



February 27, 2026

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi

Dear Sir / Madam,

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025 (CONSOLIDATED AND STANDALONE)

We would like to inform you that the Board of Directors of Engro Holdings Limited (the "Company") in their meeting held on Thursday, February 26, 2026 at Karachi, reviewed and approved the consolidated and standalone financial results of the Company for the year ended December 31, 2025, and recommended the following:

(i) CASH DIVIDEND

Nil

(ii) BONUS SHARES

Nil

(iii) RIGHT SHARES

Nil

(iv) ANY OTHER ENTITLEMENT / CORPORATE ACTION

Nil

(v) ANY OTHER PRICE-SENSITIVE INFORMATION

Nil

FINANCIAL RESULTS

The financial results of the Company consisting of Consolidated and Standalone (1) Statement of Financial Position; (2) Statement of Profit or Loss Statement; (3) Statement of Other Comprehensive Income; (4) Statement of Changes in Equity and (5) Statement of Cash Flows along with (6) Directors' Report are annexed.

The Annual General Meeting (AGM) of the Company shall be held at Karachi on Tuesday, April 28, 2026, at 11:00 a.m., in Karachi.

The Share Transfer Book of the Company will be closed from Tuesday, April 21, 2026 to Tuesday, April 28, 2026 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Block 6, P.E.C.H.S. Shahrah-e-Faisal, Karachi, PABX No. (+92-21) 34380101-5 and email: info.shares@famcosrs.com by the close of business (05:00 p.m.) on Monday, April 20, 2026 will be treated in time for purpose of determining entitlement to attend and vote at the meeting.

A handwritten signature in blue ink, appearing to be the initials "AM".



EXPLANATION TO THE FINANCIAL RESULTS

- a) As notified to PSX on August 28, 2025 and October 30, 2025, following the termination of the Share Purchase Agreements (SPAs) related to the divestment of thermal energy assets by Engro Energy Limited, these assets have been reclassified as continuing operations in accordance with IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations. Consequently, the Group has reversed previously recognized impairment and other related adjustments amounting to PKR 53,757 million (Owners' share: PKR 26,573 million) during the year ended December 31, 2025.
- b) As notified to PSX on May 23, 2025, August 28, 2025 and October 30, 2025, the Scheme of Arrangement for amalgamation of Deodar (Private) Limited (“DPL”) was duly sanctioned by the Islamabad High Court.

Following the effective date of June 3, 2025, the financial results of DPL, along with its assets and liabilities, have been incorporated into the Group's consolidated financial statements for the year ended December 31, 2025.

- c) In accordance with the Scheme of Arrangement, 722,945 thousand shares have been issued to shareholders of Engro Corporation Limited (ECORP), other than the Company, resulting in an increase of Company's ownership in ECORP from 39.97% to 100%. Consequently, in the consolidated financial statements for the year ended December 31, 2025, the profit attributable to owners reflects 100% ownership interest in ECORP as compared to 39.97% in same period of 2024. Resultantly, the consolidated EPS for the year ended December 31, 2025, has been tabulated by dividing the profit attributable to owners with increased number of shares. Weighted average number of ordinary shares for determination of basic and diluted EPS are 1,204,232 thousand for 2025 (2024: 481,287 thousand).
- d) The decline in profitability in standalone results of the company is due to transfer of other income-generating investments to DH Partners Limited under the Scheme of Arrangement that became effective on January 1, 2025 coupled with reduction in dividends from Engro Corporation Limited where earnings are being retained to fund the towers' acquisition.

The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting and shall also be made available on our website www.engro.com.

Your sincerely,

For and on behalf of Engro Holdings Limited

MOHAMMAD AMIN
Company Secretary

Copied:

Director / HOD, Listing Companies Department, Supervision Division, SECP
NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad

ENGRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

Annexure A-1

(Amounts in thousand)

	Note	2025	2024
----- Rupees -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	544,183,262	196,624,590
Right-of-use assets	5	26,180,797	8,190,888
Intangible assets and Goodwill	6	52,490,603	5,942,405
Long term investments	7	48,202,409	30,422,677
Deferred taxation	25	1,534,786	-
Financial assets at amortized cost	8	5,220,538	4,268,249
Derivative financial instruments	9	-	226,087
Net investment in leases	10	38,629,208	47,783,306
Long-term loans, advances, deposits and other receivables	11	6,586,382	5,917,192
		723,027,985	299,375,394
CURRENT ASSETS			
Derivative financial instruments	9	16,859	-
Stores, spares and loose tools	12	15,049,658	13,521,629
Stock-in-trade	13	38,133,228	40,567,499
Trade debts	14	71,192,485	18,827,227
Loans, advances, deposits and prepayments	15	9,808,859	10,490,824
Other receivables	16	50,280,994	15,772,729
Accrued income		216,630	272,079
Contract assets	17	8,579,687	4,015,945
Current portion of net investment in leases	10	9,411,277	8,500,989
Taxes recoverable		11,383,179	-
Short-term investments	18	110,653,667	82,072,129
Cash and bank balances	19	35,592,668	13,061,440
		360,319,191	207,102,490
Assets classified as held for sale	20	-	262,859,218
TOTAL ASSETS		1,083,347,176	769,337,102

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ENGRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

(Amounts in thousand)

