

Nine Months Ended September 30, 2025



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Company Information

Directors

Khalid Hamid Wain	Director / Chairman
Bakhtiar Hameed Wain	Director / Chief Executive Officer
Tanveer Karamat	Director
Amir Wain	Director
Mohammad Shahid Mir	Director
Faaria Rehman Salahuddin	Director
Selina Saadia Rashid Khan	Director
Ahsan Khalil (ACA-FPFA)	Chief Financial Officer / Company Secretary

Audit Committee

Faaria Rehman Salahuddin	Chairman
Amir Wain	Member
Khalid Hamid Wain	Member

Human Resource & Remuneration Committee

Faaria Rehman Salahuddin	Chairman
Selina Saadia Rashid Khan	Member
Khalid Hamid Wain	Member

Auditors

Crowe Hussain Chaudhury
& Co Chartered Accountants

Legal Advisor

Chima & Ibrahim
Advocates & council

Web Presence

www.avanceon.ae

www.avanceon.qa | www.octopusdtl.com

Bankers

Faysal Bank Limited, Pakistan
 Habib Bank Limited, Pakistan & United Arab Emirates
 National Bank of Fujairah, United Arab Emirates
 Habib Bank AGA, Zurich, United Arab Emirates
 Bank of Singapore, United Arab Emirates
 MCB Bank Limited, Pakistan
 United Bank Limited, Pakistan & United Arab Emirates
 National Bank of Pakistan Limited, Pakistan
 Standard Chartered Bank Limited, Pakistan
 JS Bank Limited, Pakistan
 Qatar International Islamic Bank QIIB
 Qatar Islamic Bank QIB, Qatar

Share Registrar

FAMCO Share Registration Services (Pvt) Limited
 8-F, Near to Hotel Faran,
 Nursery, Block-6, P.E.C.H.S,
 Shahra-e-Faisal, Karachi.
 Phone: +92 (21) 3438 0101-5
 Fax No: +92 (21) 3438 0106
www.famcosrs.com

Registered Office

The Avanceon Building
 19-KM , Main Multan Road, Lahore 54660, Punjab, Pakistan
 Phone: +92 (42) 111 940 940
 Fax No: +92 (42) 375 151 28
 Email: investors@avanceon.ae

Regional Headquarters – South Asia

Lahore, Punjab, Pakistan

The Avanceon Building

19-KM , Main Multan Road, Lahore,

54660 Punjab, Pakistan

Phone: +92 (42) 111 940 940

Email: marketing@avanceon.ae

Karachi, Sindh, Pakistan

MA Tabba Foundation Building,

First Floor, Gizri Road Block 9,

Clifton Karachi, Sindh 75600

Phone: +92 (21) 111 940 940

Email: support.sea@avanceon.ae

Islamabad, Pakistan

Manzoor Plaza (The Hive Building),

First Floor, Plot 14-E Fazal-e-Haq Road,

G-6/2, Blue Area, Islamabad 44000

Phone: +92 51 573 3031

Email: marketing@avanceon.ae

Phone: +92 51 573 3031

Regional Headquarters – Middle East

Avanceon FZE – Dubai, UAE

FZS1 BD04 JAFZA P.O. Box 18590

Dubai, United Arab Emirates

Phone: +971 4 88 60 277

Email: marketing@avanceon.ae

Abu Dhabi, UAE

In Partnership with Ali & Sons

Ali & Sons Bldg., Zayed 2nd Street

P.O. Box 915

Abu Dhabi, U.A.E.

Phone: +971 4 88 60 277

Email: support.mea@avanceon.ae

Doha, Qatar

Avanceon Automation Control WLL

Office No. 12, M Floor, Al-Jaber Engg.

HO Building, P.O. Box 15976, Fox Hills,

Lusail, Doha, Qatar.

Phone: +974 4040 9835

Email: marketing@avanceon.ae

Jeddah, Saudia Arabia

Jeddah, Saudia Arabia

Kuwait St. Faisaliyah District

P.O. Box 1298

Jeddah, KSA.

Phone: +966-12-6912204 x 127

Email: marketing@avanceon.ae

Riyadh, Saudia Arabia

Avanceon Saudi for Energy Company

3141 Anas Ibn Malik-Al Malqa Dist.

Unit no. 718, Riyadh 13521 – 8292

Kingdom of Saudi Arabia

Phone: +966-5674 16724

Email: marketing@avanceon.ae

Interim Director's Report

Directors of Avanceon Limited (the "Company") are pleased to present the Directors' Report for the nine months ended September 30, 2025.

