



# شركة أبو قير للأسمدة والصناعات الكيماوية

Alexandria, September 25, 2025

To: EGX  
Disclosure Sector

Dear Sir,

Kindly Find Attached The English Translation for the Following:-

- The Financial Statements for the Financial Year Ended June 30, 2025 and the Accompanying Notes to the Financial Statements.
- Auditor's Report (Hazem Hassan - KPMG) on the Financial Statements as of June 30, 2025.

Yours faithfully,

Head, Investor Relations  
& Media Sector (IRO)

*Nervana Sabbah*  
25.09-2025

Acc. Nervana Sabbah Oraby



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



تليفون : ٣٠٥٣٠٥٦ ( سبع خطوط )  
فأكس الإدارة : ٣٠٣٢٠٥٦  
فأكس المشتريات : ٣٠٤٦٠٥٦  
فأكس التسويق : ٣٠٤٧٠٥٦  
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الإدارة والمصانع :  
الطابية - خط رشيد - إسكندرية  
كيس بريدي مخصص  
الرقم البريدي : ٢١٩١١  
www.abuqir.com

مكتب الأسكندرية : ٩٥ طريق ٢٦ يوليو - برج السلسلة  
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تليفون وفأكس : ٢٠٢٣٩٣٤١٧



**Abu Qir Fertilizers  
and Chemical Industries CO.  
Financial Statements  
For The Financial year Ended  
June 30, 2025**



**Hazem Hassan**  
Public Accountants & Consultants

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

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**AUDITOR'S REPORT**

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

***Report on the Financial Statements***

We have audited the accompanying financial statements of Abu Qir Fertilizers & Chemical Industries (“the Company”) (S.A.E) represented in financial position as of June 30, 2025 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 Financial Statements***

These financial statements are the responsibility of Company’s management. Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. we conducted our audit in accordance with the Egyptian Standards of Auditing and in the light of the prevailing Egyptian laws. These standards require compliance with the requirements of professional conduct, audit planning and performance to obtain reasonable assurance that the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies and significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Basis of Qualified Opinion***

As disclosed in Note (10) to the accompanying financial statements, the Company holds an investment in Helwan Fertilizers amounting to EGP 5.6 billion as of June 30, 2025. However, the Company has not prepared a study to determine the basis for classifying and measuring this investment at fair value through other comprehensive income, instead of recognizing it as an investment in an associate using the equity method. Despite the fact that the Company holds 17% ownership in Helwan Fertilizers, represented on its Board of Directors, participates in its technical committees, and provides essential technical expertise and information to Helwan Fertilizers Company.

***Qualified Opinion***

Except for the effect of matter described in the basis of qualified opinion paragraph, In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Abu Qir Fertilizers & Chemical Industries (S.A.E) as of June 30,2025 and of its financial performance and its 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 financial statements.

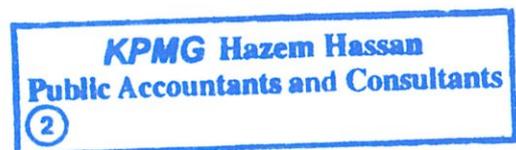
***Report on Other Legal and Regulatory Requirements***

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

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account within the limits that such information is recorded therein

**KPMG Hazem Hassan**

  
**Public Accountant and consultants**



Cairo, August 28, 2025



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

EGP	Note No.	30 June 2025	30 June 2024	30 June 2023
			Reclassified and restated	Reclassified and restated
<b>Assets</b>				
<b>Non-current assets</b>				
Fixed assets	(4)	2 354 490 447	1 875 134 305	1 186 400 030
Intangible assets	(5)	10 161 267	-	-
Assets under construction	(6)	411 198 655	379 818 409	376 239 039
Intangible assets under progress	(7)	-	42,268,805	20 714 808
Investment property	(8)	500 718	500 718	500 718
Investments accounted for at equity method	(9)	150 766 386	143 253 328	134 071 053
Investment in equity securities at fair value through OCI	(10)	12 520 842 773	11 096 831 025	6 400 341 228
Other financial assets (treasury bills)	(11)	369 139 373	434 928 408	386 765 130
<b>Total non-current assets</b>		<b>15 817 099 620</b>	<b>13 972 734 998</b>	<b>8 505 032 005</b>
<b>Current assets</b>				
Inventories	(12)	2 318 079 620	1 811 141 973	1 704 256 587
Trade and notes receivables	(13)	126 188 707	241 793 653	257 042 674
Due from related parties	(14)	8 116 466	3 108 171	10 111 103
Suppliers – Advance payments	(15)	437 678 086	301 139 629	215 584 180
Debtors and other debit balances	(16)	294 712 343	187 370 221	306 944 166
Financial assets at amortized cost (treasury bills)	(17)	2 075 823 085	2 457 265 965	6 251 340 530
Cash and cash equivalents	(18)	21 141 350 072	23 354 598 768	17 464 775 441
<b>Total current assets</b>		<b>26 401 948 379</b>	<b>28 356 418 381</b>	<b>26 210 054 681</b>
<b>Total assets</b>		<b>42 219 047 998</b>	<b>42 329 153 379</b>	<b>34 715 086 686</b>
<b>Equity</b>				
Issued and paid-up capital	(19)	1 892 813 580	1 892 813 580	1 892 813 580
Legal reserve	(20)	946 406 790	946 406 790	946 406 790
Other reserves	(21)	5 848 194 574	5 847 582 574	5 822 733 403
Revaluation reserve	(22)	9 188 096 139	8 135 679 043	4 586 113 409
Retained earnings	(23)	14 259 540 572	16 314 248 301	13 731 835 579
<b>Total equity</b>		<b>32 135 051 656</b>	<b>33 136 730 289</b>	<b>26 979 902 760</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Pension plan liabilities	(28)	676 033 140	647 603 067	455 545 295
Deferred tax liabilities	(24)	2 940 863 932	3 804 025 860	1 337 794 191
<b>Total non-current liabilities</b>		<b>3 616 897 072</b>	<b>4 451 628 927</b>	<b>1 793 339 486</b>
<b>Current liabilities</b>				
Suppliers	(25)	509 094 802	92 153 797	41 178 382
Due to related parties	(26)	63 658 847	342 064 460	545 987 593
Customers advance payment - contract liabilities	(27)	243 268 610	498 571 182	211 700 781
Pension plan liabilities	(28)	80 064 006	54 540 136	47 732 174
Creditors and other credit balances	(29)	1 732 867 886	1 781 962 209	1 459 527 551
Current income tax	(30)	3 511 467 312	1 702 097 947	3 452 213 955
Provisions	(31)	326 677 808	269 404 433	183 504 004
<b>Total current liabilities</b>		<b>6 467 099 270</b>	<b>4 740 794 164</b>	<b>5 941 844 440</b>
<b>Total equity and liabilities</b>		<b>42 219 047 998</b>	<b>42 329 153 379</b>	<b>34 715 086 686</b>

\*The accompanying notes from (1) to (50) form an integral part of these financial statements and to be read therewith.

Deputy CFO  
Accountant: Mohamed Abd ElMoniem

H. Dah  
Chief Executive officer  
Engineer: Hany Dahy

Auditor's report "attached"



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

<u>EGP</u>	Note No.	30 June 2025	30 June 2024  Reclassified and restated
Operating revenue	(32)	22 915 657 021	18 527 811 974
Cost of goods sold	(33)	(12 470 407 550)	(10 192 200 227)
<b>Gross profit</b>		<b>10 445 249 471</b>	<b>8 335 611 747</b>
Other income	(34)	207 064 297	45 930 716
Selling & marketing expenses	(35)	(1 275 781 242)	(1 085 969 759)
General & administrative expenses	(36)	(702 764 619)	(700 050 415)
Other expenses	(37)	(534 913 124)	(150 575 406)
Reversed expected credit losses and impairment of assets	(38)	24 031 242	(8 956 748)
<b>Operating profit</b>		<b>8 162 886 025</b>	<b>6 435 990 136</b>
Share dividends	(39)	1 091 097 833	1 485 115 084
Finance income	(40)	2 137 928 944	2 550 733 178
Finance cost	(41)	(45 995 317)	(110 284 295)
Foreign currency exchange gains		584 061 897	6 748 866 655
<b>Net financing income</b>		<b>2 675 995 524</b>	<b>9 189 315 539</b>
Share of profit of equity accounted investees		6 555 705	( 1 858 092)
<b>Net profit for the year before income tax</b>		<b>11 936 535 086</b>	<b>17 108 562 667</b>
Income tax expense	(42)	(2 583 771 838)	(3 631 829 544)
<b>Net profit for the year</b>		<b>9 352 763 248</b>	<b>13 476 733 123</b>
<b>Basic earnings per share</b>	( 43)	<b>6.32</b>	<b>9.14</b>

\* The accompanying notes from (1) to (50) form an integral part of these financial statements and to be read therewith.



**AbuQir Fertilizers and Chemical Industries Company "S.A.E."**  
**Statement of Comprehensive Income for the Financial year Ended June 30, 2025**

<u>EGP</u>	Note No.	30 June 2025	30 June 2024 Reclassified and restated
<b>Net profit for the year</b>		<b>9 352 763 248</b>	<b>13 476 733 123</b>
<b><u>Other comprehensive income</u></b>			
Equity investments at FVOCI- net change in fair value	(22)	1 424 011 748	4 696 489 797
Actuarial (losses) from defined benefits schemes for employees	(28)	(67 011 559)	(127 445 475)
Revaluation reserve differences of financial investment	(9)	957 353	11 040 367
Income tax for other comprehensive income elements		(305 540 447)	(1 030 519 055)
<b>Total other comprehensive income</b>		<b>1 052 417 095</b>	<b>3 549 565 634</b>
<b>Total comprehensive income for the year</b>		<b>10 405 180 343</b>	<b>17 026 298 757</b>

\* The accompanying notes from (1) to (50) form an integral part of these financial statements and to be read therewith.



