profit for the year		<u>13 478 405 404</u>	<u>14 020 468 795</u>
Basic and diluted earnings per share	(43)	<u>9.15</u>	<u>9.50</u>

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



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

<u>EGP</u>	Note No.	<u>30 June 2024</u>	<u>30 June 2023 Restated and Reclassified</u>
Net profit for the year		13 478 405 404	14 020 468 795
<u>Other comprehensive income</u>			
Equity investments at FVOCI- net change in fair value	(21)	4 696 489 798	2 188 179 903
Remeasurments of defined benefit liabilities "liability"		(127 445 475)	(99 966 167)
Income tax for other comprehensive income		(1 028 034 972)	(469 848 091)
comprehensive income for the year		<u>3 541 009 351</u>	<u>1 618 365 645</u>
Total comprehensive income for the year		<u>17 019 414 755</u>	<u>15 638 834 440</u>

* The accompanying notes from (1) to (48) form an integral part of these 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 Year Ended June 30, 2024

EGP

	<u>Paid-up capital</u>	<u>Legal reserves</u>	<u>Other reserves</u>	<u>Revaluation reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at July 1, 2022	1 892 813 580	705 719 331	22 145 601	3 871 183 013	11 314 533 087	17 806 394 611
Prior year restatements	-	-	-	(911 639 492)	(537 664 014)	(1 449 303 506)
Restated balance as at July 1, 2022	1 892 813 580	705 719 331	22 145 601	2 959 543 521	10 776 869 073	16 357 091 105
<u>Comperhensive income</u>						
Restated net profit for the period	-	-	-	-	14 020 468 795	14 020 468 795
Revaluation reserve	-	-	-	2 088 213 736	-	2 088 213 736
Deferred tax on other comperhensive income items	-	-	-	(469 848 091)	-	(469 848 091)
Total comperhensive income	-	-	-	1 618 365 645	14 020 468 795	15 638 834 440
Prior year adjustments	-	-	-	-	949 234	949,234
Transferred to reserves	-	240 687 459	5 800 587 802	-	(6 041 275 261)	-
<u>Transactions with owners of the company</u>						
Employees and Board of directors' members dividends	-	-	-	-	(1 239 582 340)	(1 239 582 340)
Shareholders' dividends	-	-	-	-	(3 785 627 161)	(3 785 627 161)
Total transactions with the owners of the Company	-	-	-	-	(5 025 209 501)	(5 025 209 501)
Balance as at June 30, 2023 (Restated)	1 892 813 580	946 406 790	5 822 733 403	4 577 909 166	13 731 802 340	26 971 665 278
Balance as at July 1, 2023	1 892 813 580	946 406 790	5 822 733 403	4 577 909 166	13 731 802 340	26 971 665 278
<u>Comperhensive income</u>						
Net profit for the year	-	-	-	-	13 478 405 404	13 478 405 404
Revaluation reserve	-	-	-	4 569 044 322	-	4 569 044 322
Deferred tax on other comperhensive income items	-	-	-	(1 028 034 972)	-	(1028 034 972)
Total comperhensive income	-	-	-	3 541 009 350	13 478 405 404	17 019 414 754
Transferred to reserves	-	-	24 849 171	-	(24 849 171)	-
<u>Transactions with owners of the company</u>						
Employees and Board of directors' members dividends	-	-	-	-	(2 036 341 189)	(2 036 341 189)
Shareholders' dividends	-	-	-	-	(8 833 130 039)	(8 833 130 039)
Total transactions with the owners of the Company	-	-	-	-	(10 869 471 228)	(10 869 471 228)
Balance as at June 30, 2024	1 892 813 580	946 406 790	5 847 582 574	8 118 918 516	16 315 887 345	33 121 608 804
Note No.	(18)	(19)	(20)	(21)	(22)	

* The accompanying notes from (1) to (48) form an integral part of these 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 Year Ended June 30, 2024

<u>EGP</u>	Note No.	30 June 2024	30 June 2023 Restated and reclassified
<u>First: Cash flows from operating activities:</u>			
Cash sales and proceeds from trade receivables		19 056 174 419	21 438 634 033
Cash purchases and payments to trade payables		(9 895 409 351)	(8 799 469 916)
Paid salaries and wages		(1 532 204 531)	(1 190 511 840)
Paid taxes and fees		(4 143 441 013)	(2 698 925 368)
Other proceeds		773 863 131	433 903 432
Other payments		(1 835 072 579)	(911 870 211)
Employees and Board of directors' members dividends		(1 416 972 257)	(867 702 673)
Net cash flows provided from operating activities no. (1)		1 006 937 819	7 404 057 457
<u>Second: Cash flows from investing activities:</u>			
Payments for purchase of fixed assets and assets under construction		(418 523 619)	(151 217 123)
Proceeds from investments in other entities		1 344 934 460	1 030 156 175
Payments for investments in other entities		-	(112 974 000)
Proceeds from sale of fixed assets		697 680	24 999 529
Payments for investment in financial assets at amortized cost		(16 387 061 247)	(11 799 785 366)
Proceeds from investment in financial assets at amortized cost		20 160 458 856	16 202 676 772
Interest received -Saving and time deposits		1 147 306 699	561 414 798
Interest received - Treasury bills		1 172 872 915	1 123 838 583
Net cash flows provided from investing activities no. (2)		7 020 685 744	6 879 109 367
<u>Third: Cash flows from financing activities:</u>			
Proceeds from bank facilities		-	753 095 920
Payment of bank facilities		-	(753 095 920)
Shareholders' dividends paid		(8 833 130 040)	(3 785 627 160)
Net cash flows provided from financing activities no. (3)		(8 833 130 040)	(3 785 627 160)
Net Change in cash and cash equivalents (1) + (2) + (3)		(805 506 477)	10 497 539 664
Cash & cash equivalent at the beginning of the year		17 445 801 237	2 933 798 595
Effect of movements in exchange rates on cash held		6 751 216 311	4 014 462 979
Accrued interest from deposits		69 191 934	65 948 512
Expected credit losses	(37)	(106 104 237)	(46 974 308)
Cash at banks		23 354 598 768	17 464 775 442
Deduct:			
Restricted deposits and cash covered against letter of guarantees and letter of credits		(993 195 639)	(924 713 325)
Cash & cash equivalent available at the end of the year	(17)	22 361 403 129	16 540 062 117

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



**AbuQir Fertilizers and Chemical Industries Company "S.A.E."
Proposed Dividend Distribution statement for the Financial Year Ended 30 June 2024**

<u>EGP</u>	<u>30 June 2024</u>	<u>30 June 2023</u> <u>Restated and</u> <u>Reclassified</u>
Net profit after tax	13 478 405 405	14 640 225 272
Less: Net profit adjustments	-	(619 756 479)
Net profit after tax (restated)	13 478 405 405	14 020 468 794
Add: prior year retained earnings	2 837 481 939	12 915 252
Less: prior year adjustments	-	(301 581 706)
Less: other reserves (dividends share)	(612 000)	(24 849 172)
Net distributable profit	16 315 275 345	13 706 953 168
Distributed as follows:		
Shareholders share (EGP 5 per share)	6 309 378 600	8 833 130 040
Employees share	1 879 891 076	1 986 341 189
Board of directors remunerations	50 000 000	50 000 000
Retained earnings transferred to the next year	8 076 005 669	2 837 481 939
Proposed Coupon Value	5.00	7.00

The coupon of EGP 5 per share will be paid in two installments: the first payment will be on 24/10/2024 with EGP 2 per Share, and the second payment will be on 26/12/2024 with EGP 3 per Share, and that will be according to the company's position of liquidity



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

Notes to the Separate Financial Statements for the Financial Year Ended June 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 August, 26, 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 Separate Financial Statements for the Financial Year Ended June 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 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.

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.

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.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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.

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.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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.

Revenue recognition

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

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

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

3-3 Investment income

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



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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 years 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 years 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 years at the value expected to be paid to (recovered from) at the end of the financial year. Dividends are subject to tax as part of the current tax, and no offset of tax assets and liabilities is made except when certain conditions are met.

