AGP

we value life

AGP-Sec./ 388
March 30, 2026

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: **Transmission of Annual Report for the Year Ended December 31, 2025**

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended December 31, 2025 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

Muhammad Asad Khan
Company Secretary

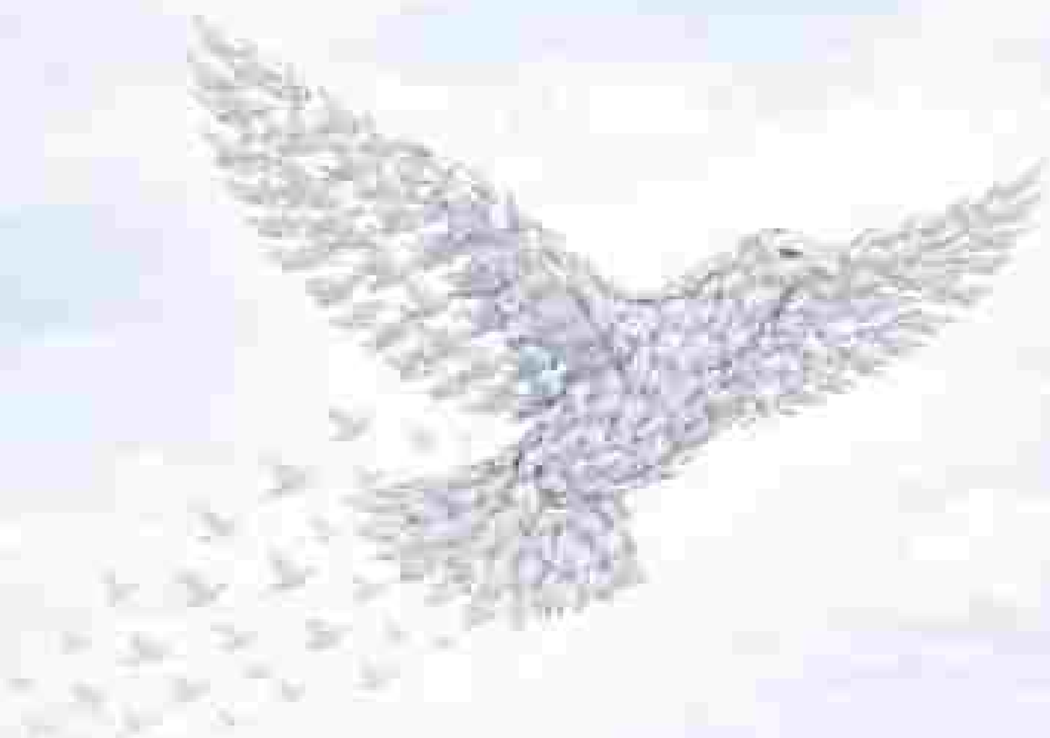
AGP

we value life

An OBS Group Company

STRATEGIZE SYNERGIZE SUCCEED

ANNUAL REPORT 2025



STRATEGIZE, SYNERGIZE, SUCCEED

Building upon the strength of our foundation, this year we advance with a clear and purposeful direction under the theme "Strategize, Synergise, Succeed." This philosophy reflects our commitment to disciplined planning, collaborative execution, and sustained value creation.

Strategize represents our focus on forward-looking vision and structured decision-making. Through data-driven insights, prudent risk management, and long-term planning, we continue to align our priorities with emerging industry dynamics and stakeholder expectations.

Synergise embodies the power of collective effort. By fostering cross-companies collaboration, functional alignment amongst group companies, strengthening partnerships, and aligning our people, processes, and technology, we unlock efficiencies and amplify impact across the organization.

Succeed is the outcome of this integrated approach, measured not only in financial performance, but also in the positive difference we create in expanding healthcare access and improving patient outcomes. Our sustained growth reflects resilience, operational excellence, and a steadfast commitment to the communities we serve.

ABOUT THIS REPORT

The Annual Report provides a comprehensive overview of AGP Limited and its subsidiaries business activities for the reporting period of 2025, presenting detailed information on the Company's position, performance and future outlook. It also highlights key developments and material matters, with a strong focus on long-term sustainability, integrated performance and the strategic and operational review conducted by the Board of Directors.

Scope and Boundary

AGP Limited is pleased to present its Annual Report for the year 2025. This report encompasses comprehensive disclosures on Stakeholder Information, Corporate Governance, Directors' Report and Financial Statements for the year ended December 31, 2025.

There have not been any significant changes to the scope, boundary, and reporting since the last reporting date as of December 31, 2024.

Forward Looking Statement

The report incorporates a comprehensive section titled "Strategic Outlook," providing necessary details of the Company's anticipated future business activities and financial performance. Additionally, the report will provide an update on the Company's previous projects referenced in the Forward Looking Statement of the preceding year, as well as its approach for the future. Furthermore, the report will address any potential challenges foreseen in the upcoming year and outline the Company's plans for managing and mitigating associated risks.

Materiality

Determination of materiality levels, other than those provided under the applicable law and regulations, involves judgment and may differ among organizations. Broadly, matters are considered material if, either individually or in aggregate, they are anticipated to substantially impact the performance and profitability of the Company. These materiality levels undergo periodic review and are duly updated as deemed necessary.

External Assurance

Following elements of this report have been independently assured by external experts:

Grant Thornton Anjum Rahman Chartered Accountants

Independent Auditor's Report on the Audit of Financial Statements

Review Report on Compliance with Code of Corporate Governance

World Wildlife Fund for Nature

Green Office Initiatives Audit Diploma

Pakistan Credit Rating Agency

Entity's Credit Rating

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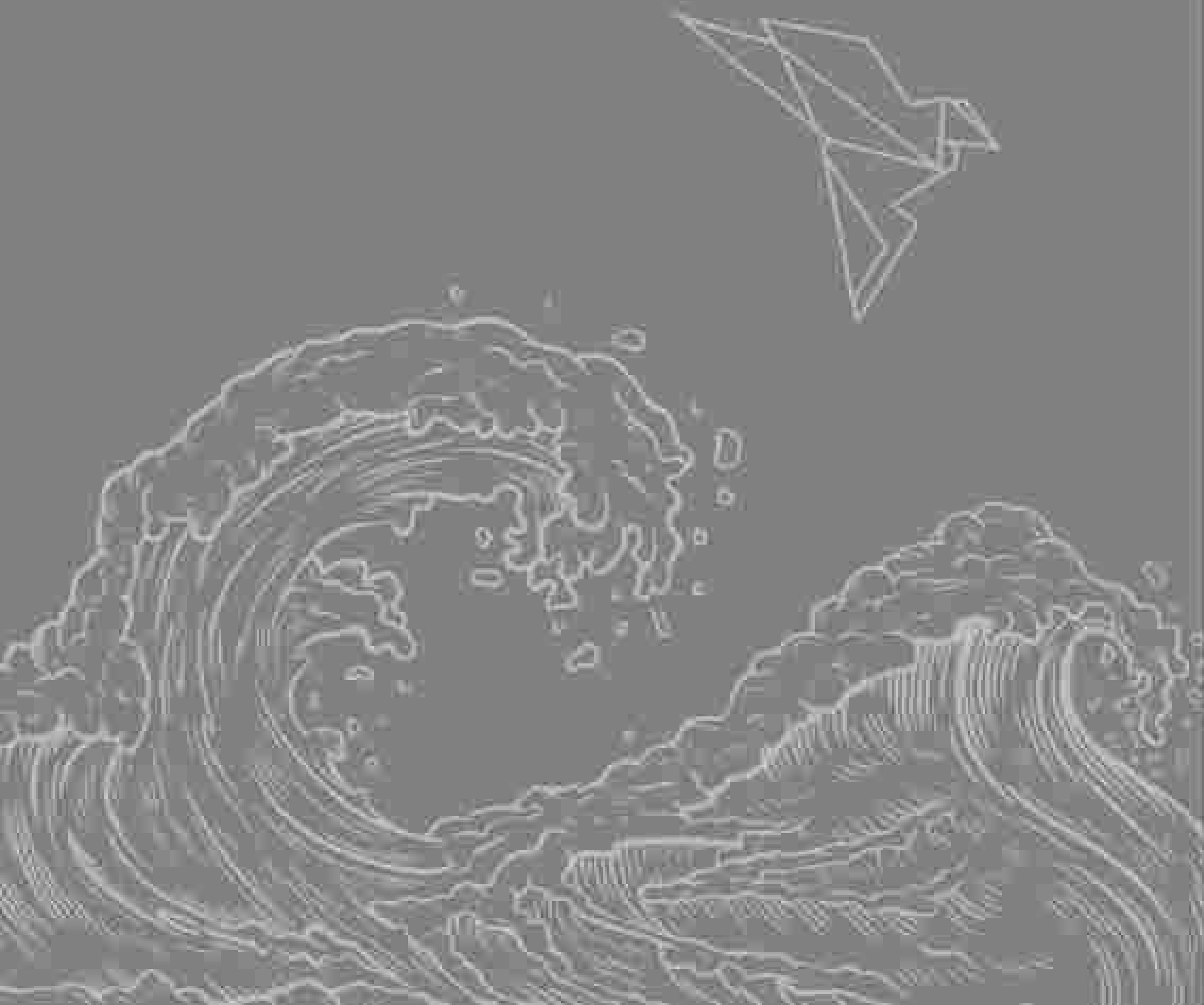
01

COMPANY OVERVIEW

Our strongest asset is our determination to deliver high-quality products. Our 35-year-old legacy still carves its way into our ambitious mindset and professional behavior for continuous improvement in the healthcare ecosystem.



COMPANY OVERVIEW

General information about the Company and its operations

STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

Overview

The following frameworks have been considered in compiling this annual report:

- The accounting and reporting standards as applicable in Pakistan comprise:
  - International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
  - Islamic Financials Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP); and
  - Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ from IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- Regulations of the Listed Companies Code of Corporate Governance, 2019 and the Rule Book of the Pakistan Stock Exchange (PSX).
- Best practices on Corporate Reporting as promoted by Joint Committee of ICAP and Institute of Cost and Management Accountants of Pakistan (ICMAP).
- Integrated Reporting (IR) framework issued by the International Integrated Reporting Council (IIRC).
- IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), including IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

Statement of Adherence with International Integrated Reporting Framework

This integrated annual report provides an overview of sustainable value created by AGP over time. It provides insight of the Company's strategy, and its ability to create value in the short, medium and long term, and to its effective use of capitals and its effects. The report also details the nature and quality of the organization's relationships with its key stakeholders and sets out the financial & non-financial performance of the Company and provide insight into the prospects & outlook.

This integrated annual report precisely covers the fundamental concepts of value creation for the organization and for others, the capitals involved and the process through which value is created, preserved, or eroded on page 75 & 76.

In the preparation and presentation of the integrated report, we have endeavored to implement the guiding principles of the integrated reporting framework which comprise of the following:

- Strategic focus and future orientation
- Connectivity of information
- Stakeholder relationship
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability

This integrated annual report precisely covers the following fundamental elements of Integrated Reporting framework:

- Organizational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation

Reporting Period

This Annual Report presents information for the reporting period from January 1, 2025 to December 31, 2025. The Company views corporate reporting as a key medium for stakeholder engagement, providing transparent and comprehensive insights into its governance framework, strategic direction, operational performance, and future outlook.

OUR SIGNIFICANT EVENTS

February

- Board of Directors Meeting
- Recommendation of Annual Audited Financial Statement and Final Dividend

April

- Annual General Meeting
- Approval of Annual Audited Financial Statements and Final Dividend

July

- Awarded Annual Environment Excellence Award 2025

September

- Awarded the Prestigious Top Exporter Award at 8th Pakistan Pharma Summit & PCSA Awards 2025
- An interim dividend was disbursed during the year

October

- Maintained long term credit rating of A+ and short term credit rating of A1
- Highest ever monthly production of 11.1 Million packs
- Highest ever monthly sales of PKR 2.45 billion
- Rigix became PKR 4 billion brand as per IQVIA MAT October 2025

November

- Secured 1st position in ICAP / ICMAP Best Corporate & Sustainability Report Awards 2024 in Pharmaceutical category
- Secured 'Silver Award' in 'Manufacturing Category' in SAFA Awards 2024

December

- Annual Budget Conference 2025
- Highest ever quarterly sales of PKR 5.89 billion
- Awarded GDEB Awards for 7th Consecutive Year in 12 categories

VISION

"AGP vision is based on quality and professionalism. Our people and resources are dedicated to provide quality products and ethical services to meet the needs of customers in a responsible manner.

There is an emphasis on employee pride, meticulous quality control and optimum resource utilization to achieve and maintain a leadership position in the healthcare industry, to grow through aggressive but ethical marketing, and to maintain synergy in our business. We are also conscious of our social responsibility to improve the quality of life of our customers, our staff and the society we inhabit; and every step taken at AGP is geared towards a better, healthier life for all as we practice our slogan – we value life."

MISSION

"Create value for our customers, employees and shareholders, through effective use of available resources, by manufacturing and marketing healthcare products in an ethical manner conforming to international quality standards, whilst leveraging company's brands, market standing and image."

COMPANY INFORMATION

Board of Directors

Mr. Tariq Moinuddin Khan	Non-Executive Director & Chairman
Mr. Zafar Iqbal Sobani	Independent Director
Ms. Maleeha Humayun Bangash	Independent Director
Mr. Muhammad Kamran Nasir	Managing Director & Chief Executive Officer
Mr. Kamran Nishat	Non-Executive Director
Mr. Mahmud Yar Hiraj	Non-Executive Director
Mr. Muhammad Kamran Mirza	Non-Executive Director

Audit Committee

Mr. Zafar Iqbal Sobani	Chairman
Mr. Kamran Nishat	Member
Mr. Mahmud Yar Hiraj	Member
Mr. Muhammad Kamran Mirza	Member

Human Resource and Remuneration Committee

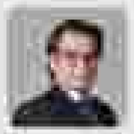
Ms. Maleeha Humayun Bangash	Chairperson
Mr. Muhammad Kamran Nasir	Member
Mr. Kamran Nishat	Member
Mr. Mahmud Yar Hiraj	Member
Mr. Muhammad Kamran Mirza	Member
Mr. Junaid Jumani	Committee Secretary

Sustainability Committee

Ms. Maleeha Humayun Bangash	Chairperson
Mr. Zafar Iqbal Sobani	Member
Mr. Muhammad Kamran Mirza	Member
Mr. Junaid Aslam	Committee Secretary

Chief Financial Officer
Mr. Junaid Aslam

Company Secretary
Mr. Muhammad Asad Khan



Head of Internal Audit
Syed Shah Hussain Qadri

Bankers

1. Allied Bank Limited
2. Bank Al Habib Limited
3. Bank Alfalah Limited
4. Bank Islami Pakistan Limited
5. Dubai Islamic Bank Limited
6. Faysal Bank Limited
7. Habib Bank Limited
8. Habib Metropolitan Bank Limited
9. JS Bank Limited
10. MCB Limited
11. MCB Islamic Bank Limited
12. Meezan Bank Limited
13. SAMBA Bank Limited
14. Soneri Bank Limited
15. The Bank of Punjab

Legal Advisor
Sattar & Sattar

Auditors
Grant Thornton Anjum Rahman
Chartered Accountants

Share Registrar
CDC Share Registrar Services Limited

Website
www.agp.com.pk

Email
info@agp.com.pk

Registered Office & Plant -I
Address: B-23-C, S.I.T.E., Karachi | Tel: +92-21 111-247-247 | Fax: +92-21 32570678

Plant-II
Address: D-109, S.I.T.E., Karachi | Tel.: +9221 32572695 & 32565598 | Fax: +9221 32564070

Plant-III
Address: F/45, S.I.T.E., Super Highway Phase II, Karachi

CODE OF CONDUCT

01 BUSINESS PRINCIPLES

- AGP expects its employees to deal fairly and openly with customers, suppliers, service providers, competitors, and other employees.
- AGP's employees must abide by the country's laws and regulations in any form of dealings.

02 BUSINESS INTEGRITY

- Any kind of bribery, seeking or accepting a personal payment, gift or favor in return for favorable treatment is strictly prohibited.
- Every employee is responsible to forewarn the management of any information in his/her knowledge that can be a potential risk to the company.
- Interaction should be transparent with shareholders, analysts, and other public.

03 EMPLOYEE RESPONSIBILITIES

- No agreement should be reached with third parties without compliance with principles set by the organization.
- Every employee must protect and use the assets of the Company with diligence and care.
- Employees are not allowed personal activities and financial interests outside Company that is not in the Company's interest.
- Unauthorized alteration of product labels or literature is strictly prohibited.
- Employment with the Company is and should be seen as a full-time occupation and for this reason, other employment or business association shall not be taken up.
- Family connections must be disclosed to the organization.

04 COMPANY'S RESPONSIBILITIES

- AGP provides equal employment opportunities for all.
- At AGP, we promote employment opportunities for "minority classes" and "specially abled individuals" without any discrimination.
- Company ensures prompt actions to recall the product in case they don't meet our high standard.
- We do not support any political parties or provide them any funding.
- AGP works towards ensuring the protection of the confidential information of our present and former business partners and employees.
- AGP ensures to operate with environmentally sound practices, safeguarding the use of resources.

OUR CORE VALUES

ETHICS & INTEGRITY

We adhere to ethical standards in all our business practices, abiding to local/international regulations and laws.

DEVELOPING OUR PEOPLE

Our employees consistently develop themselves, their teams and enhance organizational capabilities.

CUSTOMER FOCUS

Our actions are directed towards creating sustainable values for our customers and providing them with an unparalleled experience every time they are associated with us.

ENTREPRENEURIAL THINKING

Our actions are focused on delivering intended results and look to create new business opportunities.

INNOVATION

We develop and encourage the ability to make robust decisions, challenge status quo, change, innovate & improve.

OUR JOURNEY

1989
AGP (Pvt.) Ltd. starts commercial operations

1991
Enters into a joint venture with Eli Lilly Pakistan for their cephalosporins range

1995
Signs an agreement with UCB Belgium to manufacture & market their products

2003
Purchase Eli Lilly brand rights for Ceclor, Keflex, Kefzol & Nebcin in Pakistan

2007
Purchase UCB brand rights for Rigix in Pakistan

2013
Acquired 30% stake in Eli Lilly

2014
OBS led consortium (through an SPV Appollo Pharma) acquires AGP

2016
Signs an agreement with Mylan for marketing & sales of their products in Pakistan

2018
Enlistment on Pakistan Stock Exchange

2019
Acquisition of Nutraceutical Plant

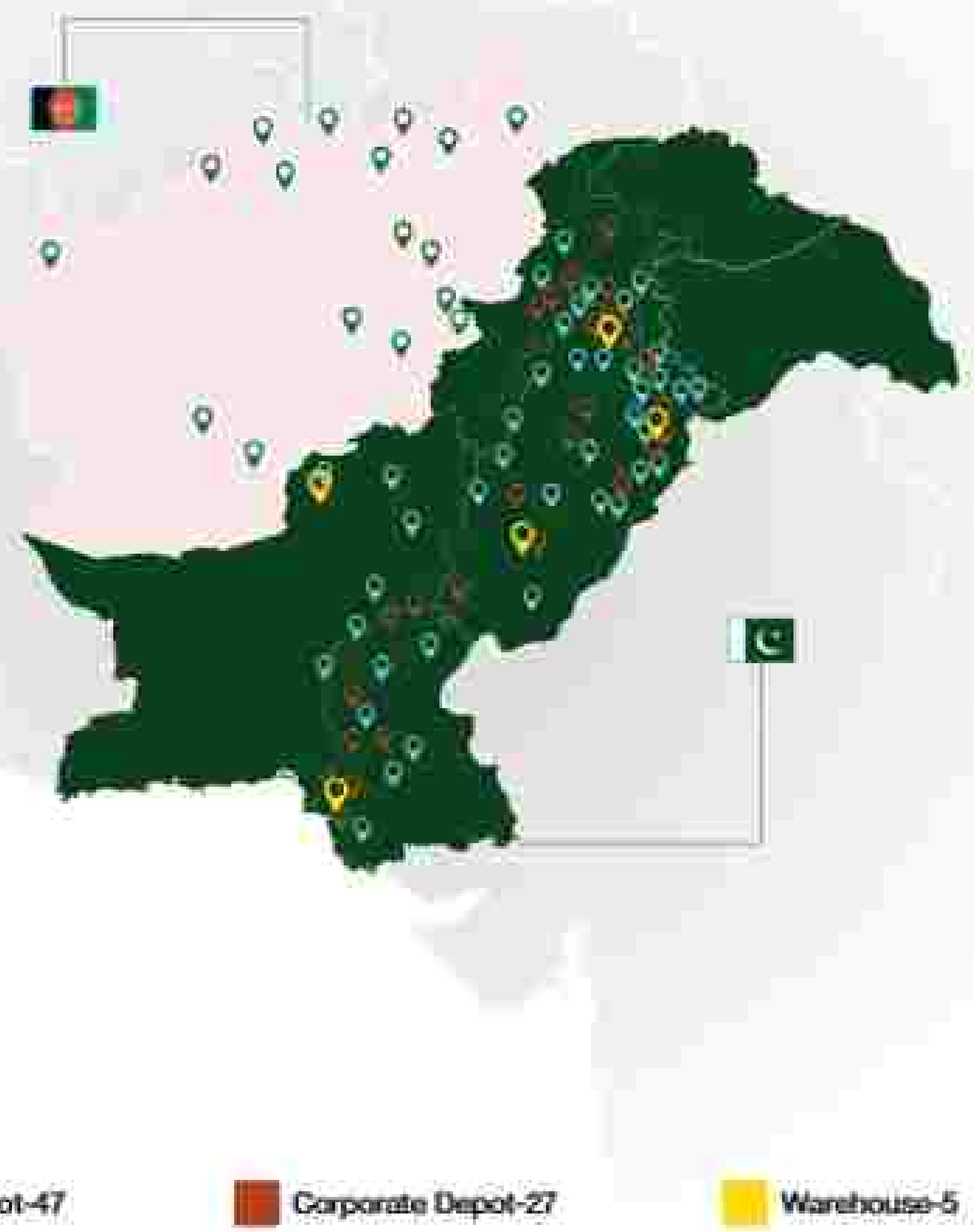
2021
Acquired 22 pharmaceutical brands from Sandoz Business Division

2023
Acquired 17 brands from Viatris Inc. owned by Pfizer in Pakistan

OUR PRESENCE

AGP distributes its products locally through Muller & Phipps Pakistan (Pvt.) Ltd. (M&P), which is the largest pharmaceutical distributor in Pakistan. M&P currently has 79 depots nationwide with 900+ owned vans and 15 stockists

In international landscape, we have partnered with a renowned distributor 'Al-Haj Malem Khan Mangal" to distribute our product in 17 major cities of Afghanistan.



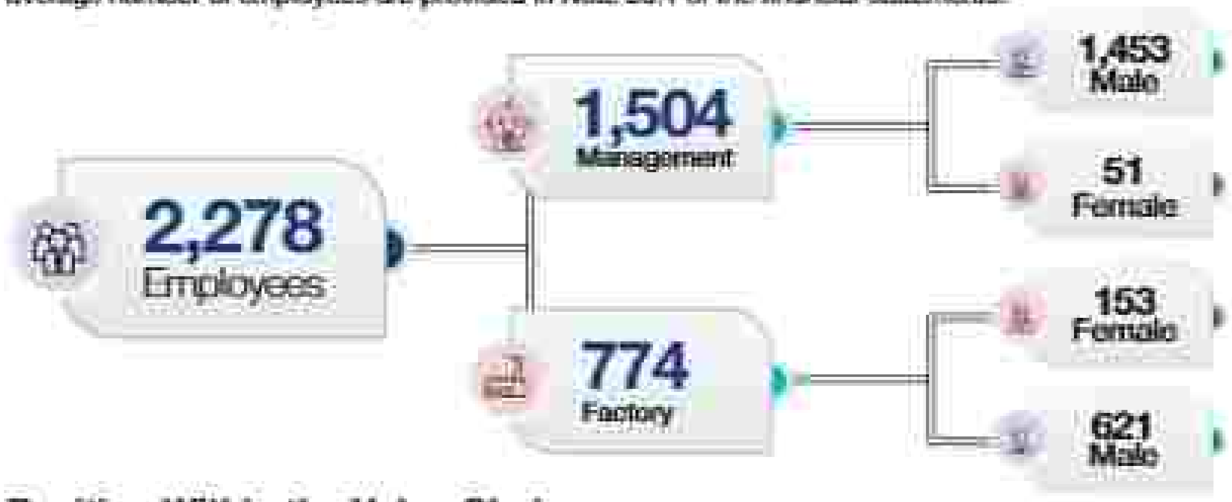
OUR IMPACT TODAY

Principal Activities

AGP is a pharmaceutical company engaged in the manufacturing and marketing of products through licensing arrangements with other reputed pharmaceutical companies.

Number of Employees

AGP employs a workforce of 2,278 employees, including third party contractual staff, dedicated to supporting its business operations across its three manufacturing plants and head office. Details regarding the total and average number of employees are provided in Note 39.1 of the financial statements.

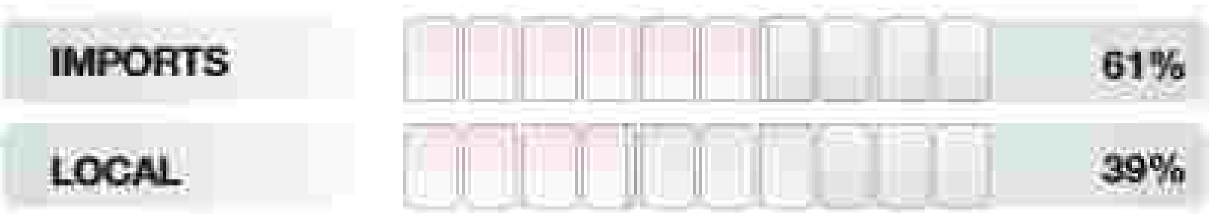


Position Within the Value Chain

The comprehensive illustration of value creation business model on pages 75 and 76 highlights the Company's activities aimed at delivering value to its stakeholders. This is accomplished through the effective utilization of its resources and the execution of core business operations.

Composition of Local & Imported Materials

The Company procures raw material from local and imported sources. The composition of local versus imported materials during the year ended December 31, 2025 as shown below



Exchange Rate Sensitivity Analysis

Every 10% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase profit before tax for the next year by Rs. 15.28 million.

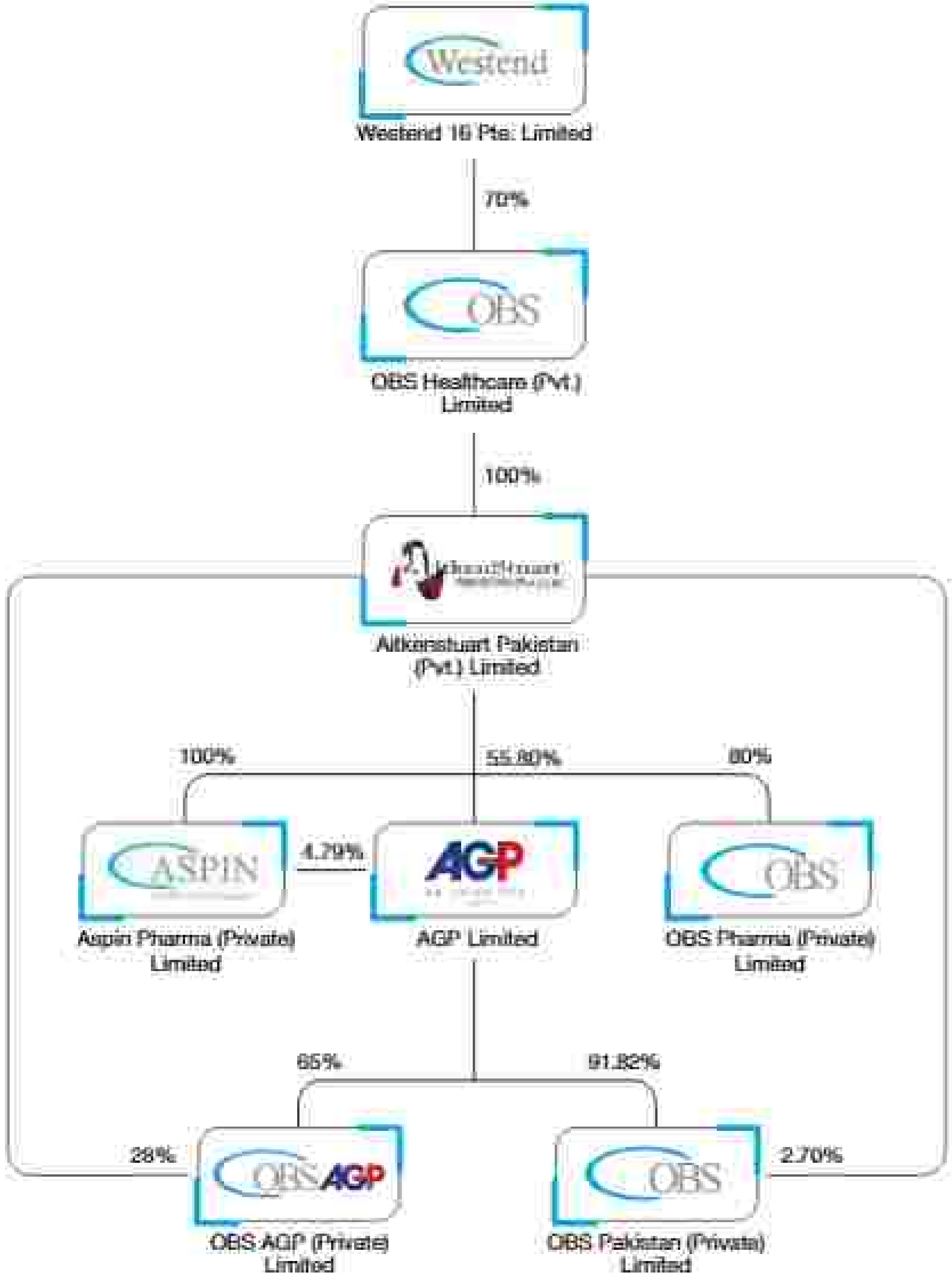
Significant Changes from Prior Years

Significant changes from 2024, have been appropriately disclosed in the relevant section in this report.