**AbuQir Fertilizers and Chemical Industries Company "S.A.E."**  
**Statement of Changes in Equity for the Financial year Ended June 30, 2025**

**EGP**

	Paid-up capital	Legal reserves	Other reserves	Revaluation reserves	Retained earnings	Total
Balance as at July 1, 2023	1 892 813 580	946 406 790	5 822 733 403	4 577 909 165	13 731 802 340	26 971 665 278
Prior year adjustments				8 204 244	33 239	8 237 482
<b>Balance as at July 1, 2023 - adjusted</b>	<b>1 892 813 580</b>	<b>946 406 790</b>	<b>5 822 733 403</b>	<b>4 586 113 409</b>	<b>13 731 835 579</b>	<b>26 979 902 760</b>
<b><u>Comperhensive income</u></b>						
Restated net profit for the year	-	-	-	-	13 476 733 123	13 476 733 123
Revaluation reserve	-	-	-	4 580 084 690	-	4 580 084 690
Deferred tax on other comperhensive income items	-	-	-	(1 030 519 055)	-	(1 030 519 055)
<b>Total comperhensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 549 565 634</b>	<b>13 476 733 123</b>	<b>17 026 298 757</b>
Transferred to reserves	-	-	24 849 172	-	(24 849 172)	-
<b><u>Transactions with owners of the company and employees</u></b>						
Employees and Board of directors' members dividends	-	-	-	-	(2 036 341 189)	(2 036 341 189)
Shareholders' dividends	-	-	-	-	(8 833 130 040)	(8 833 130 040)
<b>Total transactions with the owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 869 471 229)</b>	<b>(10 869 471 229)</b>
<b>Balance as at June 30, 2024 (Restated)</b>	<b>1 892 813 580</b>	<b>946 406 790</b>	<b>5 847 582 574</b>	<b>8 135 679 043</b>	<b>16 314 248 301</b>	<b>33 136 730 289</b>
<b>Balance as at July 1, 2024</b>	<b>1 892 813 580</b>	<b>946 406 790</b>	<b>5 847 582 574</b>	<b>8 135 679 043</b>	<b>16 314 248 301</b>	<b>33 136 730 289</b>
<b><u>Comperhensive income</u></b>						
Net profit for the year	-	-	-	-	9 352 763 248	9 352 763 248
Revaluation reserve	-	-	-	1 357 957 542	-	1 357 957 542
Deferred tax on other comperhensive income items	-	-	-	(305 540 447)	-	(305 540 447)
<b>Total comperhensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 052 417 095</b>	<b>9 352 763 248</b>	<b>10 405 180 343</b>
Transferred to reserves	-	-	612 000	-	(612 000)	-
<b><u>Transactions with owners of the company and employees</u></b>						
Employees and Board of directors' members dividends	-	-	-	-	(1 942 791 077)	(1 942 791 077)
Shareholders' dividends	-	-	-	-	(9 464 067 900)	(9 464 067 900)
<b>Total transactions with the owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11 406 858 977)</b>	<b>(11 406 858 977)</b>
<b>Balance as at June 30, 2025</b>	<b>1 892 813 580</b>	<b>946 406 790</b>	<b>5 848 194 574</b>	<b>9 188 096 139</b>	<b>14 259 540 572</b>	<b>32 135 051 656</b>
Note No.	(19)	(20)	(21)	(22)	(23)	

\* The accompanying notes from (1) to (50) form an integral part of these financial statements and to be read therewith.



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

<u>EGP</u>	Note No.	30 June 2025	30 June 2024
<b><u>First: Cash flows from operating activities:</u></b>			
Cash sales and proceeds from trade receivables		23 016 782 244	19 056 174 419
Cash purchases and payments to trade payables		(12 996 852 483)	(9 895 409 351)
Paid salaries and wages		(1 779 697 009)	(1 532 204 531)
Paid taxes and fees		(2 509 853 134)	(4 143 441 013)
Other proceeds		749 916 788	773 863 131
Other payments		(1 609 870 602)	(1 835 072 579)
Employees and Board of directors' members dividends		(1 337 887 050)	(1 416 972 257)
<b>Net cash flows provided from operating activities No. (1)</b>		<b>3 532 538 754</b>	<b>1 006 937 819</b>
<b><u>Second: Cash flows from investing activities:</u></b>			
Payments for purchase of fixed assets and assets under construction		(391 808 996)	(418 523 619)
Proceeds from investment in other companies		991 507 866	1 344 934 460
Proceeds from the sale of fixed assets		36 565 200	697 680
Payments for investment in financial assets at amortized cost		(9 678 817 302)	(16 387 061 247)
Proceeds from investment in financial assets at amortized cost		9 924 293 650	20 160 458 856
Credit Interest received - Time Deposits		1 531 518 288	1 147 306 699
Credit Interest received - Treasury bills		712 705 080	1 172 872 915
<b>Net cash flows provided from investing activities No. (2)</b>		<b>3 125 963 786</b>	<b>7 020 685 744</b>
<b><u>Third: Cash flows from financing activities:</u></b>			
Shareholders' dividends paid		(9 464 067 900)	(8 833 130 040)
<b>Net cash flows provided from financing activities No. (3)</b>		<b>(9 464 067 900)</b>	<b>(8 833 130 040)</b>
<b>Net Change in cash and cash equivalents (1) + (2) + (3)</b>		<b>(2 805 565 360)</b>	<b>( 805 506 477)</b>
<b>Cash &amp; cash equivalent at the beginning of the year</b>		<b>23 391 511 070</b>	<b>17 445 801 237</b>
Effect of movements in exchange rates on cash held		598 475 651	6 751 216 311
Accrued interest from deposits		36 531 877	69 191 934
expected credit loss	(38)	(79 603 166)	(106 104 236)
<b>Cash at banks</b>		<b>21 141 350 072</b>	<b>23 354 598 768</b>
<b>Deduct:</b>			
Restricted deposits and cash covered against letters of credit		(1 744 673 547)	(993 195 639)
<b>Cash &amp; cash equivalent available at the end of the year</b>	(18)	<b>19 396 676 525</b>	<b>22 361 403 129</b>

\* The accompanying notes from (1) to (50) form an integral part of these financial statements and to be read

**AbuQir Fertilizers and Chemical Industries Company "S.A.E."  
(Proposed) Dividend Distribution Statement for the Financial Year Ended June 30, 2025**

<b>EGP</b>	<b>30 June 2025</b>	<b>30 June 2024 Restated</b>
Net profit after tax	9 352 763 248	13 476 733 123
Add: retained earnings from previous year	4 906 777 324	2 837 515 178
Deduct: previous years' adjustments	-	-
Deduct: other reserves (capital gains)	( 36 006 200)	( 612 000)
<b>Net distributable profit</b>	<b>14 223 534 371</b>	<b>16 313 636 301</b>
<b>Distributed as follows:</b>		
Shareholders' share (EGP 5 per share)	6 309 378 600	9 464 067 900
Employees' share	1 293 145 987	1 877 791 077
Board of directors' remuneration	80 000 000	65 000 000
<b>Retained earnings transferred to next year</b>	<b>6 541 009 784</b>	<b>4 906 777 324</b>
<b>Proposed coupon value</b>	<b>5.00</b>	<b>7.50</b>

The coupon, amounting to EGP 5 per share, will be paid in two instalments: the first payment will be on 23/10/2025 with EGP 2 per share, and the second payment will be on 25/12/2025 with EGP 3 per share, and that will be according to the company's liquidity position and subject to the approval of the Ordinary General Assembly.



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

### **Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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#### **1- Company overview**

##### **1-1 Legal entity**

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

##### **1-2 Company's purpose**

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

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

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

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

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

- The financial statements are prepared in accordance with the Egyptian Accounting Standards and relevant laws and regulations.
- The significant policies applied in the company were disclosed in the disclosure No. (3).
- Board of directors approved the financial statements on August 26, 2025.

##### **2-2 Functional and reporting currency**

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

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

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

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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**A- Professional judgement**

Information about the judgments used in applying accounting policies that have a significant impact on the amounts presented in the 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 financial statements, which may result in a material adjustment to the assets and liabilities book values in the next financial period is represented in:

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

**Impairment of non-financial assets**

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

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

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

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

**Provisions**

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

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

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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**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 an fair transaction between market participants or on the measurement date. The fair value measurement is based on the assumption that the transaction for selling the asset or transferring the liability will occur either in the underlying market for the asset or liability, In the absence of a primary market for the asset or liability.

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

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



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

### **Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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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 financial statements at fair value are classified into categories based the fair value hierarchy.

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

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

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

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

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

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

Revenue recognition depends on the following five steps:

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

##### **Revenue recognition**

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

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

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

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

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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**3-4 Investment gain**

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

**3-5 Finance income and finance costs**

Finance income and costs include the following:

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

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

**3-6 Income tax**

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

**Current income tax**

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

**Deferred tax**

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

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

Temporary differences associated with investments in subsidiaries, associate companies, and shares in joint ventures, to the extent that it is possible to control the timing of the reversal of such temporary differences, and it is likely that such differences will not reverse in the foreseeable future.