For the nine months ended
Sep 30, 2025 Sep 30, 2024
 ----- (Rupees in '000) -----

OPERATING RESULTS (CONSOLIDATED)			
	Revenues	7,403,916	9,137,532
	Profit/(Loss) before tax	(141,107)	383,871
	Provision for taxation	(8,040)	(46,908)
	Profit/(Loss) after taxation	(149,147)	336,964
OPERATING RESULTS (STANDALONE)			
	Revenues	1,813,089	1,952,460
	Profit/(Loss) before tax	128,652	94,579
	Provision for taxation	4,652	(41,721)
	Profit/(Loss) after taxation	133,304	52,859

EARNINGS PER SHARE (CONSOLIDATED) FOR THE NINE MONTHS ENDED September 30, 2025

The basic earnings per share after tax is Rs. (0.36) (2024: Rs. 0.75 – restated)

EARNINGS PER SHARE (STANDALONE) FOR THE NINE MONTHS ENDED September 30, 2025

The basic earnings per share after tax is Rs. 0.32 (2024: Rs. 0.13 – restated)

We are pleased to report that the company's (Consolidated & Standalone) nine months ending September 30, 2025 results with the shareholders

Avanceon Limited:

For the nine-month period ended September 2025, the Company reported revenues of Rs. 1.8 billion, reflecting a marginal decline of 7.1% compared to the corresponding period of 2024. However, the revenue for the third quarter of 2025 is more or less same as compared to the same quarter last year 2024.

The decrease in cumulative revenue is primarily attributable to timing delays in the execution and delivery of a few major projects currently in the pipeline. The management is confident that this gap will be covered in the final quarter of 2025, enabling to meet its annual revenue target.

Gross margin is reported at Rs. 476 million i.e., 26%, also showed a downward trend primarily also due to the timing lag in the execution of several large projects, as well as the presence of high margin projects in the comparable period last year.

Administrative expenses and selling expenses increased by 9% to Rs. 342 million, this increase is in line with the bandwidth of annual fixed cost increments and inflation.

During the nine months September 2025 reported, the Company's other operating expenses/income benefited from a favorable exchange gain, driven by currency fluctuations. However, a stability in USD to PKR rate the gain has decreased from the half year 2025. This resulted in bottom line operating profit increased to Rs. 133 million i.e., by 252% as compared to the corresponding reported nine months 2024.

Finance cost increased to Rs. 147 million, up by about 23%, mainly due to higher average borrowing rates. The Company is working to improve its funding structure to reduce the impact on profitability.

The net profit of the company closed at Rs. 133 million (2025: EPS Rs. 0.32) as compared to Rs. 53 million (2024: EPS Rs. 0.13 – restated) in the corresponding reported period 2024, with a support of low tax charge for the nine months thereby reporting an increase of 250%.

The Company remains focused on achieving its annual targets and is actively pursuing opportunities in key markets. The current order pipeline and ongoing projects are sufficient to meet the annual revenue goal. It is expected that we would enter the year 2026 with a huge opening back log of orders in hand. Management is confident that these efforts will lead to a strong operational and financial performance by year-end, contributing positively to profitability and shareholder value.

Avanceon Group:

Avanceon Limited consolidated financial results present below:

The group revenues showed a declined trend by almost 19% to Rs. 7.4 billion from Rs. 9.13 billion as compared to the corresponding reported nine months 2024. This drop is mainly due to the fact of low revenue recognition in the regions of Dubai and Qatar. Management is focused on these areas and remains optimistic about recovering the shortfall by the end of 2025.

The gross profit reported at Rs. 1.98 billion compared to Rs. 2.55 billion as compared to the corresponding reported nine months 2024, mainly because of low revenue recognition in Dubai and Qatar. However, the gross margin percentage remained almost intact. Management is confident of increasing overall revenue and gross margins in the final quarter to achieve the annual targets for 2025.

Administrative and selling expenses stood at Rs. 1.8 billion, remaining largely unchanged compared to the corresponding nine-month period of 2024. This stability reflects the Company's effective cost control and strict performance monitoring practices.

Other expenses decreased to Rs. 84 million from Rs. 111 million, while other income rose significantly to Rs. 124 million from Rs. 39 million in the same period last year, helping to reduce overall costs. Finance costs, however, increased by about 21% to Rs. 351 million compared to Rs. 290 million in 2024.

Lastly, taxation resulted in a lower incidence at the group level, however, there is a new corporate tax introduced in Dubai region during the year 2025. With all the above factors the group sustained a loss of Rs. 149 million as compared to Rs. 337 million profits for the nine months 2024. The loss is mainly due to a shortfall in top line revenue. Management views this as a temporary timing issue and remains confident of recovering the shortfall in the final quarter to achieve the annual targets.

COMMUNICATION

Communication with the shareholders is given a high priority. Financial reports are shared with shareholders within the time specified in the current Companies Act, 2017. The Company also has a website, www.avanceon.ae which contains up to date information on Company's activities and financial reports.

for and on behalf of the BOARD OF DIRECTORS

October, 27, 2025
Lahore, Pakistan



BAKHTIAR HAMEED WAIN
Chief Executive Officer



Tanveer Karamat
Director

Avanceon Limited
**Condensed Standalone
Interim Financial Statements**
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

AVANCEON LIMITED
STATEMENT OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2025