	Note	2025	2024
----- Rupees -----			
EQUITY AND LIABILITIES			
EQUITY			
Share capital	21	12,042,320	4,812,871
Reserves			
Reserve arising as a consequence of Scheme of Arrangement		118,339,406	-
Revaluation reserve on business combination	22	1,665	1,665
Maintenance reserve		360,320	390,074
Exchange revaluation reserve		830,743	832,468
Hedging reserve		(162,743)	46,486
General reserve		700,000	700,000
Remeasurement of investments		223,816	36,812
Remeasurement of post-employment benefits		(37,886)	(56,263)
Unappropriated profit		75,011,114	67,258,071
		195,266,435	69,209,313
		207,308,755	74,022,184
		95,777,986	158,096,795
Non-controlling interest		303,086,741	232,118,979
TOTAL EQUITY			
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	23	234,355,320	75,355,002
Long-term payable	29	3,942,473	-
Government grant	24	1,097,127	1,529,277
Deferred taxation	25	63,649,273	6,012,113
Lease liabilities	26	58,730,321	52,243,044
Deferred liabilities	27	6,762,931	4,494,865
		368,537,445	139,634,301
CURRENT LIABILITIES			
Trade and other payables	30	259,598,264	102,012,425
Accrued interest / mark-up	31	4,321,709	3,111,408
Current portion of:			
- borrowings	23	42,607,440	7,440,812
- government grant	24	405,870	439,609
- lease liabilities	26	17,296,290	11,009,770
- deferred liabilities	27	102,437	454,513
Provisions	28	27,966,674	27,552,505
Minimum tax payable		3,594,672	1,606,742
Taxation - net		-	1,071,853
Short-term borrowings	32	55,169,480	33,895,245
Dividend payable		660,154	1,989,413
		411,722,990	190,584,295
		780,260,435	330,218,596
Liabilities classified as held for sale	20	-	206,999,527
		780,260,435	537,218,123
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES			
		1,083,347,176	769,337,102
CONTINGENCIES AND COMMITMENTS			
	33		

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.


Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

ENGRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025

Annexure A-2

(Amounts in thousand except for earnings per share)

	Note	2025	2024
-----Rupees-----			
CONTINUING OPERATIONS			
Revenue	34	598,360,012	540,170,729
Cost of revenue	35	(450,669,999)	(387,433,311)
		<u>147,690,013</u>	<u>152,737,418</u>
Gross profit			
Selling and distribution expenses	36	(17,630,952)	(16,028,091)
Administrative expenses	37	(15,504,177)	(14,823,328)
Other income	38	12,007,888	27,339,502
Other operating expenses	39	(11,452,667)	(7,974,776)
Gain on subsidy receivable from GoP	16.1.1	624,715	1,203,088
Adjustments in respect of carrying value of thermal assets	1.3	35,758,730	(8,957,000)
Remeasurement gain / (loss) on carrying value of thermal assets	1.3	<u>24,099,000</u>	<u>(24,099,000)</u>
Operating profit		<u>175,592,550</u>	<u>109,397,813</u>
Finance costs	40	(44,934,455)	(40,629,765)
Share of income from joint venture and associates	41	8,968,038	3,393,050
		<u>139,626,133</u>	<u>72,161,098</u>
Profit before income tax, minimum tax and final tax			
Minimum and final tax	42	(8,637,862)	(4,189,320)
Profit before income tax		<u>130,988,271</u>	<u>67,971,778</u>
Income tax	43	(23,683,747)	(24,395,528)
Profit from continuing operations		<u>107,304,524</u>	<u>43,576,250</u>
DISCONTINUED OPERATIONS			
Loss from discontinued operations	20	(273,874)	(331,355)
Profit for the year		<u>107,030,650</u>	<u>43,244,895</u>
Profit attributable to:			
- Owners of the Holding Company		55,632,618	12,890,479
- Non-controlling interest		51,398,032	30,354,416
		<u>107,030,650</u>	<u>43,244,895</u>
Earnings per share - basic and diluted			
- Continuing operations		46.43	27.47
- Discontinued operations		(0.23)	(0.69)
	44	<u>46.20</u>	<u>26.78</u>

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.

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Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

ENGRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

Annexure A-3

(Amounts in thousand)

	Note	2025	2024
		-----Rupees-----	
Profit for the year		107,030,650	43,244,895
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Loss arising on hedging reserves		(209,229)	(737,120)
Exchange differences on translation of foreign operations		(1,725)	(56,150)
Gain on remeasurement of short-term investments classified at fair value through other comprehensive income - net of tax		182,754	1,385,040
		(28,200)	591,770
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post employment benefits obligation	46.1.3	52,116	7,937
Tax relating to remeasurement of post employment benefits obligation		(20,035)	(3,812)
Gain on remeasurement of long-term investments classified at fair value through other comprehensive income	7.8	4,250	19,749
		36,331	23,874
Other comprehensive income for the year - net of tax		8,131	615,644
Total comprehensive income for the year		<u>107,038,781</u>	<u>43,860,539</u>
Total comprehensive income attributable to:			
- Owners of the Holding Company		55,627,045	13,136,529
- Non-controlling interest		51,411,736	30,724,010
		<u>107,038,781</u>	<u>43,860,539</u>
Total comprehensive income attributable to:			
- Continuing operations		107,312,655	44,191,894
- Discontinued operations	20.2.1	(273,874)	(331,355)
		<u>107,038,781</u>	<u>43,860,539</u>

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.

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Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

**ENGR0 HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025**

(Amounts in thousand)