The tax asset arising from the carry forward of tax losses, the right to an unused tax deduction, and deductible temporary differences are recognized. When there is a strong possibility that taxable profits can be achieved in the future through which this asset can be used. The future tax profit is determined by the company's future business plan. The position of deferred tax assets that were not previously recognized is re-estimated to the extent that it has become more likely in the future that there will be a tax profit that allows the value of the deferred tax asset to be absorbed.

Deferred tax is measured using the tax rates expected to be applied when the temporary differences are achieved, using the tax rates in effect or about to be issued.

When measuring the deferred tax at the end of the financial period, the tax implications of the procedures followed by the company to recover or pay the balance of its assets and liabilities are taken into consideration.

Deferred tax assets and liabilities are not offset except when certain conditions are met.



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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**3-7 Fixed assets and depreciation**

**A- Initial recognition and measurement**

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

**B- Subsequent costs**

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

**C- Depreciation**

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

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

**D- Capital gain or loss**

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

**3-8 Assets under construction**

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

**3-9 Intangible assets**

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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**3-10 Investment properties**

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

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

Investments accounted for using the equity method consist of **company’s shares** in associates. Associates are entities over which the company has significant influence over financial and operating policies, but not control or joint control. A joint venture is a joint arrangement in which the company has joint control and rights to the net assets of the arrangement.

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

**3-12 Financial instruments**

**Financial assets**

**Classification**

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

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

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

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

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

**Recognition and derecognition**

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

**Measurement**

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

**Debt instruments:**

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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**Amortized cost**

Assets held to maturity date to collect contractual cash flows, where those cash flows represent only payment of original amount and interest, are measured at amortized cost. Interest income from these financial assets is included in financing income using the effective interest rate method. Any gains or losses resulting from the disposal of investments are recognized directly to the statement of profit or loss, and they are 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 flow of the financial asset.

Evidence of expected credit losses includes the following observable data:

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

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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**Financial liabilities**

**Classification**

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

**Other financial liabilities**

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

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

**Derecognition of financial instruments**

**Derecognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to 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, so the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

**Derecognition of financial liability**

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

**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.



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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**Debt write-off**

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

**3-13 Inventories**

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

- Inventories' cost includes expenditures incurred in acquiring the inventories and bringing it to its existing location and condition.
- The finished and semi-finished goods was counted on 30/06/2025, and the company follows a perpetual inventory method for the remaining inventory items.
- Spare parts and maintenance equipment are usually kept as inventory and recognized as an expense in profit or loss (income statement) as they are used. However, strategic spare parts (main) as well as spare equipment are suitable as fixed assets when the entity expects to use them within more than one period.

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

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

**3-15 Cash and cash equivalents**

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

**3-16 Legal reserve**

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

**3-17 Borrowing cost**

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

Capitalization of borrowing costs as part of the cost of the fixed asset begins when actual expenditures on the asset start and during the period in which the company incurs borrowing costs. Capitalization of borrowing costs is suspended during periods in which the development of the asset is temporarily held or when the asset is ready for use.



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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**3-18 Provisions**

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

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

**3-19 Statement of cash flows**

The cash flow statement is prepared using the direct method.

**3-20 Dividends**

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

**3-21 Employees profit share**

The 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 year in which the company's shareholders declare the distribution. No liability is recognized for the employees' share regarding undistributed dividends.

**3-22 Earnings per share**

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

**3-23 Employee benefits**

**Social Security contributions**

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

**Defined Contribution plan**

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

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

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

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

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



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**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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

**3-24 Operating segments**

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

**3-25 Fair value of financial instruments**

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

**3-26 Financial risk management**

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

**3-26-1 Credit risk**

**3-26-2 Liquidity risk**

**3-26-3 Market risk**

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

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

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

**3-26-1 Credit risk**

Credit risk is the risk that one party to a financial instrument fail to fulfill its obligation and exposes the other party to financial loss. This risk is mainly associated with the Company's customers and investments in debt instruments.

**Exposure to Credit risk.**

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

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Related parties	9 281 410	3 826 726
Other debit balances	113 593 529	133 095 591
Financial assets at amortized cost and other financial assets	2 444 962 458	2 892 194 373
Trade and notes receivables	126 992 050	244 301 409
Cash and cash equivalents	21 184 421 361	23 391 511 070
	<b><u>23 879 250 808</u></b>	<b><u>26 664 929 169</u></b>

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**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
<b>30 June 2025</b>			
Balances not due yet	115 711 574	142 465	No
Due balance from 1-30 day	2 929 988	40 097	No
Due balance from 31-60 day	3 628 313	179 948	No
Due balance from 61-90 day	2 377 768	206 391	No
Due balance More than 90 day	2 344 407	234 442	No
	<b>126 992 050</b>	<b>803 343</b>	

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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

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

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

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

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

**Financial assets according to the credit rating**

The outstanding balance subject to expected credit losses amounted to EGP 20 174 049 419, as treasury bills in local currency, as well as current accounts and deposits in local currency with banks operating in Egypt with a maturity of one month or less were not included in accordance with Ministerial Resolution no. 4575 during 2023 dated 28 November 2023, which allowed the companies to have an option of not calculating an expected credit losses for both debt instruments issued in local currency, bank current accounts, and time deposits in local currency with banks operating in Egypt maturing in one month or less.

The balance of expected credit losses as of June 30, 2025, amounted to EGP 119 634 755 (compared to EGP 143 665 997 as of June 30, 2024).

**3-26-2 Liquidity risk**

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

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

On June 30, 2025, the available cash flows from cash and cash equivalents, financial assets at amortized cost, receivables, other debit balances, and due from related parties that maturing within one year amounted to EGP 23 646 190 673 (compared to EGP 26 244 236 779 as of June 30, 2024). The potential impact of unusual circumstances that cannot reasonably be predicted such as natural disasters have not been taken into consideration.



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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

	<b>Book Value</b>	<b>Expected Cash flow</b>	<b>Due during the year</b>
<b>June 30, 2025</b>			
Creditors and other credit balances	1 732 867 886	1 732 867 886	1 732 867 886
Due to related parties	63 658 847	63 658 847	63 658 847
Suppliers	509 094 802	509 094 802	509 094 802
	<b>2 305 621 535</b>	<b>2 305 621 535</b>	<b>2 305 621 535</b>
<b>June 30, 2024</b>			
Creditors and other credit balances	1 781 962 209	1 781 962 209	1 781 962 209
Due to related parties	342 064 460	342 064 460	342 064 460
Suppliers	92 153 797	92 153 797	92 153 797
	<b>2 216 180 466</b>	<b>2 216 180 466</b>	<b>2 216 180 466</b>

**3-26-3 Market risk**

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

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

Market risk for the company as follows:

**A. Currency risk**

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

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

The net foreign currency balances amounted to EGP 246 million equivalent to USD 4 million, EUR 116 thousand and GBP 1.8 thousand (with the exchange rate at the reporting date being EGP 49.53 per dollar).

**Sensitivity**

A 10% increase or decrease in the foreign currencies may result in an increase or decrease in equity and net profit approximately EGP 1.988 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 Financial Statements for the Financial year Ended June 30, 2025**

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**3-27 Capital management**

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

The Board of Directors of the Company also monitors the level of dividend distributions to shareholders and seeks to maintain an appropriate capital position to achieve the highest rate of return. There are no changes in the Company's capital management strategy during the period, and there are no external requirements or restrictions on the Company with regard to its capital management.

**3-28 New issuance for Egyptian Accounting Policies**

- On 3/6/2023 the Prime Minister issued Decree No 883 of 2023 amending the Egyptian Accounting Standards and on 3/3/2024, the Prime Minister issued Decree No. 636 of 2024 amending the Egyptian Accounting Standards and the follows summarizes that amendments:
- Adding a new Standard No. (51), the Financial Statements in Hyperinflationary Economies. This standard applies to financial statements, including consolidated financial statements, for any entity whose functional currency is in a hyperinflationary economy. It also applies to standalone and separate financial statements and any group with a foreign operation in a hyperinflationary economy. The classification of economic transactions as hyperinflationary is assessed through the characteristics of the economic environment.
- A decree will be issued by the Prime Minister or an authorized delegate to specify the start and end dates of the financial period(s) during which this standard must be applied when the functional currency is the local currency. The decision will be effective from the beginning of the financial period in which the economy is classified as hyperinflationary, with comparative figures in the financial statements adjusted accordingly.
- The management is currently studying the impact on the company's financial statements.
- The standard is effective from its issuance date and applies to the financial periods specified in accordance with paragraph (6) of this standard.

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

Carbon credits (Credits Carbon) are financial instruments that can be traded, representing units of reduced greenhouse gas emissions, with each unit equivalent to one metric ton of carbon dioxide equivalent. These credits are granted to an emissions reduction project (the seller or holder) upon verification and approval by the relevant authorities, whether local or international, in accordance with the list prepared by the financial regulatory authority. Companies use carbon reduction credits to achieve their voluntary emissions reduction targets (e.g., corporations) or for other incentives through trading in the Voluntary Carbon Market (VCM). The accounting treatments vary based on the composition and contractual obligations of the buyers and the obligations of the project owners.

Companies must determine the facts and address various to determine the accounting treatment and standards to be applied. The accounting treatment differs depending on the circumstances, whether in the initial recognition, subsequent measurement, derecognition, or the required financial disclosures.