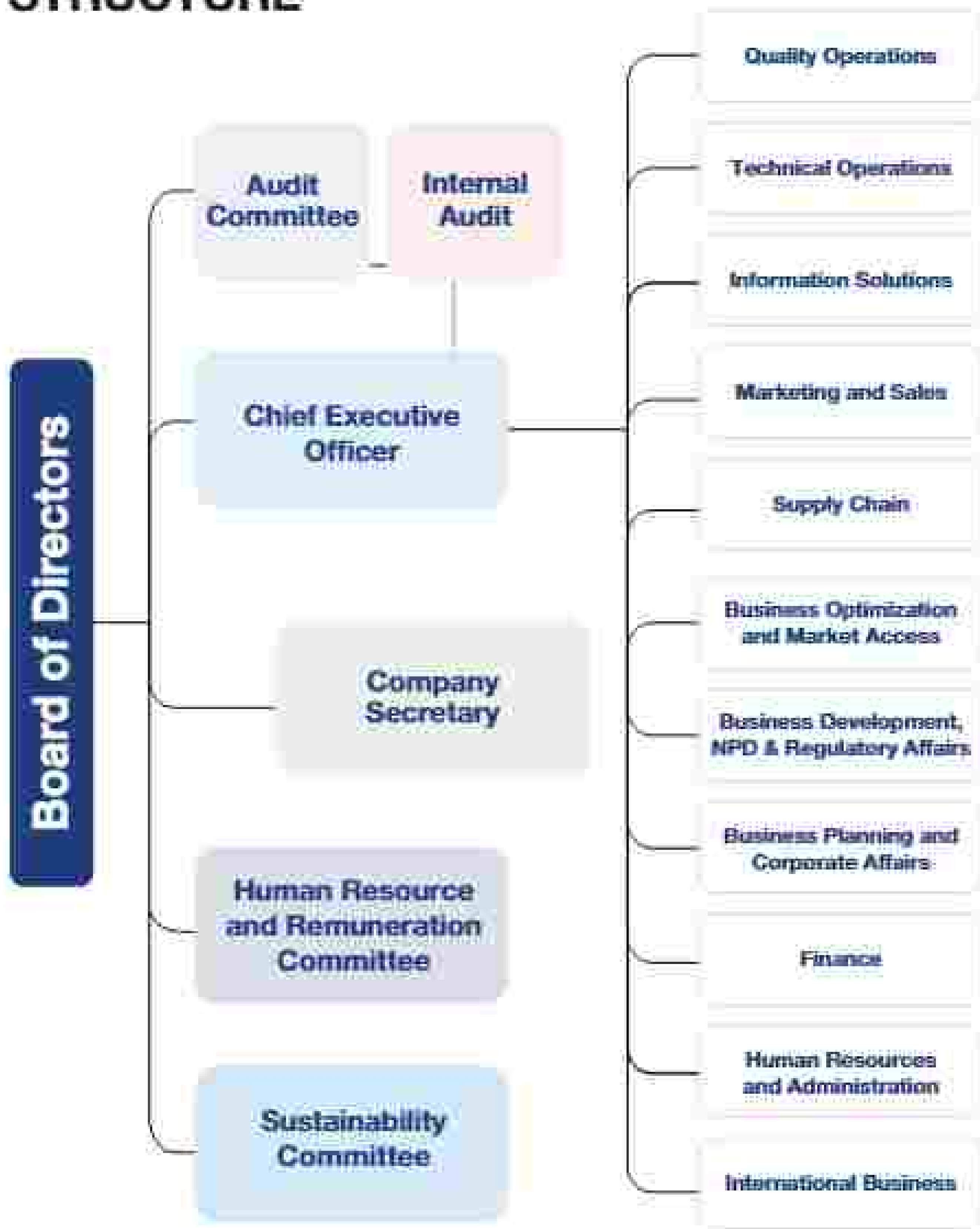
OUR OPERATIONAL PERFORMANCE

Particulars	Plant 1	Plant 2	Plant 3
Address	B-23-C, S.I.T.E., Karachi	D-109, S.I.T.E., Karachi	F/46, S.I.T.E., Super Highway, Phase II, Karachi
Annual Production (PKR in Million)	26,151	2,833	578
Annual Production (No. of packs in Million)	79.2	10.1	2.7
No. of SKUs Manufactured	276	30	26
Major Brands Manufactured (Name of brands)	Rigix, Osnate-D Azomax Anafortan Plus, Chymoral Forte, Spasler-P	Ceclor, Keflex	Ali - D Drops Cofit Range Kosnate - D Plus Lipomax
Highest Manufactured Dosage form	Tablet	Drops	Syrup
Highest Manufactured Dosage form (No. of packs)	9.0 million	3.0 million	0.3 million

GROUP STRUCTURE



ORGANIZATION STRUCTURE



OUR LEADERSHIP

Left to Right

- Mr. Muhammad Yasir Hashmi - Director International Business
- Mr. Junaid Jumani - Chief Human Resource Officer
- Mr. Maaz Ahmed - Director Business Development, NPD & Regulatory Affairs
- Mr. Tanveer Mustafa Qazi - Commercial Director Marketing & Sales Division B
- Mr. Muhammad Asad Khan - Deputy Director Finance & Company Secretary
- Mr. Muhammad Kamran Mirza - Chief Executive Officer OBS AGP & OBS PK
- Mr. Muhammad Shahzad Mughal - Director Business Optimization and Market Access

Left to Right

- Mr. Junaid Aslam - Chief Financial Officer
- Mr. Muhammad Kamran Nasir - Managing Director OBS Group & Chief Executive Officer AGP Ltd
- Syed Muhammad Imran - Director Quality Operations
- Syed Omer Rafiq - Commercial Director Marketing & Sales Division A
- Mr. Abdul Sattar - Deputy Director Information Solutions
- Syed Shah Hussain Qadri - Head of Internal Audit
- Mr. Saeed Rehman - Director Technical Operations
- Mr. Sajid Qadeer - Director Supply Chain

P

Political

- Political and policy uncertainty, coupled with rising geopolitical tensions with neighboring countries, continues to impact trade flows, supply chains and business planning.
- Regulatory capacity limitations, including deregulation of prices, inadequate infrastructure for clinical trials and evolving compliance requirements, affect competitive dynamics, innovation and market access.
- International trade policies, strikes and security-related disruptions influence the cost, availability and movement of pharmaceutical products.

Response

- Active engagement with regulators and industry bodies to strengthen policy dialogue and regulatory coordination.
- Supplier diversification, localization and strategic inventory planning to enhance supply chain resilience against regional and geopolitical risks.
- Utilization of government healthcare initiatives and sector support programs, alongside continued contributions to industry development efforts such as the Central Research Fund.
- Balanced pricing strategy that supports margin sustainability while ensuring affordability and operational efficiencies.

E

Economic

- Macroeconomic volatility and limited foreign exchange reserves continue to impact cost structures, profitability and financial planning.
- Inflationary pressures, additional taxes and higher duties increase input and operating costs across the pharmaceutical value chain.
- Global and domestic economic slowdowns may constrain healthcare spending and R&D investment, despite long-term growth in the pharmaceutical sector.

Response

- Optimizing export and currency strategies manage foreign exchange exposure.
- Prudent financial and tax planning, supported by timely refund and compliance with applicable pricing regulations.
- Early procurement and price locking of critical APIs, combined with optimized inventory management, to mitigate cost volatility and prevent stock disruptions.
- Disciplined capital allocation, leveraging favorable financing for viable capital-intensive projects.

S

Socio-Cultural

- Aging populations, rising chronic diseases and increasing health awareness are driving sustained demand for preventive and long-term healthcare solutions.
- Growing digital adoption and e-commerce channels are improving access to medicines and health information.

Response

- Focused CSR and partnerships with healthcare organizations to support under-served communities and promote health awareness.
- Strengthening brand trust through quality-focused communication and expanded use of digital and social media platforms.

T

Technological

- Rapid digital transformation, including AI and advanced analytics, is reshaping pharmaceutical operations and decision-making.
- Fast-paced technological advancements risk obsolescence of legacy systems, while cybersecurity threats continue to pose operational and data risks.
- R&D and technology adoption constraints may limit innovation and efficiency.

Response

- Upgraded and expanded SAP S/4 HANA modules to enhance system integration and real-time insights.
- Digitized field force operations through tablet deployment and the launch of the MRep website, improving coordination, efficiency and data accuracy.
- Strengthened digital platforms, infrastructure and cybersecurity, alongside continued investment in technology upgrades and optimization.

E

Environmental

- Increasing climate risks, including extreme weather events and monsoon flooding, pose operational and supply chain challenges.
- Rising regulatory and stakeholder pressure for sustainable operations, responsible waste management and environmentally friendly packaging.
- Water scarcity and environmental compliance risks remain critical concerns for the pharmaceutical industry.

Response

- Maintained WWF Green Office Certification through continued adoption of sustainable workplace practices.
- Expanded renewable energy initiatives, including solar installations at three manufacturing plants, to reduce carbon footprint.
- Implemented water conservation, wastewater management and NEQS-compliant waste disposal through approved vendors under SEPA, 2014.
- Enhanced employee awareness and training on sustainability and environmental responsibility, embedding ESG practices across operations.

L

Legal

- Stringent DRAP regulatory requirements increase compliance obligations.
- Compliance with the Companies Act of 2017, the listed Companies (Code of Corporate Governance) Regulations, 2019, Rule Book of Pakistan Stock Exchange Limited (PSX), and the Securities Act of 2015.
- Strict regulations govern drug approval processes, affecting time-to-market and overall market entry strategies.
- Taxes are levied by the Income Tax Ordinance of 2001, the Sales Tax of 1990, the Sindh Sales Tax on Services Act of 2011, and the Customs Act of 1969.
- Weak enforcement of intellectual property rights.

Response

- Maintained a strong compliance framework through regulatory expertise, professional and regulatory audits and robust internal controls.
- Engaged proactively with regulators and industry bodies.
- Reinforced a zero-tolerance culture for non-compliance, ensuring adherence to legal, tax and governance requirements.

SWOT ANALYSIS

Strengths

- Diversified and expanding product portfolio, addressing varied consumer needs and emerging therapeutic segments while mitigating market risk.
- Strong nationwide distribution network through strategic partnership with Muller & Phipps.
- Established brand equity and customer loyalty, supported by a strong market reputation.
- Skilled and innovative workforce, fostering creativity, innovation and sustainable growth.
- Robust quality and compliance framework, ensuring product integrity and stakeholder confidence.
- Enhanced production capacity and operational efficiencies, supported by economies of scale and optimized procurement strategies.
- Streamlined supply chain and inventory management, resulting in reduced lead times and cost efficiencies through strategic sourcing.
- Strong credit rating, reinforcing investor confidence and supporting long-term business expansion.

Opportunities

- Growing population, rising healthcare awareness and evolving consumer preferences continue to drive demand for healthcare, wellness, sustainable and digital solutions.
- Strategic diversification and expansion into untapped domestic and international markets create opportunities for long-term growth, synergies and new revenue streams.
- Growth in higher-margin OTC and non-essential product segments, supported by favorable pricing deregulation and health-focused consumer trends.
- Expansion of production capacity enables AGP to meet internal and group requirements while leveraging economies of scale.
- Supportive regulatory and policy environment, including government incentives, grants, tax benefits and subsidies, encourages innovation and sustainability initiatives.

Weaknesses

- High reliance on limited products and imported raw materials increases strategic vulnerability.
- Limited international presence constrains access to broader growth opportunities.

Threats

- Changing consumer preferences and resistance to technological adoption may affect market relevance.
- Intensifying competition from low-cost generics continues to pressure market share and margins.
- Geopolitical, political and economic instability pose operational and market risks.
- Counterfeit medicines threaten public safety and brand integrity.
- Supply chain and operational disruptions arising from natural disasters, war, pandemics, or unforeseen events may impact business continuity and profitability.
- Talent retention challenges amid market competition and brain drain.
- Increasing compliance and ESG disclosure requirements, requiring additional systems, resources and governance maturity.

COMPETITIVE LANDSCAPE & MARKET POSITIONING

Over the past three decades, AGP has been on a transformative journey, achieving sustained growth and expanding its market share through standardized processes, strategic global partnerships, and a strong governance framework. Our robust nationwide distribution network enables the efficient and timely supply of products to consumers, chemists, and healthcare professionals across the country. By actively incorporating consumer feedback and leveraging strategic insights from Porter's Five Forces framework, AGP continues to drive innovation, strengthen its competitive positioning, and capitalize on emerging growth opportunities in a dynamic market landscape.

01 THE THREAT OF NEW ENTRANTS

The pharmaceutical industry in Pakistan presents substantial barriers to entry, which have become even more pronounced after strict regulatory oversight by DRAP. High capital investment requirements, complex product registration processes, bioequivalence mandates and compliance with international GMP standards significantly deter new entrants. Additionally, foreign exchange constraints and import restrictions on raw materials further raise the operational threshold for emerging players.

In this challenging environment, AGP benefits from its established market presence, strong regulatory track record, diversified therapeutic portfolio and scalable manufacturing capabilities. Having operated for over three decades, AGP leverages economies of scale, institutional credibility and strategic global partnerships to sustain growth and defend its market share. While international pharmaceutical companies continue to explore emerging markets, Pakistan's pricing controls and regulatory framework create a competitive landscape that favors experienced, compliant and financially resilient organizations like AGP.

02 BARGAINING POWER OF SUPPLIERS

Pakistan's pharmaceutical industry remains heavily dependent on imported Active Pharmaceutical Ingredients (APIs), primarily sourced from China, India, and Europe. Recent global supply chain disruptions, geopolitical tensions and freight cost volatility have increased supplier bargaining power and cost pressures across the industry.

AGP mitigates these risks through strategic vendor diversification, long-term supplier relationships, and proactive procurement planning. By broadening its international supplier base and negotiating volume-based contracts, AGP enhances cost predictability and supply continuity. The Company continuously evaluates alternative sourcing strategies and maintains strict quality assurance protocols to ensure compliance with both local and international regulatory standards.

For packaging materials such as glass bottles and cartons, AGP benefits from the readily available supplier pool, minimizing supplier bargaining power and maintaining cost efficiency. This holistic supply chain approach positions AGP as a resilient and adaptive industry leader.

03 BARGAINING POWER OF BUYERS

In Pakistan's prescription-driven pharmaceutical market, end consumers generally have limited bargaining power due to the clinical nature of product selection and lack of consumer knowledge. However, institutional buyers, hospitals and large pharmacy chains increasingly influence purchasing decisions through bulk procurement.

Moreover, pricing regulations imposed by DRAP for essential drugs restrict the industry's ability to freely adjust prices in response to rising input costs. In this environment, AGP focuses on value-based differentiation, strong physician engagement and ethical marketing practices to sustain brand equity. Endorsements from Key Opinion Leaders (KOLs), consistent product quality and therapeutic reliability reinforce customer trust and reduce sensitivity to competitive pricing pressures.

AGP remains aligned with evolving regulatory frameworks following price deregulation, while leveraging enhanced pricing flexibility and operational efficiencies to sustain margins and competitiveness.

04 THREAT OF SUBSTITUTES

The threat of substitutes in the prescription pharmaceutical segment remains relatively limited, as therapeutic equivalence, regulatory approval and physician confidence are critical determinants of product selection. However, the increasing availability of generic alternatives intensifies competition within therapeutic categories. To combat the challenges posed by counterfeit products, AGP employs innovative solutions, including unique 2D barcodes and distinctive packaging designs. These efforts are further supported by awareness campaigns that empower customers to identify and choose authentic AGP products, reinforcing our reputation for reliability and quality.

05 COMPETITIVE RIVALRY

Pakistan's pharmaceutical sector remains highly competitive, with established local and multinational players operating in an increasingly liberalized pricing environment following recent deregulation. While regulatory oversight continues, greater pricing flexibility, coupled with rising input costs and macroeconomic pressures, has intensified competition, making operational efficiency and portfolio diversification critical for sustained performance.

AGP differentiates itself through strategic portfolio expansion, therapeutic diversification and strong distribution capabilities. By driving both organic and inorganic growth, AGP remains focused on sustainable expansion, operational excellence and strengthening its competitive position locally and regionally despite a challenging economic landscape.

EFFECT OF SEASONALITY

AGP Limited maintains a strong presence across a wide range of therapeutic categories, serving diverse markets across the country. In addition, AGP's active product portfolio extends into Afghanistan, further strengthening its market position. While AGP's overall performance is not materially impacted by any single seasonal factor, certain products such as Rigix, Ceclor, Keflex, Spasler-P and Anafortan Plus, do experience fluctuations in sales volumes due to seasonal demand patterns. Specifically, Ceclor, Rigix and Keflex tend to record higher sales during the first and fourth quarters, Spasler-P in third and fourth quarters and Anafortan Plus typically sees increased demand in the second and third quarters.

To effectively manage these variations, AGP undertakes strategic resource planning, timely procurement of imported materials, efficient inventory management and optimized production scheduling. By proactively aligning production with anticipated market demand, AGP ensures the consistent availability and accessibility of its pharmaceutical products, enabling us to meet the evolving needs of its customers in an efficient and reliable manner.

LEGISLATIVE & REGULATORY ENVIRONMENT OF THE COMPANY

The legislative and regulatory environment in which AGP operates is complex and regulated. The Drug Regulatory Authority of Pakistan (DRAP) serves as the primary governing body for the Company, overseeing the regulation of the import, manufacture, and sale of pharmaceutical products within the country. DRAP enforces stringent standards to ensure the quality, safety, and efficacy of medicinal products. Additionally, the government has established comprehensive laws and regulations that govern pharmaceutical pricing, marketing, and distribution, which companies must strictly adhere to.

Intellectual property laws provide further protection by securing patents and trademarks, offering a legal framework to safeguard innovations and brands against infringement. In summary, the legislative and regulatory landscape in Pakistan presents both challenges and security for pharmaceutical companies, ensuring the safety and efficacy of medicines while safeguarding the rights of innovators.

PERFORMANCE OF THE COMPANY

AGP Limited

In 2025, AGP Limited delivered strong financial growth, with net sales rising 11% to PKR 20,546 million, driven primarily by domestic market expansion and increased exports. Gross profit grew 13% to PKR 9,989million, while operating profit surged 5% to PKR 4,351 million, reflecting enhanced efficiency and sales performance. Finance cost reduced by 43% mainly due to payback of syndicate financing acquired for equity investment in subsidiaries, Profit After Tax (PAT) increased 13% to PKR 2,360 million, supported by cost optimizations and operational efficiencies. Earnings Per Share (EPS) also grew 13% to PKR 8.43, reinforcing AGP's strong market position and commitment to innovation.

OBS AGP: In 2025, OBS AGP achieved strong financial growth, with net sales rising 31% to PKR 8,213 million, driven by market expansion and volumetric growth. Gross profit grew 35% to PKR 4,502 million supported by cost efficiencies and a shift to higher-margin products. Operating profit rose 59% to PKR 2,409 million, while finance costs declined 68% due to improved debt management and repayments. Profit After Tax (PAT) increased by 108% to PKR 1,513 million with Earnings Per Share (EPS) reaching PKR 151.3. Strategic initiatives in innovation, market expansion and cost optimization fueled this strong performance.

OBS PK: In 2025, OBS Pakistan achieved strong growth across key financial metrics, with net sales rising 18% to PKR 3,816 million, driven by volumetric growth and team expansion. Gross profit grew 21% to PKR 2,856 million, supported by cost efficiencies and higher-margin products. Operating profit stayed consistent at PKR1,688 million, reflecting improved efficiencies and market expansion. Profit After Tax (PAT) increased by 179% to PKR 747 million. OBS Pakistan's strong sales and profitability growth positions it for sustained future success.

Brands Performance and New Launches:

AGP Limited delivered strong growth across key brands in 2025. The Rigix Range surpassed PKR 3.9 billion, with Rigix Oral Solutions crossing PKR 1.5 billion, reinforcing its leadership in allergy management. Innovative QR code-based dosage instructions were introduced for Rigix syrup, drops, and Protégé to enhance patient protection and experience. Osnate-D crossed PKR 2.4 billion in sales, and Ceclor crossed PKR 1.7 billion.

Talking about OBS AGP, Azomax led the azithromycin market and achieved PKR 5 billion in sales, while leading Ketotifen molecule, Zatofen crossed PKR 800 million. The performance of OBS Pakistan's brands has also been encouraging as Norvasc has been a major player in Amlodipine segment and reached PKR 2 billion. Cardura led Doxazosin molecule and crossed PKR 450 million.

In 2025, AGP Limited strengthened its presence across multiple therapeutic areas with strategic new launches. In Neuropathic pain treatment, we introduced Miroca. The Internal Medicine segment expanded with Cap-itra, catering to a range of antifungal requirements.

The Company also reinforced its cardiometabolic portfolio with Slafil, aimed at improving Pulmonary arterial hypertension. In the Nutraceutical category, Lipomax Junior has been launched for kids which increases the reach of the Lipomax Brand.

Company's Strategy on Market Development

2025 has been a year of dynamic progress and strategic growth for the organization, characterized by a series of strategic initiatives designed to strengthen our portfolio, expand market presence, and drive innovation. Through a well-balanced mix of new product launches for neuropathic pain, successful registrations for advancing epilepsy management, and targeted developments for advanced gastroenterology care, we have successfully expanded our therapeutic footprint and strengthened our competitive edge. To drive growth and strengthen market presence, the organization implemented key strategic initiatives, including consolidating marketing teams, establishing a Commercial Excellence department, and expanding the BO&MA and Medical Scientific Liaison teams. The launch of Cialfi and Rigix Eye Drop demonstrated our targeted expansion into Urology and Ophthalmology, enhancing competitiveness and creating new avenues for sustainable growth. These collective achievements underscore our dedication to innovation, patient-centric solutions, and sustained market leadership.

LAUNCHES

Our Business Development team successfully introduced 15 new products across key therapeutic areas, reinforcing our commitment to addressing diverse patient needs with high-quality, innovative treatments. These launches include Prucalopride (Fucalo) – advancing chronic constipation care, Peperacillin + Tazobactum (Mi-Tazo) – strengthening our anti-infective portfolio, Racecadotril (Cecado) – enhancing gastroenterology offerings, Itraconazole (Cap-Itra) – broadening antifungal treatment options, Elemental Iron + Vitamins (Lipomax J Sachet) – supporting nutritional therapy, Cetrizine HCl Eye Drops (Rigix Eye Drop) – addressing allergy-related ocular needs, Tadalafil (Cialfi) – strengthening urology segment, Mirogabalin (Miroca) – innovating neuropathic pain treatment.

TRANSITIONED TO IN-HOUSE PRODUCTION

Leveraging established market presence, key products such as Sertraline HCl (Zoloft), Atorvastatin (Lipitor), Pregabalin (Lyrica), Doxazosin Mesylate (Cardura), and Venlafaxine (Efexor XR) have now been brought into full in-house production, strengthening control, quality, and supply reliability across our portfolio. These additions not only enrich the portfolio but also strategically strengthen our presence across chronic and acute care areas, delivering tangible value to healthcare professionals and patients alike.

DEVELOPMENTS

In parallel, the teams made significant strides in product development. Key developments include Antipsychotics, Antiepileptics, Systemic Hemostatics, Anti-bacterials, Bile & Liver Therapy, Drugs for Constipation, and Urinary Incontinence. These developments demonstrate our commitment to innovation and patient-centered care, ensuring we address a broad spectrum of unmet medical needs.

REGISTRATIONS

The organization expanded its portfolio through the registration of several innovative molecules, reinforcing its commitment to delivering advanced therapies and reflecting a strategic focus across chronic, acute, and specialty care segments. These registrations include combination therapies for diabetes management, treatments for neuropathic pain and epilepsy, solutions for gastrointestinal disorders, and a range of pain management options. The portfolio was further strengthened with therapies supporting cardiovascular health, gynecological care, immunology and inflammatory conditions, as well as products addressing urology and chronic cough.

The initiatives undertaken during the year have enhanced the organization's ability to deliver comprehensive and high-quality healthcare solutions. Through portfolio expansion, improved operational capabilities, and strengthened cross-functional collaboration, the Company is better positioned to respond to evolving market needs. These efforts have improved access to advanced therapies while reinforcing its standing as a reliable partner for healthcare professionals and patients. Going forward, the progress achieved will support continued innovation, sustainable growth, and long-term value creation across key therapeutic areas.

OUR TRUSTED PORTFOLIO

Our mission is to enhance the quality of life by providing products that are uniquely tailored to meet our customers' needs, contributing to a healthier future. Our diverse product portfolio reflects our commitment towards affordable, high-quality and trusted medicines.

INTERNAL MEDICINE

Our Internal Medicine portfolio offers a diverse range of treatment options across key therapeutic areas, including Gastrontology, Respiratory, ENT, Ophthalmology, and Pain Management. Led by our flagship brands Rigix, Osnate-D, Anafortan and Urso, the portfolio also includes strong and growing brands such as Ceclor, MacuShield, and Chymoral Forte. During the year, Rigix achieved a significant milestone by crossing PKR 4 billion sales, while Blazist reached the PKR 55 million milestone, reflecting strong performance in the allergy segment.

GYNAE

Gynaecology has always been a key strength of AGP, with our products leading their respective therapeutic classes. Our diverse Gynae portfolio comprises rapidly growing and market-leading therapeutic segments, including Osnate-D, the top-selling calcium supplement, and Anafortan, a market leader in pain management. We have further strengthened our portfolio with the addition of Mychitol Plus, reinforcing our commitment to delivering value in the Gynae and Orthopedic segments. CAP-ITRA (anti-fungal) addition to the Gynae portfolio enhanced our presence in women health (yeast infections) and opened new avenue in superficial infection like onychomycosis

PEDIATRICS

Pediatrics remains a core focus for AGP, driven by our commitment to improving the health and quality of life of infants, children, and adolescents. Through portfolio expansion and effective lifecycle management, we deliver high-quality, high-value therapies across key pediatric therapeutic areas, addressing both acute and chronic conditions.

Our pediatric portfolio spans multiple therapeutic classes. Rigix Syrup and Drops continue to lead the liquid segment of anti- allergy market, achieving a PKR 1.5 billion milestone, supported by proven efficacy in allergy management, precise dosing, and strong healthcare professional confidence. Ceclor remains cornerstone brand in our anti-infective portfolio, recognized for their effectiveness, safety, and reliability.

Further strengthening our pediatric offering, Protégé, a scientifically advanced probiotic developed in collaboration with Biogrowing, a global leader in probiotic manufacturing, supporting digestive health and overall well-being in children. Lipomax J addition to the Paeds portfolio enhanced our presence in Paeds (iron deficiency anemia).

CARDIOMETABOLIC

We are committed to reducing the mortality rate of cardiometabolic diseases by offering comprehensive solutions for managing chronic conditions such as diabetes and hypertension. Our expanded portfolio includes Glyzia A, a rapidly growing DPP-IV inhibitor, and Rozet Ez (rosuvastatin calcium and ezetimibe), providing advanced treatment options to support early detection and effective patient management.

ORTHOPEDIC

At AGP, we have a diverse team with extensive experience in the orthopedic segment, committed to addressing musculoskeletal disorders. We continue to introduce innovative products each year, and with flagship brands such as Sinaxamol, Meltax and Vitanem offer a comprehensive orthopedic portfolio delivering specialized treatment solutions.

NUTRACEUTICAL

Our nutraceutical portfolio comprises a focused range of nutritional supplements and advanced formulations aligned with preventive healthcare and long-term wellness trends. The portfolio is developed using scientifically selected ingredients, with an emphasis on quality, consistency, and efficacy.

The portfolio includes Peridots, which addresses common digestive concerns such as acidity and bloating and is a leading brand in its respective markets.

In addition, Cofif, an ivy leaf-based cough formulation developed using premium quality ingredients imported from Germany, strengthens the company's presence in evidence-based healthcare.

NEUROPSYCHIATRY

AGP prioritizes mental well-being as a cornerstone of its holistic healthcare strategy, with a strong neuropsychiatry portfolio anchoring the chronic care segment through established brand Clozaril.

The company is expanding its neuroscience footprint with the launch of Miroca (Mirogabalin), a next-generation gabapentinoid designed for effective neuropathic symptom control and sustained patient outcomes, while its forward-looking pipeline includes Brivaracetam for seizure management, Lasmiditan set to be introduced for the first time in Pakistan for migraine management and a scientifically formulated, brain-health multivitamin to enhance neuronal vitality.

Driven by science-led, patient-centric innovation, AGP remains committed to advancing standards of care in neurology and psychiatry and improving quality of life.

New Segments

Ophthalmology

In 2025 Launch of Rigix Eye drops has been the highlight in ophthalmology, with Rigix Eye drops AGP entered in to the Acute eye segment as well, and we are well placed to launch newer molecules to fulfill market and patient need in this segment.

Uro-Gynae

Focusing on men's health AGP entered the erectile dysfunction segment with Cialil which has shown potential to be a block buster product for AGP

MARKETING

In 2025, the Marketing Department reinforced AGP Limited's leadership through disciplined execution, strategic portfolio expansion and a strong shift toward disease-led, evidence-based engagement. The year was characterized by impactful medico-marketing platforms, digital integration, institutional collaborations and accelerated commercial performance across key therapeutic areas. Through a balanced focus on scientific credibility and commercial excellence, the department strengthened brand equity while driving sustainable growth nationwide.

Portfolio Growth and Brand Performance

The year marked exceptional progress across multiple flagship brands and therapeutic segments. Rigix achieved a landmark PKR 3.9 billion value milestone (IQVIA Oct 2025), with Rigix Tablets contributing PKR 2.3 billion, while Rigix Syrup and Drops continued to lead the liquid anti-allergy segment with PKR 1.5 billion in value. Azomax Suspension entered the Billions Club, reinforcing its position as a high-performing and trusted brand, while Acemed crossed the PKR 100 million milestone, registering 39% growth (IQVIA Dec'25). In the Cardio-Metabolic segment, Norvasc-V demonstrated a strong market entry, successfully converting existing business and strengthening AGP's presence in the category. Lipiter continued its growth momentum following acquisition, while Glyzia emerged as a key contributor within the cardio-metabolic portfolio. Notably, Osnate-D achieved 5.5% growth despite a declining market, further underscoring the segment's resilience and disciplined execution. The Ophthalmology portfolio delivered robust year-to-date growth, supported by strong unit expansion and the successful launch of Rigix Eye Drops. Urology maintained a solid national standing, with Cardura sustaining its leadership position and reinforcing its presence in the BPH segment. Strategic brand repositioning initiatives across selected products further enhanced performance and contributed to record annual unit achievements.

Scientific Engagement and Medical Education

Scientific engagement remained central to the department's strategy, with 2,500+ prescription-focused activities conducted nationwide. These initiatives included symposiums, screening camps, poster presentations and structured disease-awareness programs aimed at strengthening clinical understanding and therapeutic adoption.

Flagship platforms such as 'Synapse Med Symposium' and 'Synapse Med Workshops' deepened engagement with neuropsychiatrists, while nationwide AMI symposia engaged over 1,000 healthcare professionals to promote Cedor.

Multi-city educational programs addressed antifungal resistance and structured workshops under OBSERVE and EDMAP supported the development of standardized clinical practices. The IM-1 & IM-5 initiative, "The Great GUT Gallery," successfully engaged over 350 healthcare professionals and multiple gastroenterology wards, reinforcing academic focus on gastrointestinal care. Strategic alignment with global health observance days further strengthened disease awareness and enhanced communication between healthcare professionals and patients.

Market Expansion and Launch Excellence

The department expanded into several new and high-growth segments during the year, including Erectile Dysfunction, Anti-fungal, Sexual Health, Nephrology, and Pulmonology. The launch of Cialis

marked AGP's entry into the ED segment, while Capitra addressed growing concerns related to antifungal resistance. Additions such as Nevidone, Tamsulosin, Fosfomycin and Rigix Eye Drops strengthened portfolio depth and competitive positioning.