Deferred tax

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

- The initial recognition of the asset or process that is neither a business combination nor affect the net accounting profit or the tax profit (tax loss).
- Temporary differences associated with investments in subsidiaries, associate companies, and shares in joint ventures, to the extent that it is possible to control the timing of the reversal of such temporary differences, and it is likely that such differences will not reverse in the foreseeable future.
- The tax asset arising from the carry forward of tax losses, the right to an unused tax deduction, and deductible temporary differences are recognized. When there is a strong possibility that taxable profits can be achieved in the future through which this asset can be used. The future tax profit is determined by the company's future business plan. The position of deferred tax assets that were not previously recognized is re-estimated to the extent that it has become more likely in the future that there will be a tax profit that allows the value of the deferred tax asset to be absorbed.
- Deferred tax is measured using the tax rates expected to be applied when the temporary differences are achieved, using the tax rates in effect or about to be issued.
- When measuring the deferred tax at the end of the financial period, the tax implications of the procedures followed by the company to recover or pay the balance of its assets and liabilities are taken into consideration.
- Deferred tax assets and liabilities are not offset except when certain conditions are met.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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 the income statement 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%

D- Capital gain or loss

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

3-8 Assets under construction

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



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

3-9 Intangible assets

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

3-10 Investment properties

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

3-11 Investments in 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, and
- 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.

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.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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.

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 for more than 90 days from the due date.
- Restructuring the loan and the advance payment from the company on terms not in the interest of the company.
- It is probable that the borrower will go bankrupt or other financial scheduling, or the active market will disappear due to financial difficulties.

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



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

Financial liabilities

Classification

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

Other financial liabilities

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

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

Derecognition of financial instruments

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

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.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

3-13 Inventory

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 include expenditures incurred in acquiring the inventories and bringing it to its existing location and condition.

- The finished and semi-finished goods was counted on 30/6/2024, 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 at face value, and recognition is given to the amounts expected to be collected against goods and services delivered or rendered. These amounts disclosed in the financial statement in net of any bad debts which are amounts that the company is not expected to collect. These are estimated when it is unlikely that the full amount will be collected. Additionally, after identification, bad debts are recorded, and other debit balances are recognized at cost net of any impairment losses in the value of financial assets.

3-15 Cash and cash equivalents

For the purpose of preparing a statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, time deposits, which have maturity date less than three months and bank overdrafts are deducted if 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. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

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.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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 year.

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 year and are included in the statement of profits and losses.

Defined Contribution plan

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

Post-retirement medical care (defined benefit plans)

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

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

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

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.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

3-24 Operating segments

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

3-25 Fair value of financial instruments

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

3-26 Financial risk management

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

3-26-1 Credit risk

3-26-2 Liquidity risk

3-26-3 Market risk

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

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

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

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

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:

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Related parties	3 826 726	10 512 793
Other debit balances	137 022 470	135 950 904
Financial assets at amortized cost and other financial assets	2 892 194 373	6 719 140 039
Trade and notes receivables	244 301 409	260 392 963
Cash and cash equivalents	23 391 511 070	17 445 801 237
	<u>26 668 856 048</u>	<u>24 571 797 936</u>

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



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

Measurement of credit risk

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

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

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

Measurement of Expected Credit Losses for Customers

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

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

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

	Book value	Expected credit losses	Credit-impaired
30 June 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	972 807	No
	244 301 409	2 507 755	

	Book Value	Expected credit losses	Credit-impaired
30 June 2023			
Balances not due yet	200 603 072	1 220 430	No
Due balance from 1-30 day	58 088 911	1 968 487	No
Due balance from 31-60 day	136 692	9 327	No
Due balance from 61-90 day	509 651	46 582	No
Due balance More than 90 day	1 054 637	105 464	No
	260 392 963	3 350 290	

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



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

increase in the credit risks of financial assets by using some macroeconomic indicators of the Egyptian economy (GDP growth rate, annual inflation rate, unemployment rate).

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

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

Financial assets according to the credit rating

The outstanding balance subject to expected credit losses amounted to EGP 23 532 043 280, 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 June 30, 2024, amounted to EGP 143 665 997 (compared to EGP 134 709 249 as of June 30, 2023).

3-26-2 Liquidity risk

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

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

The company also monitors the level of cash inflows from customers and debtors alongside the cash outflows to suppliers and creditors.

On June 30, 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 26 668 856 048 (compared to EGP 24 571 797 936 as of June 30, 2023). The potential impact of unusual circumstances that cannot reasonably be predicted such as natural disasters have not been taken into consideration.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

Contractual cash flows of financial liabilities as following:

	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
Trade and notes payables	92 153 797	92 153 797	92 153 797
	2 216 180 466	2 216 180 466	2 216 180 466
June 30 2023			
Creditors and other credit balances	1 459 527 551	1 459 527 551	1 459 527 551
Due to related parties	545 987 593	545 987 593	545 987 593
Trade and notes payables	41 178 382	41 178 382	41 178 382
	2 046 693 526	2 046 693 526	2 046 693 526

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 22.8 billion equivalent to \$ 476 million (with the exchange rate at the reporting date being EGP 47.96 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 2.3 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.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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 year, and there are no external requirements or restrictions on the Company with regard to its capital management.



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

Notes to the Separate Financial Statements for Financial Year Ended June 30, 2024

4- Fixed assets

Fixed assets as at 30/6/2024

	<u>Lands & Buildings</u>	<u>Machines & equipment</u>	<u>Vehicles</u>	<u>Tools & equipment</u>	<u>Furniture & office equipment</u>	<u>Balance at 30/6/2024</u>
<u>Cost</u>						
Balance at 01/07/2023	524 978 620	3 213 139 673	62 900 225	52 127 915	52 806 749	3 905 953 182
Additions	69 724 246	725 127 186	1 516 862	10 851 631	6 620 213	813 840 138
Disposals	-	(5 957 938)	(3 862 397)	(1 508 743)	(191 873)	(11 520 951)
Balance at 30/06/2024	594 702 866	3 932 308 921	60 554 690	61 470 803	59 235 089	4 708 272 369
<u>Accumulated Depreciation</u>						
Accumulated depreciation as 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 30/06/2024	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 30/06/2024	292 326 862	1 522 836 062	12 561 799	25 431 191	21 978 391	1 875 134 305
<u>Cost</u>						
Balance at 01/07/2022	489 824 231	3 175 390 101	61 045 788	47 186 434	48 573 431	3 822 019 985
Additions	35 154 389	59 620 632	1 858 855	5 452 520	4 665 455	106 751 851
Disposals	-	(21 871 060)	(4 418)	(511 039)	(432 137)	(22 818 654)
Balance at 30/6/2023	524 978 620	3 213 139 673	62 900 225	52 127 915	52 806 749	3 905 953 182
<u>Accumulated Depreciation</u>						
Balance at 01/07/2022	267 612 708	2 232 476 820	39 453 739	32 238 684	29 484 224	2 601 266 175
Depreciation	16 640 369	97 182 293	6 164 142	2 626 175	3 478 639	126 091 618
Disposals	-	(6 858 934)	(4 418)	(509 152)	(432 137)	(7 804 641)
Balance at 30/6/2023	284 253 077	2 322 800 179	45 613 463	34 355 707	32 530 726	2 719 553 152
Net book value as at 30/6/2023	240 725 543	890 339 494	17 286 762	17 772 208	20 276 023	1 186 400 030

- 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.

- 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 Separate Financial Statements for the Financial Year Ended June 30, 2024

5- Assets Under Construction

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Assets under installation	31 332 386	148 687 668
Advance payment – Fixed Assets	13 389 160	28 349 910
Payments – Fixed Assets	335 096 863	199 201 461
	379 818 409	376 239 039

6- Intangible assets under progress

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Net opening balance for the year	20 714 808	--
Addition during the year	21 553 997	20 714 808
Net ending balance for the year end	42 268 805	20 714 808

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 810 million as of June 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 21.3 million. The historical cost of these lands is as follows:

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Balance at the beginning of the year	500 718	500 718
Balance at the ending of the year	500 718	500 718

8- Investments in associates

	Percentage	Investment Currency	30/6/2024	30/06/2023
			<u>EGP</u>	<u>EGP</u>
Global Company for Methanol and its Derivatives	35%	USD	10 948 000	10 948 000
North Abu Qir Company for Agricultural Nutrients	45%	EGP	112 500 000	112 500 000
			123 448 000	123 448 000



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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

- 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 112.500M 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	30/6/2024 <u>EGP</u>	30/06/2023 <u>EGP</u>
Alexandria Fertilizers Company	15%	USD	5 851 689 525	3 571 838 696
Helwan Fertilizers Company	17%	USD	5 197 665 000	2 781 026 032
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
			11 096 831 025	6 400 341 228

- **The total amount paid for the contribution in the capital of Alexandria Fertilizers Company “the investee”** is EGP 226.52 M equivalent to USD 22.3875M with a fair value of EGP 5.85 billion represents 100% of the Company's sharing, which constitutes 15% of the investee’s issued capital that amounted to USD 149.250 M. The authorized capital is USD 500 M.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

- **The total amount paid for the contribution in the capital of Helwan Fertilizers Company “the investee”** is EGP 157.59 M equivalent to USD 25.5 M with fair value of EGP 5.20 billion represents in 100% of the Company's sharing, which constitutes 17% of the investee's issued capital that amounted USD 150 M. The authorized capital is USD 700 M.
- **The total amount paid for the contribution in the capital of El Wadi for Phosphates and Fertilizers “the investee”** is EGP 40 M represents 100% of the Company's sharing, which constitutes 10% of the investee's issued capital of the company that amounted EGP 400 M. 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 M the equivalent of USD 475 K represents 50% from the total sharing which constitutes 9.5% of the issued capital of the company amounting to USD 10 M. The authorized capital is USD 100 M.
 - The company effectively participated in the due diligence conducted by relevant consultants from the alliance banking to fund the project, and the general contractor alliance structure was modified to be from CSCEC/ECEC instead of CSCEC/WENGFY based on the contractor's request.