Management is responsible for applying these principles in good faith to the company's financial statements. The application begins on or after January 1, 2025, with early adoption permitted.

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



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

Notes to the Separate Financial Statements for the Financial year Ended June 30, 2025

**4- Fixed assets**

**Fixed assets as at 30/6/2025**

	Lands & Buildings	Machines & equipment	Vehicles	Tools & equipment	Furniture & office equipment	Balance at 30/6/2025
<b>Cost</b>						
Balance at 01/07/2024	594 702 866	3 932 308 921	60 554 690	61 470 803	59 235 089	4 708 272 369
Additions	4 540 840	605 129 974	5 450 000	29 559 030	3 643 385	648 323 229
Disposals	-	(31603 780)	(2 600)	(1630 130)	(4323 583)	(37560 093)
<b>Balance at 30/6/2025</b>	<b>599 243 706</b>	<b>4 505 835 115</b>	<b>66 002 090</b>	<b>89 399 703</b>	<b>58 554 891</b>	<b>5 319 035 505</b>
<b>Accumulated depreciation</b>						
Accumulated depreciation as at 01/07/2024	302 376 004	2409 472 859	47 992 891	36 039 612	37 256 698	2833 138 064
Depreciation	21 713 817	132 194 201	5 035 555	4 686 485	4 961 261	168 591 319
Disposals	-	(31603 779)	(2 599)	(1244 529)	(4333 418)	(37184 325)
<b>Balance at 30/6/2025</b>	<b>324 089 821</b>	<b>2 510 063 281</b>	<b>53 025 847</b>	<b>39 481 568</b>	<b>37 884 541</b>	<b>2 964 545 058</b>
<b>Net book value as at 30/6/2025</b>	<b>275 153 885</b>	<b>1 995 771 834</b>	<b>12 976 243</b>	<b>49 918 135</b>	<b>20 670 350</b>	<b>2 354 490 447</b>

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

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

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

- The appropriateness of the current expected useful lives of the assets and the absence of any losses resulting from impairment in value is in accordance with the decision of the committee formed by Administrative Resolution (141) for the year 2024 and the approval of the Board of Directors by Resolution No. (124) dated 25/06/2025.

- 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 year is due to demand and operating conditions. And for the remaining company plants, due to the shortage of natural gas supplies provided to the company, the total was accordingly adjusted.

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**5- Intangible assets**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Net opening balance for the year	-	-
Addition/disposal during the year	14 244 618	-
<b>Less: -</b>		
Accumulated amortization	(4 083 350)	-
<b>Net ending balance for the year</b>	<b><u>10 161 267</u></b>	<b><u>-</u></b>

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

**6- Assets Under Construction**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Assets under installation	134 846 922	31 332 386
Advance payment – Fixed Assets	276 351 733	348 486 023
	<b><u>411 198 655</u></b>	<b><u>379 818 409</u></b>

**7- Intangible assets under implementation**

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

**8- Investment property**

It represents lands are leased to companies of Alexandria Fertilizers, Pargas, Med Gas, and Air Liquid. The fair value of these investments amounted to EGP 974 million as of June 30, 2025, according to the latest study in this regard conducted in 2025 by an external appraiser registered in the Financial Regulatory Authority. Considering these leased investments generated revenues equal to EGP 24.579 million. The historical cost of these lands is as follows:

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Balance at the beginning of the year	500 718	500 718
<b>Balance at the ending of the year</b>	<b><u>500 718</u></b>	<b><u>500 718</u></b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**9- Investments accounted for at equity method**

	30/6/2025		30/6/2024	
	Global Company for Methanol and its Derivatives	North Abu Qir Company for Agricultural Nutrients	Global Company for Methanol and its Derivatives	North Abu Qir Company for Agricultural Nutrients
Balance at the beginning of the year	30 753 328	112 500 000	21 571 053	112 500 000
Company’s share of profit	2 021 636	4 534 069	(1 858 092)	-
Investment evaluation	957 353	-	11 040 367	-
Dividends distribution	-	-	-	-
<b>Balance at the end of the year</b>	<b>33 732 317</b>	<b>117 034 069</b>	<b>30 753 328</b>	<b>112 500 000</b>
<b>Total investments</b>	<b>150 766 386</b>		<b>143 253 328</b>	

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

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

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

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

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

	Percentage of ownership	Investment currency	30/06/2025	30/06/2024
			<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company	15%	USD	6 847 816 428	5 851 689 525
Helwan Fertilizers Company	17%	USD	5 625 549 845	5 197 665 000
El Wady for Phosphate and Fertilizers Industries	10%	EGP	40 000 000	40 000 000
Abu Tartur for Phosphoric Acid Company	9.5%	USD	7 476 500	7 476 500
			<b><u>12 520 842 773</u></b>	<b><u>11 096 831 025</u></b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

- **The total amount paid for the contribution in the capital of Alexandria Fertilizers Company** is EGP 226.52 million equivalent to USD 22.3875 million with a fair value of EGP 6.8 billion represents 100% of the Company's sharing, which constitutes 15% of the investee's issued capital that amounted to USD 149.250 million. The authorized capital is USD 500 million.
- **The total amount paid for the contribution in the capital of Helwan Fertilizers Company** is EGP 157.59 million equivalent to USD 25.5 million with fair value of EGP 5.6 billion represents 100% of the Company's share, which constitutes 17% of the investee's issued capital that amounted USD 150 million. The authorized capital is USD 700 million.
- **The total amount paid for the contribution in the capital of El Wadi for Phosphates and Fertilizers** is EGP 40 million, represents 100% of the Company's share, which constitutes 10% of the investee's issued capital of the company that amounted EGP 400 million. The authorized capital is EGP 4 billion.
- The investee works to find other activities to ensure its continuity and achieve its objectives. It prepared an integrated study to access into a project for the purpose of increasing the concentration of phosphoric ores, achieving quality and manufacturing compound phosphate fertilizers. It is also in the process of completing the necessary documents to obtain licenses for phosphate ore consumption rights.
- The investee studies the purchase of raw materials and fertilizers from other joint-stock and local companies and selling them for its own benefit while achieving a profit margin.
- **The total amount paid for the contribution in the capital of Abu Tartur for Phosphoric Acid** amounted to EGP 7.476 million the equivalent of USD 475 thousand represents 50% from the total sharing which constitutes 9.5% of the issued capital of the company amounting to USD 10 million. The authorized capital is USD 100 million. On 21/12/2024, the Board of Directors of Abu Tartur Phosphoric Acid Company issued a decision recommending studying the implementation of the project in two phases and starting half of the production capacity and self-financing it without resorting to bank financing, and the rest of the procedures are being completed.

**11- Other financial assets**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Letter of guarantees pledged by treasury bills	369 139 373	434 928 408
	<b>369 139 373</b>	<b>434 928 408</b>

- Other financial assets are represented in the recoverable amount of treasury bills at banks pledged to cover letter of guarantees amounting to EGP 369 million.

**12- Inventories**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Raw material	435 127 374	310 009 142
Oil and fuel	21 021 520	10 637 903
Spare parts	1 515 449 459	1 161 890 625
Packing	73 544 038	58 413 749
Wastes	31 348	1 298 445
Finished goods at cost	95 312 734	192 851 814
Work in process at cost	1 809 188	65 143 069
Payments for inventory purchases	175 783 959	10 897 226
	<b>2 318 079 620</b>	<b>1 811 141 973</b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**13- Trade and notes receivable**

	Note No.	30/06/2025	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Trade receivable – Public sector		121 576 224	173 334 350
Trade receivable – Private sector		5 391 520	3 375 113
Trade receivable – foreign sector		24 306	67 591 946
		<u>126 992 050</u>	<u>244 301 409</u>
Expected credit losses	(38)	<u>(803 343)</u>	<u>(2 507 756)</u>
		<u>126 188 707</u>	<u>241 793 653</u>

**14- Due from Related Parties**

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

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

**14-2 Related party transactions**

The following is a summary of transactions with related parties:

<u>Description</u>	<u>Nature of transactions</u>	30/06/2025	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company	Services / Dividends	510 418 323	751 951 221
Helwan Fertilizers Company	Services / Dividends	580 679 500	733 163 863
North Abu Qir Company for Agricultural Nutrients	Payments for the project	5 190 696	266 319
		<u>1 050 643 274</u>	<u>1 415 195 283</u>

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

**Due from related parties**

	Note no.	30/06/2025	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Alexandria Fertilizers Company		475 920	211 932
North Abu Qir Company for Agricultural Nutrients		8 805 492	3 614 794
		<u>9 281 412</u>	<u>3 826 726</u>
Expected Credit losses	(38)	<u>(1 164 946)</u>	<u>(718 555)</u>
		<u>8 116 466</u>	<u>3 108 171</u>

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

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**15- Suppliers – Advance payments**

	Note no.	30/06/2025	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Suppliers - public sector		182 193 779	1 227 207
Suppliers - private sector & foreign sector		287 883 033	327 412 218
		<u>470 076 812</u>	<u>328 639 425</u>
Impairment losses	(38)	(32 398 726)	(27 499 796)
		<u>437 678 086</u>	<u>301 139 629</u>

**16- Debtors and other debit balances**

	Note no.	30/06/2025	30/06/2024
		<u>EGP</u>	<u>EGP</u>
Deposits with others		23 909 761	13 014 141
Employees loans		2 530 385	460 000
Sales tax		93 573 029	93 573 029
Property tax		2 424 000	2 424 000
Withholding tax		40 974 723	41 347 357
Prepaid expenses		1 916 509	3 776 879
Employees debts		3 194 810	2 535 860
Employees loans		9 253 132	19 396 337
Prepaid expenses – platinum		107 293 488	1 165 181
Other debit balances		15 214 339	14 898 594
<b><u>Debit balances related to specific activities that are offset by credit balances</u></b>			
Environmental and infrastructure debit balances		16 234 441	12 976 420
Employees benefits debit balances (family healthcare - employee services)		1 037 002 553	504 155 843
Social and sport activities debit balances		538 778 185	367 817 496
Burj El Arab Project		-	31 260 103
Residential city assets		23 161 784	24 569 340
<b><u>Less: corresponding credit balances</u></b>		<u>(1 615 084 221)</u>	<u>(939 164 707)</u>
		<u>300 376 917</u>	<u>194 205 875</u>
Expected credit losses	(38)	(5 664 574)	(6 835 654)
		<u>294 712 343</u>	<u>187 370 221</u>

Within debtors and other debit balances, balances amounting to approximately EGP 1,615 million related to current accounts, deposits, and treasury bills for (sports and social activities, the medical treatment fund, infrastructure fund, environmental fund, Burj El Arab project, and residential city assets) have been excluded along with the corresponding credit balances.