	Un-audited Sep 30, 2025	Audited Dec 31, 2024
(Rupees in '000)		
ASSETS		
NON CURRENT ASSETS		
Property and equipment	629,641	668,446
Work in progress	244,830	89,640
Long term investments	1,351,795	1,351,795
Deposit for long term investments	4,262,771	4,212,078
Long term loans and deposits	8,543	5,505
	6,497,579	6,327,464
CURRENT ASSETS		
Stock in trade	86,922	100,907
Trade debts	3,009,843	2,606,195
Advances, deposits, prepayments and other receivables	1,364,896	1,302,084
Contract assets	341,990	580,728
Cash and bank balances	70,967	19,351
	4,874,618	4,609,265
TOTAL ASSETS	11,372,198	10,936,729
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital		
500,000,000 (2024: 500,000,000) ordinary shares of Rs 10 each	5,000,000	5,000,000
Issued, Subscribed and Paid Up Capital		
422,408,878 (2024: 415,022,831) ordinary shares of Rs 10 each	4,224,089	4,150,228
CAPITAL RESERVES		
Share premium	635,235	508,910
Employees' share compensation reserve	351,280	370,740
Surplus on revaluation of property, plant & equipment	327,042	328,199
	1,313,557	1,207,849
REVENUE RESERVES		
Un-appropriated profit	2,657,758	2,523,297
	8,195,404	7,881,374
NON CURRENT LIABILITIES		
Long term diminishing musharakah	59,826	99,573
CURRENT LIABILITIES		
Current portion of long term diminishing musharakah	59,724	53,748
Finances under mark up arrangements and other credit facilities - secured	854,159	532,486
Contract liabilities	284,750	119,369
Unclaimed / Unpaid Dividend	148,788	149,239
Creditors, accrued and other liabilities	1,742,024	2,016,392
Provision for taxation	27,522	84,548
	3,116,968	2,955,781
CONTINGENCIES AND COMMITMENTS		
	11,372,198	10,936,729

The annexed notes from 1 to 7 form an integral part of these condensed financial statements.



Chief Executive Officer
 Bakhtiar Hameed Wain



Chief Financial Officer
 Ahsan Khalil



Director
 Tarveer Karamat

AVANCEON LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	for the nine months ended		for the quarter ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)		(Rupees in '000)	
Revenues	1,813,089	1,952,460	597,520	597,044
Cost of revenue	(1,337,064)	(1,274,506)	(396,267)	(446,523)
Gross profit / (Loss)	476,025	677,954	201,253	150,521
Administrative and selling expenses	(342,011)	(314,132)	(105,603)	(89,114)
Other charges	(25,445)	(164,140)	(4,220)	(8,903)
Other income	167,458	14,626	(62,800)	199
	(199,998)	(463,646)	(172,623)	(97,817)
Profit / (Loss) from operations	276,027	214,308	28,630	52,704
Finance costs	(147,376)	(119,729)	(28,825)	(38,812)
Profit / (Loss) before tax	128,652	94,579	(195)	13,892
Taxation	4,652	(41,721)	(2,281)	(11,314)
Profit / (Loss) for the period	133,304	52,859	(2,476)	2,579
		Restated		Restated
Earnings/(Loss) per share - basic	0.32	0.13	(0.01)	0.01
Earnings/(Loss) per share - diluted	0.31	0.12	(0.01)	0.01

The annexed notes from 1 to 7 form an integral part of these condensed financial statements.



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil

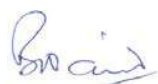


Director
Tanveer Karamat

AVANCEON LIMITED
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	for the nine months ended		for the quarter ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)		(Rupees in '000)	
Profit /(loss) for the period	133,304	52,859	(2,476)	2,579
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	133,304	52,859	(2,476)	2,579

The annexed notes from 1 to 7 form an integral part of these condensed financial statements.



Chief Executive Officer
 Bakhtiar Hameed Wain



Chief Financial Officer
 Ahsan Khalil



Director
 Tanveer Karamat

AVANCEON LIMITED
CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

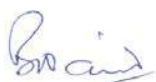
	for the nine months ended	
	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit/(loss) before tax	128,652	94,579
Adjustments for:		
Depreciation on property and equipment	87,270	78,116
Employees' share option expense	42,454	30,509
Unrealised exchange (gain) / loss	(71,492)	100,982
Gain on disposal of property and equipment	(10,368)	(7,925)
Finance cost	147,376	119,729
Provision for expected credit losses - long term interest free receivables	-	61,563
Provision for expected credit losses - contract asset	-	(11,192)
Provision for expected credit losses - trade debts	-	59,339
Provision for expected credit losses - advances	-	(51,983)
Profit on bank deposits	(106)	(2,771)
	195,134	376,366
Profit before working capital changes	323,785	470,946
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets		
- Stock in trade	13,985	(20,185)
- Trade debts	(443,809)	320,534
- Contract assets	238,738	120,906
- Advances, deposits, prepayments and other receivables	62,558	264
Increase / (decrease) in current liabilities		
- Creditors, accrued and other liabilities	(328,879)	203,208
- Contract liabilities	165,382	29,743
	(292,024)	654,470
Cash generated from operations	31,761	1,125,416
Finance cost paid	(92,864)	(124,051)
Income taxes paid	(52,374)	(131,164)
	(145,238)	(255,216)
Net cash generated from / (used in) operating activities	(113,477)	870,200