10- Other financial assets

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Letter of guarantees pledged by treasury bills	434 928 408	395 188 663
	434 928 408	395 188 663
Expected credit losses (37)	--	(8 423 533)
	434 928 408	386 765 130

- Other financial assets are represented in the recoverable amount of treasury bills at banks pledged to cover letter of guarantees amounted to EGP 434.9 M.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

11- Inventories

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Raw material	310 009 142	264 443 217
Oil and fuel	10 637 903	11 098 480
Spare parts	1 140 953 721	927 419 189
Packing	58 413 749	29 499 199
Wastes	1 298 445	1 875 058
Finished goods at cost	192 851 814	112 841 105
Work in process at cost	65 143 069	337 342 440
Inventory held at third party	20 936 903	19 737 899
Letter of credits	272 189 832	169 741 743
	2 072 434 578	1 873 998 330

12- Trade and notes receivable

	Note no.	30/6/2024	30/06/2023
		<u>EGP</u>	<u>EGP</u>
Trade receivable – private sector		176 709 463	259 699 863
Trade receivable – public sector		67 591 946	--
Notes receivable		--	693 100
		244 301 409	260 392 963
Expected credit losses	(37)	(2 507 756)	(3 350 289)
		241 793 653	257 042 674

13- Due from Related Parties

A- 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 %

B- Related party transactions

The following is a summary of transactions with related parties:

<u>Description</u>	<u>Nature of transactions</u>	30/6/2024	30/06/2023
		<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company	Services / Dividends	719 211 907	465 599 113
Helwan Fertilizers Company	Services / Dividends	695 717 057	589 664 800
North Abu Qir Company for Agricultural Nutrients	Payments for the project	266 319	--
		1 415 195 283	1 055 632 913



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

C- Transactions resulted in the following debit balances:

Due from related parties

	Note no.	30/6/2024	30/06/2023
		<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company		211 932	2 727 284
Global Company for Methanol and Derivatives		--	4 437 034
North Abu Qir Company for Agricultural Nutrients		3 614 794	3 348 475
		3 826 726	10 512 793
Expected Credit losses	(37)	(718 555)	(401 690)
		3 108 171	10 111 103

D- 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.	30/6/2024	30/06/2023
		<u>EGP</u>	<u>EGP</u>
Suppliers - public sector		1 227 207	2 178 274
Suppliers - private sector		36 268 329	26 396 939
Suppliers - foreign sector		29 851 284	17 267 225
		67 346 820	45 842 438
Impairment losses	(37)	(27 499 796)	--
		39 847 024	45 842 438



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

15- Debtors and other debit balances

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Retentions with others	13 014 141	12 455 798
Employees loans and Installments	460 000	739 972
Tax Authority (adjustments)	--	18 968 918
Sales tax	93 573 029	84 100 579
Custom Authority (custody)	2 343 524	404 202
Property tax	2 424 000	2 424 000
Salary tax (Sport activities)	--	401 534
Withholding tax	41 347 357	31 327 215
Custom Authority (Current account)	7 839 717	33 902 927
Sales tax	3 525 495	1 991 436
Prepaid expenses	3 776 879	1 451 256
Employees debts	2 535 860	593 608
Employees loans	19 396 337	21 798 616
Prepaid expenses – platinum	1 165 181	89 548 864
Other debit balances	1 189 861	700 877
<u>Debit balances related to specific activities that are offset by credit balances</u>		
Environmental and infrastructure debit balances	12 976 420	11 112 722
Employees benefits debit balances (family healthcare - employee services)	504 155 843	62 364 993
Social and sport activities debit balances	367 817 496	196 618 132
Burj El Arab Project	31 260 103	14 690 801
Residential city assets	24 569 340	24 569 340
<u>Less: corresponding credit balances</u>	(939 164 707)	(300 273 043)
	<u>194 205 876</u>	<u>309 892 747</u>
Expected credit losses (37)	(6 835 654)	(2 948 582)
	<u>187 370 222</u>	<u>306 944 165</u>

- Debtors and other debit balances include balances amounting to EGP 939 M 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.
- The Company’s cash flow statement includes inflows from investments at amortized cost amounting EGP 244M for the employees’ healthcare benefit plan. Also includes outflows from investments at amortized cost amounting to EGP 165 M for the employees’ healthcare fund.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

16- Financial assets at amortized cost (treasury bills)

	Note no.	30/6/2024	30/06/2023
		<u>EGP</u>	<u>EGP</u>
Nominal value		2 255 740 657	6 054 026 050
Add: accrued revenues		251 906 635	716 042 618
Deduct: Treasury bills accrued tax		(50 381 327)	(446 117 292)
		<u>2 457 265 965</u>	<u>6 323 951 376</u>
Expected credit losses	(37)	-	(72 610 846)
		<u>2 457 265 965</u>	<u>6 251 340 530</u>

17- Cash and cash equivalents

	Note no.	30/6/2024	30/06/2023
		<u>EGP</u>	<u>EGP</u>
Banks - current accounts		248 074 344	154 071 558
Time Deposits		23 143 101 042	17 291 570 120
Cash on hand		335 684	159 559
		<u>23 391 511 070</u>	<u>17 445 801 237</u>
Accrued interest from deposits		69 191 934	65 948 512
Expected credit losses	(37)	(106 104 236)	(46 974 308)
Cash at banks		<u>23 354 598 768</u>	<u>17 464 775 441</u>
Deduct:			
Restricted deposits against letter of guarantees and letter of credits		(993 195 639)	(924 713 325)
Cash and cash equivalent for cash flow workings		<u>22 361 403 129</u>	<u>16 540 062 116</u>

- Short-term deposits are dominated in USD to pay the company's current foreign currency liabilities.
- Within the cash accounts on 30/6/2024 “time deposits” restricted at the Banque de Caire with an amount equals to USD 59 K, Ebank with an amount equals to USD 12.7 M, and Qatar National Bank with an amount equals to of USD 8 M against letter of credits.

18- Shareholders' Equity

A-Authorized capital

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

B-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	%	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 Separate Financial Statements for the Financial Year Ended June 30, 2024

19- Legal reserve

The reserves balance 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.