Innovative campaigns reinforced launch excellence and brand differentiation. 'The House of Injectable' initiative introduced a unified basket solution for managing mild to severe infections, enhancing institutional relevance. Bilazest achieved significant medico-marketing success through multi-disciplinary scientific symposiums bringing together ENT, Dermatology and Medicine specialists, positioning the brand as Pakistan's first daytime anti-allergy and earning recognition as the "Best New Launch" of 2025. The Defeat Typhoid Campaign for Azomax set a benchmark in public health advocacy and campaign execution.

Digital Transformation and Commercial Capability

Digital integration remained a key enabler of marketing effectiveness. High-impact digital campaigns and podcasts were executed across diabetes, hypertension, mental health and environmental health awareness themes. Consumer-facing initiatives such as the 'Rigix digital video campaign' and the 'Pink Cast' digital series strengthened brand visibility and engagement, while the 'Apka Nigheban' and 'Pink Days' 360-degree campaigns reinforced public awareness and emotional connect.

The deployment of a digital e-detailing ecosystem enhanced data-driven field engagement and improved responsiveness. The AIM (Advancement through Innovation & Mentorship) Workshop engaged chief pharmacists and procurement heads from over 50 leading private hospitals, strengthening institutional relationships and market access. The establishment of the Business Optimization & Market Access (BO&MA) team further supported structured account management and high-value penetration strategies.

Institutional Partnerships and Professional Platforms

The department expanded its institutional footprint through collaborations with leading academic centers and specialty societies, including partnerships with Aga Khan University's Department of Ophthalmology & Visual Sciences and active engagement with national professional forums. Participation in the College of Family Medicine – Pakistan (CFMP) under the Luna Health clinical training initiative further strengthened capacity building efforts, with dedicated training of lady GPs to support the gynecology portfolio. Structured academic platforms such as GP Connect and the Cardio-Met Forum facilitated dissemination of evidence-based updates and international guideline recommendations, strengthening AGP's positioning as a partner in advancing primary-care standards nationwide.

Future Outlook

Looking ahead, the Marketing Department will continue to scale blockbuster brands, deepen franchise leadership in high-growth segments and expand patient-impact programs across therapeutic areas. The launch of Gyno-Care Stations, designed as structured, station-based clinical learning platforms for postgraduate trainees and RMOs in gynecology, will further strengthen hands-on training and academic engagement. Enhanced CRM analytics strengthened medical-scientific liaison models and continued investment in antimicrobial stewardship and disease-led engagement platforms will remain strategic priorities. Through innovation, scientific rigor and disciplined execution, AGP remains committed to delivering sustainable commercial growth while elevating healthcare outcomes across Pakistan.

TECHNICAL OPERATIONS

In 2025, AGP's Technical Department delivered a year of landmark manufacturing excellence, translating strategic investments into record-breaking production, enhanced capacity and strengthened quality systems. Anchored in global cGMP standards and aligned with WHO and PIC/S requirements, the Department drove operational resilience through automation, process optimization and infrastructure expansion across all manufacturing sites. These efforts not only supported timely product launches and supply continuity but also reinforced AGP's commitment to efficiency, sustainability and uncompromising quality in delivering healthcare solutions.

Production

AGP operates three pharmaceutical manufacturing facilities comprising a General Pharmaceuticals Plant, a dedicated Cephalosporin Plant and a Nutraceutical Plant, all operating in compliance with cGMP standards and aligned with WHO and PIC/S requirements. Employees across all three sites are connected through a unified digital and operational platform, enabling consistent training, knowledge sharing and collaboration.

Plant 1: Our main production plant, Plant-1, is situated in the SITE Area of Karachi. With a production area of more than 2.8 acres, it is equipped to produce a broad variety of dosage forms, such as tablets, capsules, syrups, powder for oral suspensions, sachets, ampoules, liquid parenteral, and semi-solids preparation, supported by modernized production lines and enhanced capacity.

Plant 2: Our dedicated Cephalosporin Production Plant occupies 1.25 acres and is located near to Plant-1. The production aligns with cGMP regulations and comprises of renowned brands, such as Ceclor, Keflex, and Omkare.

Plant 3: Our modern purpose build, nutraceutical factory is situated on the Karachi Superhighway. It essentially produces tablets, capsules, sachets, Liquid syrup and oral drops. Major brands are including All – D, Coflit, and Kesnate-D.

In 2025, AGP achieved significant milestones in production. Plant 1 recorded its highest-ever production of 79 million packs, through improved batch sizes, optimized processes, and enhanced equipment utilization.

At Plant 1, over 20 new products across tablets, capsules, sachets, syrups and injectables were successfully commercialized, strengthening portfolio expansion and supporting sustained business growth. A major milestone was the commissioning of a high-capacity granulation suite, increasing annual granulation capacity to approximately 808 tons, significantly improving throughput, consistency and GMP compliance. The establishment of a dedicated Oral Liquid Manufacturing Block, with segregated manufacturing, packing, warehousing and dispensing areas, further enhanced capacity, compliance and operational control, while doubling batch sizes for key products.

Across Plant 2 and Plant 3, targeted automation and process optimization initiatives delivered measurable efficiency gains. Plant 2 recorded a 16% productivity improvement, alongside a 30% reduction in overtime hours, driven by automation projects, resulting in a 25% reduction in manpower hours. Plant 3 achieved a 6.34% year-on-year increase in production while reducing overtime by 88%, supported by batch size optimization and the successful commissioning of a four-head sachet machine, which more than doubled production speed and delivered substantial machine and labor hour savings. These achievements were complemented by infrastructure upgrades, strengthened quality systems and enhanced regulatory readiness, reinforcing AGP's commitment to operational excellence, efficiency and sustainable growth.

Sustainability, Health, and Protection

AGP prioritizes workforce health and safety through proactive risk management, awareness initiatives, and strict machine safety protocols, fostering a

secure and efficient working environment. In parallel, the Company integrates environmental sustainability into its operations through policies aligned with WHO guidelines, with its Effluent Treatment Plant ensuring SEPA-compliant wastewater management and reduced environmental impact.

Quality Assurance

In 2025, AGP's Quality Assurance function continued to play a critical role in ensuring product integrity, regulatory compliance and patient safety through robust quality systems and risk-based governance. The year was focused on strengthening alignment with WHO, PIC/S and EMA expectations, advancing validation frameworks and enhancing quality oversight across manufacturing operations.

Significant progress was achieved in validation and qualification activities, including HVAC qualification in accordance with ISO 14644 environmental monitoring, warehouse thermal mapping and equipment validation, alongside revision of the Cleaning Validation program based on Health-Based Exposure Limits (HBEL). Key regulatory milestones included a successful DRAP GMP inspection, renewal of manufacturing licenses, completion of an international audit from Uganda, achievement of ISO 17025 accreditation and successful completion of the first IMS surveillance audit. As part of DRAP surveillance and tender business with all reliable institute of Pakistan more than 160 batches of different products subjected to analysis of different WHO - prequalified labs and zero failure reported so far.

The Quality function also advanced strategic governance initiatives, including the rollout of Product Technical Complaint (PTC) and Quality Risk Management (QRM) modules as part of the transition toward paperless and contemporaneous documentation. Additional initiatives included vendor evaluation, plant-wide quality risk assessments, bulk hold-time studies, microbial testing of packaging materials, in-use stability studies and strengthened environmental monitoring programs.

Quality infrastructure was further enhanced through the installation and qualification of critical laboratory and utility equipment, supporting improved testing, monitoring and control. Comprehensive reviews of quality documentation and QMS elements were completed to ensure continued compliance with global regulatory standards.

Engineering

The Engineering Department maintained a strong focus on capacity enhancement, operational resilience, and compliance throughout FY-2025. Infrastructure upgrades and process improvement initiatives were implemented to support increased production demand and overall business growth.

A major milestone during the year was the commissioning of a new Liquid Suite Building, which significantly enhanced overall manufacturing capacity. The facility was designed and implemented with a comprehensive fire detection and fire prevention system, ensuring compliance with safety standards and strengthening operational risk management. Process optimization initiatives included the revamping of existing granulation facilities and the installation of a new granulation suite to cater to higher production volumes and additional order requirements. To further support operational expansion, new packing line & new cartoner were installed, resulting in improved packaging efficiency and throughput.

In line with sustainability objectives, enhanced electricity monitoring systems were implemented to improve energy tracking, control, and efficiency. Additionally, utilities and engineering assets were further strengthened, expanding the asset base to ensure reliable and uninterrupted operations.

These initiatives collectively contributed to increased capacity, enhanced safety, improved operational efficiency, and stronger sustainability performance.

BUSINESS DEVELOPMENT, NPD & REGULATORY AFFAIRS

Business Development

The Business Development Department conducted local and international competitive landscape analyses to identify high-potential therapeutic opportunities and inform strategic portfolio decisions. The team successfully advanced the internalization of acquired portfolios, managing development, regulatory, and commercialization transitions. In parallel, strategic planning was initiated for expansion into biotech and biosimilars, including assessments of facility, resource, and partnership requirements. These initiatives position AGP to capture emerging market opportunities and strengthen long-term competitive advantage.

New Product Development

During the year, New Product Development division underwent transformational advancement to strengthen innovation capabilities and accelerate pipeline development.

AGP successfully upgraded NPD laboratory infrastructure in alignment with the latest ICH guidelines. This comprehensive modernization has equipped the facility with advanced capabilities for lab-scale manufacturing, sophisticated analytical testing and compliant handling of hazardous materials, establishing a state-of-the-art foundation for product innovation.

AGP's development processes were significantly strengthened through systematic reverse engineering of innovator products, ensuring robust formulation development and reproducible quality outcomes. We established a future-ready product pipeline based on comprehensive competitive landscape analysis across both domestic and international markets.

A key achievement was the focused advancement of high-value molecules with strong therapeutic and commercial potential, supporting long-term growth. In parallel, strategic groundwork was laid for entry into biotech and biosimilars through preparatory planning for specialized facilities, resources, and infrastructure, positioning AGP to capture opportunities in next-generation therapeutics.

Regulatory Affairs

The Regulatory Affairs department achieved key milestones in compliance, registration management, and bioequivalence initiatives during the year. Dedicated protocols for post-registration variations strengthened regulatory control and improved approval timelines. The department also initiated bioequivalence studies for selected Narrow Therapeutic Index (NTI) molecules in line with DRAP requirements, including studies for the Norvasc formulation in collaboration with a local Contract Research Organization. These efforts reinforce AGP's commitment to regulatory excellence and sustained market access.

INTERNATIONAL BUSINESS

Regulatory Expansion and Market Development

During 2025, AGP Limited continued to strengthen its international presence by advancing its regulatory registration pipeline across multiple regions. Product registration applications were submitted in a number of markets spanning Africa and Central America. These submissions reflect AGP's disciplined approach toward building a diversified and sustainable international portfolio while laying the groundwork for future commercial expansion.

Regulatory Approvals, Licenses, and Compliance

The Company achieved notable regulatory milestones during the year, with new product registrations granted in Myanmar, Azerbaijan, Chad and Cambodia, further enhancing AGP's geographic reach. In line with its commitment to quality and regulatory excellence, AGP successfully secured GMP certification for all three manufacturing facilities from Yemen. Additionally, regulatory audits conducted by NDA Uganda (Plant 1) and Pharmacy and Poisons Board (PPB) Kenya (Plant 2) were completed, reinforcing confidence in AGP's manufacturing standards and compliance framework.

Strategic Initiatives and Supply Chain Resilience

In response to evolving geopolitical and logistical challenges, AGP demonstrated agility and leadership in ensuring supply continuity. Following the closure of land borders with neighboring country in 2025, the Company initiated air cargo shipments, becoming the first pharmaceutical company from Pakistan to successfully deliver products during this period. To further mitigate supply risks, AGP proactively established strategic inventory levels extending into the second quarter of 2026. Concurrently, the Company continues to evaluate various strategic initiatives to mitigate potential risks arising from regional market dynamics to strengthen its long-term sustainability and operational resilience

Pipeline Development and Future Outlook

AGP also expanded its pre-commercialization efforts, onboarding consultants and distributors across 29 additional countries. Dossiers were submitted to ministries of health in multiple jurisdictions, with further dossier compilations currently in progress. These initiatives underscore AGP's commitment to long-term international growth, resilience and the expansion of access to high-quality, affordable healthcare across global markets.

SUPPLY CHAIN

In 2025, AGP's Supply Chain function played a critical role in ensuring business continuity amid a challenging global and regional operating environment. Despite geopolitical tensions, trade disruptions and logistical constraints, the department remained focused on resilience, cost optimization, supplier diversification and uninterrupted supply to support the Company's manufacturing and commercial objectives.

Managing Geopolitical and Supply Chain Disruptions

Procurement and supply chain operations were impacted by regional geopolitical disruptions. However, alternate sourcing, proactive supplier engagement and strong risk management ensured uninterrupted supply.

Exports to Afghanistan faced challenges due to border escalations that blocked traditional cost-effective routes. In response, AGP became the first pharmaceutical company to execute air shipments during this period, ensuring timely deliveries through effective coordination and operational efficiency.

Localization and New Product Support

In support of innovation and localization, 24 APIs were developed for new product development in 2025. Additionally, Sitagliptin Phosphate Monohydrate was successfully shifted to local sourcing, reinforcing AGP's commitment to supporting domestic manufacturers and reducing import dependency.

Global Supplier Engagement

AGP further strengthened global supplier partnerships through active participation in CPHI Shanghai and CPHI Frankfurt, securing improved commercial terms and building long-term strategic alliances.

INFORMATION SOLUTIONS

In 2025, the Information Solutions Department concentrated on stabilizing and modernizing AGP's core technology infrastructure while advancing governance, cybersecurity awareness and digital enablement. With a strategic focus on reliability, scalability and operational transparency, IS executed critical upgrades and system enhancements that strengthened business continuity and positioned AGP for sustained digital growth.

Infrastructure Modernization & Business Continuity

A key milestone during the year was the comprehensive revamping of the legacy data center. Upgrades to power systems, UPS infrastructure and environmental controls addressed long-standing gaps, strengthened audit compliance and significantly improved operational reliability, all achieved with minimal disruption to business operations. Disaster Recovery (DR) readiness was further strengthened through key infrastructure upgrades and system enhancements, reinforcing overall resilience and preparedness for future technology advancements.

File storage and network infrastructure were also modernized. Replacement of the legacy file server with a high-performance enterprise solution enhanced speed, reliability and scalability to meet growing operational demands. Network backbone upgrades in production areas and migration of inter-plant connectivity from radio links to fiber optics improved performance, security and long-term stability.

Enterprise Systems & Governance Enhancement

IS successfully upgraded SAP S/4HANA to the latest feature pack, ensuring improved system stability and optimized performance. Integration of the Hashmove Logistics Intelligence Module enhanced supply chain visibility and automation within import processes.

Continued support of the Electronic Quality Management System (EQMS) enabled standardized quality workflows, strengthened document control and improved regulatory compliance across the organization.

Governance was further strengthened through the implementation of a system-driven Digital Gate Pass Management solution, replacing manual registers with a transparent and auditable workflow that reduced approval time and operational inefficiencies.

Cybersecurity, Productivity & Digital Enablement

Organization-wide cybersecurity awareness sessions enhanced employee vigilance against phishing and malware threats, contributing to a stronger overall security posture. Microsoft Office 365 productivity workshops improved collaboration, secure data handling and structured communication practices across departments.

Through disciplined infrastructure upgrades, system optimization and forward-looking digital initiatives, the Information Solutions Department has reinforced AGP's technological backbone, ensuring operational stability today while enabling scalable, resilient growth for the future.

HR MANAGEMENT

At AGP Limited, Pakistan's leading pharmaceutical company, our journey in 2025 reaffirmed that organizational excellence is achieved when every individual is empowered to contribute, grow, and thrive with dignity. This commitment to inclusion and equity was recognized through unprecedented achievements, including 12 category wins at the Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards, positioning AGP as the only pharmaceutical company among Pakistan's Top 10 most inclusive organizations. Further recognition through the Corporate & Sustainability Award and the EFP 2nd Disability Inclusion Recognition Awards reinforces AGP's standing as an industry benchmark for fostering inclusive, equitable, and high-performing workplaces.

42 New Female Inductees	11 Management Trainee Hired	2,181 Average number of employees	66 Interns Hired
204 Total female Employees	7 Differently Abled Person Inducted	594 Total Skilled Factory Workers	303 No of Trainings Conducted

Inclusive Employee Engagement: Fostering Connection & Belonging

AGP's comprehensive employee engagement initiatives throughout 2025 built a vibrant organizational culture ensuring every employee, regardless of role, department, ability or background, feels valued and included. The OBS Champions League (OCL) inter-department cricket tournament united diverse teams from all departments, breaking down hierarchical barriers and strengthening cross-functional relationships through inclusive participation. The Independence Day celebrations honored our collective Pakistani identity while bringing employees of diverse backgrounds, faiths and regions together in meaningful celebration.

The Monsoon Fiesta celebrated the season with an engaging evening of traditional snacks, entertainment and fun, creating informal spaces for employees across departments to connect and build relationships beyond their daily work routines. The Annual Team Day at Dream World Resort provided a full day of team-building activities, recreational adventures and shared experiences where employees enjoyed rides, games and an entertainment show, strengthening bonds across our diverse workforce while fostering a sense of belonging and community.

The Brilliant Minds Gearing Up program invited employees' children from diverse socioeconomic backgrounds to experience their parents' workplace through various activities designed for their day at the office, along with a visit to TDF MagnifiScience Centre.

World Diabetes Day and Hypertension Day sessions delivered comprehensive and accessible health education across the organization. In parallel, critical awareness initiatives, including Code of Conduct training, Anti-Harassment and Cybersecurity Awareness sessions conducted by the Citizens Police Liaison Committee (CPLC) and Advanced First Aid Training by Rescue 1122 were implemented to ensure that employees at all levels, from workers to executive level, are well informed on behavioral standards, personal safety and emergency response protocols.

Transforming Workplace Culture Through DEI Excellence

AGP's unwavering commitment to diversity, equity and inclusion drives our vision of creating truly inclusive workplaces. Our flagship HIMMATWALI return-to-work initiative provides structured, equitable career re-entry pathways for women returning after extended breaks, while the SEED inclusive internship program makes AGP the first pharmaceutical company to create a comprehensive pathway for under-represented talent including persons with disabilities and individuals from underserved communities.

AGP's meaningful collaboration with the Karachi Down Syndrome Program (KDSP) reflected the Company's commitment to genuine inclusion and social impact. As part of this initiative, members of AGP's senior management spent a day at KDSP, engaging directly with individuals with Down syndrome, fostering understanding, empathy and mutual respect.

In a reciprocal engagement, KDSP participants were welcomed to the AGP office, where they experienced the Company's working environment firsthand, including an overview of manufacturing operations and departmental functions, providing valuable exposure and confidence-building opportunities. The collaboration was further highlighted through New Year gifts for all employees, comprising handcrafted keychains and greeting cards created by individuals with Down syndrome. This initiative not only generated dignified income opportunities but also challenged stereotypes, celebrated diverse abilities and strengthened a culture of authentic workplace inclusion across the organization.

Comprehensive accessibility infrastructure ensures barrier-free access throughout facilities, including wheelchair ramps, disability-friendly restrooms with accessibility bars, ergonomic workstations designed to minimize physical strain while promoting productivity for all employees and Braille signage on elevator buttons enabling independent navigation for visually impaired individuals. AGP's pioneering revision from "Hajj Policy" to an inclusive "Pilgrimage Policy" provides equitable spiritual observance support to employees of all faiths, while multi-faith festival celebrations including Christmas, Eid and Diwali foster cross-cultural understanding.

Inclusive Talent Acquisition & Technology-Driven DEI Solutions

AGP's talent acquisition strategy embeds diversity, equity and inclusion principles throughout the recruitment lifecycle, ensuring fair access to opportunities regardless of gender, ability, ethnicity or socioeconomic background. Strategic partnerships with Network of Organizations Working for Persons with Disabilities in Pakistan (NOWPDP), ConnectHear and Deaf Reach expand our talent pipelines, while accessible interview processes including sign language interpretation and flexible assessment formats ensure equitable evaluation for all candidates. Comprehensive DEI metrics integrated into recruitment ensure pay equity and grade consistency across all hiring decisions.

AGP's Internal First hiring policy promotes inclusive career growth through transparent opportunities and competency-based assessments. This is strengthened by technology-driven, bias-free recruitment, including Pakistan's first pharma implementation of RozeeGPT AI and the OBS Symphony (DECIBEL-HRMS) platform, enabling inclusive HR access and real-time DEI analytics to support data-driven diversity leadership.

Women's Empowerment & Gender Equity

Women's empowerment remains central to AGP's DEI strategy, supported through flexible work arrangements, an on-site daycare facility and targeted wellness initiatives. Dedicated Women's Day retreats, breast cancer awareness campaigns and partnerships such as Santex for female hygiene support promote open dialogue, well-being and inclusion, addressing cultural stigmas while strengthening support systems across the workforce.

Inclusive Talent Development & Learning Excellence

AGP's performance-potential assessments and succession planning framework identify and develop high-potential talent across all demographic groups, ensuring diverse and inclusive leadership pipelines. Targeted DEI learning initiatives— including Gender Sensitization Training, Disability Awareness Programs, and Sign Language training through ConnectHear and Deaf Reach partnerships—strengthen inclusivity and unconscious bias awareness. AGP's continued participation in the Women WeLead Retreat for the second consecutive year further reflects its commitment to developing and advancing diverse female leadership.

AGP's Learning & Development initiatives span Core Development Pathways including:

- Functional and role-based training tailored to specific job requirements.
- Leadership and people-management development for first-line and senior managers.
- Targeted upskilling initiatives for field force effectiveness.
- Professional certifications supporting business needs including Excel Super Heroes and Microsoft Power BI Champion Certification.

BUSINESS PLANNING & CORPORATE AFFAIRS

The Business Planning and Corporate Affairs (BP & CA) department plays a central role in supporting organizational effectiveness by overseeing corporate governance, board and shareholder matters, statutory compliance and partner engagement.

Governance

The BP & CA department plays a key role in advising and supporting corporate governance matters, allowing the Board and management to effectively focus on achieving organizational objectives within their respective mandates. BP & CA ensures compliance with key legal and regulatory requirements, including the Securities Act of 2017, Companies Act of 2017, the Code of Corporate Governance (CoCG), and PSX regulations. As a cornerstone of the company's governance framework, the department ensures that operations are aligned with the Board's strategic vision and adhere to applicable laws and best practices.

Under the leadership of the department head, BP & CA prepares comprehensive study materials containing relevant data for quarterly, annual, and special Board meetings, enabling informed and effective decision-making.

Special Projects

The Business Planning & Corporate Affairs (BP & CA) department has historically played a pivotal role in strategic initiatives including acquisitions, expansion projects, and partnerships that support the Company's long-term growth. Notable achievements include the successful acquisition of portfolios from Sandoz AG and Viatris Inc., demonstrating the department's capability to execute complex transactions and support strategic decision-making.

The BP & CA department remains engaged in strategic support functions, with a particular focus on Environmental, Social, and Governance (ESG) initiatives. The department plays an active role in ESG-related efforts, including structured data collection, engagement with external advisors, and the identification and prioritization of material topics, ensuring alignment with global best practices.

Corporate Affairs

The department also plays a critical role in managing Corporate Social Responsibility (CSR) initiatives, with a primary focus on health, wellness and education for underprivileged communities.

Key programs include long-term support to The Citizens Foundation (TCF), scholarships for IBA, collaboration on the "Khuda Ki Basti Project" with Empowering Communities for Change, and partnerships with Aga Khan University (AKU) and other healthcare organizations.

Digital Presence and Corporate Communications

The BP & CA department is responsible for managing the Company's digital and online presence, including oversight of the corporate website, which has been enhanced with modern and interactive features to improve user experience. The department ensures that all digital content is accurate, current, and aligned with approved brand guidelines.

In addition, the department manages AGP's social media platforms, developing and disseminating content related to corporate activities and initiatives. Through structured content planning and consistent engagement, the department supports transparent communication, strengthens stakeholder engagement, and enhances the Company's digital visibility and brand positioning.

FINANCE

The Finance Department is a vital partner in advancing the organization's mission to innovate, grow, and deliver exceptional value. In a rapidly evolving industry environment, where regulations, market conditions, and technology constantly shift, Finance team stays at the forefront by providing strategic insights, ensuring financial stabilityz and managing complex financial landscapes. Through close collaboration with other departments, the Finance function empowers the organization to navigate challenges and capitalize on opportunities for sustainable success.

Strategic Planning and Coordination

The Finance Department provides critical support in shaping the organization's long-term strategies by coordinating with stakeholders, reviewing pricing policies and integrating market dynamics into financial models. Through multi-year planning, it conducts deep dives across all functions to identify gaps, finalize action plans and align evolving product launches with broader objectives. This forward-looking approach ensures financial frameworks remain agile and responsive to both internal processes and market conditions, driving sustainable growth.

Financial Planning and Analysis

The Finance Department leads organization-wide Financial Planning and Analysis (FP&A) activities. Its budgeting and forecasting processes enable proactive management of revenues, costs and profitability. The team collaborates with commercial and operational groups to break down sales and operating profit margins at the product or service level, ensuring that plans reflect realistic market conditions and the organization's strategic objectives.
Through this collaborative FP&A effort, Finance aligns short-term targets with the broader corporate strategy. Regular reviews and revisions to forecasts enable the department to make timely recommendations on potential growth opportunities, cost-efficiency measures and resource reallocation.

Risk Management

A robust, board-approved framework guides the Finance Department in identifying, evaluating and mitigating risks, whether arising from market fluctuations, regulatory changes, or operational challenges. By collaborating with other departments, Finance implements strategies that minimize financial exposure and protect organizational assets. This holistic, forward-looking approach ensures the department remains agile and resilient in a dynamic market environment.

Financial and Capital Management

From overseeing routine bookkeeping to informing strategic decision-making, the Finance Department ensures disciplined resource allocation while shaping the organization's financial outlook through precise budgeting, forecasting and project evaluations. Effective cash flow oversight remains essential for uninterrupted operations, with the team collaborating closely with banks and other financial partners to arrange lines of credit and secure favorable lease or loan facilities. The Finance Department supports both ongoing operations and strategic expansions, maintaining a balanced approach to financial stability and growth.

Tax Compliance And Regulatory Management

Ensuring compliance with applicable tax laws is an ongoing priority for the Finance Department, as it plays a crucial role in maintaining the organization's financial integrity and minimizing potential risks. The team is responsible for not only adhering to existing

tax regulations but also staying ahead of evolving legislative requirements. This involves continuously monitoring updates in tax laws and ensuring their seamless integration into financial systems and processes. By closely coordinating with both internal departments and external tax advisors, Finance proactively identifies potential tax benefits, deductions, or savings opportunities. These measures are then strategically incorporated into overall financial planning, enhancing efficiency and ensuring that the organization remains compliant while optimizing its financial position.

Digital Transformation

Embracing digital innovation, the Finance Department reduces manual workloads through process automation and enhances decision-making with advanced analytics and AI-driven insights. By leveraging modern ERP platforms (such as SAP HANA) and tools like Power Query and Python, the department automates redundant tasks while integrating these processes seamlessly within SAP. This approach not only streamlines data management and fosters real-time collaboration but also positions the department at the leading edge of financial operations and governance.

Collaboration and Team Leadership

The Finance Department fosters a collaborative culture by engaging with consultants, operational leaders and external partners. It supervises cross-departmental initiatives on systems improvements, supply chain coordination and investment initiatives. By investing in continuous training and development, the department ensures that its team is equipped with the expertise and tools needed to meet evolving business demands.

OBS AGP KEY HIGHLIGHTS

In 2025, OBS AGP delivered an impressive performance, achieving a remarkable 31.26% increase in revenue along with significantly improved profit margins. This outstanding growth reflects the Company's unwavering dedication to creating value for its shareholders. By successfully expanding into new markets and increasing its market share, OBS AGP has demonstrated its strategic foresight and operational excellence. The strengthening of existing teams and the implementation of well-planned strategic initiatives played a pivotal role in driving this success, showcasing the Company's commitment to continuous improvement and innovation.

OBS AGP's financial resilience was evident as Gross Profit increased by 35% to PKR 4.5 billion. Whereas, Net Profit increased by 108% to PKR 1.5 billion resulting in 18.4% net margin, up from 11.6% in the previous year. This improvement underscores the Company's ability to navigate economic uncertainties effectively and maintain robust financial health. The enhanced net margin is a testament to the Company's efficient cost and operating expense management, strategic pricing, and focus on high-margin products. It also highlights the effectiveness of OBS AGP's risk management strategies and its ability to adapt to changing market conditions.

Looking ahead, OBS AGP remains focused on sustaining its impressive growth trajectory. The Company is prioritizing high-growth products and strategic initiatives that are expected to drive future success. By expanding its presence across Pakistan, OBS AGP aims to tap into new customer segments and increase its market penetration. The Company is committed to reaching new levels of success by leveraging its strong brand reputation, innovative product offerings, and dedicated workforce.

In conclusion, OBS AGP's impressive performance in 2025 is a clear indication of its strong foundation and strategic vision. The Company's commitment to creating shareholder value, coupled with its focus on innovation and market expansion, positions it well for continued success in the years to come. OBS AGP remains dedicated to achieving sustainable growth and solidifying its position as a leading player in the pharmaceutical industry.

OBS PAKISTAN KEY HIGHLIGHTS

The Company swiftly prioritized seamless integration and a smooth business transition following the acquisition. This strategic move significantly enriched OBS Pakistan's portfolio specifically enhancing chronic portfolio, introducing a diverse range of brands across various therapeutic areas, including anti-depressants and anti-hypertensive drugs. The acquisition not only broadened the Company's product offerings but also enhanced its market presence, allowing it to cater to a wider array of medical needs.

In a remarkably short span, the Company delivered exceptional performance, achieving sales of PKR 3.8 billion, with a gross profit of PKR 2.9 billion and a net profit of PKR 747 million. This achievement is a testament to the Company's effective integration strategy and its ability to capitalize on new opportunities swiftly. The robust sales performance underscores the strength of the acquired brands and the Company's adeptness at navigating the complexities of the pharmaceutical market.

As OBS Pakistan moves into the new year, it is well-positioned for even greater achievements. The Company is focusing on expanding into new territories to drive sales growth and increase its market share. This strategic expansion is aimed at tapping into previously untapped markets, thereby broadening the Company's reach and enhancing its competitive edge.

Additionally, the successful launch of Norvasc-V has further strengthened the Company's market position. This new product launch not only adds to the Company's revenue but also demonstrates its commitment to innovation and meeting the evolving needs of patients.

AGP, the Parent Company, has successfully completed its strategic initiative of integrating and bringing in-house the manufacturing of all acquired brands in 2025, thereby strengthening operational control and enhancing efficiencies. This initiative is aimed at enhancing economies of scale, achieving operational synergies, and improving logistics efficiencies. By bringing manufacturing in-house, AGP aims to streamline operations, reduce costs, and maximize shareholder value. This strategic move is expected to bolster the Company's production capabilities and ensure a steady supply of high-quality products.

OBS Pakistan remains steadfast in its commitment to strengthening its existing brands, expanding into untapped markets, introducing new products and reinforcing its workforce. These strategic initiatives are designed to drive sustainable growth and solidify the Company's position as a key player in the pharmaceutical industry. The Company's dedication to innovation, quality and customer satisfaction continues to be the driving force behind its success and its vision for the future.