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

	30/06/2025	30/06/2024
	<u>EGP</u>	<u>EGP</u>
Amount paid	2 049 269 704	2 255 740 657
<b>Add:</b> accrued revenues	33 191 726	251 906 635
<b>Deduct:</b> Treasury bills accrued tax	(6 638 345)	(50 381 327)
	<u>2 075 823 085</u>	<u>2 457 265 965</u>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**18- Cash and cash equivalents**

	Note no.	30/06/2025 <b>EGP</b>	30/06/2024 <b>EGP</b>
Banks - current accounts with return		391 766 301	248 074 344
Time Deposits		20 792 369 150	23 143 101 042
Cash on hand		285 910	335 684
		<b>21 184 421 361</b>	<b>23 391 511 070</b>
Accrued interest from deposits		36 531 878	69 191 934
Expected credit losses	(38)	(79 603 166)	(106 104 236)
<b>Cash at banks</b>		<b>21 141 350 072</b>	<b>23 354 598 768</b>
<b>Deduct:</b>			
Restricted deposits against letter of guarantees and letter of credits		(1 744 673 547)	(993 195 639)
<b>Cash and cash equivalent for cash flow</b>		<b>19 396 676 525</b>	<b>22 361 403 129</b>
<b>Preparation purpose</b>		<b>19 396 676 525</b>	<b>22 361 403 129</b>

- Short-term deposits are dominated in USD to pay the company's current foreign currency liabilities.
- Within the cash accounts on 30/6/2025 “time deposits” restricted at Ebank with an amount equals to USD 16 million, and Qatar National Bank with an amount equals to of USD 19 million against letter of credits.

**19- Share capital**

**19-1 Authorized capital**

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

**19-2 Issued and fully paid-up Capital**

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

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

**20- Legal reserve**

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

	30/06/2025 <b>EGP</b>	30/06/2024 <b>EGP</b>
Legal reserve	946 406 790	946 406 790
	<b>946 406 790</b>	<b>946 406 790</b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**21- Other reserves**

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

**22- Revaluation reserve**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Fair value revaluation for Alexandria Fertilizers Company	5 201 726 077	4 429 727 727
Fair value revaluation for Helwan Fertilizers Company	4 237 668 880	3 906 058 125
Revaluation differences Global company for Methanol through equity method	17 502 477	16 760 528
Actuarial losses– employee benefits	(268 801 295)	(216 867 337)
	<b>9 188 096 139</b>	<b>8 135 679 043</b>

- The Company hired Baker Tilly - Egypt to conduct a fair value assessment of its investments in Alexandria Fertilizers Company and Helwan Fertilizers Company on June 30, 2025. Necessary adjustments were proceeded based on the study's result. The income and market approaches were utilized in the valuation process, leading to the estimated fair value per share for both companies. This was done according to the data provided in the latest reviewed financial statements for both companies as of March 31, 2025 and considering the exchange rate on the date of preparation of the company's financial position on June 30, 2025.
- The Company hired Baker Tilly- Egypt to conduct a fair value assessment of its investments in Wadi Phosphate Industries and Abu Tartur for Phosphoric Acid. The study concluded, because of the investee hasn't started the operation, and due to the absence of a future business plan for both companies that could be used to perform the evaluation either through the discounted cash flow method or the multiples method, the book value for both companies financial statements represents the expressive value as of June 30, 2025.
- The company recognized revaluation differences on its investment at global company for Methanol using the equity method.

**23- Retained earnings**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Beginning balance	16 314 248 301	13 731 835 579
<b>Add (Deduct):</b>		
Transfer to reserve	(612 000)	(24 849 172)
Dividends	(1 942 791 077)	(2 036 341 189)
Shareholders dividends	(9 464 067 900)	(8 833 130 040)
Net profit for the year	9 352 763 248	13 476 733 123
<b>Ending balance for the year</b>	<b>14 259 540 572</b>	<b>16 314 248 301</b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**24- Deferred tax liabilities**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Fixed assets and other assets	313 184 181	236 246 918
Investments fair value revaluation differences	2 745 550 868	2 420 066 860
Investments fair value revaluation differences	473 454	4 683 844
Foreign currency exchange differences	94 494 740	1 393 951 305
<b><u>Deduct:</u></b>		
Expected credit losses	(26 917 820)	(32 324 849)
Employee benefit obligations	(170 121 858)	(157 982 221)
Provisions	(15 799 633)	(60 615 997)
	<b>2 940 863 932</b>	<b>3 804 025 860</b>

**25- Suppliers**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Suppliers - public sector	3 172 840	18 259 077
Suppliers - private sector	412 120 471	36 541 358
Suppliers - foreign sector	93 801 491	37 353 362
	<b>509 094 802</b>	<b>92 153 797</b>

**26- Due to Related Parties**

**26-1 Related parties:**

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

**26-2 Related parties’ transactions**

The following is a summary of transactions with related parties:

<b><u>Description</u></b>	<b><u>Nature of transactions</u></b>	<b>30/06/2025</b>	<b>30/06/2024</b>
		<b><u>EGP</u></b>	<b><u>EGP</u></b>
Shareholders employees’ union	Payment of employee’s dues	1 234 267	2 040 127
Egyptian Natural Gas GASCO – Petro trade	Natural gas supply	9 768 565 881	7 576 946 457
		<b>9 769 800 148</b>	<b>7 578 986 584</b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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

**Due to related parties**

	<b>30/06/2025</b>	<b>30/06/2024</b>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Shareholders employees' union	2 026 788	3 261 055
Egyptian Natural Gas “GASCO” – Petro trade	61 632 059	338 803 405
	<b>63 658 847</b>	<b>342 064 460</b>

**26-4 Significant contracts with related parties**

A contract to supply natural gas to the Company’s factories with the Egyptian Natural Gas Company - GASCO, one of the companies affiliated of the Egyptian General Petroleum Corporation. Natural gas is supplied to the Company’s factories at a price of USD 5.75/million thermal units (TU), effective from 01/11/2021 to 12/09/2022. From 13/09/2022, the selling price of natural gas supplied to the fertilizer industry was determined according to a price formula that takes into consideration the selling prices of the Ministry of Agriculture and export prices according to the average price of international bulletins, so that the minimum selling price is not less than USD 4.5/million British thermal units (BTU).

**26-5 Top management remunerations**

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

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<u>EGP</u>	<u>EGP</u>
Salaries, attendance and travel allowances, and bonuses	104 302 975	86 760 674
	<b>104 302 975</b>	<b>86 760 674</b>

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

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<u>EGP</u>	<u>EGP</u>
Customers - public sector	-	1 638 991
Customers - private sector	196 664 227	15 944 553
Customers - foreign sector	46 604 383	480 987 638
	<b>243 268 610</b>	<b>498 571 182</b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**28- Pension Plan liabilities**

**28- 1 Plan description**

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

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
<b>Opening balance of the year</b>	<b>702 143 203</b>	<b>503 277 469</b>
Current service cost	9 428 757	11 086 928
Interest expense	158 559 519	108 065 505
Benefits paid	(63 892 680)	(47 732 174)
Actuarial losses /(gain) - Remeasurement of defined benefit liabilities	(156 018 375)	(62 418 119)
Actuarial losses (gain) - experience	223 029 934	189 863 594
	<b><u>873 250 358</u></b>	<b><u>702 143 203</u></b>
Assets of the Employee Benefits System	117 153 212	-
<b>Net liabilities</b>	<b><u>756 097 146</u></b>	<b><u>702 143 203</u></b>
Short-term liabilities	80 064 006	54 540 136
Long-term liabilities	676 033 140	647 603 067

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

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Current service cost and interest cost	35 965 875	106 237 521
	<b><u>35 965 875</u></b>	<b><u>106 237 521</u></b>

**Actuarial assumptions**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Discount Rate	23.96%	%24.74
Inflation rate	14.90%	%16
Benefit increase rate	16.75%	%19.5

**Sensitivity analysis for actuarial assumptions**

	Change in assumption		Change in plan benefit	
	Increase	Decrease	Increase	Decrease
Discount rate (%)	0.5%	-0.5%	(30 336 109)	32 550 970
Inflation rate(%)	0.5%	-0.5%	13 953 202	(12 942 366)
Mortality rate (Year)	1	-1	( 186 075)	189 363