	30/6/2024	30/06/2023
	<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

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Expansions reserve	5 800 000 000	5 800 000 000
Other reserves (capital gains - environment fund)	47 582 574	22 733 403
	<u>5 847 582 574</u>	<u>5 822 733 403</u>

21- Revaluation reserve

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company	4 429 727 727	2 662 843 334
Helwan Fertilizers Company	3 906 058 125	2 033 162 925
Actuarial losses– employee benefits	(216 867 337)	(118 097 094)
	<u>8 118 918 515</u>	<u>4 577 909 165</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 June 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 June 30, 2024.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

22- Retained earnings

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Retained earnings - beginning balance restated	13 731 802 340	10 776 869 072
Add (Deduct):		
Adjustments for previous years	--	949 234
Transfer to reserve	(24 849 172)	(6 041 275 261)
Dividends	(2 036 341 188)	(1 239 582 339)
Shareholders dividends	(8 833 130 040)	(3 785 627 160)
Net profit for the period	13 478 405 405	14 020 468 794
Retained earnings – ending balance	<u>16 315 887 345</u>	<u>13 731 802 340</u>

23- Deferred tax liabilities

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Fixed assets and other assets	236 246 918	156 887 377
Investments fair value revaluation	2 420 066 860	1 363 356 656
Foreign currency exchange differences	1 393 951 305	--
Deduct:		
Expected credit losses	(32 324 849)	(30 309 581)
Employee benefit obligations	(157 982 221)	(113 237 431)
Provisions	(60 615 997)	(41 288 401)
	<u>3 799 342 016</u>	<u>1 335 408 620</u>

24- Trade and notes payables

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Suppliers - public sector	18 259 077	13 767 457
Suppliers - private sector	36 541 358	17 312 028
Suppliers - foreign sector	37 353 362	10 098 897
	<u>92 153 797</u>	<u>41 178 382</u>

25- Due to Related Parties

A- Related parties:

– Helwan Fertilizers Company	Major shareholder by 17 %
– Global Company for Methanol and Derivatives	Major 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 Separate Financial Statements for the Financial Year Ended June 30, 2024

B-Related parties' transactions

The following is a summary of transactions with related parties:

<u>Description</u>	<u>Nature of transactions</u>	<u>30/6/2024</u> <u>EGP</u>	<u>30/06/2023</u> <u>EGP</u>
Shareholders employees' union	Payment of employee's dues	2 040 126	146 277 951
Egyptian Natural Gas GASCO –	Gas supply demerged	7 576 946 457	6 983 591 092
		<u>7 578 986 583</u>	<u>7 129 869 043</u>

C- Transactions resulted in the following credit balances:

Due to related parties

	<u>30/6/2024</u> <u>EGP</u>	<u>30/06/2023</u> <u>EGP</u>
Global Company for Methanol and Derivatives	--	3 592 265
Shareholders employees' union	3 261 055	1 220 928
Egyptian Natural Gas "GASCO" – Petro trade	338 803 405	541 174 400
	<u>342 064 460</u>	<u>545 987 593</u>

D- 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 account 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).

F- Top management remunerations

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

	<u>30/6/2024</u> <u>EGP</u>	<u>30/06/2023</u> <u>EGP</u>
Salaries, attendance and travel allowances, and bonuses	86 760 674	71 150 237
	<u>86 760 674</u>	<u>71 150 237</u>

26- Customers advance payment - contract liabilities

	<u>30/6/2024</u> <u>EGP</u>	<u>30/06/2023</u> <u>EGP</u>
Customers - public sector	1 638 991	1 900 583
Customers - private sector	15 944 553	53 692 766
Customers - foreign sector	480 987 638	156 107 432
	<u>498 571 182</u>	<u>211 700 781</u>



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

Notes to the Separate Financial Statements for the Financial Year Ended June 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.

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Opening balance of the year	503 277 469	368 927 736
Current service cost	11 086 928	8 359 313
Interest cost	108 065 505	57 578 845
Benefits paid	(47 732 174)	(31 554 593)
Actuarial (losses) / gain - Remeasurement of defined benefit liabilities	(62 418 119)	52 974 119
Actuarial losses - experience	189 863 594	46 992 049
Total	<u>702 143 203</u>	<u>503 277 469</u>
Short-term liabilities	54 540 136	47 732 174
Long-term liabilities	647 603 067	455 545 295

For the fiscal year 2023/2024, the amount of EGP 198 865 734, and for the fiscal year 2022/2023 and before, the amount of EGP 503 277 469.

27-2 Included in the statement of profit and loss

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Current service cost and interest cost	106 237 521	27 949 223
	<u>106 237 521</u>	<u>27 949 223</u>

Actuarial assumptions

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Discount Rate	24.74%	23.35%
Inflation rate	16%	16%
Benefit increase rate	19.5%	19.5%

Sensitivity analysis for actuarial assumptions

	Change in assumption		Change in plan	
	Increase	Decrease	Increase	Decrease
Discount rate	5%	-5%	(26 975 068)	29 056 285
Inflation rate	5%	-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 Separate Financial Statements for the Financial Year Ended June 30, 2024

28- Creditors and other credit balances

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Retention from others	28 961 669	23 765 693
Salary tax	71 650 076	70 471 598
Business profit and stamp tax	2 545 289	2 101 291
Value added tax	1 885 034	3 124 038
Salary tax "Sport activities"	443 206	--
Business profit tax "Club"	52 929	--
Social insurance Authority	20 885 551	17 012 909
Dividend payables	802 406	1 271 633
Fixed assets creditors	189 559 962	18 617 655
General authority for health insurance	69 683 356	68 790 323
Training and rehabilitation fund	631 189 564	496 411 630
Sales tax of Abu Qir plant (3)	53 484 950	53 484 950
Accrued wages and donations	387 967 062	283 981 410
Cars and housing loans	14 951 412	22 281 029
Retention from employees	9 219 578	28 719 527
Other credit balances	36 026 522	52 164 790
<u>Credit balances related to specific activities that are offset by debit balances</u>		
Employees benefit funds	893 112 152	145 849 050
Social and sports activities	231 899 299	415 482 742
Burj Al Arab Project	34 506 632	16 379 214
Carbon revenue and Environmental Fund deposits	5 251 633	5 110 469
Environmental and infrastructure deposits	12 479 294	10 211 304
housing city assets	24 569 340	24 569 340
<u>Less: corresponding debit balances</u>	<u>(939 164 707)</u>	<u>(300 273 043)</u>
	<u>1 781 962 209</u>	<u>1 459 527 552</u>

29- Current Income Tax

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Current income tax	1 715 662 071	3 469 556 850
Disputes with tax authority	32 522 755	--
Tax advances	(46 086 879)	(17 342 895)
	<u>1 702 097 947</u>	<u>3 452 213 955</u>

30- Claims provisions

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Beginning balance	183 504 004	347 835 399
Provisions formed during the year	90 673 976	4 764 398
Provisions no longer needed	(4 618 687)	(155 749 594)
Provisions used during the year	(154 860)	(13 346 199)
Ending balance	<u>269 404 433</u>	<u>183 504 004</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



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

31- Operating Revenue

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
<u>Revenues recognized at point in time:</u>		
Urea sales	6 079 932 345	6 963 485 424
Nitrate sales	4 010 853 444	3 651 895 572
Granulated urea sales	7 658 129 134	8 960 661 337
Ammonia sales	575 603 840	1 945 112 798
Plastic bags sales	1 825 000	180 000
Sales Revenue	18 326 343 763	21 521 335 131
Revenue from operating to others	1 000 208	2 458 403
Services revenue	206 226 677	150 354 514
Wastes revenue	20 107 930	4 734 846
<u>Deduct:</u>		
Sale of by- products	(25 866 604)	(21 626 605)
	18 527 811 974	21 657 256 289

Revenue can be classified as follows:

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Export	13 168 329 893	17 137 289 073
Local	5 158 013 870	4 384 046 058
	18 326 343 763	21 521 335 131

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.

32- Cost of goods sold

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Materials and supplies	8 227 158 279	7 846 484 008
Salaries and wages	1 408 481 892	1 131 687 190
Depreciation	103 435 094	107 826 458
Employees Benefit (contributions / benefit plans)	30 764 050	(23 581 849)
Othe operating cost	256 038 854	169 808 822
Change in inventory (Finished goods)	144 490 626	(97 165 670)
Change in inventory (work in progress)	47 698 036	(72 012 790)
<u>Deduct:</u>		
Sale of by- products	(25 866 604)	(21 626 605)
	10 192 200 227	9 041 419 564



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

33- Other income

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Rent	21 703 979	13 856 268
Capital gains	612 000	24 849 172
Compensation and penalties	5 343 930	3 733 439
Provision no longer required	4 618 687	155 749 595
Wastes gain	10 265 396	2 814 876
Others	3 386 724	8 237 251
	<u>45 930 716</u>	<u>209 240 601</u>

34- Selling & marketing expenses

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Salaries and wages	421 334 224	308 811 298
Commodity supplies for packaging	269 979 080	162 164 759
Depreciation	5 711 942	4 834 598
Employees Benefit (contributions / benefit plans)	9 580 722	(3 881 318)
Shipping expenses	143 489 536	99 397 953
Exporting expenses	182 508 782	162 303 929
Other selling & marketing expenses	53 365 473	43 587 595
	<u>1 085 969 759</u>	<u>777 218 814</u>