Dear Shareholders,

I am pleased to present the financial performance of OBS AGP and OBS Pakistan for the fiscal year 2025. Together, these entities contributed PKR 12 billion to AGP's consolidated revenue, reflecting our strategic focus on market expansion and strengthening our presence across the country to capture a greater market share. During the year, OBS AGP and OBS Pakistan achieved combined net earnings of PKR 2,260 million.

At OBS AGP, our commitment to portfolio diversification remains strong, with strategic initiatives continuing to drive growth and enhance our market position. Meanwhile, OBS Pakistan achieved remarkable success, generating PKR 3.8 billion in sales. Looking ahead, it is well-positioned for further growth, focusing on expansion into new territories and exploring export opportunities. Both entities remain dedicated to maximizing shareholder value through sales growth and improved profit margins. I would like to extend my sincere appreciation to our teams and stakeholders for their continued support. Together, we will continue to drive growth and innovation in the pharmaceutical industry.

Thank you for your trust and confidence in OBS Group.

Muhammad Kamran Mirza
Chief Executive Officer
OBS AGP (Pvt.) Ltd.
OBS Pakistan (Pvt.) Ltd.

OUR PEOPLE OUR PRIDE

AWARDS AND CERTIFICATIONS

ICAP / ICMAP Best Corporate Report Award

AGP secured 1st place in the 'Pharmaceutical Category' at the Best Corporate & Sustainability Reports (BCSR) Awards 2024, organized by ICAP and ICMAP.

SAFA Best Presented Annual Report Awards

AGP secured the 'Silver Award' in the 'Manufacturing Category' at the SAFA Best Presented Annual (BPA) Report Awards 2024, a regional recognition for excellence in corporate and financial reporting across South Asia, organized by the South Asian Federation of Accountants (SAFA).

Global Diversity, Equity and Inclusion Benchmarks Award

AGP was the only pharmaceutical company recognized among the 'Top 10 Inclusive Companies of the Year and received awards in '12 categories' at the GDEIB Awards 2026, marking the 7th consecutive year of recognition. This accolade showcased AGP's commitment to Diversity, Equity and Inclusion (DEI) as the foundational pillars.

Top Exporter Award

AGP was recognized at the 8th Pakistan Pharma Summit & PESA Awards 2025 as a 'Gold Partner' and among the 'Top Exporters' of PPMA member companies.

Annual Environment Excellence Award

AGP was recognized at the 22nd Annual Environment Excellence Award 2025 by the National Forum for Environment & Health (NFEH), reflecting its continued commitment to environmental stewardship and sustainable business practices.

ISO Certifications

We take pride in complying with the following ISO Certifications:

- **ISO 9001:2015** - Implementing and maintaining a comprehensive robust Quality Management System
- **ISO 14001:2015** - Implementation of sustainable Environmental Management System
- **ISO 45001:2018** - Occupational Health and Safety Management System
- **ISO/IEC 17025:2017** - General requirements for the competence of testing and calibration laboratories

cGMP Certification

AGP's Plant I, Plant II and Plant III are certified to comply with Current Good Manufacturing Practices (cGMP) as per the Drugs Act, 1976 and the related Rules.

Shariah Compliance Certificate

The Company received the "Certificate of Shariah Compliance with KSE Meezan Index (KMI) Shariah Compliance Criteria" after the Shariah Compliance Review, conducted by Meezan Bank limited.

WWF Green Office Certificate

AGP achieved the Green Office Certification of World Wide Fund Pakistan for Nature (WWF Pakistan) for the 4th consecutive year, displaying our commitment to environmental conservation and implementation of sustainable practices at our head office, focusing on energy efficiency, water and paper conservation and waste reduction.

SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY

AGP is firmly committed to its core purpose of enhancing lives through a comprehensive and integrated sustainability framework. The Company actively engages with reputable stakeholders and established communities to create shared value across social, environmental and economic dimensions. AGP's approach focuses on embedding sustainability into daily operations by advancing social well-being, adopting environmentally responsible practices and fostering a positive, inclusive organizational culture. The Company remains dedicated to providing a safe and healthy work environment, minimizing its environmental footprint and contributing meaningfully to societal development through responsible business practices.

In line with evolving regulatory expectations, AGP initiated its sustainability journey under the new SECP requirements aligned with IFRS S1 and S2, marking a significant step toward structured ESG governance and disclosure. During the year, the Company was intensively engaged in ESG-related activities, including the establishment of a Sustainability Committee chaired by Ms. Maleeha Humayun Bangash, with representation ensuring gender diversity at the Board level. The Committee met to oversee progress, define the scope of IFRS S1 and S2 implementation and provide strategic guidance in collaboration with external consultants.

As part of this process, consultants worked closely with departmental heads to gain a comprehensive understanding of AGP's business model and operational practices from an ESG perspective. Through cross-functional collaboration, material ESG topics were identified, creating clarity, accountability and direction for sustainability-driven actions across the organization. A forward-looking action plan has been developed to address these priorities.

The material topics identified include Climate Change Risk and Management, Energy Management, Waste Management and Water Management under the Environmental pillar; Antimicrobial Resistance (AMR), Diversity, Equity & Inclusion, Human Rights & Labor Practices and Access to Healthcare & Affordability under the Social pillar; and Business Ethics and Corporate Governance, Operational Efficiency, Transparency and Reporting, and Supply Chain Management under the Governance pillar.

Driving Community Well-Being for Tomorrow

AGP has demonstrated strong commitment and focused execution through the successful implementation of several impactful initiatives during the year. These programs are strategically aligned to support the social and economic well-being of the communities we serve. Key initiatives undertaken during the year are highlighted below.

AGP facilitated an educational visit for students from Ibrahim Haideri School to the TDF Magnify Science Museum, where employees from different departments engaged with students through mentorship, career guidance and encouragement.

AGP partnered with the Karachi Down Syndrome Program (KDSP), facilitating reciprocal engagement through leadership-led interactive sessions at KDSP and a day-long experiential visit by individuals with down syndrome to AGP's manufacturing facility.

In October, AGP conducted Breast Cancer Awareness sessions alongside medical screening initiatives, including ultrasound and mammography services, to promote early detection and preventive healthcare.

AGP Limited extends its well-being initiatives to employees and their families, including mental health workshops for employees, demonstrating the Company's inclusive and holistic approach to wellness.

AGP Limited continues to advance its commitment to social responsibility through a wide range of community-focused, health, safety and inclusion initiatives. In partnership with Empowering Communities for Change (ECC), AGP supported the Khuda Ki Basti Project, aimed at empowering underprivileged women and children through vocational development and digital education. The initiative includes the establishment of vocational centers to train women in stitching, enabling income generation through the production of school uniforms for The Citizens Foundation (TCF), as well as the creation of digital labs offering a four-month digital skills training program for students.

AGP also prioritizes employee well-being, inclusion and safety. The Company facilitated pilgrimage balloting for employees of all faiths, reinforcing its commitment to diversity and religious inclusion. Health and safety initiatives included a blood donation drive in collaboration with NIBD, female safety awareness sessions conducted by CPLC, Medical First Aid and Emergency Responder training by Rescue 1122, enhancing employee preparedness and resilience.

In support of women's empowerment and health, AGP partnered with Santex to provide complimentary female hygiene products to all female employees. The Company also conducted awareness sessions on Polycystic Ovary Syndrome (PCOS) and organized medical screenings on World Diabetes Day to promote preventive healthcare. Additional initiatives such as ergonomics training, Advanced First Aid CPR, firefighting and Environment, Health & Safety (EHS) training further strengthened workplace safety and well-being.

Beyond internal initiatives, AGP extended support to the wider community through ration pack and Iftaar box donations during Ramadan, reinforcing its commitment to inclusive growth, social upliftment and responsible corporate citizenship.

Driven by Purpose: Educate, Elevate, Empower

AGP Limited believes that meaningful societal progress begins with education. The Company is committed to empowering underprivileged children through access to quality learning opportunities that support moral, intellectual and personal development. In line with this commitment, AGP extends inclusive education support through need-based scholarships awarded at actual cost to the children of its workforce pursuing professional degrees. AGP remains proud of these initiatives and continues to support programs that promote educational empowerment and sustainable social impact.

AGP Limited continues its partnership with The Citizens Foundation (TCF) to support their mission of providing quality education, facilitating the education of 200 students in Jacobabad.

AGP Limited has partnered with Million Smiles Foundation for Eagle Nest Leadership Bootcamp and Wellness Retreat for students all over Pakistan.

AGP Limited sponsors undergraduate education at IBA, providing financial assistance to deserving students to support their academic and career growth.

Preserving Nature First

AGP Limited remains committed to environmental stewardship by embedding sustainability across its operations, infrastructure and workplace culture. In collaboration with the World Wide Fund for Nature (WWF), AGP continues to advance responsible environmental practices and has proudly achieved WWF Green Office Certification for the fifth consecutive year, reflecting sustained commitment to reducing its ecological footprint. A comprehensive Environmental Management Plan (EMP) implemented at the head office has driven measurable outcomes, including waste reduction, cost efficiencies, improved procurement practices and heightened environmental awareness among employees. AGP Limited's manufacturing facilities strictly comply with National Environmental Quality Standards (NEQs), reflecting the company's commitment to environmental preservation. In pursuit of sustainability and long-term growth, AGP also focuses on reducing energy and resource consumption through the following initiatives:

Solar power systems at all three manufacturing plants provide ~ 13% of our energy needs, reducing our carbon footprint.

A Sindh Environment Protection Agency-compliant effluent water treatment plant along with sensor-based water conservation and waste-minimizing production and packaging standards.

The Company also disseminates eco-tips, in addition to holding regular training sessions to raise environmental awareness amongst the employees.

AGP completed a 100% transition to battery-powered material handling equipment, improving energy efficiency and reducing operational emissions.

AGP further strengthened its environmental stewardship by enhancing hazardous waste management through improved segregation, compliant disposal practices, upgraded storage facilities and employee awareness programs delivered in collaboration with external partners such as Trash-It. Biodiversity conservation remained a key focus, supported by Mangrove Plantation and Beach Cleaning Drives undertaken in partnership with WWF, reinforcing the Company's commitment to ecosystem restoration.

AGP's environmental governance framework was reinforced through ISO 14001:2015 certification and the successful completion of the Integrated Management System surveillance audit across all manufacturing sites. Regular compliance audits, strict adherence to NEQS air emission standards and enhanced emergency preparedness through fire, spill response and evacuation drills demonstrated a proactive approach to environmental risk management. These sustained efforts were recognized through the Annual Environment Excellence Award 2025, underscoring AGP's commitment to safe, responsible and sustainable operations.

Consumer Protection and Safety

AGP places a strong emphasis on consumer protection and patient safety, acknowledging their fundamental importance within the pharmaceutical industry. To safeguard product integrity and prevent counterfeiting, the Company has implemented robust measures, including the incorporation of distinctive packaging features for key brands and the deployment of 2D barcodes across all AGP-manufactured products.

Building a Safe and Healthy Workplace

At AGP, employee well-being and safety are central to our people-first culture and reflect the Company's commitment to fostering a safe, healthy, and inclusive work environment. A comprehensive wellness framework promotes physical and mental well-being through initiatives such as access to a state-of-the-art gym facility, inclusive workplace amenities, and engagement programs that enhance morale and collaboration across all levels of the organization. AGP supports working women through company-provided transportation for female staff and a free on-site daycare facility, while a subsidized lunch program for employees during the year.

Workplace safety is reinforced through regular machinery maintenance, structured health and safety training, and continuous risk mitigation measures, complemented by routine emergency response drills, fire risk assessments, and bike safety training. These practices are governed under the ISO 45001:2018 Occupational Health & Safety Management System, ensuring robust and consistent safety standards. Employee engagement and well-being were further strengthened through initiatives such as the Women's Wellbeing Retreat held in observance of Women's Day.

Beyond the workplace, AGP extended its commitment to health and care through community-focused initiatives, including free health screenings and disease awareness programs conducted across hospitals and clinics to improve access to early diagnosis and essential care. The Company also provided free medical supplies and donations to the Aga Khan University (AKU) Patient Behbud Society and donated a Fresenius dialysis machine to NIKUD, supporting improved patient care and access to critical healthcare services. Collectively, these efforts underscore AGP's dedication to employee well-being, workplace safety, and meaningful contributions to public health and community welfare.

Encouraging Gender Diversity & Inclusion

At AGP, Diversity, Equity and Inclusion (DEI) are integral to our culture and long-term sustainability, guiding our efforts to create a workplace where individuals of all backgrounds can thrive. During the year, AGP advanced inclusive hiring by recruiting differently-abled interns through initiatives such as the SEED 2.0 Inclusive Internship Program and participation in the ConnectHear Job Fair, supported by structured sensitivity and sign language awareness training for employees to foster an accessible and respectful work environment.

Gender diversity and women's empowerment remained a key focus, reinforced through leadership development initiatives including the WE LEAD Women Bootcamp Program, participation in the WIBCON Women in Business & Leadership Conference 2025, and sponsorship of the Sindh Golf Association Female Golf Tournament. AGP also encouraged inclusive engagement through cultural celebrations such as Diwali and Christmas, strengthening a sense of belonging across the organization.

These efforts were reinforced through ongoing DEI training, equitable talent development and youth empowerment initiatives, supporting a diverse leadership pipeline. AGP's commitment to inclusion was recognized through prestigious accolades, including winning 12 categories at the Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards and receiving the EFP Disability Award 2025, reinforcing AGP's position as a leader in fostering inclusive, equitable and high-performing workplaces.

AGP embeds Diversity, Equity and Inclusion (DEI) within its sustainability strategy to drive long-term social impact, strong governance and organizational resilience. This integration is supported through cross-functional collaboration and technology-enabled systems, including HRMS (DECIBEL/OBS Symphony), ESG data coordination and digital reporting dashboards that enhance transparency and monitoring. Sustainability initiatives are reviewed for their impact on diverse employee groups to ensure inclusive design and continuous improvement. AGP also allocates financial and operational resources to DEI and sustainability initiatives, supported by platforms such as LUNA Health 360 and OPENLANE leadership dialogues, reinforcing integrated and responsible value creation.


Eid Milan


Christmas


Diwali


KDSP Visit


ConnectHear


We Lead Retreat


International Women's Day


CPLC Women Harrassment Awareness Session


Pilgrimage Balloting


OBS Championship League


Monsoon Fiesta


Dreamworld Annual Picnic


Independence Day


Brilliant Minds Gearing Up


World Diabetes Day


First Aid Session


New Year Celebration


PINKtober


Mangrove Plantation


Beach Cleaning Drive

TOWARDS A SUSTAINABLE FUTURE

AGP is dedicated to advancing social development through initiatives that promote community well-being and access to education and healthcare. These efforts are guided by the United Nations Sustainable Development Goals (SDGs) adopted by the Government of Pakistan, ensuring alignment with national and global development priorities. The SDGs supported through AGP's initiatives are outlined in the table below:

Zero Hunger

- A donation of ~PKR 5.1 million was made in lieu of Ramadan Rashan packs and Iftaar distribution.

Good Health & Well-being

- Donated Fresenius Dialysis Machines worth ~ PKR 5.0 million to the Kidney Foundation.
- A contribution of PKR 1 million was made to AKUH's Patients Behbud Society to provide quality healthcare to the underprivileged, along with free medical supplies worth PKR 1 million.

Quality Education

- AGP has a policy of granting scholarships to deserving children of factory workers and support staff.
- The company sponsored the education of 200 underprivileged students in collaboration with renowned NGOs, The Citizen Foundation (TCF), with a total investment of PKR 5.7 million.
- AGP established an endowment fund of PKR 4 million at IBA Karachi, allocating PKR 1 million each year to sponsor two students for their bachelor's program.
- AGP donated PKR 0.5 million to Million Smiles Foundation for providing quality education to under-privileged children.
- Partnered with DVAGO to create Learning Center for training of pharmacist, allocating PKR 1.8 million.

Gender Equality

- The female-to-total workforce ratio at AGP is approximately 8.95%.
- AGP was the only pharmaceutical company recognized among the Top 10 Inclusive Companies of the Year and received awards in "12 categories" at the GDEIB Awards 2026.
- AGP participated as a Bronze Sponsor in Sindh Golf Association's Female Golf Tournament, in support of women's sports and empowerment initiatives.
- AGP provides a convenient and affordable transportation facility specifically for its female employees in lower management positions.
- Commenced "Himmat Wali" Return-to-Work Program to support women re-entering the workforce.

Clean Water & Sanitation

- The Company has a water treatment facility to appropriately dispose of effluent water in accordance with SEPA regulations.
- Using sensor-equipped taps and springs wherever possible to conserve water.

Decent Work & Economic Growth

- We facilitate our female employees by having a daycare center so they could continue working after motherhood without absenteeism.
- A structured framework ensures gender equality, offering similar opportunities and rewards to male and female employees with comparable qualifications and experience.

Responsible Consumption & Production

- Our pharmaceutical products are produced as per international standards ensuring there is minimum wastage during production and packaging.

Climate Action

- AGP is committed to reducing carbon emissions and progressively adopting green initiatives. To foster environmental awareness, AGP actively involves employees in activities such as plantation drives and beach clean-ups, while also conducting sessions to educate them on ways to contribute to environmental sustainability at an individual level.

Life Below Water

- AGP employees actively participated in a Beach Cleaning Drive in collaboration with WWF, demonstrating our commitment to protecting and preserving the aquatic ecosystem.

Affordable & Clean Energy

- AGP's three plants also utilize solar power for its energy needs.
- The company holds the WWF Pakistan Green Office certification, implementing their recommended Environment Management System (EMS) to reduce our carbon footprint.
- AGP was recognized at the 22nd Annual Environment Excellence Award 2025 by the National Forum for Environment & Health (NFEH), reflecting its continued commitment to environmental stewardship and sustainable business practices.

Reduced Inequalities

- AGP adheres rigorously to local policies regarding labor wages and compensation.
- Workers' wages have been increased to alleviate the impact of the inflationary economy.
- Additional bonuses were provided to support workers during challenging times.
- AGP embraces diversity, including various ethnic groups, minority classes, and differently-abled individuals.
- AGP served as a Silver Sponsor of the Our Lady Fatima Church's fundraising event, in support of community initiatives.
- AGP sponsored an educational visit for Ibrahim Haider School to the TDF Magnifi Science Museum promoting experiential learning and student engagement.
- Partnered with NOWPDP to recruit differently-abled students for internships while providing sensitivity training to employees, fostering an inclusive and supportive workplace environment.
- The management ensures all workers and staff are above 18 years old, vehemently discouraging child labor.
- AGP contributed PKR 1.0 million to Empowering Communities for Change (ECC) for "Khuda ki Basti" project to help the underprivileged.

Life on Land

- AGP's employees participated in Mangrove Plantation Drive in partnership with WWF to safeguard the mangrove ecosystem.

OUR BUSINESS MODEL

At AGP Limited, we leverage our skilled resources, innovative activities, and adhere to global best practices to deliver high-quality medicines and healthcare products. Our mission is to create long-term value for stakeholders while maintaining responsibility and sustainability as core principles.

OUR RESOURCES

HUMAN CAPITAL
[illegible]

SOCIAL CAPITAL
[illegible]

FINANCIAL CAPITAL
[illegible]

INTELLECTUAL CAPITAL
[illegible]

MANUFACTURING CAPITAL
[illegible]

NATURAL CAPITAL
[illegible]

HOW WE CREATE VALUE

PRODUCT PIPELINE DEVELOPMENT
[illegible]

MANUFACTURING AND SUPPLY CHAIN OPERATIONS
[illegible]

COMMERCIALIZATION
[illegible]

REINVEST AND DISTRIBUTE RETURNS
[illegible]

ACHIEVING OUTCOMES

FOR EMPLOYEES
[illegible]

FOR PATIENTS
[illegible]

FOR VENDORS
[illegible]

FOR DISTRIBUTORS
[illegible]

FOR SHAREHOLDERS
[illegible]

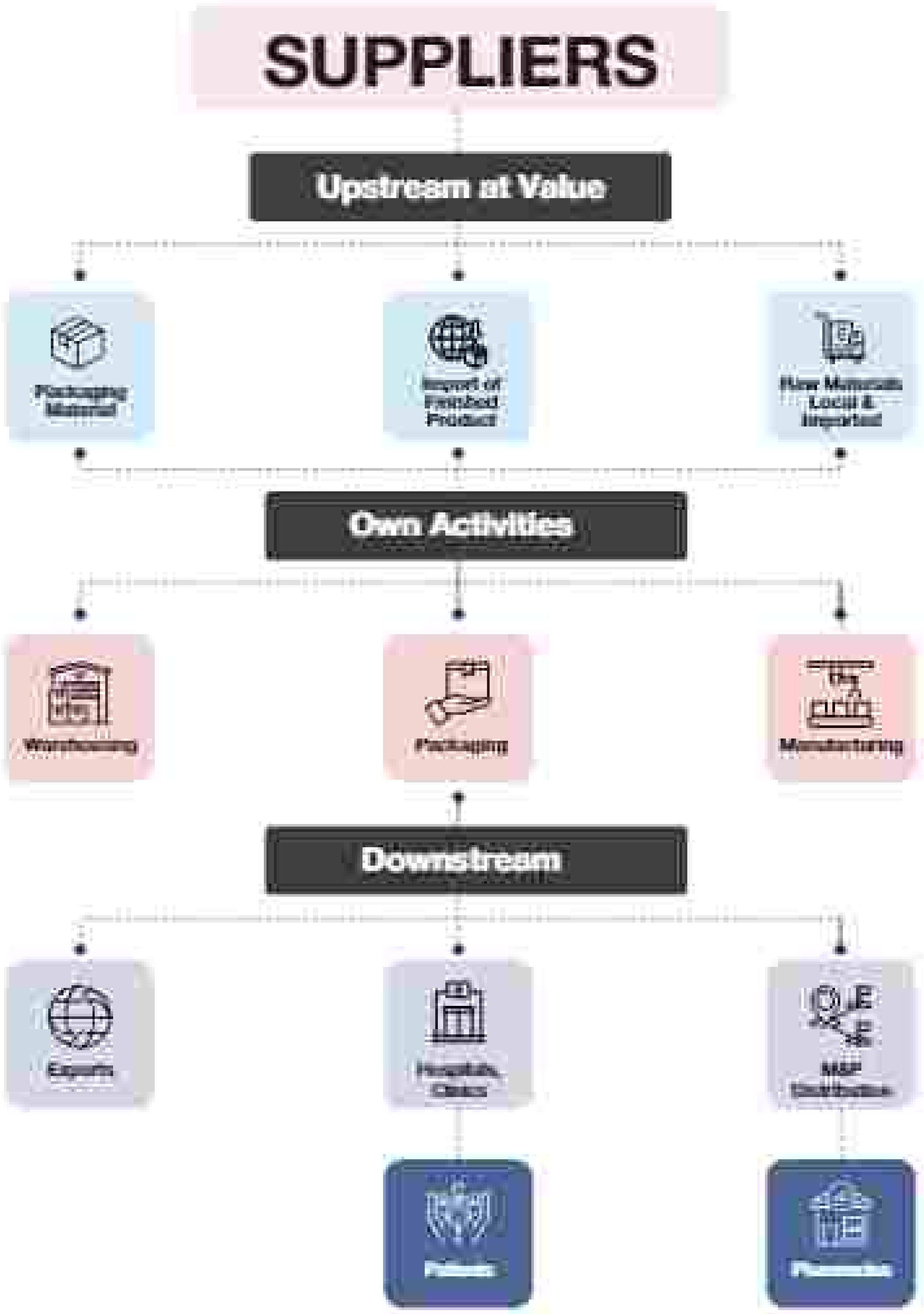
FOR ECONOMY
[illegible]

FOR SUBSIDIARIES
[illegible]

FOR ENVIRONMENT
[illegible]

OUR VALUE CHAIN

AGP is committed to delivering excellence by strategically developing a resilient and adaptive value chain that effectively responds to the evolving needs of end consumers. The following diagram presents a comprehensive overview of AGP's integrated value chain processes, highlighting how the interconnected activities collectively ensure the consistent availability of high-quality medicines.



SUPPLY CHAIN RESILIENCE AND ESG RISK MANAGEMENT

AGP has a strong and well-managed supply chain supported by a wide network of local and international suppliers. The Company understands that environmental, social and governance factors can affect supply chains across the pharmaceutical industry. AGP actively manages these risks to ensure the continuous and timely supply of quality medicines.

Possible ESG-related risks may include environmental incidents, health and safety issues, labor or human rights concerns, regulatory changes or external events such as geopolitical situations and natural disasters. AGP's proactive planning and operational controls help reduce the impact of such events on its operations.

Monitoring and Mitigation Approach

AGP follows a structured and practical approach to monitor and manage supply chain risks:

01 **Strong Regulatory and Quality Oversight:** AGP's manufacturing facilities are regularly inspected by the Drug Regulatory Authority of Pakistan (DRAP), export market regulators and internal and external auditors. In addition, many key suppliers are approved or audited by recognized authorities such as the US FDA, EDQM and third-party platforms like EcoVadis. This provides confidence in supplier quality and governance standards.

02 **Careful Supplier Selection and Engagement:** Suppliers are selected based on regulatory approval, technical capability and quality performance. New suppliers are approved only after document review and sample evaluation. AGP also obtains undertakings from suppliers to comply with laws and avoid child labor, supporting responsible sourcing.

03 **Supply Continuity and Risk Planning:** AGP strengthens supply continuity through supplier diversification, alternative sourcing options, buffer stock for critical materials and increased local sourcing. These measures improve responsiveness and reduce dependence on any single supplier or route.

04 **Timely Issue Resolution:** Any quality, compliance or delivery issues are addressed through close coordination between internal teams and suppliers. Corrective actions are implemented promptly to avoid disruption and maintain supply reliability.

Continuous Improvement in ESG Practices:

During 2025, AGP began collecting ESG-related data from suppliers. This reflects the Company's commitment to gradually strengthening environmental and social monitoring across the supply chain in line with regulatory and stakeholder expectations.

Through these measures, AGP continues to enhance supply chain resilience and reliability. While external factors cannot always be controlled, the Company remains focused on proactive risk management, strong supplier partnerships and continuous improvement to ensure uninterrupted access to quality medicines.

STRATEGY & RESOURCE ALLOCATION PLAN

The Company has established a structured strategy focused on sustainable growth, operational excellence, and long-term value creation. Leveraging our brand recognition, strong quality management systems, skilled workforce, cohesive organizational culture, and financial expertise, we're dedicated to executing these strategies diligently to create substantial value for our stakeholders.

Objectives	Revenue Enhancement & Portfolio Optimization	Expansion Into New Business Areas	Cost Optimization & Operational Excellence
Strategies	• Drive growth of flagship and high potential brands. • Strengthen market penetration across key therapeutic segments. • Launch differentiated new products. • Expand presence in selected international markets through distinctive product offerings.	• Transitioning reliance from legacy portfolio to advanced and innovative portfolio. • Establishing a robust pipeline with a balanced emphasis on chronic therapies. • Prioritizing exploration of new export channels through strategic collaborations with reputed international partners.	• Maintain optimal resource allocation and streamline business operations. • Cultivate alternative vendor channels to optimize supply chain resilience. • Investigate opportunities for localization to bolster operational efficiency. • Achieve operational excellence through continuous improvement and standardization of manufacturing processes.
Nature	Short Term	Short to Medium Term	Short to Medium Term
Priority	High	High	High
Resource Allocated	Financial, human, social and relationship capital	Financial, human and intellectual capital	Financial, human, manufactured and intellectual capital
Sustainable competitive advantage and value creation	High-quality products are easily available across the region, improving the lives of consumers globally.	Manufacturing high-quality drugs in a cost-effective manner.	Strong manufacturing capabilities led to competitive advantage without compromising the quality.
KPI monitored	• Growth trajectory of flagship brands and high-potential products. • Annual tally of product launches. • Enhanced customer loyalty and reinforced credibility.	• Number of products launched. • Contribution in sales and profitability. • Number of international regions added to supply products. • Increase in forex inflows via exports.	• Profitability ratios i.e. gross profit margin, net profit margin, earnings per share and expense ratios. • Man-hours utilized. • Energy consumption.

Objectives	Strategic Investments & Inorganic Growth	Market Leadership & Commercial Excellence	People & Organizational Development	Social Responsibility & Sustainability
Strategies	• Evaluate potential investments, mergers and acquisitions options to maximize growth and shareholders' value. • Strengthening integration capabilities to capture operational synergies.	• Sustain and elevate product quality standards while securing market share. • Preserve and strengthen leadership positions of flagship and high-potential brands within their respective therapeutic segments. • Harness the power of Business Intelligence and Artificial Intelligence to optimize viable commercial strategies.	• Nurture talent and retain them by providing platform for growth to high potential employees through cross functional performance. • Enhance inclusion and diversity in work environment. • Maintain work life balance and incentivize appropriately. • Motivate staff with learning and development and provide career growth.	• Strengthening Corporate Social Responsibility (CSR) initiatives. • Alignment with the United Nations Sustainable Development Goals (SDGs). • Energy conservation and environmental management initiatives. • Contribute to education and community development.
Nature	Medium to Long Term	Medium to Long Term	Short to Medium Term	Short to Medium Term
Priority	Medium	Medium	High	High
Resource Allocated	Financial, human, social and relationship capital	Financial, human, manufactured, intellectual, social and relationship capital	Financial, human, social and relationship capital	Financial, human, social and relationship capital
Sustainable competitive advantage and value creation	Experienced management well versed in M&A projects, economies of scale, implementing efficient processes and standardized practices for integrating businesses.	Strengthened export function, and building effective teams in sales, business development, business intelligence, and new product development.	Structured and performance-oriented human resource policies, fostering employee engagement, professional development, and a supportive work environment.	Focused CSR initiatives, designed to create measurable social impact and contribute meaningfully toward priority UN SDGs.
KPI monitored	Market share, earnings per share, return on equity and return on invested capital.	Market share, unit growth, value growth and ratio of exports to total sales.	Offer acceptance ratio, Employee turnover rate and feedback on surveys.	• Community investment initiatives. • Energy efficiency and renewable energy utilization. • Environmental performance indicators.