Dispose withdrawal coefficients

**10 933 388**



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**29- Creditors and other credit balances**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Deposits from others	31 565 687	28 961 669
Other companies deposits	35 666 220	558 213
Salary tax	122 724 835	71 650 076
Withholding and Stamp tax	724 728	2 545 289
Value added tax	1 355 614	1 885 034
Accrued Social insurance Authority	25 777 340	20 885 551
Dividend payables	8 609 735	802 406
Fixed assets creditors	-	189 559 962
General authority for health insurance	64 611 778	69 683 356
Training and rehabilitation fund	724 357 135	631 189 564
Sales tax of Abu Qir plant (3)	53 484 950	53 484 950
Accrued wages and donations	404 237 298	387 967 062
Cars and housing loans	7 172 861	14 951 412
Retention from employees	10 322 289	9 219 578
Other credit balances	43 482 224	35 964 444
<b><u>Credit balances related to specific activities that are offset by debit balances</u></b>		
Employees benefit funds (Family medical, complementary, private insurance, restricted for employee's fund)	1 081 563 825	893 112 152
Social and sports activities	688 144 860	231 899 299
Burj Al Arab Project	-	34 506 632
Environmental and infrastructure deposits	20 988 945	17 730 926
housing city assets	23 161 784	24 569 340
<u>Less: corresponding debit balances</u>	<u>(1 615 084 221)</u>	<u>(939 164 707)</u>
	<b><u>1 732 867 886</u></b>	<b><u>1 781 962 209</u></b>

**30- Current Income Tax**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Current income tax	3 525 031 436	1 715 662 071
Disputes 9A reservation with tax authority	32 522 755	32 522 755
Tax advances deposits	(46 086 879)	(46 086 879)
	<b><u>3 511 467 312</u></b>	<b><u>1 702 097 947</u></b>

**31- Claims provisions**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Beginning balance	269 404 434	183 504 004
Provisions formed during the year	57 905 375	90 673 976
Provisions no longer needed	(563 736)	(4 618 687)
Provisions used during the year	(68 265)	(154 860)
<b>Ending balance</b>	<b><u>326 677 808</u></b>	<b><u>269 404 433</u></b>

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**32- Revenue**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Urea sales	7 948 484 893	6 079 932 345
Nitrate sales	4 856 185 103	4 010 853 444
Granulated urea sales	9 506 052 711	7 658 129 134
Ammonia sales	279 115 493	575 603 840
Plastic bags sales	1 683 125	1 825 000
<b>Sales Revenue</b>	<b><u>22 591 521 325</u></b>	<b><u>18 326 343 763</u></b>
Services revenue	341 474 088	207 226 885
Wastes revenue	8 356 445	20 107 930
<b>Deduct:</b>		
Sale of casual products	(25 694 837)	(25 866 604)
	<b><u>22 915 657 021</u></b>	<b><u>18 527 811 974</u></b>

Sales revenue can be classified as follows:

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Local	6 748 667 807	5 158 013 870
Export	15 842 853 518	13 168 329 893
	<b><u>22 591 521 325</u></b>	<b><u>18 326 343 763</u></b>

- The company supplies its share agreed upon with the Ministry of Agriculture in accordance with the decision of the Prime Minister and at the specified prices.

**33- Cost of goods sold**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Materials and supplies	10 733 542 631	8 419 346 941
Salaries and wages	1 187 150 630	1 408 481 892
Depreciation of fixed assets	106 569 731	103 435 094
Employees Benefit (contributions / benefit plans)	37 192 576	30 764 050
Other operating cost	431 646 819	256 038 854
<b>Deduct:</b>		
Sale of by- products	(25 694 837)	(25 866 604)
	<b><u>12 470 407 550</u></b>	<b><u>10 192 200 227</u></b>

**34- Other income**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Rent	33 224 535	21 703 979
Capital gains	36 006 200	612 000
Compensation and penalties	112 116 292	5 343 930
Provision no longer required	563 736	4 618 687
Wastes sales gains	22 472 261	10 265 396
Other miscellaneous revenues	2 681 273	3 386 724
	<b><u>207 064 297</u></b>	<b><u>45 930 716</u></b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**35- Selling & marketing expenses**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Salaries and wages	440 578 143	421 334 224
Commodity supplies for packaging	307 547 618	269 979 080
Depreciation of fixed assets	26 739 809	5 711 942
Employees Benefit (contributions / benefit plans)	6 028 966	9 580 722
Shipping expenses	220 834 019	143 489 536
Exporting expenses	191 331 311	182 508 782
Other selling & marketing expenses	82 721 376	53 365 473
	<b>1 275 781 242</b>	<b>1 085 969 759</b>

**36- General & administrative expenses**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Salaries and wages	201 660 153	177 173 218
Depreciation of fixed assets	4 103 193	6 314 976
Chairman and board of directors' members transportation allowances	28 331 511	13 650 973
Comprehensive health insurance fund	64 611 778	69 683 356
Training and rehabilitation fund	93 167 570	134 777 934
Employees club	148 756 611	213 872 609
Employees Benefit (contributions / benefit plans)	4 597 004	5 447 349
Other General & administrative expenses	157 536 797	79 130 000
	<b>702 764 619</b>	<b>700 050 415</b>

**37- Other expenses**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Donations	33 135 566	22 407 066
Compensations and penalties	327 005	7 407 127
Provision claims	57 905 375	90 673 976
Unutilized cost	443 509 747	29 351 442
Others	35 431	735 795
	<b>534 913 124</b>	<b>150 575 406</b>

The other expenses includes an amount of 444 million EGP, representing the cost of ideal capacity for the company during the year from 01/07/2024 to 30/06/2025. This amount has been deducted from the cost of sales due to the reduced supply of natural gas to the company, and operating conditions.

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

<b>EGP</b>	<b>Note No.</b>	<b>01/07/2024</b>	<b>Formed</b>	<b>Used</b>	<b>No longer required</b>	<b>30/06/2025</b>
Cash and cash equivalents	<b>(18)</b>	106 104 236	21 691 089	-	(48 192 159)	79 603 166
Trade and notes receivables	<b>(13)</b>	2 507 756	764 750	-	(2 469 163)	803 343
Debtors and other debit balances	<b>(16)</b>	6 835 654	954 200	-	(2 125 280)	5 664 574
Due from related parties	<b>(14)</b>	718 555	12 788 033	-	(12 341 642)	1 164 946
Suppliers – Advance payments	<b>(15)</b>	27 499 796	4 905 562	-	( 6 632)	32 398 726
		<b>143 665 997</b>	<b>41 103 634</b>	-	<b>(65 134 876)</b>	<b>119 634 755</b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

- The Company hired Baker Tilly Egypt to perform the study of expected credit losses for its financial assets as of 30/06/2025. The necessary adjustments have been made considering the results of the study regarding the determination of expected credit losses, based on the following:
- The simplified approach was used to measure credit risk for customer facilities for trade and notes receivables by categorizing customers into groups that have similar characteristics and determining the historical period used to calculate the loss rate between two and five years. The loss rate was determined based on historical data while considering expected changes in economic indicators (growth rate, inflation rate and unemployment rate) and then the expected credit losses were calculated by multiplying the (loss given default x exposure amount of default x The probability of default).
- The general approach was used to calculate the expected losses related to the company’s investments in time deposits, current accounts, and other financial assets using external ratings from foreign institutions authorized by the Central Bank’s credit risk management instructions. Future data was also used to determine whether there was a significant increase in credit risk for financial assets by using some macroeconomic indicators (GDP growth rate, annual inflation rate, unemployment rate) under three scenarios (base, best, worst) in line with Egyptian Accounting Standard No. (47) The approach for calculating expected credit losses also referenced the Base explanatory note on the internal ratings-based approach and risk weights
- It was considered that the loss rate for government debt instruments and deposits for one month or less in Egyptian pounds was zero starting from 28/11/2023, according to the Prime Minister's decision in this regard.
- The credit loss rate was used when measuring credit losses for other debit balances and amounts due from related parties at 45%.
- The company excluded government debt instruments issued by the Egyptian government in local currency (treasury bills) as well as current accounts and local currency deposits with banks operating in Egypt with a maturity of one month or less from the financial statement date from the recognition and measurement of expected credit losses.