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AVANCEON LIMITED
CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	for the nine months ended	
	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)	
Net cash generated from / (used in) operating activities	(113,477)	870,200
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(48,466)	(73,282)
Proceeds from sale of property and equipment	10,368	14,567
Additions in intangible assets - capital work in progress	(155,190)	(89,640)
Profit on bank deposits	106	2,771
Net change in long term advances and deposits	(3,038)	(1,001)
Net cash generated from / (used in) investing activities	(196,218)	(146,584)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Finances under mark-up arrangements and other credit facilities obtained	321,673	49,277
Proceed from issuance of shares against ESOS	73,860	9,956
Premium on issuance of shares	-	114
Dividend paid	(450)	(748,003)
Repayment of diminishing musharakah	(33,771)	(20,809)
Net cash used in financing activities	361,312	(709,465)
Net increase/(decrease) in cash and cash equivalents	51,617	14,151
Cash and cash equivalents at the beginning of period	19,351	84,586
Cash and cash equivalents at the end of period	70,967	98,737

The annexed notes from 1 to 7 form an integral part of these condensed financial statements.



Chief Executive Officer
 Bakhtiar Hameed Wain



Chief Financial Officer
 Ahsan Khalil

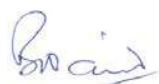


Director
 Tanveer Karamat

AVANCEON LIMITED
CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	CAPITAL RESERVES				REVENUE	TOTAL
	Share Capital	Share Premium	Employees' Share Compensation Reserve	Surplus on Revaluation of Property & Equipment	Un-appropriated profit / (loss)	
						(Rupees in '000)
Balance as on January 01, 2024	3,762,978	451,420	168,683	330,636	3,113,645	7,827,362
Profit for the period	-	-	-	-	539,096	539,096
Other comprehensive income	-	-	-	(2,437)	2,437	-
	-	-	-	(2,437)	541,533	539,096
Issuance of shares against ESOS	9,956	57,490	(57,375)	-	-	10,071
20% dividend for the period ended December 31, 2023	-	-	-	-	(754,587)	(754,587)
Employee share option reserve	-	-	259,433	-	-	259,433
10% bonus share issue for the period ended December 31, 2023	377,294	-	-	-	(377,294)	-
	387,250	57,490	202,057	-	(1,131,881)	(485,084)
Balance as on December 31, 2024	4,150,228	508,910	370,740	328,199	2,523,297	7,881,374
Profit for the period	-	-	-	-	133,304	133,304
Transfer from revaluation surplus on account of incremental dep.	-	-	-	(1,157)	1,157	-
	-	-	-	(1,157)	134,461	133,304
Issuance of shares against ESOS	73,860	-	106,865	-	-	180,726
Employee share option reserve	-	126,325	(126,325)	-	-	-
	73,860	126,325	(19,459)	-	-	180,726
Balance as on September 30, 2025	4,224,089	635,235	351,280	327,042	2,657,758	8,195,404

The annexed notes from 1 to 7 form an integral part of these condensed financial statements.



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Tanveer Karamat

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
1 Legal Status and Nature of Business

1.1 Avanceon Limited (the Company) was incorporated in Pakistan on March 26, 2003 as a private limited Company which was converted to a public Company on March 31, 2008 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to provide industrial automation, process control and systems integration solutions, to trade in products of automation and control equipment and provide related technical services.

1.2 The Company is domiciled in Pakistan and its registered office is situated at 19 KM, Multan Road, Lahore 54500. Following are the business units of the Company along with their respective locations:

BUSINESS UNIT
LOCATION

Head office

The Avanceon Building, 19 KM, Multan Road, Lahore 54500.

REGIONAL OFFICES

Karachi

The Hive 1st Floor, MA Tabba Foundation Building, Girzi Road, Block 9 Clifton, Karachi.

Islamabad

The Hive 6th Floor, ISE Towers Jinnah Avenue, Blue Area Islamabad.

1.3 These are the unconsolidated financial statements of the Company in which investments in subsidiaries have been carried at cost, consolidated financial statements have been presented separately.

2 Basis of Preparation
2.1 Separate financial statements

These are the unconsolidated condensed interim financial statements of the Company in which investments in subsidiaries have been carried at cost, consolidated financial statements have been presented separately.

2.2 Statement of compliance

These unconsolidated condensed interim financial statements (un-audited) of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position (un-audited) of the Company as at June 30, 2025 and the related condensed interim unconsolidated statement of profit or loss (un-audited), the condensed interim unconsolidated statement of comprehensive income (un-audited), the condensed interim unconsolidated statement of changes in equity (un-audited) and the condensed interim unconsolidated statement of cash flows (un-audited) together with the notes forming part thereof.