35- General & administrative expenses

	30/6/2024	30/06/2023
	<u>EGP</u>	<u>EGP</u>
Salaries and wages	206 524 660	169 823 373
Depreciation	6 314 976	7 514 785
Chairman and board of directors' allowances	13 650 973	7 216 826
Comprehensive health insurance fund	69 683 356	68 790 323
Training and rehabilitation fund	134 777 934	146 153 761
Employees club	213 872 609	231 070 992
Employees Benefit (contributions / benefit plans)	5 447 349	(2 166 455)
Other general & administrative expenses	79 130 000	68 698 043
	<u>729 401 857</u>	<u>697 101 648</u>



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

36- Other expenses

	30/6/2024	30/6/2023
	<u>EGP</u>	<u>EGP</u>
Donations	22 407 066	24 860 108
Capital losses	7 407 127	1 105 295
Claims provision	90 673 976	4 764 398
Other	735 795	2 928 914
	121 223 964	33 658 715

37- Expected credit losses and assets impairment

EGP	Note no.	01/07/2023	Formed	Used	No longer required	30/6/2024
Cash and cash equivalents	(17)	46 974 308	155 789 788	--	(96 659 860)	106 104 236
Trade and notes receivables	(12)	3 350 289	619 981	--	(1 462 515)	2 507 755
Debtors and other debit balances	(15)	2 948 582	4 590 946	--	(703 874)	6 835 654
Due from related parties	(13)	401 690	49 412 149	--	(49 095 284)	718 555
Treasury bills	(16)	72 610 846	--	--	(72 610 846)	--
Other financial assets	(10)	8 423 533	--	--	(8 423 533)	--
Suppliers – Advance payments	(14)	--	27 499 796	--	--	27 499 796
		134 709 248	237 912 659	--	(228 955 912)	143 665 996

- The Company hired Baker Tilly Egypt to perform the study of expected credit losses for its financial assets as of 30/6/2024. Necessary adjustments were proceeded in the light of the study's result.
- The simplified approach was used to measure credit risk for customer facilities for trade and notes receivables by categorizing customers into groups that have similar characteristics and determining the historical period used to calculate the loss rate between two and five years. The loss rate was determined based on historical data while considering expected changes in economic indicators (growth rate, inflation rate and unemployment rate) and then the expected credit losses were calculated by multiplying the (loss given default x exposure amount of default x The probability of default).
- The general approach was used to calculate the expected losses related to the company's investments in time deposits, current accounts, and other financial assets using external ratings from foreign institutions authorized by the Central Bank's credit risk management instructions. Future data was also used to determine whether there was a significant increase in credit risk for financial assets by using some macroeconomic indicators (GDP growth rate, annual inflation rate, unemployment rate) under three scenarios (base, best, worst) in line with Egyptian Accounting Standard No. (47) The approach for calculating expected credit losses also referenced the Base explanatory note on the internal ratings-based approach and risk weights
- It was considered that the loss rate for government debt instruments and deposits for one month or less in Egyptian pounds was zero starting from 28/11/2023, according to the Prime Minister's decision in this regard.
- The credit loss rate was used when measuring credit losses for other 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.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

38- <u>Investment income</u>	30/6/2024	30/6/2023
	<u>EGP</u>	<u>EGP</u>
Alexandria fertilizer company	751 951 221	486 234 375
Helwan fertilizer company	733 163 863	546 104 000
	<u>1 485 115 084</u>	<u>1 032 338 375</u>
39- <u>Finance income</u>	30/6/2024	30/6/2023
	<u>EGP</u>	<u>EGP</u>
Credit interest	1 151 577 107	615 216 105
Interest income from financial assets at amortized cost	1 399 156 071	1 222 291 045
	<u>2 550 733 178</u>	<u>1 837 507 150</u>
40- <u>Finance cost</u>	30/6/2024	30/6/2023
	<u>EGP</u>	<u>EGP</u>
Bank charges	1 056 286	776 161
Letter of guarantees commission	343 569	279 036
Securities custody commissions and stock listing fees	818 935	135 014
Local interest	--	11 632 317
Interest on employees benefit liabilities	108 065 505	57 578 845
	<u>110 284 295</u>	<u>70 401 373</u>
41- <u>Foreign currency exchange gains</u>	30/6/2024	30/6/2023
	<u>EGP</u>	<u>EGP</u>
Unrealized foreign currency exchange gain	6 195 339 133	3 698 932 532
Realized foreign currency exchange gain	553 527 522	170 443 909
	<u>6 748 866 655</u>	<u>3 869 376 441</u>

On March 6, 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 base points to reach 27.25%, 28.25%, and 27.75% respectively. Also, the credit and discount rate were raised by also 600 points to reach 27.25% with allowing the use of a flexible exchange rate driven by market mechanisms, as a result the company currency exchange gains on March 7, 2024, amounted to EGP 7260 M. This gain represents the difference between the rate at the date of devaluation at (EGP 49.43 per USD, EGP 53.72 per EUR) and the rate before the devaluation (EGP 30.83 per USD, EGP 33.45 per EUR). Subsequent exchange rate movements led to a final impact on the statement of profit lor loss as of June 30, 2024, amounted to EGP 6749 M.

42- <u>Income taxes</u>	30/6/2024	30/6/2023
	<u>EGP</u>	<u>EGP</u>
<u>Current income taxes</u>		
Current income tax	1 715 662 072	3 512 201 500
Tax on dividends received	140 180 624	98 281 000
independent tax base (treasury bills)	279 831 214	244 458 209
Tax differences	71 182 759	(6 137 257)
Total Current taxes	<u>2 206 856 669</u>	<u>3 848 803 452</u>



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

Deferred income taxes

Fixed assets and other assets	79 359 541	3 174 255
Foreign currency exchange differences	1 393 951 305	--
Pension plan liabilities	(26 809 297)	(14 836 086)
Provisions formed	(19 327 597)	36 974 564
Expected credit losses	(2 015 268)	(26 516 253)
Deferred income taxes	1 425 158 684	(1 203 520)
Income tax at income statement	3 632 015 353	3 847 599 932

Effective income tax rate as of June 30, 2024

Profit before income tax	17 110 420 757	17 868 068 727
Income tax according to tax law "22.5%"	3 849 844 671	4 020 315 463
Non-deductible expenses	11 119 853	26 880 538
Revenue exempted from tax	(228 949 171)	(199 596 069)
Income tax	3 632 015 353	3 847 599 932
Effective income tax rate	%21.23	%21.53

43- Basic and diluted earnings Per Share

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

	30/6/2024	30/6/2023
	EGP	EGP
Net profit after tax	13 478 405 405	14 020 468 794
<u>Deduct:</u>		
Employees dividends	(1 879 891 077)	(1 986 341 189)
Board of directors' dividends	(50 000 000)	(50 000 000)
Shareholders profit share	11 548 514 328	11 984 127 605
Number of issued shares	1 261 875 720	1 261 875 720
Basic and diluted earnings Per Share	9.15	9.50

44- Tax Position

Corporate Tax

- For the periods 2014/2015 company's accounts were inspected by tax authority.
- For the periods 2015/2018 the dispute of tax inspection is in progress.
- For the periods 2018/2020 it is under inspection by tax authority.
- The company's due balance according to "9A form - reservation " which was received from the Tax Authority was void 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

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



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

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 M 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 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 for the periods for the period 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 M 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 M had already been paid and related to a period of the previously mentioned decision.
- d- The company assigned the provision study on June 30, 2024, to Abany and Co. office (the company's tax advisor), and necessary settlements were made based on the study prepared for this purpose.

45- Legal position

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

Regarding case No. 2694 of 2015 amended No. 148 for 2020 that was raised against the company by Petro Trade company concerning GAS prices differences from January 1, 2012, to December 1, 2012; A judgement was issued on November 28, 2023, not to accept the claim because of the existence of an arbitration clause.

In this regard The Board of Directors of Abu Qir Fertilizers Company, issued a resolution No. 108 dated April 30, 2024, approves an amicable settlement for the legal dispute regarding the price differences of gas supply and the related interest and late penalties. The Chairman and Managing Director was delegated to sign the agreement. Approximability EGP 281Million was paid against the wavier of interest, late penalties and judicial expenses.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

46- Contractual commitments and contingent liabilities

46-1 The capital commitments and contracts that have not yet been completed as of June 30, 2024, as following:

- Project Number (39) 2022/2021 SAP ERP amounted to USD 2173K and EGP 3359 K.
- Various purchase orders amounts are EUR 6 M, USD 3 M, GBP 21 K and EGP 90 K.