**39- Share dividends**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Alexandria Fertilizers Company	510 418 333	751 951 221
Helwan Fertilizers Company	580 679 500	733 163 863
	<b>1 091 097 833</b>	<b>1 485 115 084</b>

**40- Share of profit of equity accounted investees**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Global Company for Methanol and Derivatives	2 021 636	(1 858 092)
North Abu Qir Company for Agricultural Nutrients	4 534 069	-
	<b>6 555 705</b>	<b>(1 858 092)</b>

**41- Finance income**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Credit interest	1 499 242 052	1 151 577 107
Interest income from financial assets at amortized cost	638 686 892	1 399 156 071
	<b>2 137 928 944</b>	<b>2 550 733 178</b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

<b>42- Finance cost</b>	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Charges (Bank charges – letter of guarantee)	3 893 289	1 399 854
Securities custody commissions and stock listing fees	695 722	818 935
Interest on employees benefit liabilities	41 406 307	108 065 505
	<b><u>45 995 317</u></b>	<b><u>110 284 295</u></b>
<b>43- Foreign currency exchange gains</b>	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Unrealized foreign currency exchange gain resulting from the revaluation of foreign currency balances in banks	419 976 622	6 195 339 133
Realized foreign currency exchange gain	164 085 275	553 527 522
	<b><u>584 061 897</u></b>	<b><u>6 748 866 655</u></b>
<b>44- Income taxes</b>	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Current income tax	2 131 080 131	1 715 662 071
Withholding Tax on Collected Dividends	99 589 950	140 180 624
Withholding tax on treasury bills	127 737 378	279 831 214
Tax differences	115 448	71 182 759
<b>Total Current taxes</b>	<b><u>2 358 522 907</u></b>	<b><u>2 206 856 669</u></b>
<b><u>Deferred income taxes</u></b>		
Fixed assets and other assets	76 937 263	79 359 541
Foreign currency exchange differences	94 494 740	1 393 951 305
Pension plan liabilities	2 937 964	( 26 809 297)
Provisions formed	44 816 364	( 19 327 597)
Deferred tax (Revaluation of investment at equity method)	655 570	( 185 809)
Expected credit losses	5 407 029	( 2 015 268)
<b>Deferred income taxes</b>	<b><u>225 248 931</u></b>	<b><u>1 424 972 875</u></b>
<b>Income tax at income statement</b>	<b><u>2 583 771 838</u></b>	<b><u>3 631 829 544</u></b>
<b><u>Deferred income taxes on other comprehensive income</u></b>		
	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Deferred tax on equity investments - net change in fair value	320 402 643	1 056 710 204
Deferred tax on revaluation of investment through equity method	215 405	2 484 083
Actuarial gains (losses) from defined benefits schemes for employees	(15 077 601)	( 28 675 232)
<b>Deferred income taxes on other comprehensive income</b>	<b><u>305 540 447</u></b>	<b><u>1 030 519 055</u></b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**Effective income tax rate as of**

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Profit before income tax	<b>11 936 535 086</b>	<b>17 108 562 667</b>
Income tax according to tax law “22.5%”	2 685 720 394	3 849 426 600
Non-deductible expenses	90 614 216	11 119 853
Revenue exempted from tax	( 192 562 772)	( 228 716 909)
<b>Income tax</b>	<b>2 583 771 838</b>	<b>3 631 829 544</b>
<b>Effective income tax rate</b>	<b>21.65 %</b>	<b>21.23 %</b>

**45- Basic 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:

	<b>30/06/2025</b>	<b>30/06/2024</b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Net profit after tax	9 352 763 248	13 476 733 123
<b><u>Deduct:</u></b>		
Employees dividends	(1 293 145 987)	(1 877 791 077)
Board of directors’ dividends	( 80 000 000)	(65 000 000)
<b>Shareholders’ profit share</b>	<b>7 979 617 261</b>	<b>11 533 942 046</b>
Number of issued shares	1 261 875 720	1 261 875 720
<b>Basic and diluted earnings Per Share</b>	<b>6.32</b>	<b>9.14</b>

**46- Tax Position**

**Corporate Tax**

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

**Payroll tax**

- a- Inspection was completed by Tax Authority and paid by the company for the year 2019.
- b- For the periods 2020/2022 it is under inspection by tax authority.
- c- For the periods from 2023 till date is not inspected yet.

**Sales Tax**

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

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



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**Value added tax**

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

**Stamp tax**

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

**Real estate tax**

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

**47- Legal position**

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

**48- Contractual commitments and contingent liabilities**

**48-1 The capital commitments and contracts that have not yet been completed as of June 30, 2025, as follows:**

- Project Number (39/2021/2022) SAP and ERP amounted to USD 1 478 K and EGP 2 174 K.
- Various purchase orders amounts EUR 16 M, USD 2 M, GBP 10 K and EGP 90 K.

**48-2 The outstanding portion of the investees’ capital (In investment Currency)**

	Currency	Percentage %	Investment value	Paid amount	Outstanding amount	Outstanding Amount (EGP)
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	-	-
Abu Tartur (shareholder loan)	USD	10% (after merge)	55 705 000	-	55 705 000	2 759 068 650
						<b>3 096 568 650</b>

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

**48-3 Letter of guarantee**

The letters of guarantee held at banks for the benefit of others as of June 30, 2025, amounted to EGP 328 million. are covered by treasury bills with nominal value of EGP 350 million.



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

**49- Operating segments**

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

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

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

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

<b>Description</b>	<b>Abu Qir Plant (1)</b>	<b>Abu Qir Plant (2)</b>	<b>Abu Qir Plant (3)</b>	<b>Liquid fertilizer</b>	<b>Plastic Bags Plant</b>	<b>Other</b>	<b>Total</b>
Operating segments assets	1 398 245 467	617 460 524	667 550 962	3 846 202	78 585 947	–	<b>2 765 689 102</b>
Unassigned segments assets	–	–	–	–	–	39 453 358 896	<b>39 453 358 896</b>
<b>Total assets</b>	<b>1 398 245 467</b>	<b>617 460 524</b>	<b>667 550 962</b>	<b>3 846 202</b>	<b>78 585 947</b>	<b>39 453 358 896</b>	<b>42 219 047 998</b>
Operating segments liabilities	–	–	–	–	–	10 083 996 343	<b>10 083 996 343</b>
<b>Total liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10 083 996 343</b>	<b>10 083 996 343</b>



*Translation of financial statements  
originally issued in Arabic*

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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

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

<u>Description</u>	<u>Abu QirPlant (1)</u>	<u>Abu QirPlant (2)</u>	<u>Abu QirPlant (3)</u>	<u>Ammonia</u>	<u>Plastic Bags</u>	<u>Other</u>	<u>Total</u>
Revenue	8 264 264 145	4 864 541 548	9 506 052 711	279 115 492	1 683 125	-	22 915 657 021
Cost of sales	(4 140 135 416)	(3 874 120 418)	(4 334 691 674)	(120 081 897)	(1 378 145)	-	(12 470 407 550)
<b>Gross profit</b>	<b>4 124 128 729</b>	<b>990 421 130</b>	<b>5 171 361 037</b>	<b>159 033 595</b>	<b>304 980</b>	-	<b>10 445 249 471</b>
Other revenues	-	-	-	-	-	207 064 297	207 064 297
Selling & marketing expenses	(334 139 179)	(550 978 209)	(379 421 476)	(11 242 378)	-	-	(1 275 781 242)
General & administrative expenses	(136 518 712)	(340 674 926)	(225 570 981)	-	-	-	(702 764 619)
Other expenses	-	-	-	-	-	(534 913 124)	(534 913 124)
Expected credit losses and impairment of assets	-	-	-	-	-	24 031 242	24 031 242
<b>Operating profit</b>	<b>3 653 470 838</b>	<b>98 767 995</b>	<b>4 566 368 580</b>	<b>147 791 217</b>	<b>304 980</b>	<b>(303 817 585)</b>	<b>8 162 886 025</b>
<b>Share Dividends</b>	-	-	-	-	-	<b>1 091 097 833</b>	<b>1 091 097 833</b>
Company share profit of investment at equity method	-	-	-	-	-	6 555 705	6 555 705
Finance income	-	-	-	-	-	2 137 928 944	2 137 928 944
Finance cost	-	-	-	-	-	(45 995 317)	(45 995 317)
Foreign currency exchange gains	-	-	-	-	-	584 061 897	584 061 897
Net financing income	-	-	-	-	-	2 675 995 524	2 675 995 524
<b>Net profit for the year before income tax</b>	<b>3 653 470 838</b>	<b>98 767 995</b>	<b>4 566 368 580</b>	<b>147 791 217</b>	<b>304 980</b>	<b>3 469 831 477</b>	<b>11 936 535 086</b>
Income tax expense	(790 827 069)	(21 379 233)	(988 432 108)	(31 990 756)	(66 016)	(751 076 656)	(2 583 771 838)
<b>Net profit for the year</b>	<b>2 862 643 769</b>	<b>77 388 762</b>	<b>3 577 936 472</b>	<b>115 800 461</b>	<b>238 964</b>	<b>2 718 754 821</b>	<b>9 352 763 248</b>

**Significant events**

During the financial year 2024/2025, the company faced challenges resulting from factors beyond its control, including regional geopolitical factors. These factors led to a shortage in natural gas supply to the company's plants, resulting in a production shutdown that lasted for approximately two months. However, the company's management succeeded in turning these challenges into opportunities as During this period, management carried out a comprehensive maintenance program across all three plants simultaneously — for the first time in the company's history. This is expected to support the long-term continuity of operations and align with the company's planned maintenance and overhaul schedule.