Objectives	Revenue Enhancement & Portfolio Optimization	Expansion into New Business Areas	Cost Optimization & Operational Excellence
Status	• On standalone basis, sales growth is 10.8%. • Domestic retails sales grew by 9.5%, Export sales by 0.2% and Nutra sales by 5.6%. • On consolidated basis, sales growth is 15.4%. • Launched 7 brands.	• Realigned the structure of marketing teams in line with our strategic vision. • Strengthened export leadership and expansion initiatives. • International expansion efforts cover over 30 countries across the Middle East, Africa, Central Asia and South Asia/Southeast Asia, in pre-commercialization phase in most countries and have progressed to active commercialization in some countries.	• Profitability increased by 17% over last year. • Developed alternate, reliable and economic vendor source. • Produced energy from Solar panels and met ~2% of the total energy needs. • Reduced labor and machine hours due to efficient production procedures, technological upgrades and capacity enhancement.
Future relevance of KPI	The KPI will remain relevant in future.	The KPI will remain relevant in future.	The KPI will remain relevant in future.
Opportunities /Threats	• Potential to increase market share domestically. • Build strong footprint in international markets. • Intense competition hinders increasing market share. • High inflation adversely affects the purchasing power of consumers. • Regulated pricing of essential medicines.	• First or early mover advantage in new molecular categories. • Develop international footprint to increase foreign customer base. • Risk of technological obsolescence. • Probable side effects of new medicines. • Fierce global competition. • Credit risk exposure in export markets.	• Improved macroeconomic conditions, including relatively stable exchange rates and declining interest rates, support industry profitability and create opportunities for business growth. • Rising geopolitical tensions, escalating energy prices, domestic inflation, additional tax levies, and potential supply chain disruptions remain key uncontrollable risks that may impact operating costs and overall profitability.
Impact due to external factors	• Deregulation of pricing of non-essential drugs has provided greater flexibility to partially offset rising cost of doing business. • Increasing literacy rates and public health awareness are contributing to improved understanding of disease management and preventive healthcare, supporting demand for quality pharmaceutical products.	• Lifestyle-related health trends in certain regions are influencing demand patterns within selected therapeutic segments, supporting portfolio diversification initiatives. • Globalization and advancements in communication technology have facilitated seamless expansion opportunities for businesses across borders.	• Technological advancements along with modernized production equipment and techniques make operational optimization easier and more economical. • Growing emphasis on environmental sustainability is increasing the importance of green investments and clean energy utilization for long-term competitiveness.

Objectives	Strategic Investments & Inorganic Growth	Market Leadership & Commercial Excellence	People & Organizational Development	Social Responsibility & Sustainability
Status	• Both subsidiaries, OBS AGP, managing portfolio acquired from Sandoz, and OBS Pakistan, managing portfolio acquired from Viatris, are performing very well.	• Top brands are market leaders in their respective segment. • Organic growth coupled with acquisition, are boosting the market share. • Exploring potential export markets.	• Received awards by OEBB in 2025 for 7th year in a row and won awards in 10 categories. • Focused on market aligned compensation, leave policies, Cross Functional Alignment, and Mercer-led peer benchmarking. • Delivered training supported by LMS and Coursera, promoted female leadership via the WE LEAD Boot Camp and industry participation. • Promoted diversity via inclusive internships and disability participation programs while maintaining CEO-led alignment forums.	• Solar powered energy in all 3 plants for conservation of energy. • Several energy optimization initiatives are on-going. • Actively worked towards supporting the education of underprivileged children. • Collaboration with WWF Green Office to make our office practices greener and achieve agreed environmental KPIs.
Future relevance of KPI	The KPI will remain relevant in future.	The KPI will remain relevant in future.	The KPI will remain relevant in future.	The KPI will remain relevant in future.
Opportunities /Threats	• Potential to strengthen competitive positioning. • Position the Company for better bargaining power over suppliers. • Better spread of production overheads. • Strengthened coordination and enhanced execution of strategic objectives through successful commercial alignment of group portfolios.	• Changing disease patterns driven by environmental and lifestyle factors, potentially increasing demand across key therapeutic segments. • Growing public awareness of preventive healthcare and healthy living, supporting sustained demand for quality pharmaceutical products. • The integration of Business Intelligence introduces potential cybersecurity vulnerabilities.	• Ready pool of internal talent to fill the vacancies and take up senior management positions. • Sufficient growth opportunities to allow internal elevations. • Expensive to retain quality talent pool. • It is difficult to manage high caliber resources competing for elevated positions. • High cost associated with specialized training of relevant staff.	• Enhanced stakeholder confidence through responsible business conduct. • Reputational risk arising from adverse public perception.
Impact due to external factors	• Delays in obtaining regulatory approvals and arranging funds in foreign currency for acquisitions can cause business interruptions and unnecessary increase in project costs.	• Changing dietary habits and ecosystems are leading to an increase in consumption of healthcare products.	• The shift of focus in advanced educational systems from Intelligence Quotient (IQ) to Emotional Quotient (EQ) makes the culture of the organization to be of utmost importance at the time of choosing workplace.	• Due to the evolution of social media, globalized pressure groups, and increased ecological sustainability concerns, the objective of a business has been transformed from economic to both socioeconomic.

Liquidity Position of the Company

The Company has an effective cash flow management system to timely meet the working capital and financing needs of the Company. However, debt servicing due to equity investments in the subsidiaries, and capital expenditure for expansion and Balancing, Modernization and Replacement (BMR) of plant and machinery led to utilization of short-term financing facilities. The cash generated from significantly increased business operations together with provision of running finance facilities will be sufficient to fund operations, debt servicing costs, required levels of capital expenditure, payments for business expansion programs, dividend distributions in line with industry trends, and other routine outflows including tax and statutory levies.

Strategy to Overcome any Liquidity Problems

The Company ensures prudent liquidity management by maintaining sufficient funds. Effective controls on credit sales and maintenance of an adequate amount of committed credit facilities result in effective management of its liquidity position. During the year, borrowings were settled on a timely basis thus maintaining our long-term and short-term credit rating of A+ and A1 respectively.

Significant Plans

The Company has articulated a clear multi-year strategic roadmap with defined milestones to drive sustainable business growth and enhance market positioning. The management has successfully unified the Marketing and Sales functions through functional realignment, fostering synergy, efficiency, and adopting a more cohesive market approach. Strategic priorities remain focused on portfolio enhancement, export expansion, operational efficiency, and strengthening organizational capabilities.

Making Strategic Decisions & Fostering Culture

All strategic proposals after being deliberated amongst the executive leadership team, are routed by the CEO to the Board of Directors for approval. The Company has focused on sensitizing its employees to address and report any ethical issue they come across through pre-defined channels, ensuring the development of our organization's culture stays our top priority. The Company continues to invest in capability building of human resources and capacity enhancement of its manufacturing facilities, to continue to deliver enduring value for all its stakeholders.

Significant Changes in Objectives and Strategies from Prior Years

There has been no significant change in the Company's core objectives and strategic direction. The Company continues to pursue its goals of expansion, operational efficiency, and sustainable growth.

OUR KEY RISK & HOW WE MANAGE THEM

Business Risk Management Framework

The Board of Directors at AGP oversees a comprehensive risk management process, ensuring the establishment and maintenance of a robust risk management framework under the supervision and guidance of the Board Audit Committee. The Board has sanctioned the Company's risk management policy, delineating the organization's risk tolerance thresholds. Regular reviews of the risk management systems by the executive management teams are conducted to adapt to changes in the external environment, market dynamics, and the Company's operational activities. Furthermore, an annual presentation of principal risks is made to the Board Audit Committee for thorough evaluation and guidance.

Our Company's risk management framework constitutes a structured approach to identifying potential threats, implementing mitigating strategies to minimize their impact, and establishing mechanisms for effective monitoring, evaluation, and execution of these strategies. At AGP, every employee bears the responsibility of identifying and managing risks. The Risk Management Policy empowers employees to propose changes to the policy, subject to the approval of relevant tiers within the Risk Management Framework.

AGP faces a spectrum of risks spanning strategic, legal, regulatory, operational, financial, and reputational domains. These risks are diligently managed through the implementation of appropriate mitigation plans, assignment of clear accountability, and establishment of channels for transparent communication of significant issues and incidents as they arise.

Management of Capital Structure

The primary objective of capital management at our Company is to ensure the preservation of its status as a going concern while simultaneously delivering sustainable returns to shareholders, providing benefits to other stakeholders, and maintaining an optimal capital structure.

Currently, the Company predominantly finances its operations through internal resources and, if necessary, through running finance facilities, while also investing in activities through a combination of long-term financing and short-term borrowings, in addition to equity. Moreover, I am pleased to report that the Company has maintained an impeccable track record of meeting all debt obligations without default throughout the year.

Key Risks and Opportunites

The principal risks faced by the Company are listed below. The risks discussed are not exhaustive and the Company may be subject to other risks not specifically outlined in this Annual Report.

RISK #1

Country Risk: Country default risk increases as the forex reserve are low and has caused severe restrictions on foreign payments, supply chain disruptions and domestic inflation.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Human, Social, Manufactured & Relationship	Strategic Risk	Medium term to long term	External			★★★★★

OBJECTIVE
To avoid or manage country risk to an acceptable level

MITIGATION PLAN
Diversification of supplier base, increased localization of procurement, and maintenance of buffer inventories exceeding four months for major brands. Export expansion across 30+ countries, supported by enhanced regulatory compliance, international GMP accreditation initiatives, and dollarized export revenues, provides a natural hedge against currency volatility. Continuous monitoring of geopolitical developments and implementing business continuity measures to address concentration risks in key export markets.

OPPORTUNITY
To compete effectively

RISK #2

Stock-out Situation: Inability to supply medicines in the market due to issues in securing supplies of raw materials and other ingredients as LCs are delayed.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Manufactured, Social and Relationship	Operational Risk	Short to Medium term	External			★★★★★

OBJECTIVE
Avoid stock out situation

MITIGATION PLAN
Maintain strong coordination with banking partners to ensure timely settlement of trade obligations and has secured enhanced working capital facilities on competitive terms. Supply chain resilience is strengthened through favorable supplier negotiations, alternate vendor development, localization initiatives, optimized inventory levels for fast-moving products, and improved SAP-based inventory planning aligned with demand forecasting.

OPPORTUNITY
Achieve sustainable market penetration

RISK #3

Cost of doing business: Increasing cost of doing business because of PKR devaluation, rise in fuel cost, utilities and general inflationary pressures and imposition of additional taxes and duties.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial	Financial Risk	Short term to Medium term	External			

OBJECTIVE

Operations optimization and cost economization

MITIGATION PLAN

Mitigate cost and pricing pressures through proactive portfolio rationalization, strategic export expansion, early procurement rate locking, and continuous sourcing optimization. Regulatory advocacy efforts, disciplined budgetary controls with Board oversight for excess expenditures, and KPI-driven cost efficiency initiatives further support sustainable margin protection and profitability growth.

OPPORTUNITY

Control cost and improve profitability

RISK #4

Integration of Business/ Subsidiary: Intended level of synergies may not be achieved via integration of functions/business.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Human, Manufactured, Social and Relationship	Strategic & Operational Risk	Medium term to Long term	Internal			

OBJECTIVE

Achievement of synergies and cost optimization

MITIGATION PLAN

Centralized key support functions and completed the internalization of subsidiary brands to enhance governance, transparency and operational synergies. A centrally managed, auditor-reviewed cost allocation framework ensures disciplined inter-company reporting, while flexible systems, portfolio realignment and direct CEO oversight of subsidiaries support effective change management and strategic alignment.

OPPORTUNITY

Growth in business, particularly in terms of volume and market share, and efficient cost management

RISK #5

Production upgrades/ Capacity building: Production infrastructure / capacity building may not be upgraded timely for internalization of acquired portfolio & other Projects.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial & Manufactured	Financial & Operational Risk	Short term to Medium term	Internal			

OBJECTIVE

Integration and internalization of acquired portfolio

MITIGATION PLAN

Strengthen production capacity through the operationalization of the Liquid Suite and ongoing capacity expansion initiatives, including enhancement of Oral Solid Dosage facilities and related infrastructure. Efficient project execution, production optimization measures, and reinforcement of technical and engineering teams support timely upgrades, operational efficiency, and sustainable long-term capacity growth.

OPPORTUNITY

Cost optimization and improve profitability

RISK #6

Concentration of business: Over reliance on fewer products, any adverse event or occurrence related to therapeutic market of such product or availability of supplies will significantly hamper the business.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Manufactured, Human, Social and Relationship	Strategic Risk	Medium term to Long term	Internal			

OBJECTIVE

Increase product base

MITIGATION PLAN

Disciplined portfolio protection, lifecycle management and selective, commercially viable product launches aligned with regulatory readiness and margin profiles. Strategic therapeutic deepening, expansion into new segments, realignment of marketing teams, and dedicated focus on international and institutional business channels support diversified revenue streams and sustainable long-term growth.

OPPORTUNITY

Enhance sales volume and increase market share

RISK #7

Technological infrastructure: Failure to keep abreast of technological advancements and emerging cyberattacks.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial and Manufactured	Financial & Operational Risk	Short term to Medium term	External and Internal			

OBJECTIVE

Achieve competitive position

MITIGATION PLAN

Strengthen IT governance and cybersecurity framework through system upgrades, enhanced ERP integration, and robust network security infrastructure. Oversight by the Board Audit Committee and the IT Steering Committee, combined with evaluation of advanced endpoint protection solutions and regular organization-wide cybersecurity awareness programs, support proactive risk management and resilience against evolving cyber threats.

OPPORTUNITY

Strong IT control environment to generate accurate and timely data for informed decision making

RISK #8

Talent attraction and retention: Inability to attract, retain and develop high potential talent within the Company

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Human, Social and Relationship	Operational Risk	Medium term to Long term	Internal			

OBJECTIVE

Be an employer of choice

MITIGATION PLAN

Market-benchmarked compensation structures, enhanced employee benefits, structured hiring, and continuous capability development supported by digital learning platforms. Oversight by the Human Resource Committee, active employer branding initiatives, industry benchmarking, and a strong culture of career progression support sustainable talent attraction, engagement, and long-term retention.

OPPORTUNITY

Top talent is attracted and key staff is retained

RISK #9

New Business Ventures: Separation and integration of new business ventures includes risks of compliance, financials, reputation, operational etc.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Human, Manufactured, Social and Relationship	Financial & Operational Risk	Medium term to Long term	Internal			

OBJECTIVE

To ensure a seamless, compliant, and strategically aligned transition while mitigating risks and maximizing growth opportunities

MITIGATION PLAN

Strategic execution through a Board-approved five-year corporate strategy aligned with annual budgeting and clearly defined corrective action plans. Engagement of external experts on key matters and implementation of a formal governance framework for centralized support functions further strengthen oversight, accountability, and disciplined execution.

OPPORTUNITY

Enhance operational efficiency, market expansion, and competitive positioning for sustainable growth

RISK #10

Market Competition: A lot of pharma companies comprising (600+), both MNCs and locals, are already existing in the market and due to intense competition, the company may not gain additional or lose its existing market share.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Social and Relationship	Strategic & Operational Risk	Short term to Medium term	External and Internal			

OBJECTIVE

Protect, sustain and strategically grow market share

MITIGATION PLAN

The Company maintains a governed medico marketing framework that ensures ethical scientific engagement and disciplined market execution. Continuous competitor monitoring, disciplined portfolio expansion, and evaluation of strategic growth opportunities, including potential M&A, support protection of existing market share and sustainable competitive positioning.

OPPORTUNITY

Market expansion, product diversification, and competitive positioning

RISK #11

PESTEL factors: Volatile economic conditions, government policies and law and order situation may adversely impact the Company

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Human, Manufactured, Social and Relationship	Strategic Risk	Short term to Medium term	External			

OBJECTIVE

To avoid business disruptions and cost

MITIGATION PLAN

Actively monitor political, regulatory, and macroeconomic developments and promptly align internal systems and procedures to mitigate potential disruptions. In response to export challenges and border closures in key markets, management adapted alternative logistics arrangements, accelerated production planning, and coordinated closely with distributors to ensure continuity of operations and minimize revenue impact.

OPPORTUNITY

Improve revenue and profitability

RISK #12

Restrictive regulatory framework and undue pricing pressures: Highly restrictive regulatory environment and lack of market-oriented pricing policies.

Capital	Type	Nature	Source	Likelihood	Impact	Rating
Financial, Social and Relationship	Strategic & Financial Risk	Medium term to Long term	External			

OBJECTIVE

Timely registration / approvals

MITIGATION PLAN

Continuous facility and process upgrades aligned with evolving national and international GMP standards, alongside strengthening digital submission capabilities. Active engagement with regulators, policymakers, and trade associations supports evidence-based advocacy for balanced regulations, sustainable pricing frameworks, and an enabling environment that promotes investment, innovation, and long-term industry growth.

OPPORTUNITY

Improve revenue and profitability

02

CORPORATE GOVERNANCE

Our trajectory to success involves fostering enduring relationships with external and internal stakeholders. We prioritize transparency and clear communication to ensure strong governance that leads to organizational excellence.

CORPORATE GOVERNANCE

Details of the Corporate Governance framework, Sustainability Report and how the Company engages with its stakeholders.

DIRECTORS' PROFILE

Mr. Khan is the Chairman of OBS Group and brings over four decades of leadership experience spanning financial services and the healthcare sector. Over the course of his career, he has built a strong track record in strategic growth, cross-border operations and multinational partnerships.

He began his professional career in Canada before relocating to Saudi Arabia, where he worked closely with the Saudi Royal Family. He subsequently joined Organon Pharma B.V. (OBS), serving as Managing Director for Saudi Arabia and Pakistan, where he played a pivotal role in strengthening regional operations.

In 2006, he led a management buyout of Organon's Pakistan operations, establishing the foundation of OBS Group. Under his leadership, the Group executed a series of strategic acquisitions, including the local businesses of Merck Sharp & Dohme, Schering-Plough, AGP, Janssen Pharmaceuticals, Sandoz, Viatris and Bayer, positioning OBS as a leading partner for multinational pharmaceutical companies.

Mr. Khan also serves as the Honorary Consul General of the Netherlands in Pakistan and as Secretary General of the Pakistan Chapter of the World Federation of Consuls, Brussels. He is also a member of the Aspen Institute (USA) and has previously served as President of the Pakistan-Sri Lanka Business Forum, contributing to the advancement of bilateral trade relations.

He is a graduate of Concordia University and holds a Postgraduate Diploma in Public Accountancy (GDPA) from McGill University. He is also a Certified Management Accountant (Ontario) and a Certified Public Accountant (California).

TARIQ MOINUDDIN KHAN

Chairman - Board of Directors
Non-Executive Director

ZAFAR IQBAL SOBANI

Chairman – Audit Committee
Independent Director

Mr. Zafar Iqbal Sobani brings with him over 45 years of experience of working in the manufacturing, power sector and audit profession in Pakistan and in the Middle East. Currently, he is on the Board of Zephyr Power Limited, TRG International, Primus Leasing Limited, MUFAP, Karachi Water and Sewerage Corporation.

During his career, he also held the position as CEO of HUBCO and Liberty Powertech two companies of power sector of the country between 2008 to 2013. He also worked with House of Habib in the areas of New Project Development and Real Estate Management.

Major part of his career was spent with Century Paper & Board Mills Limited, a part of Lakson Group overseeing various business activities.

He has been the President of Institute of Chartered Accountants of Pakistan (ICAP) and served actively in council and the regional committee in various capacities. He worked with A.F. Ferguson (PWC) in Pakistan and Ernst and Young, Kingdom of Saudi Arabia.

He held the position as Chairman of Quality Control Board of ICAP overseeing quality of auditing profession between 2006 and 2014 and also remained Member of the Managing Committee of Overseas Investors Chamber of Commerce and Industry. He is the Sponsor Director of Pakistan Institute of Corporate Governance (PICG) and involved actively as trainer in the field of Corporate Governance on behalf of PICG. He is also actively involved with a few NGOs.

Ms. Maleeha Humayun Bangash is a highly accomplished Corporate & Investment Banking, Digital Banking, and Financial Industry expert with over 28 years of C-Suite experience across Singapore, Türkiye, and Pakistan. She is an active member of the Singapore FinTech Association and serves on the boards of several highly reputed companies.

Currently, as the Chief Executive of BAJO Digital Ventures LLC (USA), she focuses on Digital Banking. Additionally, she is working on international investment and transactional work. Before this, she served as a technical expert for the World Bank Group and IFC-Singapore, advising on Digital Banking, Green Banking, and SME & Gender Finance across Asia Pacific. She has also been a Founding Member (Commissioner) of the Competition Commission of Pakistan, leading Advocacy, M&A Review, and Competition Research. Recently, she served as an Ambassador for the SME Finance Forum, a G20 initiative managed by IFC.

Ms. Bangash began her career in Corporate & Investment Banking. She has structured Private Equity and Venture Capital deals at Makara Capital Singapore. At Global Strategies Pte. Ltd., Singapore, she developed investment options by forming alliances with global financial institutions like Citibank, Credit Suisse, and Morgan Stanley. As CEO Designate of Habib Asset Management, she delivered 300% growth and successfully launched the Separately Managed Accounts (SMA) business.

As MD at the World Bank Group ICRU, she was instrumental in creating an inducive Investment Environment raising the ranking of Pakistan by 39 on the Global Index. Named among the 100 Most Prominent Women in Anti-Trust (2009, 2018) and a Miracle Woman Award winner (2016), she has championed SME, women, and startup inclusion through Green Sukuk and impact investments.

She holds an MBA from the University of Chicago where she graduated with Honors and MBA from LUMS, with certifications from OECD, ICN, The Hague Academy, IFC/World Bank Group and others.

MS. MALEEHA HUMAYUN BANGASH

Chairperson - Human Resource
& Remuneration Committee
& ESG Committee
Independent Director

KAMRAN NISHAT

Non-Executive Director

Mr. Kamran Nishat brings over four decades of extensive professional experience. He serves as the Managing Director & Chief Executive Officer (CEO) of Muller & Phipps Pakistan (Private) Limited. Additionally, he holds the position of CEO at the following associated companies of Muller & Phipps Pakistan (Private) Limited: M&P Express Logistics (Private) Limited, Tech Sirat Technologies (Private) Limited, Logex (Private) Limited, Tech Sirat (Private) Limited and Mulphico Technologies (Private) Limited (Formerly Veribest Brands Pakistan (Private) Limited)

Furthermore, he also serves as Director in the Boards of Engro Polymer & Chemicals Limited, ABL Assets Management Company Limited, Briogene (Private) Limited, OBS AGP (Private) Limited, OBS Pakistan (Private) Limited, Muller & Phipps (Singapore) PTE. LTD, Hugo Bank Limited, Nouveaux Pharma Limited (Formerly Novartis (Pharma) Pakistan Limited) and Inbox Business Technologies Limited.

He has actively contributed to the professional community. He has served as a Member of the Accounting and Auditing Standards Committee (South) and the Information Technology Committee (South) of the Institute of Chartered Accountants of Pakistan (ICAP). He has also been associated with the Management Association of Pakistan and the Executive Committee of the American Business Council (ABC), where he previously served as President. Furthermore, he is serving as a Member of the Advisory Council of National Skills University Islamabad and as a Trustee on the Board of Developments in Literacy (DIL).

Over the course of his career, Mr. Kamran Nishat has held several senior leadership positions, including Senior Management role at Sidat Hyder Morshed Associates (Private) Limited, Group Financial Controller at MIMA Group, General Manager Corporate Affairs at Dawood Hercules Chemicals Limited, Deputy Managing Director of Central Cotton Mills Limited and Manager Finance at Al-Ghazi Tractors Limited.

Mr. Kamran Nishat is a Fellow Member of the Institute of Chartered Accountants of Pakistan.

Mr. Muhammad Kamran Nasir is a Chartered Accountant from the Institute of Chartered Accountants of England & Wales (ICAEW) and a Chartered Certified Accountant from the Association of Chartered Certified Accountants (ACCA), U.K., and also holds a Certified Director qualification from the Pakistan Institute of Corporate Governance.

While serving as the CEO of AGP Limited, he also oversees the strategic direction and operations of all group entities, enabling both local and international expansion. His responsibilities also include nurturing relationships with key principals, including Fortune 500 pharmaceutical companies, expanding into international markets and overseeing aggressive Business Development initiatives.

In recognition of his leadership and standing within the pharmaceutical sector, Mr. Kamran Nasir has also been appointed as Senior Vice Chairman of the Pakistan Pharmaceutical Manufacturers Association (PPMA).

With extensive experience in leadership roles across the financial sector and multinational corporations, Mr. Nasir notably served as CEO of one of the largest investment banking firms in Pakistan. Previously, he held positions at a leading Chartered Accountancy firm, focusing on audits within the financial sector, particularly leading commercial banks.

He brings a wealth of expertise in capital markets, investment banking and complex financial matters. His track record includes advising on mergers and acquisitions, debt-raising, capital market transactions and executing initial public offerings (IPO).

As a seasoned speaker, Mr. Muhammad Kamran Nasir has addressed diverse audiences on specialized topics, including Pakistan's capital markets and economy, through various media channels. He has played a pivotal role in showcasing Pakistan's corporate sector to global fund managers, conducting roadshows in financial hubs such as London, New York, Dubai and Singapore. His efforts were instrumental in routing billions of dollars of investment into Pakistan through foreign direct investment (FDI) and foreign institutional portfolio investment (FIPI).

MUHAMMAD KAMRAN NASIR

Managing Director &
Chief Executive Officer

MAHMUD YAR HIRAJ
Non-Executive Director

Mr. Hiraj has over 25 years of professional experience in private equity, principal investments and investment banking. He is a founding partner and a member of the Investment Committee at Baltoro Capital, a leading private equity firm. Prior to Baltoro, he was the Head of Principal Investments at Bank Alfalah and held leading roles at Dhabi Group with representation on Investment Committees and boards of various portfolio companies. He is also a member on the board of OBS Pakistan (Private) Limited and OBS AGP (Private) Limited.

Mr. Hiraj has worked at leading global financial institutions and investment banks in US, UK and Canada. He started his career at the investment banking division of Salomon Smith Barney (Citigroup) in New York before moving to London to join Citigroup's Financial Sponsors Group where his clients included leading global private equity firms.

His other experiences include executive positions at J.P. Morgan and Scotia Capital in North America, where he advised various leading Fortune 500 Companies and sponsors on mergers and acquisitions and capital market fundraising and restructuring transactions.

Mr. Hiraj holds an MBA from Yale University and a BA from McGill University.

Mr. Muhammad Kamran Mirza is the CEO of AGP Limited's two subsidiaries, OBS AGP (Pvt.) Limited and OBS Pakistan (Pvt.) Limited. With over 18 years of experience in healthcare and financial markets, his expertise lies in mergers & acquisitions, investment management and corporate strategy.

Under his leadership, OBS successfully executed three strategic asset acquisitions from Bayer AG, Viatris Inc. and Sandoz AG alongside the divestment of OBS' legacy portfolio. He also manages key relationships with OBS Group's principals which include Fortune 500 pharmaceutical companies, ensuring sustainable growth and expansion for the group.

Before joining OBS Group in 2018, Mr. Mirza served as Executive Vice President and Head of Investment Banking at JS Bank Limited, advising corporates on mergers, acquisitions, divestitures and capital market transactions.

He is a certified director from the Pakistan Institute of Corporate Governance and currently serves as a Board Member of AGP Limited and OBS Pharma (Pvt.) Limited. Previously, he was a member of the Pakistan Stock Exchange's Listing Committee Panel of Experts.

Mr. Mirza holds an MBA from the Institute of Business Management (CBM) and earned a gold medal in his undergraduate commerce degree.

KAMRAN MIRZA
Non-Executive Director

CHAIRMAN'S REVIEW

Dear Shareholders and Stakeholders,

It is my privilege to present AGP Limited's Annual Report for the financial year 2025. The year was marked by a broadly improving macro-economic landscape. While geo-political developments and global uncertainties continued to shape international trade and supply chains, the overall operating environment remained stable and increasingly conducive to growth. Against this backdrop, AGP demonstrated its ability to proactively capitalise on favourable conditions, delivering exceptional performance through disciplined execution, strategic clarity, and operational excellence.

Our integrated internal structure through close collaboration between AGP and its subsidiaries enabled the realization of meaningful synergies, improved resource allocation, and enhanced operational efficiencies. This collective approach has allowed the Company to elevate performance standards within the pharmaceutical sector.

The consistent recognition received through prestigious national and international awards during the year further validates AGP's commitment to responsible corporate conduct. These accolades reflect not only strong financial and operational performance but also the Company's adherence to the highest standards of corporate governance.

Sustainability remains central to AGP's long-term strategy. In line with evolving global best practices and increasing stakeholder expectations, the Company has taken a proactive stance by early adoption of sustainability and climate related disclosures. This strategic step underscores our belief that sustainability and financial performance are inherently interconnected.

During the year, AGP further embedded environmental, social, and governance (ESG) considerations into its core operations and strategic planning. Key initiatives included progress on renewable energy adoption to reduce carbon footprint, enhanced water conservation practices, responsible waste management, and strengthened occupational health and safety frameworks. Our continued investment in community healthcare, employee well-being, and ethical supply chain practices reflects our broader responsibility toward society and the environment. These initiatives not only mitigate long-term risks but also enhance resilience, competitiveness, and stakeholder trust.

As part of its broader commitment, AGP continues to foster a workplace culture that promotes diversity, equity, and inclusion, recognizing that an inclusive and empowered workforce drives innovation, strengthens decision-making, and enhances organizational resilience.

The Board of Directors has played a pivotal role in guiding AGP towards achieving its strategic objectives. Through effective governance, strategic oversight, and informed decision-making, the Board has ensured that the Company remains well-positioned to navigate macro-economic volatility, geo-political tensions, regulatory changes, and industry-specific challenges, while remaining focused on sustainable growth and value creation.

The Board has also maintained diligent oversight of the Company's internal control and risk management framework. Continuous evaluations and enhancements have strengthened operational resilience, improved transparency, and ensured alignment with leading governance practices. The Board has reviewed and affirmed the adequacy and effectiveness of AGP's internal control systems, reinforcing confidence in the Company's ability to operate responsibly and in compliance with applicable laws and regulations.

I would like to express my deepest appreciation to our executive management team, led by the Chief Executive Officer, whose strategic leadership was instrumental in delivering these results. I am equally grateful to my fellow Board members for their invaluable guidance, stewardship, and commitment to the long-term success of the Company. Most importantly I further extend my sincere thanks to our entire workforce across the Company, whose professionalism and resilience remain at the heart of AGP's achievements.

With a strong foundation, a clear strategic direction, and an embedded sustainability mindset, I am confident that AGP will continue to navigate challenges effectively, capitalize on emerging opportunities, and deliver enduring value for all stakeholders.

TARIQ MOINUDDIN KHAN
CHAIRMAN

As we look ahead, I extend my sincere gratitude to our customers, suppliers, business partners, and shareholders for their continued trust and support. In an increasingly interconnected and rapidly evolving global landscape, AGP remains committed to strategizing with clarity, strengthening synergies across our integrated Group, and succeeding in delivering sustainable value.

"I am pleased to announce that the Board of Directors has recommended a final dividend of PKR 6.0 per share for 2025. This reflects AGP Limited's robust financial position and reaffirms our commitment to delivering sustainable, long-term value to our esteemed shareholders."

CEO'S MESSAGE

In 2025, AGP Limited continued to build on its strategic momentum, driving sustained growth through focused execution and organizational alignment. Through strategic foresight, operational excellence, and the unwavering commitment of our employees, we delivered strong financial performance, reinforced our market leadership, and expanded our footprint across both domestic and international markets.

Pakistan's macroeconomic environment demonstrated continued stabilization during 2025, supported by improved fiscal discipline and sustained engagement with international financial institutions. Inflation moderated meaningfully over the year, while the State Bank of Pakistan pursued a calibrated monetary easing cycle to support economic activity. The Pakistani Rupee remained broadly stable against the US Dollar, aided by resilient remittance inflows and disciplined monetary policy. The current account position improved on the back of higher remittances, while business sentiment remained cautiously optimistic. The pharmaceutical sector underwent a period of normalization during FY2025 following the price increases permitted on non-essential medicines in the preceding year. While earlier deregulation for products outside the National Essential Medicines List (NEML) provided manufacturers with greater flexibility to partially offset rising input costs, on the other hand, subsequent price rationalization resulted in moderated demand, as higher retail prices temporarily influenced consumption patterns.