	Attributable to Owners of the Holding Company										Non-controlling interests	Total				
	Reserves					Revenue reserves										
	Capital reserves															
	Reserves arising as a consequence of Schemes of Arrangement															
	Share capital	Share premium	Acquisition reserve (note 12.3)	Demergor reserve (note 12.1)	Against transfer of reservable (note 1.4)	Revaluation reserve on business combination	Maintenance reserve (note 22)	Exchange revaluation reserve	Hedging reserve	Remeasurement of investments	General reserve	Unappropriated profit	Reassessment of post-employment benefits - Actuarial (loss) / income	Sub - total		
Balance as at January 1, 2024	4,812,871	-	-	-	-	1,665	233,607	854,908	241,866	(526,630)	700,000	61,374,565	(57,912)	63,548,630	166,592,488	234,953,989
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	-	(22,441)	(254,600)	561,442	-	12,890,479	1,649	13,196,629	30,724,010	43,274,495
Profit for the year	-	-	-	-	-	-	-	(22,441)	(254,600)	561,442	-	12,890,479	1,649	13,196,629	30,724,010	43,274,495
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	(2,224,854)	-	(2,224,854)	2,224,854	-
Adjustment for allocation of profit from Owners to NCI for preference dividend shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners																
Dividend by subsidiaries allocable to Non-controlling interest:																
December 31, 2024:																
- 1st interim @ Rs. 5.00 per share	-	-	-	-	-	-	-	-	-	-	-	(2,406,436)	-	(2,406,436)	(41,642,024)	(2,406,436)
- 2nd interim @ Rs. 3.00 per share	-	-	-	-	-	-	-	-	-	-	-	(1,443,891)	-	(1,443,891)	(1,443,891)	(1,443,891)
- 3rd interim @ Rs. 2.50 per share	-	-	-	-	-	-	-	-	-	-	-	(1,203,219)	-	(1,203,219)	(1,203,219)	(1,203,219)
Transfer from unappropriated profit to maintenance reserve (note 22.2)	-	-	-	-	-	-	131,467	-	-	-	(228,944)	-	(197,477)	(197,477)	(46,695,549)	(46,695,549)
Balance as at December 31, 2024	4,812,871	-	-	-	-	1,665	390,074	832,468	46,486	36,812	700,000	67,259,071	(65,283)	69,299,313	158,086,795	222,118,979

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ENGR0 HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in thousand)

	Attributable to Owners of the Holding Company											Non-controlling Interests	Total			
	Capital reserves					Reserves					Revenue reserves					
	Reserves arising as a consequence of Schemes of Arrangement															
	Share capital	Share premium	Acquisition reserve (note 1.2.3)	Demerger reserve (note 1.2.1)	Against transfer of distributable reserves (note 1.4)	Revaluation reserve on business combination	Maintenance reserve (note 2.2)	Exchange revaluation reserve	Hedging reserve	Reassessment of investments	General reserve	Unappropriated profit	Reassessment of post employment benefits	Sub - total		
Balance as at January 1, 2025	4,812,871	-	-	-	-	1,555	390,074	822,458	46,486	38,812	700,000	67,258,071	(56,263)	69,209,313	158,096,795	222,118,979
Effects of Schemes of Arrangement (notes 1.2 and 1.4)	7,229,449	136,220,468	(53,317,783)	(10,063,279)	46,000,000	-	-	-	-	-	-	(46,000,000)	-	72,339,406	(29,632,134)	(10,053,279)
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	-	-	(1,725)	(209,229)	187,004	-	55,632,618	18,377	55,632,618	51,398,032	107,030,650
Profit for the year	-	-	-	-	-	-	-	(1,725)	(209,229)	187,004	-	55,632,618	18,377	55,632,618	51,411,735	107,030,781
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	(1,848,665)	-	(1,848,665)	1,348,665	-
Adjustment for allocation of profit from Owners to NCI for preference dividend shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,947,076)	(25,947,076)
Transfer from unappropriated profit to maintenance reserve (note 2.2)	-	-	-	-	-	-	(29,754)	-	-	-	-	(29,754)	-	(29,754)	-	(29,754)
Shares issuance costs	-	-	-	-	-	-	(29,754)	-	-	-	-	(29,754)	-	(29,754)	-	(29,754)
Balance as at December 31, 2025	12,042,220	136,220,468	(53,317,783)	(10,063,279)	46,000,000	1,555	360,220	820,733	(162,743)	223,816	700,000	75,011,114	(37,885)	135,256,435	95,777,965	303,086,741

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.

Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

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ENGRO HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

Annexure A-5

(Amounts in thousand)

	Note	2025	2024
		-----Rupees-----	
Cash flows from operating activities			
Cash generated from operations	47	168,792,499	96,288,620
Retirement and other service benefits paid - net		(825,349)	(564,580)
Proceeds from net investment in lease		8,591,581	7,793,597
Finance income received on net investment in lease		5,806,130	6,609,841
Deferred incentive		(343,471)	(152,518)
Financial charges paid		(41,049,165)	(41,775,905)
Minimum and final tax paid		(6,649,932)	(4,189,320)
Taxes paid		(32,687,856)	(46,778,006)
Bank balance held under lien		(3,104,189)	918,567
Long-term loans and advances - net		366,896	(1,249,573)
		<u>98,897,144</u>	<u>16,900,723</u>
Net cash generated from operating activities			
Cash flows from investing activities			
Capital expenditure incurred		(33,773,227)	(26,673,495)
Sale proceeds on disposal of property, plant and equipment		2,270,934	2,059,225
Sale proceeds on disposal of subsidiary		2,476,613	-
Investments (made) / redeemed during the year - net		(21,672,671)	4,213,917
Income on deposits / other financial assets		11,452,078	27,938,763
Dividends received		1,532,013	2,325,423
		<u>(37,714,260)</u>	<u>9,863,833</u>
Net cash (utilized in) / generated from investing activities			
Cash flows from financing activities			
Borrowings / deferred liabilities - net		88,962,756	42,916,910
Loan note paid to PMCL		(85,931,511)	-
Lease rentals paid		(11,678,309)	(9,731,601)
Finance cost paid on lease liability		(7,550,134)	(6,089,177)
Shares issuance costs paid during the year		(60,664)	-
Dividends paid		(26,295,355)	(58,424,737)
		<u>(42,553,217)</u>	<u>(31,328,605)</u>
Net cash utilized in financing activities			
Net increase / (decrease) in cash and cash equivalents		18,629,667	(4,564,049)
Cash and cash equivalents at beginning of the year		42,389,173	46,760,981
Effect of exchange rate changes on cash and cash equivalents		102,566	192,241
Cash and bank balances transferred to DHPL		(260,773)	-
Cash and bank balances acquired from DPL		2,046,794	-
		<u>42,277,757</u>	<u>46,953,222</u>
Cash and cash equivalents at end of the year	48	<u>62,907,427</u>	<u>42,389,173</u>

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.