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

	Currency	%	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	297 025 470
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	22 394 778
						656 920 248

46-3 Letter of guarantee

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

47- Operating segments

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

Operating segments:

Company's operating segments comprise as follows:

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

First: Operating segments - assets and liabilities:

Description	Abu Qir Plant (1)	Abu Qir Plant (2)	Abu Qir Plant (3)	Liquid fertilizer	Plastic Bags Plant	Other	Total
Operating segments assets	1 331 448 922	163 149 417	292 250 122	4 488 165	83 797 679	-	1 875 134 305
Unassigned segments assets	-	-	-	-	-	40 434 213 746	40 434 213 746
Total assets	1 331 448 922	163 149 417	292 250 122	4 488 165	83 797 679	40 434 213 746	42 309 348 051
Operating segments liabilities	-	-	-	-	-	9 187 739 247	9 187 739 247
Total liabilities	-	-	-	-	-	9 187 739 247	9 187 739 247



*Translation of separate financial statements
originally issued in Arabic*

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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

Second: Operating segments - net profit for the period:

<u>Description</u>	<u>Abu QirPlant (1)</u>	<u>Abu QirPlant (2)</u>	<u>Abu QirPlant (3)</u>	<u>Ammonia</u>	<u>Plastic Bags</u>	<u>Other</u>	<u>Total</u>
Operating revenue	6 281 400 555	4 010 853 444	7 658 129 134	575 603 841	1 825 000	--	18 527 811 974
Cost of sales	(3 187 585 826)	(3 117 456 367)	(3 548 818 080)	(337 157 060)	(1 182 894)	--	(10 192 200 227)
Gross profit	3 093 814 729	893 397 077	4 109 311 054	238 446 781	642 106	--	8 335 611 747
Other revenues	--	--	--	--	--	45 930 716	45 930 716
Selling & marketing expenses	(265 687 598)	(510 861 070)	(272 549 393)	(36 871 697)	--	--	(1 085 969 759)
General & administrative expenses	(185 467 815)	(306 618 200)	(237 315 842)	--	--	--	(729 401 856)
Other expenses	--	--	--	--	--	(121 223 964)	(121 223 964)
Expected credit losses	--	--	--	--	--	(8 956 748)	(8 956 748)
Operating profit	2 642 659 316	75 917 807	3 599 445 819	201 575 084	642 106	(84 249 996)	6 435 990 136
Investment income	--	--	--	--	--	1 485 115 084	1 485 115 084
Finance income	--	--	--	--	--	2 550 733 178	2 550 733 178
Finance cost	--	--	--	--	--	(110 284 295)	(110 284 295)
Foreign currency exchange gains	--	--	--	--	--	6 748 866 655	6 748 866 655
Net financing income	--	--	--	--	--	9 189 315 539	9 189 315 539
Net profit for the year before income tax	2 642 659 316	75 917 807	3 599 445 819	201 575 084	642 106	10 590 180 627	17 110 420 758
Income tax expense	(560 955 183)	(16 115 012)	(764 051 490)	(42 788 182)	(136 299)	(2 247 969 188)	(3 632 015 353)
Net profit for the year	2 081 704 133	59 802 795	2 835 394 329	158 786 902	505 807	8 342 211 439	13 478 405 405



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

48- The comparative figures have been restated and reclassified to be consistent with the presentation of the financial statements as at 30/6/2024.

The impact of reclassifications and restatements on the statement of financial position as at 30/06/2023:

<u>Description</u>	As previously issued	Reclassification	Restatement	Balances after reclassification and restatement
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<u>Assets</u>				
<u>Non-current assets</u>				
Fixed assets	1 186 900 748	(500 718)	--	1 186 400 030
Assets under construction	396 953 847	(20 714 808)	--	376 239 039
Intangible assets under progress	--	20 714 808	--	20 714 808
Investment property	--	500 718	--	500 718
Investments in associates	--	123 448 000	--	123 448 000
Investment in equity instruments at FVOCI	6 523 789 228	(123 448 000)	--	6 400 341 228
Other financial assets (treasury bills)	--	395 188 663	(8 423 533)	386 765 130
Total non-current assets	8 107 643 823	395 188 663	(8 423 533)	8 494 408 953
<u>Current assets</u>				
Inventories	2 142 817 663	--	(268 819 333)	1 873 998 330
Trade and notes receivables	--	260 392 963	(3 350 289)	257 042 674
Due from related parties	--	10 512 793	(401 690)	10 111 103
Suppliers – Advance payments	--	45 842 438	--	45 842 438
Debtors and other debit balances	1 009 611 784	(400 039 601)	(302 628 017)	306 944 166
Financial assets at amortized cost (treasury bills)	6 719 140 040	(395 188 663)	(72 610 847)	6 251 340 530
Cash and cash equivalents	17 445 801 237	65 948 513	(46 974 309)	17 464 775 441
Total current assets	27 317 370 724	(412 531 557)	(694 784 486)	26 210 054 681
Total assets	35 425 014 547	(17 342 894)	(703 208 018)	34 704 463 634
<u>Equity</u>				
Issued and paid-up capital	1 892 813 580	-	--	1 892 813 580
Reserves	6 769 140 193	(6 769 140 193)	--	-
Legal reserve	--	946 406 790	--	946 406 790
Other reserves	--	5 822 733 403	--	5 822 733 403
Revaluation reserve	6 059 362 915	--	(1 481 453 750)	4 577 909 165
Retained earnings	13 864 486	14 640 225 272	(922 287 418)	13 731 802 340
Profits of the year	14 640 225 272	(14 640 225 272)	--	-
Total equity	29 375 406 446	--	(2 403 741 168)	26 971 665 278
<u>Liabilities</u>				
<u>Non-current liabilities</u>				
Provisions	179 038 073	(179 038 073)	-	--
Pension plan liabilities	--	--	455 545 295	455 545 295
Deferred tax liabilities	156 887 377	--	1 178 521 243	1 335 408 620
Total non-current liabilities	335 925 450	(179 038 073)	1 634 066 538	1 790 953 915
<u>Current liabilities</u>				
Trade and notes payables	--	41 178 382	--	41 178 382
Due to related parties	--	545 987 593	--	545 987 593
Customers advance payment - contract liabilities	--	211 700 781	--	211 700 781
Pension plan obligations	--	--	47 732 174	47 732 174
Creditors and other credit balances	2 106 116 783	(726 293 867)	79 704 635	1 459 527 551
Current income tax	3 603 099 936	(89 915 784)	(60 970 197)	3 452 213 955
Provisions	4 465 931	179 038 073	--	183 504 004
Total current liabilities	5 713 682 651	161 695 178	66 466 612	5 941 844 441
Total equity and liabilities	35 425 014 547	(17 342 895)	(703 208 019)	34 704 463 634



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

The comparative figures have been amended by reclassifying some comparative figures in the statement of financial position for the fiscal year ending June 30, 2023, as shown below:

- The lands leased to Alexandria Fertilizers, Med gas, Par gas and Air liquid companies amounted to around EGP 501 K have been reclassified to investment properties.
- The expenditure on the SAP system and ERP system, amounting to around EGP 21 M, has been transferred from the projects under construction caption to intangible assets under progress.
- Investments in subsidiaries amounting to around EGP 123 M have been reclassified as separate line on the face of the financial statements from investments at fair value through other comprehensive income.
- Pledged treasury bills were reclassified to cover letters of guarantee amounting to around EGP 395 M at other financial assets.
- Trade and notes receivable amounting to around EGP 260 million, due from related parties amounting to around EGP 11 million, and suppliers advance payments amounting to around EGP 46 million were reclassified from the debtors and other debit balances caption.
- The Tax Authority debit balance amounting to around EGP 17 M has been reclassified from the caption of debtors and other debit balances to the financial statement line current income tax as well as the reclassification of accrued deposit interest amounting to EGP 66 million from the receivables and other debit balances item to the cash and cash equivalents.
- The net profit for the period amounting to around EGP 14.6 billion has been reclassified to retained earnings.
- The legal reserve amounting to around EGP 946 million has been reclassified from other reserves.
- The long-term provisions amounting to approximately EGP 179 million have been reclassified under the current provisions item.
- Trade and notes payable amounting to around EGP 41M were reclassified, and due to related parties amounting to around EGP 546 M, customers advance payments amounting to around EGP 211 M, and an amount of EGP 72 M of the Tax Authority credit balance from the financial statement line creditors and other credit balances.
- The reserves amounting to approximately EGP 6769 M have been reclassified into the legal reserve item for EGP 946 million and other reserves for EGP 5823 M.