Our unwavering focus on innovation has been a key driver of sustainable growth. AGP Limited delivered revenues exceeding PKR 20.5 billion, representing a solid year-on-year growth of 10.6%. The domestic retail segment remained our primary revenue contributor, with a robust 9.5% increase, driven by the strong performance of our leading brands. Our disciplined approach to international expansion and focused market penetration enabled us to capitalize on export opportunities. Supplies to our subsidiary, OBS AGP, further supported topline expansion while generating meaningful synergies and cost efficiencies at both Group and consolidated levels. In parallel, our nutraceutical portfolio continued to gain momentum, reflecting our agility in responding to evolving consumer preferences. Despite prevailing inflationary pressures, gross profit reached PKR 9.9 billion underscoring our ability to enhance performance through cost optimization, a well-balanced sales mix, and agile decision-making.

Cost discipline remained a key focus throughout the year, enabling administrative, marketing, and selling expenses to be effectively managed despite strong topline growth. Finance costs declined significantly by 43.3%, driven by lower policy rates and proactive debt management initiatives. The tax increased mainly because of increase in profit before tax. Additionally, the tax regime on exports transitioned from final taxation to minimum/normal tax, further contributing to the overall tax burden. Notwithstanding these headwinds, AGP Limited delivered a strong profit after tax of PKR 2.36 billion, with earnings per share (EPS) of PKR 8.43, representing an increase of 13.3%. On a consolidated basis, the Company delivered profit after tax rising of PKR 4.34 billion and earnings per share (EPS) of PKR 13.34, registering robust growth of 46.4% and 38.9%, respectively.

Investor confidence in AGP Limited strengthened materially during the year, reflected in our share price appreciation to PKR 203.15, with a peak of PKR 215.06. Continued engagement with the investment community through targeted investor forums reinforced market confidence in AGP's strategy, performance, and long-term growth outlook.

In line with our commitment to delivering sustainable shareholder value, the Board of Directors has approved a final dividend of PKR 6.0 per share for the year 2025, in addition to an interim dividend paid of PKR 2.0 per share during the year. This decision underscores AGP's financial strength and reflects our confidence in the Company's ability to generate consistent, long-term returns for our shareholders.

AGP Limited's pursuit of excellence has been recognized through a series of prestigious accolades. We secured 1st Position in the Best Corporate & Sustainability Report Awards 2024 for the pharmaceutical sector. In addition, AGP was awarded the "Silver Award" in the Manufacturing Category at the SAFA Awards 2025, organized by the South Asian Federation of Accountants, further underscoring our dedication to corporate governance. Our steadfast focus on diversity and inclusion was acknowledged for the seventh consecutive year at the Global Diversity and Inclusion Benchmarks Conference, earning distinctions in twelve categories. AGP was also recognized as the Top Exporter at the 6th Pakistan Pharmaceutical Manufacturers' Association Summit, highlighting our growing international presence. Additionally, we received Environment Excellence Awards 2025, hosted by the National Forum of Environment & Health, reflecting our commitment to sustainable and responsible business practices.

We remain committed to fostering a diverse, equitable, and inclusive workplace, recognizing it as a key driver of sustainable growth. AGP Limited promotes equal opportunity across its workforce, including the inclusion of differently abled individuals. We also uphold responsible labor practices, ensuring fair wages, regulatory compliance, and continued support for community initiatives focused on education and social development.

Sustainability remains central to our operations, guiding our efforts to create meaningful impact on both society and the environment. AGP has been an early adopter of ESG-related reporting frameworks, primarily IFRS S1 and IFRS S2, reinforcing our commitment to transparency, accountability, and global best practices. We have taken decisive steps to reduce our environmental footprint, including the implementation of an Environmental Management System (EMS) in collaboration with World Wide Fund for Nature, the installation of solar power systems, and deployment of environmentally compliant water treatment facilities. Our Corporate Social Responsibility initiatives, ranging from employee-led plantation drives and community clean-ups to healthcare support for children, demonstrate AGP's ongoing commitment to societal impact while aligning our operations with sustainable and responsible business practices.

We extend our heartfelt appreciation to our dedicated employees, valued customers, trusted suppliers, and esteemed shareholders for their continued confidence and support in AGP Limited. We also convey our sincere gratitude to the Board of Directors for their strategic guidance, and in particular to our Chairman, whose visionary leadership has been instrumental in steering the Company toward sustained growth and long-term success.

AGP Limited is committed to harnessing advanced technologies including Artificial Intelligence, process optimization, an enriched product portfolio, and early adoption of ESG initiatives, we aim to redefine industry standards and strengthen our competitive edge. Guided by a vision of sustainable growth and global impact, AGP Limited is poised to achieve new milestones, create lasting value for stakeholders, and shape a future defined by excellence, innovation, and responsible leadership.

Muhammad Kamran Nasir
Chief Executive Officer

"As we reflect on our journey of progress in 2025, we look ahead with renewed commitment to excellence and growth. Guided by our dedicated teams, we are poised to strategize boldly, synergize effectively, and succeed in achieving new milestones. Together, let us move forward with focus and determination, shaping a future of sustained success, value creation, and long-term prosperity for AGP Limited."
MUHAMMAD KAMRAN NASIR

CORPORATE GOVERNANCE FRAMEWORK

Our steadfast commitment to ethics, integrity, and sound governance remains central to our corporate philosophy. Anchored by robust governance and compliance frameworks, AGP Limited continues to uphold the highest standards of ethical and accountable conduct across all areas of its operations. These frameworks form the cornerstone of our commitment to fostering a culture of transparency and responsibility, enabling us to consistently meet and exceed stakeholder expectations.

Compliance with the Best Practices of Code of Corporate Governance

During the financial year ended December 2025, the Board of Directors has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Rule Book of Pakistan Stock Exchange Limited (PSX) and the applicable Financial Reporting Framework of Securities and Exchange Commission of Pakistan (SECP). The Report of the Board's Audit Committee on compliance with the Code of Corporate Governance (CoCG), along with the Statement of Compliance endorsed by the Chairman and the Chief Executive Officer and reviewed by the Company's external auditors, forms part of this Annual Report.

Governance Practices beyond Legal Requirements

The Company complies with all the mandatory provisions of the CoCG and other applicable laws and regulations. AGP continues to go beyond regulatory requirements and has adopted additional best practices, including:

- Adoption of best corporate reporting practices as recommended jointly by the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountant of Pakistan (ICMAP);
- Enhanced disclosures in the Annual Report, including financial ratios, analytical reviews, risk matrices and graphical presentations;
- As a Phase 1 entity under SECP requirements, the Company has early adopted sustainability-related disclosures ahead of the mandatory reporting timeline, with partial alignment to IFRS S1 and IFRS S2 issued by the International Sustainability Standards Board (ISSB), incorporating relevant industry-based guidance to inform management judgement on material sustainability matters. The Company intends to achieve full compliance as its sustainability data, systems, and internal controls continue to mature;
- Implementation of comprehensive Health, Safety and Environment (HSE) practices to ensure wellbeing of employees and the society.

Business Ethics and Anti-Corruption

AGP operates under a strong ethical culture reinforced by its Code of Conduct and unit-specific compliance protocols. Ethical values are embedded in daily operations and guide all employees and management. The Audit Committee convenes at regular intervals throughout the year to meticulously assess the sufficiency and efficacy of our internal controls, particularly those aimed at fortifying the Company's risk management policies and systems.

Conflict of Interest of Board Members

Within the framework of their roles and responsibilities, all Board members are exclusively committed to the interests of the Company and stakeholders, and neither pursue personal interests nor grant undue advantages to third parties. Board members are accountable for transparent self-disclosure and are encouraged to seek direct and indirect guidance from peers, the Chair, or relevant experts in instances of ambiguity or uncertainty.

Role of the Chairman

The Chairman assumes leadership and oversight of the Board, ensuring its effective operation and that of its committees. Additionally, the Chairman collaborates with the Company Secretary on governance matters and the CEO for industry-specific insights, agreeing upon and periodically reviewing the training and developmental requirements of each Director.

The Chairman's role involves but is not limited to the following:

- Ensure that the Board plays an effective role in setting up the Company's corporate strategy and business direction;
- Promote and oversee the highest standards of corporate governance within the Board and the Company;
- Ensure integrity, credibility, trustworthiness and active participation of Board members in key matters of the Company;
- Ensure that the Board only directs the Company and does not manage it;
- Ensure that relevant, accurate and up to date Company information is received from the management and shared with the Board members to enable them to monitor performance, make sound decisions and give appropriate advice to promote the success of the Company;
- Review the Board performance and to take the lead in identifying and meeting the development needs of individual directors and to address the development needs of the Board as a whole with a view to enhance its overall effectiveness as a team;
- Manage and solve conflict (if any) amongst the Board members and to also ensure freedom of opinion in the Board;
- Promote highest moral, ethical and professional values and good governance throughout the Company;
- Ensure that a formal and effective mechanism is in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.

Chairman's Significant Commitments

Mr. Tariq Moinuddin Khan, holds the position of Chairman of the Company. Additionally, he serves as the Honorary General Consul of the Netherlands in Pakistan. The Board has reviewed his external commitments and is satisfied that he devotes adequate time and attention to the affairs of the Company in accordance with regulatory requirements.

Chairman's Overview On How The Company's Sustainable Practices Can Affect Their Financial Performance:

AGP continues to integrate sustainability and corporate social responsibility (CSR) initiatives into its strategic planning, focusing on environmental stewardship, employee well-being, and community development. Through charitable donations, employee volunteer programs, or partnerships with welfare organizations, we are dedicated to making a difference where it matters the most. We have implemented and embraced eco-friendly initiatives across our operations. As key players in the healthcare sector, we understand the importance of prioritizing well-being of our people. Our employees are the heart and soul of our organization, and their dedication and hard work drive our success. We are committed to provide a safe work environment that fosters growth, creativity, and inclusivity, ensuring that every member of our team feels valued and supported.

Role of Chief Executive Officer (CEO)

The CEO assume overarching responsibility for devising the appropriate strategy, including the development of a strategic vision to increase the size of the Company and executing the same after endorsement by the Board, overseeing the operational management of the Company, and directing associated business endeavours. This role is supported by senior management members, each heading their respective departments. The CEO reports to the Board of Directors and his responsibilities mainly include:

- Formulating, and after Board's approval, successfully implementing Company policies;
- Directing strategy towards the profitable and sustainable growth and operations of the Company;
- Developing strategic operating plans that reflect the longer-term objectives and priorities established by the Board;
- Ensuring that adequate operational planning and financial control systems are in place;
- Monitoring of operating and financial results against budget and taking corrective actions when required;
- Taking remedial action where necessary and informing the Board of significant changes;
- Ensuring that the Company is in compliance with all applicable laws and regulations;
- Building and maintaining an effective executive team and appropriate succession plans;
- Placing significant issues for the information, consideration and decision, as the case may be, of the Board or its committees.

Evaluation Of the Performance of the CEO

As a member of the Board, the CEO attends all Board meetings, offering insights into the Company's performance and addressing queries from Board members. The CEO's performance is evaluated based on a comprehensive system established by the Company, encompassing qualitative and quantitative objectives. These objectives encompass strategic vision, financial performance, process enhancement, business excellence, compliance, sustainability, leadership development, and people management.

Diversity Policy

AGP has a diverse and balanced Board which not only represents the shareholders but also provides a mix of professional expertise in leadership, finance, legal, regulatory and business management skills and experiences covering adequately all areas of AGP's business undertakings. Furthermore, in compliance with requirements of Code of Corporate Governance, a competent and highly professional female director is present on the Board. To encourage representation of minority shareholders, the Company facilitated the minority members, as a class, to contest election of directors for which purpose, the Company fully complies with the relevant regulation.

The Board has established a gender diversity policy to govern procedures and practices aimed at enhancing gender diversity within the organization. It mandates the Company to uphold high standards of Human Resource Management practices, fostering participation from diverse groups, aiding in the development of in-demand skills, and creating pathways for advancement into leadership roles.

The Company integrates gender diversity targets into the Key Performance Indicators (KPIs) of its senior management. These targets are monitored through workforce diversity trackers provided by the Human Resource Department, ensuring transparency and accountability. Additionally, Gender Pay Gap Analysis is conducted based on industry-relevant metrics and statistics, aligning with International Standards and in compliance with directives issued by SECP to address any disparities in pay based on gender.

Whistleblowing Policy

AGP maintains a zero-tolerance policy towards unlawful and unethical conduct, ensuring compliance with the law and safeguarding the interests of all stakeholders. The Whistleblowing Policy formalizes AGP's commitment to enabling employees, shareholders, and business associates to disclose instances where they genuinely believe the Company's business is being conducted inappropriately or in violation of applicable laws, policies, procedures, or ethical values. A dedicated whistleblowing unit, comprised of senior officials, is tasked with promptly addressing and resolving concerns or issues raised. In addition to internal channels, stakeholders may also report concerns via email or regular mail using the designated addresses provided on the Company's official website. The policy is designed to:

- Support Company's values in line with its commitment to the highest possible standards of ethical, moral and legal business conduct and its strong pledge to open and candid communication.
- Ensure that all stakeholders can raise concerns without fear of retribution and with full confidence that their identities will not be revealed.
- Provide a swift and confidential process for rectifying misconduct wherever and whenever it occurs in the Company.

Throughout the year, the Company received several complaints, the majority of which were found to be of trivial nature. However, serious complaints were thoroughly investigated, properly addressed, and appropriate actions were taken in accordance with relevant policies of the Company. To prevent future occurrences, the management implemented effective mechanisms. A comprehensive whistleblowing status report was presented to the Audit Committee, briefing about the material complaints and detailing the resolution process for such matters.

Dividend Policy

The management proposes dividend as per the policy approved by the Board considering financial performance of the Company, market dynamics, shareholders' expectations and industry trends. The policy is regularly reviewed by the Board and necessary changes are incorporated if necessary. After review of the dividend proposed by the management, it is recommended by the Board to the shareholders for approval.

I.T. Governance Policy

AGP Limited has aligned itself to efficiently use Information Technology resources in achieving its operational and strategic objectives while increasing shareholders' value. To ensure value creation through benefits realization and resource optimization, the Company has IT governance framework which aims to cover the following:

- Alignment of IT objectives with Company strategy
- Maximize return on technology investment by assuring that all the activities planned are delivered

- as per agreed achievable targets
- Ensure provision of a coherent and integrated IT architecture and management structure
- Encourage proactive innovation and automation in all business functions
- Assist in the decision-making process by providing reliable information and reports
- Ensure the necessary protection of IT assets through optimization of IT Risk Management
- Comply with legal and regulatory requirements, internal controls and monitoring, and related policies and procedures
- Ensure the satisfaction of end users' expectations with respect to IT services
- Employ a comprehensive sourcing procedure to manage third parties / vendors relationships

The Audit Committee of the Company included the oversight of IT governance and cyber security in its Terms of Reference to ensure the adequacy and effectiveness of cyber security control measures.

Policy For Records Safety

The Company prioritizes information as one of its most valuable assets, emphasizing stringent measures for storage and safekeeping of both financial and non-financial records. Utilizing an ERP system for financial data recording, access to electronic information is restricted and secured through a comprehensive password-protected authorization matrix. The records are stored in a secure and easily retrievable manner using cloud-based technologies with appropriate and necessary measures in place. Access to information is strictly regulated, with controls in place to ensure access is granted on a need-to-know basis, safeguarding the privacy, security, and confidentiality of Company IT resources.

Investors' Relations Policy

We prioritize maintaining the trust of our investors and are dedicated to upholding it over time. To effectively address and resolve any grievances from investors and shareholders, we strictly adhere to an Investor Grievance Policy. This policy aims to facilitate clear communication and cultivate positive relationships with shareholders and investors, ensuring timely resolution of their concerns. Additionally, we maintain an internal mechanism for handling investor services and grievances to further support this commitment. Main principles of the Investors Grievance Policy are as follows:

- All the investors are treated fairly and equally at all times;
- Complaints raised by investors are dealt with courtesy, fairness and in a timely manner;
- The management works in good faith and without prejudice towards the interests of any of the investors.

Investors' Contacts Section on Our Website

Detailed information of the Company regarding financial highlights, investor information, shareholding pattern and other requisite information specified under the relevant regulations, has been placed on the corporate website of the Company, which is updated on regular basis. To further strengthen investor engagement and accessibility, the Company maintains a dedicated 'Investors' Contacts' section on its website (www.agp.com.pk). This section facilitates efficient communication by enabling shareholders and investors to register grievances, submit queries, and obtain relevant corporate information. In addition, the website provides a direct link to the SECP's Service Desk Management System to ensure an additional formal channel for grievance redressal. The contact details of designated Company officials responsible for handling investor relations and shareholders services are clearly disclosed to ensure timely and effective resolution of investor concerns in accordance with regulatory requirements.

Human Resource Management Policy

AGP upholds rigorous Human Resource Management practices to attract, develop and retain top-tier talent. Our people remain a key strategic asset, and we strive to create a work environment that promotes professional growth, accountability, and long-term organizational success. We seek individuals who are skilled, motivated, and committed to driving our company's success through their expertise and dedication.

The Company's Human Resource Policy is built upon the following core principles:

- **Equal Opportunity**

The Company provides equal employment opportunities to all applicants and employees through clearly defined and consistently applied recruitment and induction standards. AGP fosters a workplace where every employee has fair access to career growth, development opportunities, and advancement based on merit.

- **Recruitment and Selection**

The hiring process of the Company is transparent, objective and merit based. The hiring process is followed consistently to select the right candidate as per the job requirement.

- **Training and Development**

Appropriately planned activities are designed to help employees become more effective at their work by improving, updating or refining their experience, knowledge and skills through, formal training, education programs or on the job development that meets employee and Company objectives.

- **Performance Management**

The Company operates a transparent and objective Performance Management System that promotes accountability, continuous improvement, leadership development, and a culture of excellence.

- **Compensation and Benefits**

Compensation commensurate with the industry, particularly pharmaceutical sector and marked to market allowances and benefits are provided to attract and retain talent in the Company.

- **Diversity and Inclusion**

Work environment free from all forms of discrimination and biases is provided where all individuals are treated fairly and respectfully, have equal access to opportunities and resources so that they may contribute fully to the success of the organization. Female participation in the workforce and at the senior management level is encouraged.

- **Succession Planning**

A key organizational priority for the HR department is to ensure structured career progression for all employees. To facilitate employees in steering their careers and realizing their full potential, a formally documented succession planning policy is followed.

Anti-Harassment Policy

AGP Limited is unequivocally committed to maintaining a workplace where every individual is treated with dignity, respect and fairness. In full compliance with the Protection Against Harassment of Women at the Workplace Act, 2010, AGP's Anti-Harassment Policy prohibits all forms of harassment including unwelcome sexual advances, gender-based discrimination and any verbal, visual, physical or written conduct of a demeaning or sexually inappropriate nature. Its scope extends to all individuals within the AGP ecosystem, including permanent and contractual employees, trainees, interns, outsourced personnel, consultants and customers. The Company has established a clear, confidential and accessible mechanism for reporting concerns, supported by impartial inquiry processes and safeguards against victimization of complainants; respondents and witnesses. These measures reflect AGP's institutional commitment to its core value of Ethics & Integrity and its responsibility to uphold the rights, dignity and well-being of all individuals associated with the organization.

Related Party Transaction Policy

The Company adheres to a policy governing related party transactions to ensure strict compliance with international accounting standards, Companies Act 2017 as well as relevant laws and regulations. All such transactions undergo thorough review, consideration, approval, and reporting processes to uphold transparency and accountability. The policy ensures that:

- All transactions with related parties arising in the normal course of business are carried out in an unbiased, arm's length basis at normal commercial terms and conditions;
- In the event, any transaction is conducted other than arm's length basis, specified procedures as prescribed in relevant laws and regulations shall be followed. During the year all related party transactions, other than the ones that are charged at cost via Service Level Agreements, are conducted on arm's length basis;
- All transactions with related parties are referred to the Board Audit Committee for review and for onward recommendation to the Board of Directors for review and approval;
- The Company maintains the record of Related party transactions, prescribed in the Companies Act, 2017 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018;
- In the event, majority of Directors of AGP are interested in transactions with related parties, such transactions are referred to the shareholders in a general meeting for approval. However, during the year no related party transactions are conducted that may require shareholders' approval.

Related Party Transactions During the year

During the year ended December 31, 2025, the Company entered into transactions with related parties in the ordinary course of business and in accordance with applicable laws and regulations. Details of these transactions are disclosed in Note 32 to the standalone financial statements and Note 33 to the consolidated financial statements forming part of this Annual Report.

Environmental, Social and Governance Policy

The Company is dedicated to promoting sustainability across its business strategies, encompassing Environment, Social, and Governance (ESG) principles, including Health, Safety, and Environment (HSE) considerations. Our policy provides stakeholders with a roadmap for conducting business in a fair, transparent, and responsible manner. It ensures proactive measures for employee safety, asset protection, community welfare, and environmental preservation. Moreover, it guides strategic planning and systematic management of Corporate Social Responsibility (CSR) initiatives and activities.

Committees of the Board

The Board of Directors of the Company ensures effective oversight of operations and affairs through the establishment of three (3) committees. These committees serve as advisory bodies, keeping the Board informed about key developments and changes in the operating environment. The Board includes two (2) independent directors who maintain impartiality, with no involvement in management or conflicts of interest that could compromise their judgement.

Audit Committee

The terms of reference of Audit Committee have been explicitly documented and approved by the Board. The salient features of terms of reference of the Audit Committee are:

- Determination of appropriate measures to safeguard the Company's assets;
- Review of annual and interim financial statements of the Company, prior to their approval by the Board;
- Review of preliminary announcements of results prior to external communication and publication;
- Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits;
- Review of management letter issued by external auditors and management's response thereto;
- Ensuring coordination between the internal and external auditors of the Company;
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- Ascertaining that the internal control systems, accounting systems and the reporting structure are adequate and effective;
- Oversee IT governance, and adequacy and effectiveness of cyber security controls measures. Nominated representative from the IT Steering Committee, comprising of members from the senior management, shall keep Audit Committee updated on a timely basis and seek their guidance where necessary. Audit Committee shall inform the Board on matters that are deemed necessary and critical;
- Review of the Company's statement on internal control systems prior to endorsement by the Board and internal audit reports;
- Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the CEO;
- Determination of compliance with relevant statutory requirements;
- Monitoring compliance with Code of Corporate Governance;
- Review of arrangement for staff and management to report to the Audit Committee in confidence, concerns, if any, about actual or potential improprieties and recommend instituting remedial and mitigating measures;
- Recommend to the Board the appointment of external auditors, their removal and audit fees;
- Consideration of any other issue or matter as may be assigned by the Board of Directors.

Human Resource and Remuneration Committee

The terms of reference of the Human Resource and Remuneration Committee are determined by the Board. The salient features of terms of reference of the Human Resource and Remuneration Committee are:

- Recommend to the Board for consideration and approval a policy framework for determining remuneration of Directors and members of senior management;
- Undertaking annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant;
- Recommending human resource management policies to the Board of Directors, to align with strategic objectives and operational efficiency while maximizing workforce potential;
- Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of CEO, Chief Operating Officer (COO), Chief Financial Officer, Company Secretary, Head of Internal Audit and other key executives, while focusing on succession planning and leadership development;
- Consider and approve the CEO's recommendations for key management positions reporting directly to the CEO;
- Where human resource and remuneration consultants are appointed, their credentials are reviewed by the committee, and a statement shall be made by them to confirm their independence and disclose any connection with the company if any
- Oversee the implementation of talent strategy and

- strategic workforce planning (SWP), ensuring alignment with long-term business priorities and organizational goals;
- Recommending policies for the establishment, maintenance, and periodic review of the whistleblowing mechanism;
- Administer the development and maintenance of a corporate culture that aligns with the company's values and strategic goals;
- Recommend training programs for board members to acquire essential skills;
- Ensure that the organization's complaint redressal mechanism is fair, transparent, and effective in resolving employee concerns in a timely manner;
- Ensure enforcement of the workplace harassment policy, is in line with legal and organizational guidelines.

Sustainability Committee

The terms of reference of the Sustainability Committee are determined by the Board. The salient features of terms of reference of the Sustainability Committee are:

- Oversee the development, review and implementation of AGP's ESG strategy and roadmap;
- Ensure that sustainability considerations including environmental compliance obligations and climate-related risks and opportunities are appropriately integrated into corporate strategy, business planning processes, capital allocation and investment decisions;
- Monitor alignment between sustainability priorities and long-term business objectives;
- Review material Sustainability-Related Risks and Opportunities (SRROs) and Climate-Related Risks and Opportunities (CRROs);
- Ensure integration of identified risks and opportunities into enterprise risk management and strategic planning processes;
- Evaluate key trade-offs between environmental impacts, regulatory compliance requirements, operational feasibility, financial implications, business growth objectives;
- Provide oversight on how such trade-offs are considered in strategic and investment-related decisions;
- Review and provide guidance on key climate-related and environmental initiatives, including but not limited to energy management, water management, waste management, emissions reduction, climate resilience measures;
- Ensure that such initiatives remain aligned with applicable environmental laws and regulatory approvals, emerging climate-related regulatory requirements, evolving stakeholder and market expectations;
- Oversee the quality, completeness and consistency of sustainability-related disclosures, including climate-related reporting;
- Review compliance with applicable sustainability reporting frameworks and standards;
- Ensure appropriate transparency regarding significant decisions where trade-offs between sustainability risks and opportunities have been assessed;
- Monitor ESG-related stakeholder engagement processes;
- Consider perspectives of key stakeholders, including regulators, communities, employees, investors and other relevant stakeholders;
- Oversee how stakeholder inputs are incorporated into sustainability-related decision-making and trade-off assessments;
- Support the development and strengthening of ESG governance frameworks;
- Oversee enhancement of sustainability-related data systems, internal controls and reporting processes;
- Promote organisational awareness and capacity building to enable effective identification, evaluation and management of sustainability-related risks, opportunities and trade-offs over time.

List of Companies in which Executive Director is acting as a Non-Executive Director

The Company has one Executive Director on the Board, who is the CEO of the Company. Mr. Muhammad Kamran Nasir holds Non-Executive Directorships on the Boards of the following companies:

- Aitkenstuart Pakistan (Pvt.) Limited
- Aspin Pharma (Pvt.) Limited
- OBS AGP (Pvt.) Limited
- OBS Healthcare (Pvt.) Limited
- OBS Pakistan (Pvt.) Limited
- OBS Pharma (Pvt.) Limited
- Zameen REIT Management Company Limited

Board Meetings Held Outside Pakistan

No Board meeting was held outside Pakistan during the year 2025, to economize on the resources of the Company.

Meetings of the Board

In addition to the mandatory quarterly meetings, the Board meetings are convened to monitor the Company's performance and provide valuable guidance, suitable suggestions and required approvals for special business agendas.

During the year ended December 31, 2025, the Board held four (4) meetings. The Board packs, including notices, agendas and relevant materials for the meetings were circulated in advance, in a timely manner. The discussions held and decisions taken by the Board during the meetings were appropriately recorded in the minutes of the meetings maintained by the Company Secretary. The minutes were circulated to all Directors for their review and comments and were duly approved at subsequent Board meetings.

All meetings of the Board during the year had attendance of more than the requisite quorum prescribed under the Companies Act, 2017 and the Articles of Association of the Company. The Chief Financial Officer and the Company Secretary attended all meetings of the Board, except such part of the meetings wherein agenda item relates to consideration of their performance or terms and conditions of their service.

Board's Roles and Decision Making

The powers of the Board are meticulously defined in compliance with the Companies Act 2017, the Code of Corporate Governance, and the Articles of Association of the Company.

Primarily, the Board serves as stewards, entrusted with governance responsibilities on behalf of the shareholders. At AGP, the Board exercises its duties by providing strategic guidance to the management, establishing performance benchmarks, and closely monitoring their attainment. Decisions requiring Board resolution in accordance with legal requirements, as well as significant managerial matters, are deliberated and decided upon by the Board. Additionally, the Board regularly assesses the Company's performance and operations in light of emerging risks and opportunities.

Functions Delegated to the Management

The management headed by the CEO is responsible for the business execution in an effective and ethical manner in conformity with the strategies approved by the Board, including annual targets of sales, cost, and profitability.

They are also responsible for identifying new areas of investment and expansion for the Company, managing the principal risks which could affect the achievement of Company's objectives and compliance with legal and regulatory requirements.

Policy of Retention of Board Fee by the Executive Director in Other Companies

The Executive Director of the Company is not remunerated with the Board fee against his services as Non-Executive Director in other companies.

Security Clearance of Foreign Directors

AGP does not have a foreign director on its Board. In case a foreign director is elected on the Board in future, security clearance will be duly made from the Ministry of Interior.

External Oversight on our Functions

To increase transparency and to enhance credibility of internal controls and systems, we have outsourced our internal audit function to a reputable professional service firm, A.F. Ferguson & Co.

Directors' Training Program

Out of the 7 directors of the Board, 6 have obtained the requisite certification which ensure the accreditation of the entire Board. Majority of the Directors underwent a training in the year 2023 organized by International Institute for Management Development in Switzerland. Board members of leading organizations of the world took part in this training ranging to over 10,000 executives. One of the biggest takeaways of the training was learning team dynamics applied to Boards and learning to transform a collection of individuals into an engaged and high performing team of people.

Trading in Shares by Directors and Executives

During the year, no trading was conducted by the directors, executives and their spouses and minor children, except the following transactions:

Name of Person	Description	Particulars	Nature	No. of Shares
Sajid Qadeer	Executive	28-01-2025	Buy	300
Sajid Qadeer	Executive	29-01-2025	Buy	180
Sajid Qadeer	Executive	28-02-2025	Sell	480

Shares held by Sponsors / Directors / Executives Shares

During the year, the Sponsor's, Directors and Executives of the Company held the following number of shares as of December 31, 2025.

Particulars	Number of Shares
Sponsors	156,850,434
Directors	38,012
Executives	1,340

A detailed pattern of shareholding is disclosed in the relevant section of this Annual Report.

Board Evaluation

The Company has appointed Pakistan Institute of Corporate Governance (PICG) to evaluate the performance of the Board inclusive of its committees and members. PICG has conducted around 200 Board Evaluations since 2014 as an external evaluator. Being an independent third party, PICG provides an external view, add more value and brings more transparency into the process whilst maintaining anonymity. PICG formulates assessments on the basis of statutory requirements, best practices and knowledge gained from the governance practices of other companies. The evaluations are designed to facilitate an independent review of the Board's working to help build an effective Board.

Encouragement of Minority Shareholders to attend the General Meetings

The Company encourages all its shareholders to attend the general meetings. It circulates the notice of general meetings well within regulatory timeframe. Moreover, advertisement is published in English and Urdu newspapers, having nationwide circulation. The Company also timely updates its website with respect to notices of general meetings. We also ensure that the Annual Report, containing the agenda and notice of general meeting, is emailed and dispatched to every shareholder at her/his registered address within the stipulated time.