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

Notes to the Financial Statements for the Financial year Ended June 30, 2025

50- The comparative figures had reclassified and restated to comply with the presentation of financial statements  
The effect of reclassifications and restatements the statement of financial position on 30/06/2024:

<u>Description</u>	<u>As previously issued</u>	<u>Reclassification</u>	<u>Restatement</u>	<u>Balances after reclassification and restatement</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<b><u>Assets</u></b>				
<b><u>Non-current assets</u></b>				
Fixed assets	1 875 134 305	-	-	1 875 134 305
Assets under construction	-	-	-	-
Intangible assets under progress	379 818 409	-	-	379 818 409
Investment property	42 268 805	-	-	42 268 805
Investments in associates	500 718	-	-	500 718
Equity - accounted investment	123 448 000	-	19 805 328	143 253 328
Investment in equity instruments at fair value through OCI	11 096 831 025	-	-	11 096 831 025
Other financial assets (treasury bills)	434 928 408	-	-	434 928 408
<b>Total non-current assets</b>	<b>13 952 929 670</b>	<b>-</b>	<b>19 805 328</b>	<b>13 972 734 998</b>
<b><u>Current assets</u></b>				
Inventories	2 072 434 578	(261 292 605)	-	1 811 141 973
Trade and notes receivables	241 793 653	-	-	241 793 653
Due from related parties	3 108 171	-	-	3 108 171
Suppliers – Advance payments	39 847 024	261 292 605	-	301 139 629
Debtors and other debit balances	187 370 221	-	-	187 370 221
Financial assets at amortized cost	2 457 265 965	-	-	2 457 265 965
Cash and cash equivalents	23 354 598 768	-	-	23 354 598 768
<b>Total current assets</b>	<b>28 356 418 381</b>	<b>-</b>	<b>-</b>	<b>28 356 418 381</b>
<b>Total assets</b>	<b>42 309 348 051</b>	<b>-</b>	<b>19 805 328</b>	<b>42 329 153 379</b>
<b><u>Equity</u></b>				
Issued and paid-up capital	1 892 813 580	-	-	1 892 813 580
Legal reserve	946 406 790	-	-	946 406 790
Other reserves	5 847 582 574	-	-	5 847 582 574
Fair value reserve	8 118 918 515	-	16 760 528	8 135 679 043
Retained earnings	16 315 887 345	-	(1 639 044)	16 314 248 301
<b>Total equity</b>	<b>33 121 608 804</b>	<b>-</b>	<b>15 121 485</b>	<b>33 136 730 289</b>
<b><u>Liabilities</u></b>				
<b><u>Non-current liabilities</u></b>				
Pension plan obligations	647 603 067	-	-	647 603 067
Deferred tax liabilities	3 799 342 016	-	4 683 844	3 804 025 860
<b>Total non-current liabilities</b>	<b>4 446 945 083</b>	<b>-</b>	<b>4 683 844</b>	<b>4 451 628 927</b>
<b><u>Current liabilities</u></b>				
Trade and notes payables	92 153 797	-	-	92 153 797
Due to related parties	342 064 460	-	-	342 064 460
Customers advance payment – contract liabilities	498 571 182	-	-	498 571 182
Pension plan obligations	54 540 136	-	-	54 540 136
Creditors and other credit balances	1 781 962 209	-	-	1 781 962 209
Current income tax	1 702 097 947	-	-	1 702 097 947
Provisions	269 404 433	-	-	269 404 433
<b>Total current liabilities</b>	<b>4 740 794 164</b>	<b>-</b>	<b>-</b>	<b>4 740 794 164</b>
<b>Total equity and liabilities</b>	<b>42 309 348 051</b>	<b>-</b>	<b>19 805 328</b>	<b>42 329 153 379</b>

- An amount of EGP 261 million in advance payments for inventory purchases has been reclassified and included under the item "Suppliers – Advance Payments".



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

Notes to the Financial Statements for the Financial year Ended June 30, 2025

- Investments in Global for Methanol Company and North Abu Qir for Agricultural Nutrients have been adjusted in light of applying the equity method, which impacted the following:  
Investments in associates increased by EGP 19.8 million, Revaluation reserve increased by EGP 16.8 million retained earnings increased by EGP 1.6 million and Deferred tax liabilities increased by EGP 4.7 million.

**The effect of reclassifications and restatements the statement of financial position on 30/06/2023:**

<u>Description</u>	<u>As previously issued</u>	<u>Reclassification</u>	<u>Restatement</u>	<u>Balances after reclassification and restatement</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<b><u>Assets</u></b>				
<b><u>Non-current assets</u></b>				
Fixed assets	1 186 400 030	-	-	1 186 400 030
Assets under construction	-	-	-	-
Intangible assets under progress	376 239 039	-	-	376 239 039
Investment property	20 714 808	-	-	20 714 808
Investments in associates	500 718	-	-	500 718
Equity - accounted investment	123 448 000	-	10 623 053	134 071 053
Investment in equity instruments at fair value through OCI	6 400 341 228	-	-	6 400 341 228
Other financial assets (treasury bills)	386 765 130	-	-	386 765 130
<b>Total non-current assets</b>	<b>8 494 408 953</b>	<b>-</b>	<b>10 623 053</b>	<b>8 505 032 005</b>
<b><u>Current assets</u></b>				
Inventories	1 873 998 330	(169 741 742)	-	1 704 256 587
Trade and notes receivables	257 042 674	-	-	257 042 674
Due from related parties	10 111 103	-	-	10 111 103
Suppliers – Advance payments	45 842 438	169 741 742	-	215 584 180
Debtors and other debit balances	306 944 166	-	-	306 944 166
Financial assets at amortized cost	6 251 340 530	-	-	6 251 340 530
Cash and cash equivalents	17 464 775 441	-	-	17 464 775 441
<b>Total current assets</b>	<b>26 210 054 681</b>	<b>-</b>	<b>-</b>	<b>26 210 054 681</b>
<b>Total assets</b>	<b>34 704 463 634</b>	<b>-</b>	<b>10 623 053</b>	<b>34 715 086 686</b>
<b><u>Equity</u></b>				
Issued and paid-up capital	1 892 813 580	-	-	1 892 813 580
Legal reserve	946 406 790	-	-	946 406 790
Other reserves	5 822 733 403	-	-	5 822 733 403
Fair value reserve	4 577 909 165	-	8 204 244	4 586 113 409
Retained earnings	13 731 802 340	-	33 239	13 731 835 579
<b>Total equity</b>	<b>26 971 665 278</b>	<b>-</b>	<b>8 237 482</b>	<b>26 979 902 760</b>
<b><u>Liabilities</u></b>				
<b><u>Non-current liabilities</u></b>				
Pension plan obligations	455 545 295	-	-	455 545 295
Deferred tax liabilities	1 335 408 620	-	2 385 570	1 337 794 191
<b>Total non-current liabilities</b>	<b>1 790 953 915</b>	<b>-</b>	<b>2 385 570</b>	<b>1 793 339 486</b>
<b><u>Current liabilities</u></b>				
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	1 459 527 551	-	-	1 459 527 551
Current income tax	3 452 213 955	-	-	3 452 213 955
Provisions	183 504 004	-	-	183 504 004
<b>Total current liabilities</b>	<b>5 941 844 440</b>	<b>-</b>	<b>-</b>	<b>5 941 844 440</b>
<b>Total equity and liabilities</b>	<b>34 704 463 634</b>	<b>-</b>	<b>10 623 053</b>	<b>34 715 086 686</b>



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

**Notes to the Financial Statements for the Financial year Ended June 30, 2025**

- An amount of EGP 170 million in advance payments for inventory purchases has been reclassified and included under the item "Suppliers – Advance Payments".
- Investments in Global for Methanol Company and North Abu Qir for Agricultural Nutrients have been adjusted considering applying the equity method, which impacted the following:  
Investments in associates increased by EGP 10.6 million, Revaluation reserve increased by EGP 8.2 million retained earnings increased by EGP 33 thousand and Deferred tax liabilities increased by EGP 2.4 million.

**The effect of reclassifications and restatements on the income statement on 30/06/2024:**

<u>Description</u>	<u>As previously issued</u>	<u>Reclassification</u>	<u>Restatement</u>	<u>Balances after reclassification and restatement</u>
revenue	18 527 811 974	–	–	18 527 811 974
Cost of goods sold	(10 192 200 227)	–	–	(10 192 200 227)
<b>Gross profit</b>	<b>8 335 611 747</b>	<b>–</b>	<b>–</b>	<b>8 335 611 747</b>
Other income	45 930 716	–	–	45 930 716
Selling & marketing expenses	(1 085 969 759)	–	–	(1 085 969 759)
General & administrative expenses	(729 401 857)	29 351 442	–	( 700 050 415)
Other expenses	(121 223 964)	(29 351 442)	–	( 150 575 406)
Expected credit losses	(8 956 748)	–	–	( 8 956 748)
<b>Operating profit</b>	<b>6 435 990 136</b>	<b>–</b>	<b>–</b>	<b>6 435 990 136</b>
Dividends	1 485 115 084	–	–	1 485 115 084
Company share at profits of investment through equity	–	–	(1 858 092)	( 1 858 092)
Finance income	2 550 733 178	–	–	2 550 733 178
Finance costs	(110 284 295)	–	–	( 110 284 295)
Foreign currency exchange gains / (Losses)	6 748 866 655	–	–	6 748 866 655
<b>Net financing income</b>	<b>9 189 315 539</b>	<b>–</b>	<b>–</b>	<b>9 189 315 539</b>
Net profit for the year before income tax	17 110 420 758	–	–	17 108 562 667
Income tax expense	(3 632 015 353)	–	185 809	(3 631 829 544)
<b>Net profit for the year</b>	<b>13 478 405 405</b>	<b>–</b>	<b>–</b>	<b>13 476 733 123</b>
<b>Basic and diluted earnings per share</b>	<b>9.14</b>	<b>–</b>	<b>–</b>	<b>9.14</b>

**Adjustment and reclassification of comparative figures as of 30/06/2024 as follows:**

The income statement as of 30/06/2024 has been adjusted to recognize the company's share of profits from investments using the equity method in global for Methanol Company and North Abu Qir for Agricultural Nutrients Company. The impact of this adjustment includes an increase in the company's share of profits from equity-accounted investments by EGP 1.86 million, and an income tax (dividend tax) of EGP 186 thousand.