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Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

ENGRO HOLDINGS LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

Annexure B-1

(Amounts in thousand)

	Note	2025	2024
		------(Rupees)-----	
ASSETS			
NON-CURRENT ASSETS			
Property and equipment		1,359	39,921
Right-of-use assets		-	5,735
Investment properties		-	48,268
Long-term investments	5	166,758,844	23,309,927
		<u>166,760,203</u>	<u>23,403,851</u>
CURRENT ASSETS			
Advances, deposits and prepayments	6	43,980	12,015
Other receivables	7	13,731	28,516
Taxation - net		1,100	-
Short-term investments	8	226,178	16,546,268
Cash and bank balances	9	4,708	260,773
		<u>289,697</u>	<u>16,847,572</u>
TOTAL ASSETS		<u><u>167,049,900</u></u>	<u><u>40,251,423</u></u>
EQUITY			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital	10	12,042,320	4,812,871
Reserves		<u>154,909,014</u>	<u>28,559,335</u>
TOTAL EQUITY		<u>166,951,334</u>	<u>33,372,206</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Defined benefit liabilities		-	7,633
Deferred taxation	11	-	<u>2,012,564</u>
		-	<u>2,020,197</u>
CURRENT LIABILITIES			
Current portion of lease liabilities		-	7,870
Trade and other payables	12	98,566	1,095,892
Unclaimed dividend		-	1,000,870
Taxation - net		-	2,754,388
		<u>98,566</u>	<u>4,859,020</u>
TOTAL LIABILITIES		<u>98,566</u>	<u>6,879,217</u>
TOTAL EQUITY AND LIABILITIES		<u><u>167,049,900</u></u>	<u><u>40,251,423</u></u>
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 30 form an integral part of these unconsolidated financial statements.


Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

ENGRO HOLDINGS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in thousand except for earnings per share)

	Note	2025	2024
------(Rupees)-----			
Dividend Income	14	536,620	6,666,606
Other income	15	12,338	7,806,552
Total revenue		<u>548,958</u>	<u>14,473,158</u>
Administrative expenses	16	(268,606)	(254,451)
Gross profit		280,352	14,218,707
Other operating expense	17	(25,870)	(786,506)
Finance costs		(4)	(2,853)
Profit before taxation and levy		<u>254,478</u>	<u>13,429,348</u>
Levy	18	-	(337,237)
Profit before taxation		<u>254,478</u>	<u>13,092,111</u>
Taxation	19	(1,324)	(3,237,720)
Profit after taxation		<u><u>253,154</u></u>	<u><u>9,854,391</u></u>
Earnings per share – basic and diluted	20	<u><u>0.21</u></u>	<u><u>20.48</u></u>

The annexed notes 1 to 30 form an integral part of these unconsolidated financial statements.

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Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

ENGRO HOLDINGS LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in thousands)

	2025	2024
	----- (Rupees) -----	
Profit after taxation	253,154	9,854,391
Other comprehensive income / (loss) for the year		
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurement gain / (loss) relating to defined benefit liabilities	-	(1,836)
Total comprehensive income for the year	<u>253,154</u>	<u>9,852,555</u>

The annexed notes 1 to 30 form an integral part of these unconsolidated financial statements.

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Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

ENGRO HOLDINGS LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in thousand)

	Share Capital Issued, subscribed and paid-up capital	Reserves					Sub-total	Total
		Capital reserves			Revenue reserves			
		Reserve arising as a consequence of scheme of arrangement			General reserve	Unappropriated profit		
Ordinary shares	Share premium - note 1.2.2	Demerger reserve - note 1.2.1						
(Rupees)								
Balance as at January 1, 2024	4,812,871	-	-	700,000	23,060,295	23,760,295	28,573,166	
Total comprehensive income for the year								
Profit after taxation	-	-	-	-	9,854,391	9,854,391	9,854,391	
Other comprehensive loss	-	-	-	-	(1,836)	(1,836)	(1,836)	
	-	-	-	-	9,852,555	9,852,555	9,852,555	
Transactions with owners								
Interim cash dividends for the year ended December 31, 2024:								
- 1st Interim @ Rs. 5.00 per share	-	-	-	-	(2,406,436)	(2,406,436)	(2,406,436)	
- 2nd Interim @ Rs. 3.00 per share	-	-	-	-	(1,443,861)	(1,443,861)	(1,443,861)	
- 3rd Interim @ Rs. 2.50 per share	-	-	-	-	(1,203,218)	(1,203,218)	(1,203,218)	
	-	-	-	-	(5,053,515)	(5,053,515)	(5,053,515)	
Balance as at December 31, 2024	4,812,871	-	-	700,000	27,859,335	28,559,335	33,372,206	
Total comprehensive income for the year								
Profit after taxation	-	-	-	-	253,154	253,154	253,154	
Other comprehensive income	-	-	-	-	-	-	-	
	-	-	-	-	253,154	253,154	253,154	
Effect of Scheme of Arrangement (note 1.2)	7,229,449	136,220,468	(10,063,279)	-	-	126,157,189	133,386,638	
Shares issuance costs	-	-	-	-	(60,664)	(60,664)	(60,664)	
Balance as at December 31, 2025	12,042,320	136,220,468	(10,063,279)	700,000	28,051,825	154,909,014	166,951,334	

The annexed notes 1 to 30 form an integral part of these unconsolidated financial statements.

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Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

ENGRO HOLDINGS LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in thousand)

	Note	2025	2024
		------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash utilized in operations	23	(253,017)	(132,158)
Taxes and levy paid		(2,424)	(1,072,771)
Defined benefit liabilities paid		-	(3,922)
Short-term investments - net		(223,010)	(297,862)
Dividends received	14	536,620	6,666,606
Income on bank deposits and other financial assets		9,170	31,857
Net cash generated from operating activities		67,339	5,191,750
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment		(1,967)	(4,942)
Proceeds from disposal of property and equipment		-	670
Long-term investment made in DHPL		-	(1,000)
Net cash utilized in investing activities		(1,967)	(5,272)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid during the year		-	(22,376)
Shares issuance costs paid		(60,664)	-
Dividends paid		-	(4,954,459)
Net cash utilized in financing activities		(60,664)	(4,976,835)
Net increase in cash and cash equivalents		4,708	209,643
Cash and cash equivalents at the beginning of the year		260,773	51,130
Cash and bank balances transferred to DHPL under Scheme of Arrangement	1.2.1	(260,773)	-
Cash and cash equivalents at the end of the year	9	4,708	260,773

The annexed notes 1 to 30 form an integral part of these unconsolidated financial statements.