Queries raised at last Annual General Meeting

No significant issues were raised during the 11th Annual General Meeting (AGM) of the Company held on April 10, 2025. Queries raised during the last AGM of the Company mainly pertained to pharmaceutical industry, financial and non-financial performance of the Company, which were responded by Board members, the CEO and Company Secretary and resolved to the satisfaction of the shareholders.

Presence of the Chairperson Audit Committee at the AGM

Chairman of the Audit committee – Mr. Zafar Iqbal Sobani was present at the last AGM to answer any questions on the conduct of the Committee and matters within the mandate of the Committee.

Formal Orientation Program

When a new member is taken on Board it is ensured that he/she is provided with a detailed orientation of the Company, covering the following objectives:

- The Company's vision and strategies
- Company's core competencies, investments, diversification ventures, etc.
- Organizational / group structure, associations and other related parties
- Summary of the Company's major assets, liabilities, noteworthy contracts and major competitors
- Major risks both external and internal, including legal and regulatory risks and constraints
- Critical performance indicators
- Summary of major members, stakeholders, suppliers and auditors
- Role and responsibility of the Director as per the Companies Act, including Code of Corporate Governance and any other regulatory laws applicable in Pakistan
- AGP's expectations from the Board, in terms of output, professional behaviour, values and ethics
- Major policies of the Company

Apart from a formal orientation program, Directors are encouraged to attend trainings, which help them reassess their role in the Company's progress and enhance their competencies for the betterment of the Company in line with Code of Corporate Governance.

Connection of External Search Consultancy for Appointment of Chairman or Independent Directors

The Company has effectively maintained the structure of its Board of Directors with the composition of a Chairman, two (2) independent directors and four (4) non-executive directors. There was no change in the Board's structure and hence, the need for an external search consultancy for the appointment of Chairman or independent directors did not arise.

STAKEHOLDER'S RELATIONSHIP & MANAGEMENT

The Company places great emphasis on the development of sustained stakeholder relationships. It has developed various mechanisms that enable the Board and management to understand and consider stakeholder views and cater to their needs and interests.

Identification of Stakeholders

Our management places great focus on identification and engagement with stakeholders across all departments of the Company. Our marketing department is extensively involved in market research and customer analysis to better connect with our customers and to expand and update our existing customer base. Our supply chain department actively engages with our suppliers and vendors to develop better relationships and enrich our supply base. Our corporate affairs department makes concentrated efforts to foster better relationships with our shareholders through direct engagement and corporate briefing sessions. In addition, the Finance department maintains close coordination with banking partners to efficiently manage the Company's financing requirements, while also engaging with institutional investors to address queries.

Stakeholders' Engagement Process

AGP regularly engages and effectively communicates with its stakeholders. The table sets out our key stakeholder groups, some of the ways in which we engage with them and how these relationships are likely to affect the performance and value of the entity.

Stakeholder	Engagement Process	Effect and Value
Shareholders	• Annual general meeting • Extra ordinary general meeting • Corporate briefing sessions • Communication of interim and final results	• Maintain regular and constructive dialogue with investors and shareholders to communicate performance update in order to build confidence and ensure continued access to capital
Analyst	• One-to-one meetings between senior executives including CEO, CFO and institutional investors • Participation in prominent local and international investor forums • Corporate briefing sessions	• Briefly explain key financial highlights and strategic approach towards growth • Clarifies the Company's stance in the market to create a positive and transparent image
Patients and consumers	• Pharma summits, medical conventions and conferences • Engage ethically with institutions and healthcare professionals through our experienced and well-trained marketing team	• Feedback from summits and other engagements enable us to develop products and advocate for policies that better cater to unmet needs

Stakeholder	Engagement Process	Effect and Value
Bank and other lenders	• Meetings and negotiation are held with banks/financial institutions to discuss working capital and other financing requirements	• Access to the financial products at competitive prices • Ready availability of short-term and long-term financing facilities
Media	• Different communication mediums including social media used on need basis to apprise the general public about new developments and activities • Engaging expert media agencies for specific campaigning over social media and communication channels	• By informing the media of the developments and activities at AGP, effective awareness is created regarding the Company and the products and activities, indirectly having a positive impact
Regulators	• Meetings with official according to business needs • Timely submission of data for review and compliance • Filing application for approval and registration	• Understanding and ensuring compliance with all legal and regulatory requirements • Dialogue with regulatory authorities to address matters impacting business operations, new product registrations and hardship cases
Employees	• Routine interactions and meetings with senior management and the CEO • Project based collaborations • Trainings, both on the job and formal training courses • Appraisals (conduced twice a year) • Continuous feedback	• The Company realizes that employees are its most valuable resource representing the Company in the industry and community • Providing a nurturing and friendly work environment that helps the Company to maintain a dedicated and competent workforce • The employees feel valued when they are regularly engaged • Motivated workforce supports effective implementation of strategies
Suppliers	• Engaging with suppliers and distributor to monitor quality, delivery and performance • Regular auditing of suppliers' quality processes to ensure they comply with relevant regulations and required standards	• Suppliers provide materials and services that support us in delivering high-quality, safe products for our patients • Distributors ensure that our products remain available and accessible in the markets

Steps Taken by the Board to Engage with Shareholders

The AGP's Board is cognizant of the potential impact of its decisions on stakeholders. In the performance of its duty to promote the success of the Company, the Board gives regard to a number of factors, including listening to and considering the views of shareholders and other key stakeholders. The Board's interaction with the Company's shareholders is set out below in more detail.

Participation at General Meetings

The Company engages with shareholders in several ways. This includes regular communications, the General Meetings and other investor relations activities. It announces results on a quarterly basis and annual results are included in the annual report. The management encourages maximum participation of shareholders including minority shareholders to attend General Meetings. In addition to the legal requirements of dispatching and newspaper publication of the notice of general meetings, the shareholders can also view a notification through "Latest News" on the official website of the Company, which advises them that the annual report and notice of the general meetings are available.

The CEO and management maintain a continued and active dialogue with institutional shareholders on performance of the Company through regular meetings. The Company Secretary acts a focal point for handling investor grievances and queries raised through email, website or telephone. The Company Secretary also manages key relationships with the Company's registrar. For facilitation of stakeholders and shareholders, the "Investors' Relations" section is also present on the corporate website of the Company, containing useful information from investors' perspective.

Last Annual General Meeting

The last Annual General Meeting had a considerable level of attendance, of more than 79.67%, and interactive engagement by shareholders. All the proposed resolutions were duly approved by shareholders. The Annual General Meeting held by the Company, provided an opportunity to put questions and receive responses from the Board during the formal proceedings and provide shareholders the chance to meet with the Board Directors and senior management.

Corporate Briefing Session

The Board has implemented an Investor Relations and Communication Policy, which encourages the management to conduct regular corporate briefing sessions. The CEO, CFO and Company Secretary attend these sessions and give detailed presentation on financial and non-financial performance of the Company. The sessions end with a Q&A segment, where attendees are given responses to their questions. These sessions helped the Company to build trust and confidence with stakeholders.

Redressal of Investor Complaints

Our shareholders have been given an open forum through our website and dedicated email address to reach out in case of any queries and complaints. Normally, the Company receives complaints related to request to receive hard copies of the annual report and dividend not being credited in cases where there is an error in shareholders banking particulars. Our corporate affairs department is actively engaged to liaison with such shareholders and ensure that such matters are resolved in an appropriate and timely fashion.

IT GOVERNANCE & CYBER SECURITY

Board Responsibility Statement

The Board of Directors understands the value and recognizes the responsibility of having an information technology (IT) governance framework which is clearly defined and focuses on enterprise governance, IT leadership, implementing IT strategy, IT framework and IT processes.

IT Governance and Cyber Security Oversight function

The Board Audit Committee is charged with oversight of IT governance and adequacy and effectiveness of cyber security controls measures. Nominated representative from the IT Steering Committee, comprising of members from the senior management, shall keep Audit Committee updated on a timely basis and seek their guidance where necessary. Audit Committee shall inform the Board of Directors on matters that are deemed necessary and critical.

Moving forward, IS has initiated a POC (proof of concept) activity on Endpoint Detection and Response (EDR) solutions to address cybersecurity concerns with leading Gartner-recognized brands, including Trend Micro, Kaspersky and Bitdefender. Based on this assessment, a proposal will be presented to management for approval and implementation. The primary objective of this solution is to protect and centrally manage end-user systems in alignment with business and cybersecurity requirements.

IT Steering Committee

Management has established an IT Steering Committee comprising senior leadership to strengthen IT governance and cybersecurity oversight. A formal charter defines its mandate, roles, and operating framework. The Committee oversees IT operations with a focus on governance and cyber risk management, consults the Chief Executive Officer on significant matters, and provides quarterly updates to the Audit Committee. It meets at least quarterly and is also mandated to evaluate emerging technologies to drive business efficiencies and address evolving cyber threats.

IT Governance and Cyber Security Policy and Programs

The IT governance policy is designed to ensure that IT activities are aligned with business objectives and stakeholder requirements. Programs such as value delivery, risk minimization and resource optimization have been initiated under the relevant standard operating procedures.

Early Warning System

The KPIs of the relevant management has a mandate to build and maintain effective security control systems for risk mitigation. Our IT department is actively monitoring the environment to identify and prevent threats, to the extent possible and make timely disclosures as appropriate.

Independent Comprehensive Security Assessment

Management engages third-party experts to perform risk assessment and penetration testing as and when it is deemed necessary. The management actively and regularly plans and conducts training of its staff, including IT department, depending on their unique skill set and training requirements as per their roles and responsibilities.

In 2025, organization-wide cybersecurity awareness sessions were conducted to enhance employee awareness, with particular emphasis on phishing and malware threats, thereby strengthening the organization's overall security posture.

Digital Transformation

The management continuously assess the business need to update its technology and infrastructure. The proposal is presented to the Board of Director for all material projects and adequate capital budget is allocated for its implementation.

AGP digitized the general gate pass process through a web-based application, replacing manual registers and enhancing governance, transparency, security and operational efficiency.

To ensure secure external access to Packaging and Lab Instruments for QC, NOD, Production and Engineering resources, AGP has implemented measures to protect against intrusions, viruses, and data leakage.

Fiber redundancy and bandwidth were enhanced through dual WAN connectivity, ensuring smoother performance for critical applications such as SAP. Additionally, AGP implemented licensed unified threat protection to secure network traffic against internal and external cyber threats.

Additional monitoring and governance tools, including AdminDroid, were deployed to enhance Microsoft 365 visibility and compliance. The legacy data center was revamped with upgrades to power, UPS and environmental systems, improving reliability and addressing audit observations with minimal disruption. Legacy file servers were modernized through the deployment of a new Lenovo storage solution providing 24 TB of high-performance capacity. Network backbone upgrades were completed in liquid filling and production areas. Inter-plant connectivity was migrated from radio links to fiber-optic infrastructure, improving speed, reliability, scalability and security. The Disaster Recovery Site was also strengthened through the deployment of new servers (in preparation for 2026 virtualization), upgraded UPS systems, enhanced ISP connectivity, and migration to an improved IT facility.

Management of risk associated with ERP

AGP signed a Service Level Agreement (SLA) with SuperNova Solutions to ensure timely SAP support, process optimization and training. SAP capacity planning, scheduling and a new income tax module were implemented. SAP HCM was integrated with the Decibel application to enhance employee data and performance management.

AGP maintains annual subscriptions for robust endpoint security and next-generation firewall protection, strengthening defenses against internal and external cyber threats, including malware, intrusions, and unauthorized network activity.

SAP S/4HANA was upgraded to FPS02 to enhance stability and performance, while Hashmove Logistics Intelligence was integrated to improve supply chain visibility and automation. The SAP environment is secured with next-generation firewall protection against cyber threats.

Plans for Artificial Intelligence (AI) Adoption

AGP continuously evaluates emerging technologies to support long-term strategy, operational efficiency and governance, recognizing Artificial Intelligence as a potential enabler across selected areas.

Management considers AI adoption as a medium-to-long-term digital enablement opportunity, subject to demonstrating business value, regulatory compliance, data readiness and alignment with AGP's risk appetite. Any future adoption will be incremental and driven by clearly defined use cases rather than technology-led initiatives.

AGP's strategic intent, while adopting AI, would be to:

- Enhance operational efficiency and service reliability
- Support informed and timely management decision-making
- Strengthening IT operations, cybersecurity monitoring and compliance oversight
- Enable scalable and sustainable digital capabilities

STATEMENT OF VALUE ADDED AND DISTRIBUTED

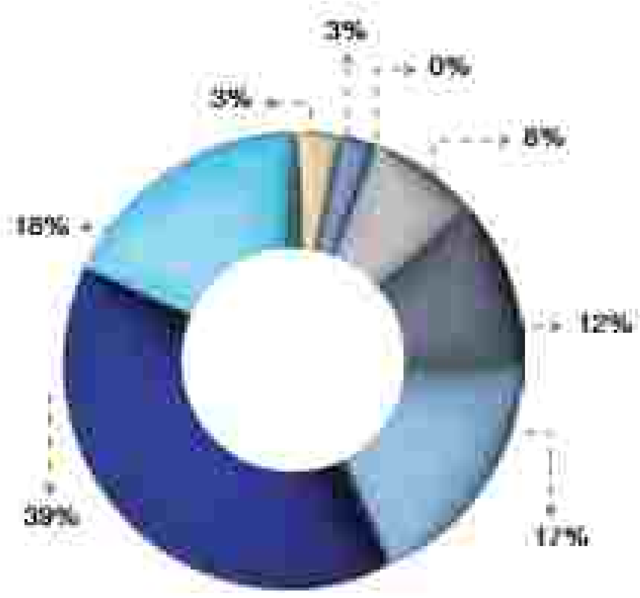
Wealth Generated

PKR in Million

Wealth Distributed

PKR in Million

Particulars	2025	2024
Retained with Entity	760	1,384
Reinvested	1,169	715
Shareholders as Dividend	1,680	700
Employees as Remuneration & Benefits	3,780	3,366
Government as Taxes & Duties	1,776	1,073
Statutory Levies	311	303
Providers of Long Term Finance	250	380
Society as Donations	28	24
Wealth Distributed	9,774	7,844



DIRECTOR'S REPORT

The Board of Directors of AGP Limited (AGP / the Company) is pleased to present the Annual Report along with the audited financial statements for the year ended December 31, 2025.

About the Company

AGP Limited is engaged in the manufacturing, marketing, import, and sale of pharmaceutical and healthcare products in both domestic and international markets. The Company offers a diverse portfolio of high-quality products, addressing various therapeutic segments. As of December 31, 2025, Aitkenstuart Pakistan (Private) Limited, the Parent Company directly and indirectly, holds a 60.59% equity stake in AGP. The Company maintains a 65% shareholding in OBS AGP (Private) Limited, which acquired a pharmaceutical portfolio from Sandoz AG in 2021, and a 91.8% shareholding in OBS Pakistan (Private) Limited, which acquired selected pharmaceutical brands from Viatris Inc. in 2023.

Economic Overview

Pakistan's macroeconomic environment showed signs of stabilization during 2025, supported by improved macroeconomic management and ongoing engagement with international financial institutions. The IMF concluded key program reviews supporting foreign exchange reserves and macroeconomic stability. Inflation moderated significantly during the year, while the State Bank of Pakistan continued its calibrated monetary policy with a cumulative easing of 10% to support economic activity. The Pakistani Rupee remained broadly stable against the US Dollar, aided by resilient remittance inflows and disciplined monetary policy. The current account position showed improvement on account of an increase in remittances, while business sentiment remained cautiously positive.

The pharmaceutical sector experienced a period of adjustment during FY2025 following the price increases permitted on non-essential medicines in the preceding year. While the earlier deregulation of pricing for drugs not included in the National Essential Medicines List (NEML) had provided manufacturers with greater flexibility to partially offset rising input costs; the resultant price adjustment led to a moderation in demand during the year, as higher retail prices impacted consumption patterns.

Market Overview

As per the latest industry report as of December 2025 by IQVIA Solutions Pakistan Pvt. Ltd., the pharmaceutical industry in Pakistan reached PKR 1,175 billion in 2025, registering a value growth of 16.39% and a modest unit growth of 1.24%. The sector's growth was primarily driven by product price increases during the year. AGP delivered performance broadly in line with the market, achieving a value growth of 11.93% and a unit growth of 1.35%. On a consolidated basis, including its subsidiaries, AGP recorded a value growth of 14.02% and a unit growth of 2.91%. Industry growth remained largely price-driven with limited volume expansion reflecting underlying demand pressure.

Financial Results

Financial performance of AGP

During the year under review, AGP delivered a strong financial performance, achieving a revenue milestone by crossing PKR 20.5 billion, representing a growth of 10.8% over the previous year. Domestic retail sales, which constitute the majority of the Company's revenue base, recorded an increase of 9.5%, driven primarily by the robust performance of key brands. Export sale remained largely flat, growing by 0.2%. The nutraceutical segment continued to gain traction, posting growth of 9.9% compared to last year. In addition, toll manufacturing activities, including supplies to OBS AGP, contributed positively, with the toll business recording growth of 23.9%.

Supported by an improved sales mix, effective inventory management, and ongoing operational excellence initiatives, the Company enhanced its gross margin to 48.6% from 47.8% in the preceding year.

reflecting strengthened profitability.

The management maintained a disciplined approach towards cost optimization and successfully contained Administrative, Marketing, and Selling expenses despite higher sales volumes. Finance costs declined by 43.3%, primarily due to the reduction in policy rates and repayment of long-term financing facilities. Tax expense increased mainly on account of higher profit before tax, absence of prior year's amortization benefit and the transition of export income from final taxation to minimum/normal tax regime, which resulted in an elevated tax burden.

Consequently, the Company reported a profit after tax of PKR 2.4 billion, translating into earnings per share (EPS) of PKR 8.43, reflecting a year-on-year increase of 13.3%.

Financial performance of OBS AGP

During the year, OBS AGP delivered strong financial performance, surpassing the PKR 8.2 billion revenue mark while maintaining a healthy gross margin of 54.8%. This was due to higher sales growth and lower financial cost which translated into a profit after tax exceeding PKR 1.5 billion. Consequently, net margins improved to 18.4%, reflecting enhanced operational efficiency and profitability.

Financial performance of OBS PK

The acquired portfolio delivered strong operational performance during the year, with the Company recording net sales of PKR 3.8 billion and achieving an impressive gross margin of 74.8%. As a result, the Company reported a net profit of PKR 746.5 million for the year reflecting a growth of 179% over the previous year.

Consolidated financial performance

The strong topline performance of AGP and its subsidiaries resulted in consolidated revenue of PKR 29 billion, reflecting a growth of 15.4% over the previous year. The gross margins are recorded at an impressive level of 59.7%, improved from 58.1% in the last year. Finance costs declined significantly by 46.4%, primarily driven by lower policy rates and repayment of long-term loan. All other expenses were managed prudently throughout the year. Resultantly, consolidated net profit is recorded at PKR 4.3 billion and net profit attributable to parent Company stands at PKR 3.7 billion with EPS of PKR 13.34, registering an impressive increase of 46.4%.

Capital Structure

AGP further strengthened its financial position during the year, with total equity increasing by 5.6% to PKR 12.9 billion, compared to PKR 12.2 billion in the preceding year. The Company continued to meet its long-term debt obligations in a timely manner. As at December 31, 2025, the Company's long-term financing, including current maturities, stood at PKR 1.6 billion, declining from PKR 2.2 billion last year. On a consolidated basis, total equity increased by 17.5% to PKR 17.1 billion, while the gearing ratio improved significantly to 56.4% from 74.3%, reflecting continued deleveraging and disciplined debt management across the Group.

In line with its growth and expansion strategy, the Company invested over PKR 1.1 billion at the standalone level and approximately PKR 1.3 billion on a consolidated basis in capital enhancement initiatives. These investments were primarily directed towards addition of new areas, BMR of existing plant and machinery to strengthen operational capabilities and upgrade infrastructure.

The Company's strong financial profile was reaffirmed by Pakistan Credit Rating Agency Limited (PACRA) in October 2025, which assigned AGP Limited long-term and short-term ratings of A+ and A1, respectively. The ratings reflect the Company's sustained gross margins over the past four years, supported by healthy cash flows enabling effective debt servicing and fulfilment of working capital requirements.

Profit Distribution and Reserves

The standalone revenue reserves – unappropriated profit stood at PKR 9.4 billion at the start of 2025. Profit after tax for the year 2025 increased reserves by PKR 2.4 billion, whereas dividend payments led to a reduction of PKR 1.7 billion to the reserves. Accordingly, the reserves closed at PKR 10.1 billion, showing an increase of 7.2% for the year.

The consolidated revenue reserves – unappropriated profit stood at PKR 10.7 billion at the start of 2025. Profit after tax for the year 2025 increased reserves by PKR 3.8 billion, whereas dividend payments led to a reduction of PKR 1.8 billion to the reserves. Accordingly, the net reserves closed at PKR 12.7 billion, signifying an increase of 19.1% for the year.

Dividend

The Board of Directors, in its meeting held on March 19, 2026, recommended a final cash dividend of PKR 6 per share, that is 60%, for the year ended 2025. The same shall be placed for shareholders' approval at the forthcoming Annual General Meeting scheduled to be held on April 20, 2026.

Pattern of Shareholding

The shares of AGP are listed on the Pakistan Stock Exchange Limited. The shareholding information as of December 31, 2025, and other related information including trade of shares by Board Directors, CEO, substantial shareholder and/or their spouses and minor children, if any, is set out in the relevant section of pattern of shareholding in the Annual Report 2025.

Subsequent Events

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

Nurturing the Environment

While delivering strong sales performance, the Company remains fully committed to upholding the highest ethical standards and embedding sustainability principles across its operations. AGP continues to reduce its environmental footprint through initiatives aimed at lowering emissions and promoting water and energy conservation via structured programs and employee awareness campaigns. The Company conducts its business in compliance with applicable environmental and regulatory frameworks, including Environment, Health and Safety (EHS) standards and Sindh Environmental Protection Agency (SEPA) requirements, with the objective of creating a positive social and environmental impact.

Under its "Go Green Strategy," AGP continues to invest in sustainable energy solutions and during the year met a portion of its energy requirements through solar power generation. Furthermore, through its ongoing partnership with the Worldwide Fund for Nature (WWF), the Company has implemented an effective Environmental Management System (EMS) aimed at improving workplace sustainability. In recognition of these efforts, AGP was awarded the Green Office Certificate for the fourth consecutive year.

In line with its sustainability roadmap, the Company also progressed towards achieving its annual environmental performance KPIs, as outlined below:

TARGET	
Water consumption reduction	3%
Paper consumption reduction	5%
Waste reduction	5%
Energy consumption reduction	3%

Our production processes comply with international standards, good manufacturing practices (cGMP) and goods storage practices (cGSP). Sustainable operating procedures and robust internal controls are consistently maintained to ensure product quality while safeguarting the health and safety of employees.

The Company ensures that all products meet stringent quality benchmarks. To support these objectives, AGP provides structured in-house and external training programs to relevant employees, aimed at strengthening competencies and continuously enhancing Environment, Health and Safety (EHS) performance across the organization.

Corporate Social Responsibility

AGP remains committed to fulfilling its social responsibility, ensuring that both the Company and the communities it serves progress together. During the year, the Company supported various initiatives focused on societal well-being and educational uplift for deserving students. In line with its mission of valuing life, AGP contributed to healthcare institutions to support patient care and collaborated with welfare organizations to assist underprivileged communities. The Company also extended educational support to reputable academic non-profit organizations and provided medicines and food to those in need who lack access to essential resources.

The Company's continued efforts toward enhancing sustainability, aligned with the United Nations Sustainable Development Goals (SDGs) as adopted by the Government of Pakistan, are summarized in the table below:

SDGs	Actions
SDG 2 Zero Hunger	• A donation of more than PKR 5 million was made in lieu of Ramadan Rashan packs and their distribution.
SDG 3 Good Health and Well Being	• Donated Fresenius Dialysis Machines worth ~PKR 3 million to the Kidney Foundation. • Medical supplies worth PKR 1 million were provided to AKUH's Patients Behbud Society to provide quality healthcare to the underprivileged. • Along with our direct employees, all our third party employees are medically insured, and we have also introduced pay continuation plan for five (5) years for the deceased employees.
SDG 4 Quality Education	• AGP has a policy of granting scholarships to deserving children of factory workers and support staff. • The company sponsored the education of 250 underprivileged students in collaboration with renowned NGOs, The Citizen Foundation (TCF), with a total investment of PKR 5.7 million. • AGP established an endowment fund of PKR 4 million at IBA Karachi, allocating PKR 1 million each year to sponsor two students for their bachelor's program. • AGP, along with its subsidiaries, donated PKR 0.5 million to Million Smiles Foundation for providing bootcamp to children. • Partnered with OWADO to create Learning Center for training of pharmacist, allocating PKR 1.8 million.
SDG 5 Gender Equality	• The female-to-total workforce ratio at AGP is approximately 8.35%. • AGP has been honored as one of the Top 20 Inclusive Companies of the year and proudly achieved wins in 12 categories at the GDEIB Awards 2025. • AGP participated as a Bronze Sponsor in Sindh Golf Association's Female Golf Tournament, in support of women's sports and empowerment initiatives. • AGP provides a convenient and affordable transportation facility specially for its female employees in lower management cadre. • Commenced in-house Return-to-Work Program, 'Himmat Wali' to support women re-entering the workforce.
SDG 6 Clean Water and Sanitation	• The Company has a water treatment facility to appropriately dispose of effluent water and waste as per SEPA regulations. • Using sensor equipped taps and springs wherever possible to conserve water.
SDG 7 Affordable and Clean Energy	• All three (3) plants of the Company have solar panels installations that fulfil their energy needs. • The company holds the WWF Pakistan's Green Office certification, implementing their recommended Environment Management System (EMS) to reduce our carbon footprint. • AGP was recognized at the 22nd Annual Environment Excellence Award 2025 by the National Forum for Environment & Health (NFEH), reflecting its continued commitment to environmental stewardship and sustainable business practices.
SDG 8 Decent Work and Economic Growth	• We facilitate our female employees by having a daycare center so they could peacefully and easily continue working even with their motherhood. • A structured framework ensures gender equality, offering similar opportunities and rewards to male and female employees with comparable qualifications and experience.
SDG 10 Reduced Inequalities	• AGP adheres firmly to fiscal policies regarding labor wages and compensation. • Workers' wages have been increased to help workers to combat the impact of rise in the cost of living. • AGP embraces diversity, including various ethnic groups, minority classes, and differently abled individuals. • AGP served as a Silver Sponsor of the Our Lady Fatima Church's fundraising event, in support of community initiatives. • AGP sponsored an educational visit for Ibrahim Haidari School to the TDF Magnifi Science Museum, promoting experiential learning and student engagement. • Partnered with NOWPDP to recruit differently abled students for internships while providing sensitivity training to employees, fostering an inclusive and supportive workplace environment. • The management ensures all workers and staff are above eighteen (18) years, extensively discouraging child labor. • AGP contributed PKR 1.0 million to Empowering Communities for Change (ECC) for '[illegible]' project to help the underprivileged.
SDG 12 Responsible Consumption and Production	• Our pharmaceutical products are produced as per international standards ensuring there is minimum wastage during production, packaging and distribution.
SDG 13 Climate Action	• AGP is committed to reducing carbon emissions and progressively adopting green initiatives. To foster environmental awareness, AGP actively involves employees in activities such as plantation drives and beach clean-ups, while also conducting sessions to educate them on ways to contribute to environmental sustainability at an individual level.
SDG 14 Life Below Water	• AGP employees actively participated in a Beach Cleaning Drive in collaboration with WWF, demonstrating our commitment to protecting and preserving the aquatic ecosystem.
SDG 15 Life on Land	• AGP's employees participated in Mangrove Plantation Drive in partnership with WWF to safeguard the mangrove ecosystem.

Risk Management

The Board considers risk governance a critical element in achieving sustainable growth. The Company has implemented a comprehensive risk management framework aimed at identifying, analyzing, and mitigating strategic, financial, operational, reputational, legal, and compliance risks. The Audit Committee periodically reviews key risks along with their mitigation strategies, ensuring a structured evaluation process. The findings and recommendations are subsequently communicated to the Board for informed decision-making.

To mitigate the impact of external challenges, the management has implemented various measures to enhance operational efficiencies and cost optimization. The Company has adopted a strategic approach to inventory management, ensuring optimal stock levels to support seamless production and avoid stock out situations in the market. Additionally, negotiations with existing and potential international and local suppliers with improved terms of trade have shown promising results. To further strengthen supply chain resilience, the Company is actively diversifying its supplier base by engaging local vendors where feasible. Moreover, to mitigate foreign currency volatility, the Company is exploring new export opportunities, reinforcing its commitment to sustainable growth and financial stability. A dedicated senior resource along with an experienced team has been hired to drive export growth and international expansion. Dollar-based earnings will of course hedge the risk of forex volatility.

Sustainability Risks, Mitigation Measures, and Diversity, Equity & Inclusion (DE&I)

During the year, the Company established a comprehensive framework of environmental, social and governance (ESG) topics to identify sustainability-related risks and opportunities (SRROs) and climate-related risk and opportunities (CRROs). In developing this framework, management considered leading reference sources, including the Sustainability Accounting Standards Board (SASB) Standards for the pharmaceutical industry, IFRS S2 industry-based climate guidance, and sustainability practices of local, regional and international peer companies. These inputs informed management's judgement and did not independently determine materiality. An initial set of ESG topics was identified and refined through stakeholder engagement, risk and opportunity assessment, and committee guidance as part of the Company's materiality assessment process.

The sustainability related risk and opportunity assessment was conducted at the entity level, encompassing AGP Limited's owned operations, including manufacturing, warehousing, quality control, administrative and support functions across its three operational sites in Karachi. During the reporting period, the Company identified and assessed a consolidated set of sustainability-related risks and opportunities across its material ESG topics, including supply chain management, transparency and reporting, business ethics and corporate governance, human rights and labour practices, access to healthcare and affordability, antimicrobial resistance (AMR), diversity, equity and inclusion (DEI), and operational efficiency. These sustainability-related risks and opportunities were evaluated based on their potential impact on the Company's enterprise value over the short, medium and long term, taking into account financial, operational, social and reputational considerations.

The Company's strategy is designed to protect and enhance enterprise value by considering sustainability-related risks and opportunities that could reasonably be expected to affect its financial performance, financial position, and future prospects. These considerations are embedded within the Company's core strategic and operational decision-making processes, rather than being addressed through standalone sustainability initiatives. Material SRROs identified through structured assessment processes are incorporated into enterprise risk management and governance frameworks. This ensures that sustainability considerations are evaluated alongside broader business, regulatory, and financial priorities. Governance oversight is exercised at the Board and management levels, with coordination led through the ESG Committee to promote consistency, accountability, and strategic alignment across relevant functions.

AGP is committed to fostering an inclusive and equitable workplace. Diversity, Equity and Inclusion (DE&I) principles are embedded within the Company's human resource practices, emphasizing merit-based recruitment, equal opportunity, fair compensation, and a respectful work environment. The Company promotes diversity across functions and levels, supports employee development through structured training programs, and encourages collaboration and inclusion to strengthen engagement and performance.