AVANCEON LIMITED**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)**
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

- 2.4** These condensed interim unconsolidated financial statements (un-audited) do not include all of the information contained in full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2024.
- 2.5** The comparative statement of financial position presented in these condensed interim unconsolidated financial statements (un-audited) has been extracted from the audited annual financial statements of the Company for the year ended December 31, 2024, whereas the comparative condensed interim unconsolidated statement of profit or loss, the condensed interim unconsolidated statement of comprehensive income, the condensed interim unconsolidated statement of changes in equity and the condensed interim unconsolidated statement of cash flows have been extracted from the un-audited condensed interim unconsolidated financial statements for the six months period ended June 30, 2024.
- 2.6** These condensed interim unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act"); however, these are subject to limited scope review by external auditors as required by the Act and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations).

2.7 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except for freehold land and building on freehold land which are stated at revalued amounts.

2.8 Functional and presentation currency

These condensed interim unconsolidated financial statements have been prepared in Pak Rupee (Rs.), which is the functional and presentational currency of the Company. Figures have been rounded off to the nearest rupees in thousand unless stated otherwise.

3 Other Charges

	for the nine months ended	
	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)	
Donations	7,260	5,429
Exchange Loss	-	100,982
Provision for ECL related parties	-	57,284
Provision for ECL trade debts	17,975	443
Late penalty charges	210	2
	25,445	164,140

4 Other Income

	for the nine months ended	
	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)	
Income on bank deposits	106	2,771
Gain on disposal of property, plant and equipment	10,368	7,925
Exchange gain	71,492	-
Markup Income on Current Accounts	3,877	131
Reversal of ECL Provision	6,148	-
Others	75,466	3,799
	167,458	14,626

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**5 Contingencies And Commitments****5.1 Contingencies**

- (i) There are no contingencies to report as at September 30, 2025 (2024: Nil)

5.2 Commitments

- (i) Bank guarantees issued amounting to Rs. 592.25 million (2024: Rs. 352.173 million) against the performance of various contracts.
- (ii) Letters of credit includes Rs. 274.56 million (2024: 121.588 million) which relates to import acceptance bills.

6 Date Of Authorization For Issue

The condensed interim consolidated financial information was authorised for issue on **October, 27, 2025** by the Board of Directors of the Holding Company.

7 General

Figures have been rounded off to the nearest thousand rupees.



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Tanveer Karan

Avanceon Limited
**Condensed Consolidated
Interim Financial Statements**
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2025

	Un-Audited Sep 30, 2025	Audited Dec 31, 2024
	(Rupees in '000)	
EQUITY AND LIABILITIES		
Authorised capital		
Authorised capital 500,000,000 (2024: 500,000,000) ordinary shares of Rs 10 each	<u>5,000,000</u>	<u>5,000,000</u>
Issued, Subscribed and Paid Up Capital		
422,408,878 (2024: 415,022,831) ordinary shares of Rs 10 each ordinary shares of Rs. 10 each	4,224,089	4,150,228
CAPITAL RESERVES		
Share premium	634,730	508,405
Employees' share compensation reserve	410,198	408,223
Statutory reserve	3,227	3,227
Exchange revaluation reserve	2,846,566	2,639,098
Gain on dilution of interest	631,367	631,367
Surplus on revaluation of property & equipment	327,042	328,199
	4,853,129	4,518,519
REVENUE RESERVES		
Un-appropriated profit	5,156,908	5,306,198
	14,234,126	13,974,945
Non-controlling interest	687,908	686,608
	14,922,034	14,661,553
NON CURRENT LIABILITIES		
Long term loans	77,858	96,241
Liabilities against assets subject to finance lease	99,193	115,274
Deferred liabilities	338,151	333,149
Diminishing musharakah	80,331	112,382
	595,532	657,046
CURRENT LIABILITIES		
Current portion of long term loans	25,251	25,106
Current portion of diminishing musharakah	66,124	58,209
Current portion of lease liabilities	49,222	48,586
Finances under mark up arrangements and other credit facilities - secured	2,141,270	1,503,297
Unclaimed dividend	155,162	163,298
Creditors, accrued and other liabilities	7,328,836	8,439,613
Contract liabilities	2,905,318	2,156,718
Taxation-Net	360,642	449,098
	13,031,826	12,843,925
CONTINGENCIES AND COMMITMENTS		
	<u>28,549,392</u>	<u>28,162,524</u>

Note

5

The annexed notes 1 to 7 form an integral part of these consolidated condensed financial statements.



Chief Executive Officer
 Bakhtiar Hameed Wain



Chief Financial Officer
 Ahsan Khalil



Director
 Tanveer Karamat

AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 AS AT SEPTEMBER 30, 2025

	Un-Audited Sep 30, 2025	Audited Dec 31, 2024
	(Rupees in '000)	
ASSETS		
NON CURRENT ASSETS		
Property and equipment	1,375,019	1,274,588
Capital work in progress	591,267	402,884
Intellectual property	4,826,133	4,840,528
Goodwill	221,810	221,810
Investment in JV	384,688	379,669
Deferred tax assets	32,892	32,697
Long term deposits	73,403	82,205
	7,505,213	7,234,381
CURRENT ASSETS		
Stock in trade	954,955	173,619
Trade debts	5,915,665	7,131,935
Contract assets	9,034,359	9,319,803
Advances, deposits, prepayments and other receivables	4,390,286	3,445,266
Term deposits with banks	99,512	100,233
Investments in stocks	568	539
Cash and bank balances	648,835	756,748
	21,044,180	20,928,143
TOTAL ASSETS	28,549,392	28,162,524