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Farooq Barkat Ali
Chief Financial Officer

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

Directors' Report for the year ended December 31, 2025

The Directors of Engro Holdings Limited (the "Company") are pleased to present their report for the year ended December 31, 2025.

Year at a glance

The global economic landscape in 2025 remained relatively stable, although growth momentum slowed amid elevated policy uncertainty and ongoing geopolitical tensions. Advanced economies recorded moderate expansion, while heightened U.S. tariff measures and renewed trade barriers weighed on global trade and investment sentiment. These factors, alongside easing inflationary pressures, contributed to softer commodity prices and a more cautious investment environment across key markets.

Domestically, Pakistan's economy showed early signs of stabilization, though overall growth remained modest, reflecting the impact of external shocks, including severe flooding, and persistent structural constraints. Inflation moderated compared with prior periods, supporting gradual monetary easing by the State Bank of Pakistan. However, underlying risks remained, including fiscal constraints, a narrow tax base, and the need for sustained structural reforms to support investment and long-term economic resilience.

For Engro Holdings, 2025 was a year of structural alignment across the portfolio. The consolidation of Engro Corporation as a wholly owned subsidiary simplified the Group's ownership structure and strengthened capital allocation flexibility. Thermal energy assets were retained within the portfolio following the termination of divestment agreements, restoring an important source of operating cashflows.

The acquisition of Deodar represents a significant capital deployment and increases the Group's exposure to telecom infrastructure. The current priority is the disciplined integration of these assets, with focus on improving utilization, strengthening commercial execution, and enhancing cash generation over time.

During the year, Engro Corporation, Engro Holdings, and Engro Fertilizers were recognized among the top companies on the Pakistan Stock Exchange. While such recognition reflects sustained operational and governance discipline, the Group remains focused on execution, capital stewardship, and strengthening long-term cashflow generation.

Our Central Goal

Engro Holdings upholds a strong commitment to disciplined stewardship of shareholder capital, guided by a clear mandate to generate sustainable long-term value. This commitment centres on delivering sustainable and compounding cashflows per share and transparent governance and reporting practices, ensuring that stakeholders are fully informed of the Group's progress and value-creation outcomes.

Financial Performance

For the year ended December 31, 2025, the Company posted a consolidated profit after tax (PAT) of PKR 107,031 million (of which PKR 55,633 million was attributable to Engro shareholders), with an EPS of PKR 46.20 this year versus PKR 26.78 last year. Much of the increase arises from reversal of previously recognized impairment during 2023 and 2024, linked to our thermal energy assets, which were previously classified as "held for sale." Excluding this one-off impact, consolidated PAT attributable to shareholders stood at PKR 29,059 million, reflecting core earnings.

On a standalone basis, the Company posted a PAT of PKR 253 million compared with PKR 9,854 million last year, translating into an EPS of PKR 0.21 versus PKR 20.48. As noted earlier, the numbers do not reflect a decline in the underlying health of the business. The drop is primarily due to the transfer of income-generating investments to DH Partners under the Scheme of Arrangement that became effective on January 1, 2025, coupled with reduction in dividends from Engro Corp as it retains its earnings to fund its commitments under the Deodar transaction.

Note on Major Accounting Impacts

As highlighted earlier, performance during this period was influenced by following three major factors. For shareholders, it is important to note that movements in reported EPS and PAT largely stem from structural changes and a one-time impairment reversal.

- 1. Restructuring of Engro Holdings:** Effective January 1, 2025, Engro Corporation became a wholly owned subsidiary of the Company. As a result, profit attributable to owners now reflects 100% versus 39.97% last year. In addition, 723 million new shares were issued. This expanded base impacts EPS comparisons.
- 2. Thermal Energy Assets:** Engro Energy's divestment agreements of its thermal assets were terminated, leading to their reclassification as continuing operations under IFRS 5. This resulted in the reversal of previously recognized impairment and other related adjustments amounting to PKR 53,757 million (Owners' share: PKR 26,573 million) in the consolidated financial statements.
- 3. Consolidation of Deodar Towers:** On June 3, 2025, the Group consolidated Deodar (~10,600 towers) following completion of the transaction with Pakistan Mobile Communication Limited (PMCL). The assets and liabilities have been recorded at provisional fair values of PKR 217,168 million and PKR 176,843 million respectively, with Deodar's results included in the consolidated financial statements from that date onwards.

Our Assets

Fertilizers

The fertilizer industry experienced a challenging operating environment during much of the year, reflecting pressure on farm economics, elevated input costs, and structurally higher industry supply. This environment required greater commercial discipline across the sector, with increased focus on volume management, channel efficiency, and working capital control.

While operating performance remained stable, a key learning during the year was that we needed a more effective commercial strategy in a long-supply market, without over-reliance on market interventions. Management has prioritized strengthening customer engagement, and enhancing demand visibility to support more efficient inventory and pricing management.

This year also marked a key milestone for the business with the approval of enhanced gas allocation to the Base Plant from the Habib Rahi Limestone (HRL) reservoir. This includes increased volumes and a firm allocation of the business's total gas requirement at competitive rates. In addition, Mari Energies Limited will backfill any depletion from the Ghazij/Shawal reservoir, ensuring supply continuity.

Looking ahead, management's priorities include maintaining high plant reliability, improving energy efficiency and most importantly strengthening commercial capabilities, and ensuring input cost competitiveness. These measures are expected to support sustained operating performance and cashflow generation over time.