Adjusting the comparative numbers on 30/06/2023 to be consistent with the presentation of the separate financial statements on 30/06/2024

The amendment to the comparative figures on 30/06/2023 includes the following:

- 1- Calculating a deferred tax amounting to about EGP 1363 M on the differences in the fair value of investments at fair value through comprehensive income.
- 2- Calculating the expected credit losses for financial assets amounting to around EGP 135 M and its impact of the retained earnings.
- 3- Allocating the share of the Training and Rehabilitation Fund, the club, and sports activities, amounting to approximately EGP 377 M, to the profit and loss account, and its impact on retained earnings and accounts payable and other credit balances.
- 4- Reducing inventory by the value of rotor returns, amounting to EGP 82.6 M, and its impact on inventory accounts with the same value, retained earnings by EGP 64 M, and current income tax by EGP 18.6 M.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

- 5- Calculating deferred tax (tax liability) of approximately EGP 41 M for provision balances and deferred tax assets for expected credit losses amounting to approximately EGP 31 M, and its impact on retained earnings and deferred tax liabilities.
- 6- The impact on the statement of financial position of the study of defined employee benefits with a value of EGP 274 M, and its effect on retained earnings, benefit obligations with a value of EGP 503 M, medical fund with a value of EGP 207 M, employee receivables with a value of EGP 594 M, tax authority with a value of EGP 486 M, deferred tax assets with a value of EGP 79 M, actuarial gains and losses with a value of EGP 188 M, and deferred tax assets through other comprehensive income with a value of EGP 34 M.
- 7- Reducing receivables and other debit balances for specific activities by EGP 300 M, offset by a reduction in payables and other credit balances.
- 8- Reducing inventory by the value of platinum networks and returns, amounting to EGP 186 M, and offsetting this reduction with retained earnings by EGP 144 M and current income tax by EGP 42 M.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

The impact of reclassifications and restatements on the statement of financial position as at 01/07/2022:

<u>Description</u>	<u>As previously issued</u>	<u>Reclassification</u>	<u>Restatement</u>	<u>Balances after reclassification</u>
<u>Assets</u>				
<u>Non-current assets</u>				
Fixed assets	1 221 254 529	(500 718)	--	1 220 753 810
Assets under construction	294 255 347	--	--	294 255 347
Investment property	--	500 718	--	500 718
Right of use assets (lease contracts)	95 672	(95 672)	--	--
Investments in associates	--	10 948 000	--	10 948 000
Investment in equity instruments at FVOCI	4 223 109 325	(10 948 000)	--	4 212 161 325
Other financial assets (treasury bills)	--	474 935 862	(719 578)	474 216 283
Total non-current assets	5 738 714 873	474 840 190	(719 578)	6 212 835 484
<u>Current assets</u>				
Assets held for sale	1 185 295	(1 185 295)	--	--
Inventories	1 563 956 789	1 185 295	(142 002 947)	1 423 139 137
Trade and notes receivables	--	191 610 843	(325 851)	191 284 992
Due from related parties	--	99 563 016	(380 923)	99 182 093
Suppliers – Advance payments	--	20 687 811	--	20 687 811
Debtors and other debit balances	866 781 117	(328 678 693)	(184 006 817)	354 095 607
Financial assets at amortized cost (treasury bills)	11 268 037 193	(474 840 190)	(13 446 151)	10 779 750 852
Cash and cash equivalents	2 933 798 595	5 874 199	(1 104 278)	2 938 568 516
Total current assets	16 633 758 989	(485 783 014)	(341 266 967)	15 806 709 007
Total assets	22 372 473 861	(10 942 824)	(341 986 545)	22 019 544 491
<u>Equity</u>				
Issued and paid-up capital	1 892 813 580	-	--	1 892 813 580
Reserves	727 864 932	(727 864 932)	--	-
Legal reserve	-	705 719 331	--	705 719 331
Other reserves	-	22 145 601	--	22 145 601
Fair value reserve	3 871 183 013	--	(911 639 493)	2 959 543 520
Retained earnings	2 260 393 759	9 054 139 328	(537 664 015)	10 776 869 072
Profits / losses of the year	9 054 139 328	(9 054 139 328)	--	--
Total equity	17 806 394 611	--	(1 449 303 508)	16 357 091 104
<u>Liabilities</u>				
<u>Non-current liabilities</u>				
Provisions	338 235 399	(338 235 399)	--	--
Pension plan Liabilities	--	--	337 779 536	337 779 536
Deferred tax liabilities	153 713 122	--	705 951 145	859 664 267
Total non-current liabilities	491 948 521	(338 235 399)	1 043 730 681	1 197 443 802
<u>Current liabilities</u>				
Trade and notes payables	--	29 095 620	--	29 095 620
Due to related parties	--	518 102 100	--	518 102 100
Customers advance payment - contract liabilities	--	318 179 892	--	318 179 892
Pension plan liabilities	--	--	31 148 201	31 148 201
Creditors and other credit balances	1 797 878 052	(821 249 710)	67 982 948	1 044 611 290
Lease liabilities	103 997	(103 997)	--	--
Current income tax	2 266 548 679	(54 966 729)	(35 544 866)	2 176 037 084
Provisions	9 600 000	338 235 399	-	347 835 399
Total current liabilities	4 074 130 729	327 292 575	63 586 283	4 465 009 585
Total equity and liabilities	22 372 473 861	(10 942 824)	(341 986 545)	22 019 544 491



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

The comparative figures have been amended by reclassifying some comparative figures in the statement of financial position on July 1, 2022, as shown below:

- The lands leased to Alexandria Fertilizers, Med gas, Par gas and Air liquid companies amounted to around EGP 501 K have been reclassified to investment properties.
- Reclassification of right-of-use assets amounting to approximately EGP 96 K and their inclusion under other financial assets.
- Reclassification of assets held for sale amounting to approximately EGP 1185 K and their inclusion under inventory.
- Reclassification of accrued deposit interest amounting to approximately EGP 6 M and its inclusion under cash.
- Investments in subsidiaries amounting to around EGP 11 M have been reclassified as separate line on the face of the financial statements from investments at fair value through other comprehensive income.
- Pledged treasury bills were reclassified to cover letters of guarantee amounting to around EGP 475 M at other financial assets.
- Trade and notes receivable amounting to around EGP 191 M, due from related parties amounting to around EGP 100 M, and suppliers advance payments amounting to around EGP 21 M were reclassified from the debtors and other debit balances caption.
- The Tax Authority debit balance amounting to around EGP 11 M has been reclassified from the financial statement line of debtors and other debit balances to the caption current income tax.
- The net profit for the period amounting to around EGP 9 billion has been reclassified to retained earnings.
- The legal reserve amounting to around EGP 705 M has been reclassified and other reserves amounting to EGP 22 M from reserves.
- Reclassification of lease liabilities amounting to approximately EGP 104 K and their inclusion under payables and other credit balances.
- Reclassification of long-term provisions amounting to approximately EGP 338 M under the provisions item in current liabilities.
- Trade and notes payable amounting to around EGP 29 M were reclassified, and due to related parties amounting to around EGP 518 M, customers advance payments to amounting to around EGP 318 M, and an amount of EGP 44 M of the Tax Authority credit balance from the financial statement line creditors and other credit balances.