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Tanveer Karamat

AVANCEON GROUP
CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	Note	for the nine months ended		for the quarter ended	
		Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
		(Rupees in '000)		(Rupees in '000)	
			Reclassification		Reclassification
Revenues		7,403,916	9,137,532	2,166,212	3,881,808
Cost of revenue		(5,423,590)	(6,582,251)	(1,802,575)	(2,930,882)
Gross Profit / (Loss)		1,980,326	2,555,281	363,637	950,926
Administrative and selling expenses		(1,811,169)	(1,808,944)	(493,209)	(556,102)
Other expenses	3	(83,947)	(111,821)	(44,279)	(11,256)
Other income	4	124,405	39,146	(37,921)	16,559
		(1,770,711)	(1,881,618)	(575,410)	(550,798)
Profit / (Loss) from operations		209,615	673,663	(211,773)	400,127
Share of profit from a Joint Venture		-	-	-	-
Finance costs		(350,722)	(289,791)	(95,674)	(77,116)
Profit / (Loss) before tax		(141,107)	383,871	(307,446)	323,011
Taxation		(8,040)	(46,908)	(9,694)	(13,929)
Profit / (Loss) for the period		(149,147)	336,964	(317,140)	309,082
Attributable to:					
Equity holders of the Holding Company		(150,447)	313,349	(310,628)	308,703
Non-Controlling Interest		1,300	23,614	(6,512)	379
		(149,147)	336,964	(317,140)	309,082
Combined earnings per share					
			Restated		Restated
Basic		(0.36)	0.75	(0.75)	0.74
Diluted		(0.35)	0.73	(0.74)	0.72

The annexed notes 1 to 7 form an integral part of these consolidated condensed financial statements.



Chief Executive Officer
 Bakhtiar Hameed Wain



Chief Financial Officer
 Ahsan Khalil



Director
 Tanveer Karamat

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	for the nine months ended		for the quarter ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)		(Rupees in '000)	
Profit / (Loss) for the period	(149,147)	336,964	(317,140)	309,082
Other comprehensive income				
- Exchange difference on translating foreign operations	207,468	(146,079)	(91,229)	(2,968)
Total comprehensive income for the period	58,321	190,884	(408,370)	306,114
Attributable to:				
Equity holders of the Holding Company	57,021	167,270	(401,858)	305,735
Non-Controlling Interest	1,300	23,614	(6,512)	379
	58,321	190,884	(408,370)	306,114

The annexed notes 1 to 7 form an integral part of these consolidated condensed financial statements.



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Tanveer Karamat

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	for the nine months ended	
	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax	(141,107)	383,871
Adjustments for:		
Depreciation on property and equipment	153,055	136,096
Exchange gain	51,075	95,420
Exchange revaluation reserve	207,468	(146,079)
Amortization	42,397	28,720
Provision for gratuity	59,655	47,590
Finance costs	350,722	289,791
Employees' share option expense	130,784	65,344
Provision for ECL - contract assets	(6,148)	244
Provision for ECL - trade debts	18,583	9,386
Gain on disposal of fixed Assets	(10,475)	(7,925)
Income on bank deposits	(415)	(3,235)
	996,700	515,352
	855,593	899,223
Profit before working capital changes		
(Increase) / decrease in current assets		
- Stock in trade	(781,336)	(112,060)
- Trade debts	1,158,341	2,998,088
- Contract assets	291,592	(737,969)
- Advances, deposits, prepayments and other receivables	(956,748)	(207,365)
(decrease) / Increase in current liabilities		
- Creditors, accrued and other liabilities	(1,110,209)	(1,090,818)
- Contract liabilities	748,601	220,320
	(649,759)	1,070,196
Cash (used in) / generated from operations	205,834	1,969,420
Finance costs paid	(353,336)	(308,451)
Gratuity paid	(54,654)	(11,344)
Taxes paid	(96,692)	(138,299)
Net cash (used in) / generated from operating activities	(298,848)	1,511,327

Continued.....



Chief Executive Officer
 Bakhtiar Hameed Wain



Chief Financial Officer
 Ahsan Khalil



Director
 Tanveer Karamat

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	for the nine months ended	
	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)	
Net cash (used in) / generated from operating activities	(298,848)	1,511,327
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(263,962)	(156,529)
Proceeds from disposal of property and equipment	10,475	14,567
Additions in intangible assets - capital work in progress	(188,383)	(153,584)
Additions in intellectual property	(28,001)	(142,305)
Long term investments made	5,018	(87,362)
Decrease / (Increase) in short term investments	692	10,981
Profit on bank deposit	415	3,235
Net change in long term advances and deposits	8,801	(12,249)
Net cash (used in) / generated from investing activities	(454,944)	(523,247)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Dividend paid	(8,136)	(748,242)
Issuance of shares	73,860	9,956
Premium on issuance of shares	-	114
Long term loan (repaid)/ received	(18,238)	21,018
Finances under mark up arrangements and other credit facilities	637,973	(554,990)
Repayment of diminishing musharakah	(24,136)	-
Repayment of lease liabilities	(15,444)	(38,409)
Net cash (used in) / generated from financing activities	645,879	(1,310,552)
Net (decrease) / increase in cash and cash equivalents	(107,913)	(322,473)
Cash and cash equivalents at the beginning of year	756,748	1,131,258
Cash and cash equivalents at the end of period	648,835	808,785

The annexed notes 1 to 7 form an integral part of these consolidated condensed financial statements.