Polymers

The global petrochemical industry and Pakistan's energy landscape continued to undergo significant structural shifts during the year. Within this context, Engro's polymer business (EPCL) operated in the most challenging environment across the Group's portfolio, facing multiple headwinds including a historically low core delta, rising gas prices, and the impact of tariff rationalization. On the energy front, domestic power and gas costs remained structurally elevated, with the levy on captive gas adding further volatility and uncertainty to the cost base.

In response, management focused on operational efficiency, cost control, and preserving financial resilience. Key priorities include reducing delivered energy costs, maintaining high plant reliability, and managing working capital prudently. These measures are intended to protect cashflows and maintain operational stability while the industry adjusts to structurally higher input costs.

Telecom Infrastructure (Towers)

Following the acquisition of Deodar, the primary focus has shifted to integration, operational alignment, and strengthening commercial execution across the tower portfolio. Priority areas include improving tenancy ratios, optimizing energy costs, and enhancing operating efficiency to improve cash generation from the existing asset base.

Given the scale of capital deployed, disciplined capital management remains critical. Management is focused on improving asset utilization, strengthening customer relationships, and ensuring that future capital expenditure is aligned with demonstrated demand and return thresholds.

Over time, tenancy growth, operational efficiency, and disciplined capital allocation will be key drivers of cashflow generation and return on invested capital.

Energy

Engro's energy businesses remained stable and resilient during the year. EPTL continued to operate as one of the lowest-cost thermal baseload plants in the system, providing reliable operations and steady cash generation for the Group. Equity ownership in EPQL has been reduced from 68.89% to 50.36%, maintaining management control of the business. SECMC's Phase III expansion continued to progress, enhancing both the durability of returns and Pakistan's long-term energy security.

Management's priority remains the preservation of operating reliability, cost discipline, and protection of cashflows within a changing regulatory and energy market environment.

Terminals

Terminal operations continued to provide stable cashflows and remain an important component of Pakistan's gas and chemical infrastructure. Operational performance remained stable during the year. However, recent changes in the tax regime have increased financial pressure on the sector.

Organizational priorities remain centred on ensuring stability in the business, including the timely renewal of the Implementation Agreement. For Engro, this platform strategically positions the Group to pursue international opportunities by leveraging its strong network and deep understanding of infrastructure development. It enables the Group to capitalize on the anticipated growth in marine and LNG markets over the coming years.

Trading

Engro Eximp FZE, the Company's international trading subsidiary, continued to demonstrate growth during the period, delivering a strong topline performance driven by enhanced 3P trading activity and higher volumes. Beyond its financial contribution, the business provides the Group with a strategic international presence, thereby diversifying the portfolio and enhancing exposure to global markets.

The long-term objective is to establish the trading business as a player of relevance across the Global South, recognizing that this is a multi-year journey requiring sustained commitment and disciplined execution. Given the inherently cyclical and competitive nature of trading, the priority remains on maintaining prudent risk controls, capital discipline, and sustainable profitability.

Foods

The foods business demonstrated resilience despite a difficult operating environment. The imposition of sales tax on the formal dairy sector, combined with weak legislation, has distorted the market in favour of the informal sector. This reduces the ability to scale, limits investment in productivity, and ultimately constrains the sector's contribution to both national growth and shareholder returns. Against

these headwinds, management has responded with operational improvements and cost discipline, ensuring performance remains stable.

We remain confident in the long-term opportunity as sector formalisation unlocks demand, improves yields, and positions Pakistan for export potential.

Overall, our performance has demonstrated the upside of a diverse portfolio and we look forward to building a more resilient anti-fragile portfolio of investments which enables us to generate sustained cashflows. A major challenge that exists still, however, is the removal of Inter-Corporate Dividend (ICD) tax relief which has negatively impacted capital allocation efficiency and shareholder returns. Engro is actively engaging with policymakers and business forums to address this anomaly, emphasizing global best practices and the long-term benefits for investment and corporatization in Pakistan.

Dividend Policy

Your Board has elected not to declare a final dividend for 2025, reflecting a measured and deliberate approach to capital deployment aimed at maximizing long-term shareholder value.

The immediate priority remains the funding of outstanding obligations related to the towers transaction, which the Board continues to regard as a strategically significant investment in the history of the Group. This transaction is expected to generate stable and enduring cash flows over the coming years. Accordingly, the retention of earnings to support this investment is considered to be the most prudent course of action to create sustainable value for shareholders.

Economic Outlook

As we look forward, Pakistan's economy shows signs of cautious optimism, supported by ongoing macroeconomic stabilization efforts, fiscal discipline, and continued engagement with multilateral partners. Easing inflation and a prospective easing of monetary conditions are likely to support a gradual recovery in domestic demand and private sector activity. Improvements in external account stability and foreign exchange availability are expected to enhance business confidence and ease input cost pressures.

Despite this progress, structural challenges remain significant. In particular, Pakistan's tax system continues to constrain the business environment, with a narrow tax base, complex regulations, weak enforcement, and inequitable burdens on certain sectors. These challenges, compounded by persistent losses from state-owned enterprises requiring comprehensive restructuring, underline the importance of consistent policy implementation and progress on structural reforms—particularly in taxation, the energy sector, and state-owned enterprises.

While near-term growth is expected to remain moderate, medium-term prospects are underpinned by Pakistan's favourable demographics, and reform-led productivity gains, positioning the economy for a more sustainable and inclusive growth trajectory.



Leveraging evolving macroeconomic trends and reform-driven productivity gains, Engro Holdings is well-positioned to capitalize on emerging opportunities. With its new structure fully operational, we expect improved capital productivity over the medium to long term, delivering meaningful benefits to the shareholders.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a fundamental aspect of the Company's ethics and policy, pursued consistently and with dedication. The Company has consistently led the way in voluntary CSR activities over the years which are largely centred on human development and environmental responsibility. As such, we have made targeted interventions in areas of education, healthcare, skills development, livelihood, environment, and sustainability.