Adjusting the comparative numbers to be consistent with the presentation of the separate financial statements on 30/6/2024

The comparative figures restatement includes the following:

- 1- Calculating a deferred tax amounting to around EGP 871 M on the differences in the fair value of investments at fair value through comprehensive income.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

- 2- Calculating the expected credit losses for financial assets amounting to around EGP 17 M and its impact on the retained earnings.
- 3- Calculating a deferred tax (tax asset) amounting to around EGP 82 M for provision balances of EGP 78 M and a deferred tax liability on expected credit losses amounting to approximately EGP 4 M, and its impact on retained earnings and deferred tax liabilities.
- 4- Reducing inventory by the value of rotor returns amounting to EGP 64.5 M, and its impact on inventory accounts by the same amount, retained earnings by EGP 50 M, and current income tax by EGP 14.5 M.
- 5- The impact on the statement of financial position of the study of defined employee benefits with a value of EGP 258 M, and its effect on retained earnings, benefit obligations with a value of EGP 369 M, medical fund with a value of EGP 18 M, employee receivables with a value of EGP 2 M, tax authority with a value of EGP 4 M, deferred tax assets with a value of EGP 71 M, actuarial gains and losses with a value of EGP 41 M, and deferred tax assets through other comprehensive income with a value of EGP 12 M..
- 6- Reduction of receivables and other debit balances for specific activities by EGP 185 M, offset by a reduction in payables and other credit balances.
- 7- Reduction of inventory by the value of platinum networks and returns amounting to EGP 77 M, offset by a reduction in retained earnings by EGP 60 M and current income tax by EGP 17 M.
- 8- Allocate the share of training and rehabilitation fund, social and club contribution amounted to EGP 235 M to the profits and losses account and its implications on the retained earnings and creditors and other credit balances.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

The effect of reclassifications and restatements the income statement on 30/6/2023:

Description	As previously issued	Reclassification	Restatement	Balances after reclassification and restatement
Operating revenue	21 557 858 336	99 397 953	-	21 657 256 289
Cost of goods sold	(8 938 185 027)	-	(103 234 537)	(9 041 419 564)
Gross profit	12 619 673 309	99 397 953	(103 234 537)	12 615 836 724
Other income	70 789 633	131 070 392	7 380 577	209 240 601
Selling & marketing expenses	(681 702 179)	(99 397 953)	3 881 318	(777 218 814)
General & administrative expenses	(352 127 878)	30 084 527	(375 058 298)	(697 101 648)
Other expenses	--	(33 658 715)	--	(33 658 715)
Capital gain	24 849 172	(24 849 172)	--	--
Expected credit losses	--	--	(117 850 015)	(117 850 015)
Provisions formed	(4 764 398)	4 764 398	--	--
Provisions no longer required	155 749 595	(155 749 595)	--	--
Operating profit	11 832 467 254	(48 338 165)	(584 880 955)	11 199 248 133
Financing income:				
Investment income	982 810 000	49 528 375	--	1 032 338 375
Finance income	--	1 837 507 150	--	1 837 507 150
Finance costs	(11 632 317)	(1 190 210)	(57 578 845)	(70 401 373)
Foreign currency exchange gains / (Losses)	3 869 376 441	--	--	3 869 376 441
Credit interest	615 216 105	(615 216 105)	--	--
Treasury bills income	1 222 291 044	(1 222 291 044)	--	--
Net financing income	5 695 251 273	(1 190 210)	(57 578 845)	5 636 482 217
Net profit for the year before income tax	18 510 528 526	--	(642 459 800)	17 868 068 725
Income tax expense	(3 870 303 253)	--	22 703 321	(3 847 599 932)
Net profit for the year	14 640 225 273	--	(619 756 479)	14 020 468 794
Basic and diluted earnings per share	9.69	--	(0.19)	9.50

Adjustment and reclassification of comparative figures as of 30/06/2023 as follows:

- 1- Adjustment to the profit and loss statement as of 30/06/2023 for expected credit losses on financial assets with amount equals to EGP 117 M and deferred tax resulting from these expected credit losses with amount equals to EGP 26 M, as well as deferred tax for provisions with amount equals to EGP 42 M.
- 2- Adjustment to the profit and loss statement as of 30/06/2023 for the share of the Training and Rehabilitation Fund and the share of sports and social activities with amount equals to EGP 377 M, and its impact on administrative and general expenses.
- 3- Adjustment to the profit and loss statement as of 30/06/2023 for rotor returns and its impact on cost of sales with amount equals to EGP 82.6 M and income tax with amount equals to EGP 18.6 M.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

- 4- Adjustment to the profit and loss statement as of 30/06/2023 for defined employee benefits and its impact on cost of sales, selling and marketing expenses, administrative and general expenses with amount equals to EGP 353 M, and income tax with amount equals to EGP 15 M and deferred tax with amount equals to EGP 95 M.
- 5- Adjustment to the profit and loss statement as of 30/06/2023 for repair and maintenance of platinum networks and returns with amount equals to EGP 109 M, and its impact on cost of sales, net profit for the period and income tax with amount equals to EGP 24 M.
- 6- Reclassification of freight expenses paid to transport companies (deducted from revenues) as operating expenses as of 30/06/2023, and its impact on activity revenues and selling and marketing expenses with amount equals to EGP 99 M.
- 7- Reclassification of Alexandria and Helwan board of directors remunerations as of 30/06/2023, and its impact on Investment income and other income with amount equals to EGP 49 M.
- 8- Reclassification of capital gain and provisions no longer required as of 30/06/2023, and its impact on other income and provisions.
- 9- Reclassification of provision formed, donations, and other losses as of 30/06/2023, and its impact on other expenses and general & administrative with amount equals to EGP 181 M.
- 10- Reclassification of credit interest income and treasury bills' interest as of 30/06/2023, and its impact on finance income with amount equals to EGP 1837 M.
- 11- Reclassification of commissions, bank charges, letter of guarantees commissions, and stocks issuances fees as of 30/06/2023, and its impact on finance cost with amount equals to EGP 1190 M.



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

The effect of reclassifications and restatements on the statement of cash flows on 30/6/2023:

<u>Description</u>	<u>As previously issued</u>	<u>Reclassification</u>	<u>Restatement</u>	<u>Balances after reclassification and restatement</u>
<u>First: Cash flows from operating activities:</u>				
Cash sales and proceeds from trade receivables	21 438 634 033	--	--	21 438 634 033
Cash purchases and payments to trade payables	(8 799 469 916)	--	--	(8 799 469 916)
Paid salaries and wages	(1 190 511 840)	--	--	(1 190 511 840)
Paid taxes and fees	(2 698 925 368)	--	--	(2 698 925 368)
Credit interest	561 414 798	(561 414 798)	--	--
Other proceeds	433 903 432	--	--	433 903 432
Other payments	(911 870 211)	--	--	(911 870 211)
Employees and Board of directors' members dividends	--	(867 702 673)	--	(867 702 673)
Net cash flows (used in) / provided from operating activities no. (1)	8 833 174 927	(1 429 117 471)	--	7 404 057 457
<u>Second: Cash flows from investing activities:</u>				
Payments for purchase of fixed assets (assets under construction)	(151 217 123)	--	--	(151 217 123)
Proceeds from investments in other entities	1 030 156 175	--	--	1 030 156 175
Payments from investments in other entities	(112 974 000)	--	--	(112 974 000)
Proceeds from sale of fixed assets	24 999 529	--	--	24 999 529
Payments for financial assets at amortized cost	(11 799 785 366)	--	--	(11 799 785 366)
Proceeds from financial assets at amortized cost	16 202 676 772	--	--	16 202 676 772
Return on financial assets at amortized cost	--	561 414 798	--	561 414 798
Credit interest	1 123 838 583	--	--	1 123 838 583
Net cash flows provided from investing activities no. (2)	6 317 694 569	561 414 798	--	6 879 109 367
<u>Cash flows from financing activities:</u>				
Proceeds from bank facilities	753 095 920	--	--	753 095 920
Payment of bank facilities	(753 095 920)	--	--	(753 095 920)
Shareholders' dividends paid	(4 653 329 833)	867 702 673	--	(3 785 627 160)
Net cash flows (used in) financing activities no. (3)	(4 653 329 833)	867 702 673	--	(3 785 627 160)
Net (decrease)/ increase in cash and cash equivalents (1) + (2) + (3)	10 497 539 663	--	--	10 497 539 663
Cash & cash equivalent at the beginning of the year	2 933 798 595	--	--	2 933 798 595
Foreign currency exchange differences effect	4 014 462 979	--	--	4 014 462 979
Accrued interest from deposits	--	--	65 948 512	65 948 512
Expected credit losses	--	--	(46 974 308)	(46 974 308)
Cash at banks	17 445 801 237	-	18 974 204	17 464 775 441
<u>Deduct:</u>				
Restricted deposits and cash covered against letter of guarantees and letter of credits	-	-	(924 713 325)	(924 713 325)
Cash & cash equivalent available at the end of the period	17 445 801 237	-	(905 739 121)	16 540 062 116



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

Notes to the Separate Financial Statements for the Financial Year Ended June 30, 2024

The adjustment of comparative figures as of 30/06/2023 included the following:

- 1- The interest income has been reclassified from cash flows resulting from operating activities to cash flows from investing activities.
- 2- Dividend distributed to employees and the Board of Directors have been reclassified from cash flows from financing activities to cash flows resulting from operating activity.
- 3- Net cash at the end of the period was impacted by accrued deposit interest.
- 4- Net cash at the end of the period has been affected by expected credit losses.
- 5- Net cash at the end of the period has been affected by restricted deposits and cash covers against letters of guarantees and letter of credits.