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Tanveer Karamat

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

	CAPITAL RESERVES							REVENUE RESERVES	Non-Controlling Interest	TOTAL
	Share capital	Share premium reserve	Gain on dilution of interest	Employee share compensation reserve	Statutory Reserve	Exchange revaluation reserve	Surplus on Revaluation of Property, Plant and Equipment	Un-appropriated (loss) / profit		
										(Rupees in '000)
Balance as on January 01, 2024	3,762,978	450,915	631,367	177,949	3,227	2,671,849	330,636	4,440,188	620,608	13,089,717
Profit for the period	-	-	-	-	-	-	-	2,008,811	52,643	2,061,454
Other comprehensive income	-	-	-	-	-	(32,751)	(2,437)	2,437	-	(32,751)
	-	-	-	-	-	(32,751)	(2,437)	2,011,248	52,643	2,028,702
Issuance of shares against ESOS	9,956	57,490	-	147,445	-	-	-	-	-	214,890
Adjustment of NCI	-	-	-	-	-	-	-	(13,357)	13,357	-
Employee share option reserve	-	-	-	82,829	-	-	-	-	-	82,829
20% dividend for the period ended December 31, 2023	-	-	-	-	-	-	-	(754,587)	-	(754,587)
10% bonus share issue for the period ended December 31, 2023	377,293	-	-	-	-	-	-	(377,293)	-	-
	387,250	57,490	-	230,274	-	-	-	(1,145,237)	13,357	(456,867)
Balance as on December 31, 2024	4,150,228	508,405	631,367	408,223	3,227	2,639,098	328,199	5,306,198	686,608	14,661,553
Profit for the period	-	-	-	-	-	-	-	(150,447)	1,300	(149,147)
Other comprehensive income	-	-	-	-	-	207,468	(1,157)	1,157	-	207,468
	-	-	-	-	-	207,468	(1,157)	(149,290)	1,300	58,321
Issuance of shares against ESOS	73,860	-	-	128,299	-	-	-	-	-	202,160
Employee share option reserve	-	126,325	-	(126,325)	-	-	-	-	-	-
	73,860	126,325	-	1,975	-	-	-	-	-	202,160
Balance as on September 30, 2025	4,224,089	634,730	631,367	410,198	3,227	2,846,566	327,042	5,156,908	687,908	14,922,034

The annexed notes 1 to 7 form an integral part of these consolidated condensed financial statements.



Chief Executive Officer
 Bakhtiar Hameed Wain



Chief Financial Officer
 Ahsan Khalil



Director
 Tanveer Karamat

AVANCEON LIMITED

NOTES TO THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

1 Legal Status and Nature of Business

1.1 Legal status and operations

The Group comprises:	Note #	Status within the Group
- Avanceon limited (AVL)		Holding Company
- Avanceon Free Zone Establishment, UAE (AVFZE)	1	Subsidiary of AVL
- Avanceon Automation and Control W.L.L (AVAC)	1	Subsidiary of AVL
- Avanceon Saudi Energy Company (AVSEC)	2	Subsidiary of AVL
- Octopus Digital limited (ODL)	2	Subsidiary of AVL
- Avanceon QFZ LLC (AVQFZ)	2	Subsidiary of AVL
- Empiric AI (Private) Limited (EAL)	2	Subsidiary of ODL
- Octopus Digital FZ (ODFZ)	2	Subsidiary of ODL

- 1.2** Avanceon Limited (the Company) was incorporated in Pakistan on March 26, 2003 as a private limited Company which was converted to a public Company on March 31, 2008 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is to provide industrial automation, process control and systems integration solutions, to trade in products of automation and control equipment and provide related technical services. Following are the business units of the holding Company along with their respective locations:

BUSINESS UNIT	LOCATION
Head office	The Avanceon Building, 19 KM, Multan Road, Lahore
REGIONAL OFFICES	
Karachi	The Hive 1st Floor, MA Tabba Foundation Building, Girzi Road, Block 9 Clifton, Karachi.
Islamabad	The Hive 6th Floor, ISE Towers Jinnah Avenue, Blue Area Islamabad.