To further institutionalize these efforts, we have developed an effective policy for sustainability and corporate social responsibility, in line with the SECP's CSR guidelines of 2013 and the Companies Act of 2017.

For further details on Engro's environmental and social initiatives, please refer to our Integrated and Sustainability Reports.

Environmental Impact

As a responsible corporate entity, Engro is committed to generating positive environmental and social outcomes through the responsible use of natural resources and efficient, safe production practices. We continuously monitor our emission levels and their carbon footprint and regularly make investments in environmental protection through programs such as tree and mangrove plantations, water conservation, Indus River Dolphin Conservation Program, etc.

Environmental management systems across our businesses encompass detailed technical standards, real-time monitoring, risk assessments, and data-driven controls for emissions, effluents, air quality, water and waste management.

Human Capital

At Engro, employee health and well-being are central to building a resilient and future-ready workforce. We promote holistic wellness through comprehensive medical coverage, on-site clinics, mental well-being support, fitness programs, and nutritional guidance. These initiatives address employees' physical, emotional, and nutritional needs, fostering a supportive work environment that enables individuals to perform at their best. In 2025, Engro achieved a wellbeing score of 78%, surpassing the global average of 73%, reflecting the positive impact of our sustained wellness efforts and our commitment to creating a thriving workplace.

Character-Driven Leadership sits at the core of Engro's culture, ensuring that capability is anchored in values. This is manifested through the Character and Good Manners (CGM) framework, based on values



of Truthfulness, Trustworthiness, Humility, Integrity, and Striving in Times of Hardships (Sabr), translating principles into everyday behaviors. In 2025, CGM cascade sessions were conducted through in-person trainings across the Group, achieving 100% organizational coverage and contributing over 20,000 learning hours, reinforcing consistent culture-building, ethical conduct, and leadership accountability.

Capability development and inclusive growth remain key pillars of our people strategy. Through LEAP, our Group-wide learning platform, we delivered over 130,000 learning hours in 2025 across onboarding, functional excellence, and leadership development.

We also advance Diversity, Equity, and Inclusion through equitable hiring practices, anti-harassment governance, and targeted programs such as Break Ke Baad for women returning to work, Khudi for persons with disabilities, Uraan for technical upskilling of women in underserved communities, and the RISE Above series to strengthen women's leadership confidence. Together, these initiatives reflect Engro's commitment to equal opportunity, continuous learning, and empowering diverse talent to thrive and contribute meaningfully to sustainable long-term growth.

Risk Management

Engro has adopted the Enterprise Risk Management (ERM) framework, aligning with globally acclaimed standards to proactively assess and manage risks. Engro's policy enshrines risk management as a cornerstone of creating, safeguarding, and amplifying shareholder value.

Engro's diverse portfolio operates within a dynamic and complex business environment, necessitating a thorough evaluation of each subsidiary's strategic direction and the level of risk it is prepared to accept. Responsibilities are clearly delineated across the organization to ensure robust risk management. Each subsidiary systematically assesses the likelihood and impact of its risks, assigning scores at various levels—inherent, residual, and target. These scores form the basis for prioritizing risks and assigning ownership to the respective leadership for ongoing management.

Risks are identified across the organization and ranked based on their impact and probability. Once identified, tailored mitigation strategies are developed to minimize their effect, while simultaneously aligning these strategies with the Risk Appetite Statements (RAS) to define the appropriate approach. This process is actively monitored and reviewed by the Management Committee and the Board, ensuring alignment with corporate goals and continuous oversight.

At Engro, fostering the right culture for risk management is a fundamental priority. For this purpose, Engro has a dedicated Governance, Risk and Control (GRC) function across the group as a second line of defence, They ensure that the first line of defence, i.e. management teams, not only comprehend the principles of risk management but also seamlessly integrate them into daily operations. To this end, regular training sessions are conducted with consistent reinforcement of key messages. This commitment strengthens awareness, embeds accountability, and promotes a proactive approach to managing risks across the organization.

Key Risks and Mitigation Strategies

- **Strategic Risk:** Engro's exposure to strategic risks spans energy concerns, dependency on imported raw materials, and a range of ventures, from offshore trading to tech-based infrastructure. These risks are closely monitored and managed to ensure alignment with long-term objectives.
- **Safety and Operational Risk:** Risks related to plant operations, information and cybersecurity, fraud, and workforce safety are continually assessed. Engro proactively implements measures to safeguard disaster recovery and ensure business continuity, reflecting a commitment to operational excellence.
- **Legal and Compliance Risk:** Through sustained efforts and constructive dialogues with policymakers, Engro navigates regulatory complexities and economic challenges, ensuring compliance across its business landscape.
- **Financial and Reporting Risk:** Engro's diverse portfolio subjects the Company to risks such as complex taxation structures, foreign exchange volatility, credit, and liquidity challenges. A holistic view of the portfolio ensures that robust and adequate mitigation strategies are in place to address these risks effectively.

Sustainability-Related Risks

Sustainability-related risks include climate change, depletion of non-renewable resources and environmental degradation in general. By embracing green operational practices, adopting renewable energy policies, and green initiatives, the Company aims to contribute to a sustainable future. The management is developing measurable ESG targets that align with the Company's strategic objectives to achieve greater sustainable resilience and positive social impact. Our broader sustainability vision is anchored in environmental stewardship, positive societal impact, and responsible business practices, all of which are detailed in Engro's Sustainability Report.

Internal Control Framework:

Responsibility:

The Board of Directors is ultimately responsible for Engro's system of internal control and for reviewing its effectiveness. Such a system is designed to reduce the risk of failure to achieve business objectives and can provide reasonable assurance against material misstatement or loss. The Board, whilst maintaining its overall responsibility, has delegated the detailed design and operation of the system of internal controls to the Chief Executive Officer.

Framework:

The Company maintains an established control framework comprising of clear governance structures, authority limits and accountabilities, policies, procedures, and a budgeting process.