- 1.3** AVFZE is a Free Zone Establishment with limited liability formed pursuant to Law No. 9 of 1992 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and Implementing Regulations issued thereunder by the Jebel Ali Free Zone Authority and was registered with the Jebel Ali Free Zone Authority under Registration No. 816 on February 28, 2004. Its registered office is situated in the Jebel Ali Free Zone, Dubai, United Arab Emirates. The principal activities of AVFZE are to provide industrial automation, process control and systems integration solutions, to trade in products of automation and control equipment and provide related technical services. The Establishment is wholly owned subsidiary of the Group.
- 1.4** AVAC is an Establishment with limited liability registered under the Ministry of Commerce and Industry, state of Qatar on May 22, 2017 with Registration No. 99027. Its registered office is situated in Al Jaber Engg. HO Building, PO Box: 15976, Fox Hills, Lusail, Doha - Qatar. The principal activities of AVAC are to provide industrial automation, process control and systems integration solutions, to trade in products of automation and control equipment and provide related technical services. The Group owns 49% equity shares of AVAC. However, based on an agreement signed between the holding Company and other shareholders, the Group has control over its financials and operating decision making of AVAC.
- 1.5** AVSEC is a Single Person Mixed Limited Liability Company registered in Kingdom of Saudi Arabia and operating under Commercial Registration No. 1010676690 dated 12/05/1442 hijra, corresponding to 27/12/2021. AVSEC is engaged in repairs and maintenance of power and control stations, installation of control equipment for industrial operation, design and programming of special projects, registering for providing cloud services and management of energy efficiency projects. The registered office of AVSEC is in Riyadh, Saudi Arabia. AVSEC is the wholly owned subsidiary of the Group.

AVANCEON LIMITED
NOTES TO THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

- 1.6** ODL was incorporated in Pakistan on December 29, 2017 as a private limited company under the Companies Act, 2017, which was converted into a public Company on November 11, 2020. ODL is a subsidiary of the Group and is listed on Pakistan Stock Exchange Limited. The prime business of ODL is to carry out Information Technology enabled services which include but are not limited to online data / information storage, online monitoring and review of employees efficiency, online monitoring of cost and production efficiency, online monitoring and maintenance of plant and machinery, sale and trade of related softwares and equipment etc. The Group owns 74.32% equity shares of ODL.
- 1.7** AVQFZ is incorporated as a limited liability Company under the Companies regulations of Qatar Free Zone Authority under FZA License No. FZA 194 obtained on November 05, 2020. The registered office of the Company is at Zone No. PA-WH-04, Area-Ras Bufontas Free Zone, Street No. PO Box: 45976, Doha-Qatar. The primary objective is to manufacturing of measuring, testing, navigating and control equipment. AVQFZ is the wholly owned subsidiary of the Group.
- 1.8** EAI is incorporated as a private limited company under the Companies Act, 2017 of Pakistan on May 19, 2020. The registered office of the Company is located in Pakistan. The primary objective of the Company is to analyze potential opportunities and to provide digital and technology services and products both within Pakistan and internationally. EAI is the wholly owned subsidiary of ODL. The Group owns 74.32% equity shares of ODL.
- 1.9** ODFZ is a Limited Liability Company incorporated pursuant to the regulations of the Dubai Development Authority, Government of Dubai, United Arab Emirates, and was issued Commercial License No. 103074 on June 16, 2023. Its registered office is located at DMC-BLD05-VD-G00-792, Ground Floor, DMC5 Building, Dubai Media City, Dubai, United Arab Emirates. The principal activities of the Entity are to provide software consultancy, software customer service, software development, software solutions, and software support services. The management of the Entity is vested with its Director, Mr. Bakhtiar Hameed Wain, a Pakistani national. ODFZ is the wholly owned subsidiary of ODL. The Group owns 74.32% equity shares of ODL.

2 Basis of Preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 Other Expenses

	for the nine months ended	
	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)	
Donations	7,700	6,691
Exchange Loss	51,075	95,420
Provision for expected credit losses - contract assets	534	244
Provision for expected credit losses - trade debts	18,583	1,714
Balances written off	3,428	7,672
Penalty Charges	2,142	-
Zakat	50	79
	83,947	111,821

AVANCEON LIMITED
NOTES TO THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

4 Other Income

	for the nine months ended	
	Sep 30, 2025	Sep 30, 2024
	(Rupees in '000)	
Profit on bank deposits	415	3,235
Gain on disposal of property, plant and equipment	10,475	7,925
Reversal of provisions for ECL	6,148	-
Other Income	107,366	27,987
	124,405	39,146

5 Contingencies And Commitments

5.1 Commitments

- (i) Bank guarantees issued amounting to Rs. 651.80 million (2024: Rs. 352.173 million) against the performance of various contracts.
- (ii) Letters of credit includes Rs. 460.29 million (2024: 121.588) which relates to import acceptance bills.

6 Date Of Authorization For Issue

The condensed interim consolidated financial information was authorised for issue on October, 27, 2025 by the Board of Directors of the Holding Company.

7 General

Figures have been rounded off to the nearest thousand rupees.



Chief Executive Officer
 Bakhtiar Hameed Wain



Chief Financial Officer
 Ahsan Khalil



Director
 Tanveer Karamat

AVANCEON

Tomorrow's solutions, today.

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