Review:

The Board meets quarterly to consider financial performance, financial and operating budgets, business growth and developmental plans, capital expenditure proposals, and other key performance indicators. The Board Audit and Risk Committee receives reports on the system of internal financial controls from

external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

Adequacy of internal financial controls

The Board of Directors has employed an well-defined paradigm of internal financial controls, promoting a culture of ethical conduct and obligation within the Company's systems and processes.

Corporate Governance

Engro Holdings remains committed to high standards of corporate governance, conducting its business in line with best practices of the Code of Corporate Governance and the Listing Regulations of the PSX, which specify the roles and responsibilities of the Board of Directors and Engro Holdings' management. For further details, please refer to the Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019.

Board of Directors

The Board of Directors reviews all significant matters of the Company. These include its strategic direction, annual business plans and targets, and decision on long-term investments and borrowings. It is committed to maintaining high standards of Corporate Governance. The existing Board was elected on May 22, 2023. As at December 31, 2025, it comprises 7 directors, including the Chief Executive Officer, and possesses a diverse mix of gender, knowledge, and expertise to enhance its effectiveness.

The Board consists of 1 female director and 6 male directors, categorized as follows:

- 4 Independent male directors
- 1 Non-Executive male director
- 1 Non-Executive female director
- 1 Executive director

Following are the names of the personnel who, at any time during 2025, were Directors on the Board of the Company:

- Mr. Hussain Dawood
- Ms. Sabrina Dawood
- Mr. Muhammed Amin
- Mr. Isfandiyar Shaheen
- Mr. Ahmed Ebrahim Hasham***
- Mr. Sohail Tai***
- Mr. Abdul Samad Dawood
- Mr. Muhammad Bilal Ahmed*
- Mr. Zamin Zaidi**

*resigned on January 01, 2025

**resigned on February 19, 2025

***appointed on February 19, 2025

Board Meetings

In 2025, the Board held 5 meetings to cover its complete cycle of activities. It has established 3 committees to assist it in carrying out fiduciary duties. These committees, along with their membership details, are as follows:

Board Audit & Risk Committee	Board Investment Committee	Board People Committee
4 meetings held in 2025	3 meetings held in 2025	1 meeting held in 2025
Mr. Muhammed Amin Mr. Sohail Tai Mr. Isfandiyar Shaheen	Mr. Abdul Samad Dawood Mr. Ahmed Ebrahim Hasham Mr. Sohail Tai Mr. Muhammed Amin Mr. Isfandiyar Shaheen	Mr. Isfandiyar Shaheen Mr. Ahmed Ebrahim Hasham Ms. Sabrina Dawood

Directors' Remuneration

Engro Holdings has a formal and transparent policy for the remuneration of the directors in accordance with the Articles of Association of the Company and the Companies Act 2017. The remuneration, including the directors' fee for attending the Board or Board Committee Meeting, paid to the Directors and CEO, is disclosed on Note 21 to the Unconsolidated Financial Statements.

Statement of Directors Responsibility

The Directors confirm compliance with the Corporate and Financial Reporting Framework as per the Listing Regulations of the PSX as follows:

- The financial statements prepared by the management of Engro Holdings present the state of affairs fairly, the result of operations, cash flows and change in equity.
- Proper books of accounts of Engro Holdings have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departures therefrom have been adequately disclosed.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon Engro Holdings' ability to continue as a going concern.
- Key operating and financial data for the last six years in summarized form are annexed to the report

Remuneration Policy for Non-Executive and Independent Directors

The Board of Directors has approved a 'Remuneration Policy for Non-Executive and Independent Directors,' the salient features of which are:

- The remuneration shall be appropriate and commensurate with the level of responsibility and expertise of the directors, aimed at attracting and retaining the directors needed to govern the Company successfully and encourage value addition.
- The remuneration shall not compromise nor influence, in any way, the independence of the directors.
- The Board, if deemed appropriate, may engage an independent consultant to determine the appropriate level of remuneration for its directors.
- No remuneration shall be paid to an Executive Director or any Non-Executive Directors who are employees in other Engro entities, for attending meetings of the Board and its committees.
- All travelling and lodging costs are reimbursed or arranged for at actual for business-related travel.

Related Parties

The Company maintains a comprehensive list of all related parties. All such parties with whom the Company has entered into transactions during the year, along with the nature of the relationship and percentage holdings, have been appropriately disclosed in Note 53 of the consolidated financial statements.

In compliance with the Code of Corporate Governance and applicable laws, every quarter, a comprehensive list of all related party transactions is placed before the Board Audit and Risk Committee for review and based on its recommendations, is subsequently approved by the Board.

Entity rating

During 2025, PACRA reaffirmed Engro Holdings' short-term and long-term credit rating of A1+ and AA, respectively, in its annual review.

Auditors

The present auditors, A.F. Ferguson & Co., Chartered Accountants are retiring at the conclusion of the forthcoming annual general meeting and are offering themselves for reappointment. The Audit Committee has recommended the re-appointment of A.F. Ferguson & Co., Chartered Accountants as auditors of Engro Holdings for the year ending 31 December 2026, and the Board has endorsed this recommendation.

Pattern of Shareholding

The pattern of shareholding of Engro Holdings as at 31 December 2025, together with other necessary information, will be made available in the annual report along with the proxy form.

Material changes due to subsequent events

Subsequent to the financial year-end, 18.53% of the equity interest in EPQL was divested through a share sale executed on the Negotiated Deal Market. Consequently, the Company's effective shareholding in EPQL decreased from 68.89% to 50.36%, while management control over the business has been retained.

No other material changes or commitments affecting our financial position have occurred between the end of the financial year and the date of this report.

Closing

We strive to report with clarity and honesty, understanding that trust is earned through transparent and responsible disclosure. The Board extends its appreciation to our shareholders for their continued trust, our colleagues for their dedication, our regulators and government partners for their support, and our customers for their confidence. Together, these stakeholders enable Engro to remain disciplined, diversified, and focused on creating sustainable long-term value.



Hussain Dawood
Chairman



Abdul Samad Dawood
Chief Executive Officer