Composition and Meeting of the Board and its Committees

To provide effective strategic leadership to the Company, the Board consists of distinguished professionals from various sectors with a diversified skill set and understanding of the relevant subjects. Our Board of Directors serves the interests of all the stakeholders, including minority shareholders. A Sustainability Committee was established during the year, in line with Regulation 10A (5) of Code of Corporate Governance (CoCG). The following Board and committee meetings were held for the Company to adopt and practice effective corporate governance policies and procedures:

Committee Meetings		
Board of Directors	BOD	4
Board Audit Committee	BAC	4
Human Resource & Remuneration Committee	HRC	2
Sustainability Committee	SC	1

The composition and attendance record of the meetings of the Board and its committees are as follows:

Name	Categories	BOD	BAC	HRC	SC
Mr. Tariq Moinuddin Khan	Non-Executive Director	3/4	-	-	-
Mr. Zafar Iqbal Sobani	Independent Director	4/4	4/4	-	1/1
Ms. Maleeha Humayun Bangash	Independent Director	4/4	-	2/2	1/1
Mr. Muhammad Kamran Nasir	Executive Director	4/4	-	2/2	-
Mr. Kamran Nishat	Non-Executive Director	4/4	4/4	2/2	-
Mr. Mahmud Yar Hiraj	Non-Executive Director	4/4	4/4	2/2	-
Mr. Muhammad Kamran Mirza	Non-Executive Director	4/4	4/4	2/2	1/1

Mr. Tariq Moinuddin Khan chairs the meetings of the Board of Directors, Mr. Zafar Iqbal Sobani chairs the meetings of the Audit Committee and Ms. Maleeha Humayun Bangash chairs the meetings of the Human Resource & Remuneration Committee and the Sustainability Committee. All meetings of the Board and its committees were presided over by their respective Chairpersons, except for one Board meeting where, in the absence of the Chairman, other director was elected to chair the meeting for that purpose. All members of the Board and its committees attended all their respective meetings, except for one instance.

The Chief Financial Officer and Company Secretary attended all meetings of the Board, except such part of the meetings wherein agenda items related to the consideration of the performance of themselves or other senior management executives or terms and conditions of their services.

The Chief Financial Officer and the Chief Executive Officer attended meetings of the BAC at the invitation of and with the permission of the Committee and its Chairman.

Adequacy of Internal Controls

The Board is responsible for the Company's internal control systems and their effectiveness. These controls are designed to manage, rather than eliminate, risks associated with achieving business objectives. As a result, they provide reasonable, rather than absolute, assurance against material misstatements or losses.

To ensure an independent and robust internal audit function, the Company has outsourced this responsibility to A.F. Ferguson & Co. (AFF), a renowned professional services firm, which deploys qualified and experienced personnel for the task. The internal audit is conducted in line with a structured audit plan, which is reviewed and duly approved by the Audit Committee. This plan is aligned with the Company's strategic objectives and risk assessment framework to ensure a comprehensive evaluation of critical areas. The Audit Committee evaluates the effectiveness of the internal control system, while AFF independently monitors and certifies the adequacy of the internal controls and risk management framework on a regular basis.

Recognizing the importance of IT governance, the Board has implemented a well-defined governance framework focused on enterprise governance, IT leadership, strategic implementation, and cybersecurity risk management. The Audit Committee oversees IT governance, ensuring the adequacy and effectiveness of cybersecurity control measures.

In the year 2023, the ERP of the Company successfully upgraded to SAP S/4 HANA. Since then, the management is making continuous efforts to further upgrade its ERP system and better integrate processes. This transition to a cloud-based, intelligent ERP system enhances real-time insights, operational efficiency, regulatory compliance, and business resilience. The IT Steering Committee, comprising senior management representatives, regularly updates the Audit Committee, which in turn provides oversight and guidance, and escalates critical matters to the Board as necessary.

Board Evaluation

Following best corporate governance practices and as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019, AGP has engaged the Pakistan Institute of Corporate Governance (PICG) to evaluate the Board's performance, as well as that of its committees and members. The findings of PICG's assessments are discussed in depth at the subsequent Board meeting to address the highlighted areas and enhance the performance of the Board and its committees.

PICG is a public-private collaboration with a skillful team with rich credentials and experiences targeted at developing good corporate governance standards in Pakistan.

Directors' Remuneration

The Board of Directors, in accordance with the Companies Act, 2017, and the Code of Corporate Governance, has approved the remuneration of the Board members for attending meetings of the Board and its committees. The Board reviews the meeting fee of Directors on a periodic basis and make appropriate revisions if need be.

The remunerations are determined as per time spent in proper conduct of Board meetings, thorough discussion and reaching appropriate decisions on business critical and governance related matters. Remuneration considerations are also based on industry trends and practices to ensure commitments by all Board members along with their retention by the Company. However, the meeting fee is not set at such a level that it may be perceived to compromise the independence of Board members.

As stated in note 28 of the financial statements for the period ended December 31, 2025, the details of the remunerations, which include but are not limited to salary, benefits, bonuses, performance, and other incentives, for the directors and chief executive, are as follows:

Name	Chief Executive		Director		Executives	
	2025	2024	2025	2024	2025	2024
	Rupees in '000					
Managerial remuneration	[illegible]	[illegible]	–	–	[illegible]	[illegible]
Bonus	[illegible]	[illegible]	–	–	[illegible]	[illegible]
Reimbursement of expenses	[illegible]	[illegible]	–	–	[illegible]	[illegible]
Provident fund	[illegible]	[illegible]	–	–	[illegible]	[illegible]
Others	[illegible]	[illegible]	–	–	[illegible]	[illegible]
Total	[illegible]	[illegible]	–	–	[illegible]	[illegible]
Number of persons	1	1	8	7	[illegible]	[illegible]

In addition, the chief executive and certain executives are provided with free use of Company maintained car in accordance with their entitlements.

During the year, fee paid to two (2024: two) independent directors and four (2024: four) non-executive directors for attending board and other meetings aggregating to Rs. 13.15 million (2024: Rs. 8.9 million). Traveling and boarding expenses of executive and non-executive directors borne by the Company amounted to Rs. 13 million (2024: Rs. 0.3 million). Number of non-executive directors at year end were four (2024: four).

Directors' Compliance Statement

The Board is pleased to state that:

- Management's financial statements correctly portray its state of affairs, the results of its activities, cash flows, and changes in equity.
- The Company's books of account have been kept properly.
- There are no substantial concerns about the Company's capacity to continue as a going concern.
- Appropriate accounting rules were regularly followed in the compilation of the financial statements, and accounting assumptions were based on reasonable and competent judgment.
- International financial reporting standards as applicable in Pakistan were followed in the compilation of the financial statements, and any deviation was sufficiently stated.
- The internal control system is well designed and has been efficiently implemented and monitored.
- There has been no major deviation from the best corporate governance procedures described in the listing requirements.
- Information on unpaid taxes and levies, as required by listing regulations, is reported in the notes to the financial statements.
- The Board has duly complied with the requirements of the Directors' training program and the criteria as prescribed in the regulations.
- The key operating and financial data for the last six (6) years is set out in the relevant sections of the annual report.
- The Company's management is committed to best corporate governance and appropriate steps are taken to comply with best practices.

Provident Fund

All permanent employees of the Company and its subsidiary OBS AGP, are eligible for a contributed Provident Fund as part of retirement benefits. According to the records, the value of Define Contribution Provident Fund investments as of December 31, 2025, was PKR 567 million (un-audited), whereas it was PKR 608 million as of December 31, 2024 (audited).

Auditors

M/s Grant Thornton (GT) Anjum Rahman Chartered Accountants, the Company's current auditors, have published a report on AGP's standalone and consolidated financial statements.

Being eligible, GT has offered themselves to be reappointed as the Company's auditors for the year 2026. In agreement with the Audit Committee, the Board has proposed to shareholders for approval at the forthcoming Annual General Meeting the re-appointment of GT as AGP's statutory auditors for the year 2026.

Future Outlook

While Pakistan's economy continues on a gradual recovery path, supported by improved industrial and services sector activity, the rising regional and global geopolitical tensions and war-like situations have introduced heightened uncertainty. These developments have exacerbated risks relating to global supply chain disruptions, volatility in oil and commodity prices, trade route constraints, and inflationary pressures, which may adversely impact import costs and overall business operations. Additionally, ongoing challenges such as fiscal constraints, external debt obligations, and currency depreciation continue to persist. Collectively, these macroeconomic and geopolitical factors may have an impact on the Company's future profitability and growth outlook.

Despite economic and geopolitical uncertainties, AGP remains firmly committed to sustainable growth and market share expansion. Leveraging its established product portfolio and strengthening Group synergies, the Company aims to outperform overall market growth. AGP continues to invest in research and development to introduce new products addressing both existing and emerging therapeutic needs, while reinforcing its domestic footprint and actively pursuing opportunities in international markets for the diversification of its export base. In parallel, the Company continues to evaluate strategic acquisition opportunities to support inorganic growth.

To diversify revenue streams and reduce dependence on top-performing brands, AGP has adopted a focused launch strategy centered on prudently selected brands with blockbuster potential, introduction of New Chemical Entities (NCEs), portfolio enrichment through line extensions and support brands, and expansion into high-growth therapeutic areas. This is complemented by an enhanced commercial focus aimed at improving market penetration and excellence.

The Company is also investing in talent development and sales force optimization, emphasizing quality hiring, structured training programs, data-driven deployment, and increased field force coverage to deepen presence in existing markets and capture untapped opportunities.

AGP remains committed to sustaining its competitive advantage by continuously strengthening its adaptability, resilience, and growth capabilities in a dynamic business environment. In line with this strategic direction, the Company incurred and committed capital expenditures exceeding PKR 1.1 billion during the year to expand manufacturing capacity and enhance operational infrastructure.

Response to Future Challenges and Uncertainties

To mitigate challenges arising from economic and geopolitical uncertainties, AGP is actively diversifying its supplier base by progressively shifting from import dependence to local sourcing, while ensuring that quality standards remain uncompromised, a cornerstone of the Company's operational philosophy. The Company will continue to leverage Group synergies to fully realize the benefits of recent acquisitions.

AGP is also focused on strengthening its export footprint, optimizing inventory levels, and implementing operational excellence initiatives aimed at driving cost efficiencies and enhancing profitability. To unlock the full potential of export opportunities, the Company plans to expand its presence in new international markets, particularly across Anglo-African and Central American regions. Increased dollar-denominated revenues are expected to provide a natural hedge against foreign exchange volatility. Recognizing the importance of adaptability in a dynamic operating environment, AGP remains vigilant to evolving external developments and continues to assess potential risks and opportunities to safeguard business continuity.

Acknowledgment

We sincerely acknowledge the dedication and commitment of our employees across AGP and its subsidiaries, whose efforts have been instrumental in upholding our vision and values, and in ensuring the continued availability of high-quality medicines to patients. We also extend our gratitude to our clients, suppliers, and business partners for their continued trust and support, which have been vital to our achievements. We further acknowledge and appreciate the continued guidance and support of the Drug Regulatory Authority of Pakistan (DRAP) in strengthening regulatory compliance and industry standards. Finally, we wish to express our appreciation to our esteemed shareholders for their confidence in the Company's management. We remain committed to delivering sustainable growth and long-term value.

Muhammad Kamran Nasir
Chief Executive Officer

Muhammad Kamran Mirza
Non-executive Director

۳۳ مستقبل کے خطرات اور غیر یقینی صورتحال کا جواب

معاشی اور جغرافیائی سیاسی غیر یقینی حالات سے پیدا ہونے والے خطرات کو کم کرنے کے لیے AGP (اے جی پی) لمیٹڈ فعال طور پر متنوع حکمت عملی جاری ہے۔ اس مقصد کے لیے کمپنی بتدریج درآمدات پر انحصار کم کرتے ہوئے مقامی ذرائع سے خام مال کی طرف منتقل ہو رہی ہے، جبکہ اس بات کو یقینی بنایا جا رہا ہے کہ معیار کے تقاضوں پر کوئی سمجھوتہ نہ ہو کیونکہ یہ کمپنی کے کسی بھی شعبے کا بنیادی ستون ہے۔ کمپنی حالیہ ڈیل/برسوں سے حاصل ہونے والے فوائد سے مکمل طور پر مستفید ہونے کے لیے گروپ کے اندر موجود باہمی ہم آہنگی سے بھی فائدہ اٹھا رہی ہے گی۔

اس کے ساتھ ساتھ AGP (اے جی پی) اپنی آمدنی کے موجودہ ذرائع کو مضبوط بنانے، نئے مواقع تلاش کرنے اور بہتر ریگولیٹری ماحول سے متعلق اقدامات پر توجہ مرکوز کر رہی ہے تاکہ مارکیٹ میں بچت اور منافع میں اضافہ ممکن ہو سکے۔ آمدنی کے مواقع کی مکمل صلاحیت سے فائدہ اٹھانے کے لیے کمپنی بین الاقوامی منڈیوں میں اپنی موجودگی کو وسعت دینے کا ارادہ رکھتی ہے، خاص طور پر ازبکستان اور شمالی امریکہ کے خطوں میں۔

امریکی ڈالر میں حاصل ہونے والی برآمدی آمدنی کی بدولت زرمبادلہ کی شرح میں اتار چڑھاؤ کے خلاف قدرتی تحفظ کی توقع ہے۔ متحرک کاروباری ماحول میں پیش آنے والے چیلنجز کی اہمیت کو تسلیم کرتے ہوئے AGP بیرونی حالات میں ہونے والی تبدیلیوں پر مسلسل نظر رکھتی ہے اور کاروبار کے تسلسل کو محفوظ رکھنے کے لیے ممکنہ خطرات اور مواقع کا مسلسل جائزہ لیتی رہتی ہے۔

۳۴ اعتراف

ہم AGP (اے جی پی) کے بورڈ آف ڈائریکٹرز کی جانب سے تمام ملازمین کی لگن اور محنت پر ان کا شکریہ ادا کرتے ہیں جنہوں نے ہماری کامیابی میں بنیادی کردار ادا کیا۔ ہم اپنے صارفین، ڈسٹری بیوٹرز، سپلائرز اور دیگر شراکت داروں کے بھی شکر گزار ہیں جنہوں نے مسلسل تعاون فراہم کیا۔ ہم اپنے شیئر ہولڈرز، بینکوں اور مالیاتی اداروں کا اعتماد پر شکریہ ادا کرتے ہیں۔ مزید برآں ہم ڈرگ ریگولیٹری اتھارٹی آف پاکستان (DRAP) کی مسلسل رہنمائی اور معاونت کا اعتراف کرتے ہیں اور ان کی خدمات کو سراہتے ہیں۔ ہم کمپنی کی ترقی اور پائیداری کے لیے اپنے عزم کا اعادہ کرتے ہیں۔ جبکہ ہم پائیدار ترقی اور طویل مدتی قدر پیدا کرنے کے لیے پرعزم ہیں۔

محمد کامران مرزا
ڈائریکٹر

محمد کامران ناصر
چیف ایگزیکٹو آفیسر

اس کے علاوہ چیف ایگزیکٹو اور تمام ایگزیکٹو ڈائریکٹرز کو کمپنی کے زیرِ انتظام گاڑیوں کا مفت استعمال ان کے حقوق کے مطابق فراہم کیا جاتا ہے۔

بورڈ اور دیگر اجلاسوں میں شرکت کے لیے دو (۲۰۲۴: دو) خود مختار ڈائریکٹرز اور چار (۲۰۲۴: چار) نان ایگزیکٹو ڈائریکٹرز کو بورڈ اور دیگر اجلاسوں میں شرکت کی مد میں ادا کی گئی فیس ۱۵.۳ ملین روپے تھی (۲۰۲۴: ۹.۸ ملین روپے)۔ کمپنی کی طرف سے برداشت کیے جانے والے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے سفر اور بورڈنگ کے اخراجات ۳ ملین روپے (۲۰۲۴: ۳.۰ ملین روپے) تھے۔ سال کے اختتام پر نان ایگزیکٹو ڈائریکٹرز کی تعداد چار (۲۰۲۴: چار) تھی۔

۱۸۔ ڈائریکٹرز کا کمپلائنس کا بیان

بورڈ کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ:

ا۔ انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے اس کی حالت، اس کے کام کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

ب۔ کمپنی کے اکاؤنٹس کی مناسب دیکھ بھال کی گئی ہے۔

ج۔ ایک جاری ادارے کے طور پر کام جاری رکھنے کی کمپنی کی صلاحیت کے بارے میں کوئی خاص شک نہیں ہے۔

د۔ مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

ہ۔ مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی، جیسا کہ پاکستان میں لاگو ہوتے ہیں، پیروی کی گئی ہے اور ان سے کسی بھی انحراف کا مناسب طور پر انکشاف کیا گیا ہے۔

و۔ اندرونی کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی جاتی ہے۔

ز۔ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی نمایاں انحراف نہیں کیا گیا ہے جیسا کہ ریگولیشنز میں تفصیل سے بتایا گیا ہے۔

ح۔ واجب الادا ٹیکسوں اور محصولات سے متعلق معلومات جیسا کہ ریگولیشنز کا تقاضا ہے، مالیاتی گوشواروں کے نوٹس میں ظاہر کی گئی ہیں۔

ط۔ بورڈ نے ڈائریکٹرز کے تربیتی پروگرام کے تحت ضوابط میں بیان کردہ معیارات کی مناسب تعمیل کی ہے۔

ی۔ گزشتہ چھ (۶) سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا سالانہ رپورٹ کے مختلف حصوں میں بیان کیا گیا ہے، اور

ک۔ کمپنی کی انتظامیہ اچھی کارپوریٹ گورننس کے لیے پرعزم ہے اور بہترین طریقوں کی تعمیل کے لیے مناسب اقدامات کیے جاتے ہیں۔

۱۹۔ پراویڈنٹ فنڈ

کمپنی اور اس کے ذیلی ادارے OBS AGP کے تمام مستقل ملازمین ریٹائرمنٹ کے فوائد کے حصے کے طور پر تعاون شدہ پراویڈنٹ فنڈ کے حق دار ہیں۔ بمطابق ۳۱ دسمبر ۲۰۲۵ء تعریف شدہ کنٹری بیوشن پراویڈنٹ فنڈ کی سرمایہ کاری کی مالیت [illegible] ملین روپے (غیر آڈٹ شدہ) تھی، جبکہ بمطابق ۳۱ دسمبر ۲۰۲۴ء یہ ۱،۰۰۸ ملین روپے (آڈٹ شدہ) تھی۔

۲۰۔ آڈیٹرز

میسرز گرانٹ تھارنٹن (GT) انجم رحمان، چارٹرڈ اکاؤنٹنٹس، جو کمپنی کے موجودہ آڈیٹرز ہیں، نے AGP کے انفرادی اور مجموعی مالیاتی گوشواروں پر ایک رپورٹ جاری کی ہے۔

اہلیت کے حامل ہونے کے ناطے، GT نے سال ۲۰۲۶ کے لیے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کی پیشکش کی ہے۔ آڈٹ کمیٹی کے اتفاق رائے کے ساتھ بورڈ نے آئندہ سالانہ جنرل اجلاس میں منظوری کے لیے شیئر ہولڈرز کو GT کی سال ۲۰۲۶ کے لیے AGP کے قانونی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز پیش کی ہے۔

۲۱۔ مستقبل کی توقعات

اگرچہ پاکستان کی معیشت صحت اور دواسازی کے شعبوں میں بہتری کی بدولت بتدریج بحالی کے راستے پر گامزن ہے، تاہم بیرونی اور عالمی سطح پر جاری جغرافیائی و سیاسی کشیدگی اور جنگ جیسے حالات نے غیر یقینی صورتحال میں اضافہ کر دیا ہے۔ ان پیش رفتوں نے عالمی سپلائی چین میں خلل ڈالا اور تیل اور اس کی قیمتوں میں اتار چڑھاؤ، تجارتی راستوں کی پابندیوں اور افراطِ زر کے دباؤ جیسے خطرات کو جنم دیا ہے، جو درآمدی لاگت اور مجموعی کاروباری سرگرمیوں پر منفی اثر ڈال سکتے ہیں۔

مزید برآں، مالیاتی دباؤ، بیرونی قرضوں کی ذمہ داریاں اور کرنسی کی قدر میں کمی جیسے مسائل بدستور موجود ہیں۔ مجموعی طور پر یہ معاشی اور جغرافیائی و سیاسی عوامل کمپنی کی مستقبل کی متوقع نمو اور ترقی کے امکانات پر اثر انداز ہو سکتے ہیں۔

ان معاشی اور جغرافیائی سیاسی غیر یقینی حالات کے باوجود، اے جی پی پائیدار ترقی اور مارکیٹ میں اپنا حصہ بڑھانے کے لیے پرعزم ہے۔ کمپنی اپنے موجودہ پروڈکٹ پورٹ فولیو سے فائدہ اٹھاتے ہوئے اور گروپ کی ہم آہنگی سے استفادہ کرتے ہوئے مارکیٹ کی مجموعی شرح نمو سے بہتر کارکردگی دکھانے کا ارادہ رکھتی ہے۔ AGP تحقیق و ترقی میں سرمایہ کاری جاری رکھے ہوئے ہے تاکہ علاج کی موجودہ اور ابھرتی ہوئی ضروریات پوری کرنے کے لیے نئی دوائیں متعارف کرائی جا سکیں۔ مزید برآں، کمپنی کی توجہ برآمدی مواقع کو مزید مضبوط بنانے پر بھی ہے اور آمدنی کے ذرائع کو متنوع بنانے کے لیے بین الاقوامی منڈیوں میں مواقع تلاش کر رہی ہے۔ اس کے علاوہ، کمپنی غیر نامیاتی ترقی آگے بڑھانے کے لیے انضمام و حصول کے مواقع بھی تلاش کر رہی ہے تاکہ آمدنی کے ذرائع کو متنوع بنایا جائے اور سب سے زیادہ کارکردگی دکھانے والے برانڈز پر انحصار کم کیا جا سکے۔ اس کے لیے، AGP نے حال ہی میں ایک تجارتی معاہدہ کیا ہے جس میں مقامی صلاحیت کی بنیاد پر (NCES) حاصل کرنا شامل ہے، جو علاج کے شعبوں میں توسیع کے لیے کمپنی کے عزم کا اظہار ہے اور مارکیٹ میں بہتری کے لیے خصوصی توجہ دی جا رہی ہے۔

کمپنی انسانی وسائل کی ترقی اور بہتر کارکردگی کے لیے منظم سرمایہ کاری کرتی ہے اور عملی تربیتی پروگرام اور پیشہ ورانہ ترقی کے مواقع فراہم کرتی ہے تاکہ موجودہ منڈیوں میں کمپنی کی موجودگی کو مزید مضبوط کیا جا سکے اور غیر استعمال شدہ مواقع سے فائدہ حاصل کیا جا سکے۔

AGP ایک ایسے ماحول میں اپنی مسابقتی برتری کو برقرار رکھنے کے لیے اپنی صلاحیت اور ترقی کی صلاحیت کو مسلسل بڑھانے کے لیے پرعزم ہے۔ اس مقصد کے تحت کمپنی نے سال کے دوران ملین روپے سے زیادہ کی سرمایہ جاتی اخراجات مختص کیے ہیں تاکہ مینوفیکچرنگ کی صلاحیت میں اضافہ کیا جائے اور آپریشنل کارکردگی کو مزید مضبوط بنایا جائے۔

بورڈ اور اس کی کمیٹیوں کی تشکیل اور حاضری کا ریکارڈ درج ذیل ہے:

نام	کیٹیگری	بورڈ آف ڈائریکٹرز	BAC	HRC	SC
جناب طارق محسن الدین خان	نان ایگزیکٹو ڈائریکٹر	۴/۴	-	-	-
جناب ظفر اقبال سوبانی	خودمختار ڈائریکٹر	۴/۴	۴/۴	-	۱/۱
محترمہ عظمیٰ عادل خان	خودمختار ڈائریکٹر	۴/۴	-	۲/۲	۱/۱
جناب محمد عمران داہر	ایگزیکٹو ڈائریکٹر	۴/۴	-	۲/۲	-
جناب عمران شہزاد	نان ایگزیکٹو ڈائریکٹر	۴/۴	۴/۴	۲/۲	-
جناب محمد ریاض	نان ایگزیکٹو ڈائریکٹر	۴/۴	۴/۴	۲/۲	-
جناب محمد عمران مرزا	نان ایگزیکٹو ڈائریکٹر	۴/۴	۴/۴	۲/۲	۱/۱

جناب طارق محسن الدین خان بورڈ آف ڈائریکٹرز کے اجلاس کی صدارت کرتے ہیں، جناب ظفر اقبال سوبانی آڈٹ کمیٹی کے اجلاس کی صدارت کرتے ہیں اور محترمہ عظمیٰ عادل خان ہیومن ریسورس اینڈ ریمیونریشن کمیٹی اور Sustainability کمیٹی کے اجلاس کی صدارت کرتی ہیں۔ بورڈ اور اس کی کمیٹیوں کے اجلاس کی صدارت ان کے متعلقہ چیئرپرسنز کرتے ہیں۔ بورڈ اور اس کی کمیٹیوں کے تمام اراکین نے اپنے متعلقہ اجلاس میں شرکت کی، ماسوائے ایک بورڈ اجلاس کے جب چیئرمین کی عدم موجودگی میں اس مقصد کے لیے اجلاس کے اراکین نے چیئرمین کا انتخاب کیا۔
چیف فنانشل آفیسر اور کمپنی سیکرٹری نے بورڈ کی تمام میٹنگز میں شرکت کی ماسوائے میٹنگوں کے ایسے حصے کے جس میں ان کی اپنی تقرری، معاوضے یا کارکردگی کے جائزے سے متعلق ایجنڈا آئٹمز شامل ہیں۔
چیف فنانشل آفیسر اور چیف ایگزیکٹو آفیسر نے دعوت پر بورڈ آڈٹ کمیٹی کے چیئرمین کی اجازت سے BAC کے اجلاس میں شرکت کی۔

داخلی کنٹرول کی موزونیت

بورڈ کمپنی کے اندرونی کنٹرول سسٹم اور ان کی تاثیر کا ذمہ دار ہے۔ یہ کنٹرول خطرات کو ختم کرنے کے بجائے منظم کرنے کے لیے تیار کیے گئے ہیں جو کاروباری مقاصد کے حصول سے وابستہ ہیں۔ اس کے نتیجے میں، یہ صرف مادی غلط بیانی یا نقصان کے خلاف معقول یقین دہانی فراہم کر سکتے ہیں۔
بورڈ اور انتظامیہ اندرونی آڈٹ فنکشن کی تاثیر کو یقینی بنانے کے لیے، کمپنی نے اس ذمہ داری کو ایک بیرونی فرم کو آؤٹ سورس کیا ہے جو ایک معروف پروفیشنل سروسز فرم ہے اور اس مقصد کے لیے اہل اور تجربہ کار عملہ تعینات کرتی ہے۔ اندرونی آڈٹ ایک منظم آڈٹ پلان کے مطابق کیا جاتا ہے جس کی بورڈ آڈٹ کمیٹی سے باقاعدہ منظوری حاصل کی جاتی ہے۔ یہ جائزہ کمپنی کے اندرونی ماحول اور خطرات کے تجزیے کے ذریعے یہ معلوم کرنے کے لیے اہم ہے کہ آیا تمام متعلقہ کنٹرول مؤثر طریقے سے کام کر رہے ہیں اور کمپنی کا اندرونی کنٹرول سسٹم کی موزونیت کا جائزہ لیتی ہے۔ AFF آزادانہ طور پر اندرونی کنٹرول اور رسک مینجمنٹ فریم ورک کی موزونیت کی باقاعدہ نگرانی اور تصدیق کرتا ہے۔
اچھی گورننس کی اہمیت کو تسلیم کرتے ہوئے بورڈ نے ایک واضح گورننس فریم ورک وضع کیا ہے جو مضبوط گورننس، اخلاقی اقدار، اور مؤثر رسک مینجمنٹ پر مرکوز ہے۔ آڈٹ کمیٹی اچھی گورننس کی نگرانی کرتی ہے اور انتظامیہ اندرونی کنٹرول اقدامات کی موزونیت اور تاثیر کو یقینی بناتی ہے۔ سال ۲۰۲۳ میں، کمپنی نے ERP کو کامیابی کے ساتھ SAP S/4 HANA میں اپ گریڈ کیا، جس سے انتظامیہ اپنے ان آئی ٹی سسٹم کو مزید اپ گریڈ کرنے اور عمل کو بہتر انداز میں یکجا کرنے کی مسلسل کوشش کر رہی ہے تاکہ کمپنی جدید آئی ٹی سسٹم میں پیچیدگی

داخلی آڈٹ افعال، آپریشنل کارکردگی، ریگولیٹری کمپلائنس، اور مجموعی رسک پروفائل سے متعلق آڈٹ کمیٹی جس میں سے متعلقہ مسائل کے اقدامات شامل ہیں، آڈٹ کمیٹی کو باقاعدگی سے بروقت آگاہ کرتی ہے۔ آڈٹ کمیٹی اس عمل کی نگرانی اور رہنمائی فراہم کرتی ہے اور ضرورت پڑنے پر اہم معاملات کو بورڈ آف ڈائریکٹرز کے سامنے پیش کرتی ہے۔

ڈائریکٹرز کی تربیت

کارپوریٹ گورننس کے بہترین طریقوں کی پیروی میں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹ء کے تقاضوں کے مطابق، AGP نے بورڈ کے ساتھ ساتھ اس کی کمیٹیوں اور ممبران کی کارکردگی کا جائزہ لینے کے لیے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کی خدمات حاصل کی ہیں۔ PICG کے جائزے کے نتائج کو بورڈ میٹنگ میں گہرائی کے ساتھ تبادلہ خیال کیا جاتا ہے۔ شناخت کیے گئے پہلوؤں سے بہتری لائی جاتی ہے اور بورڈ اور اس کی کمیٹیوں کی کارکردگی بہتر بنائی جاتی ہے۔
PICG ایک پبلک پرائیویٹ تعاون ہے جس کا مشن پاکستان میں کارپوریٹ گورننس کے بہترین معیارات کو فروغ دینا ہے جس کے لیے وسیع تجربہ اور قابلیت کے ساتھ کام کرتی ہے۔

ڈائریکٹرز کا معاوضہ

کمپنیز ایکٹ ۲۰۱۷ اور کوڈ آف کارپوریٹ گورننس کی تعمیل میں، بورڈ نے بورڈ اور اس کی کمیٹیوں کے اجلاس میں شرکت کے لیے بورڈ کے اراکین کے معاوضے کی باضابطہ منظوری دی ہے۔ بورڈ وقتاً فوقتاً ڈائریکٹرز کی اجلاس فیس کا جائزہ لیتا ہے اور ضرورت پڑنے پر مناسب ترامیم کرتا ہے۔
معاوضہ اجلاس کے باضابطہ انعقاد، ذمہ داری کی اہمیت اور گورننس سے متعلق معاملات پر گزارے جانے والے مناسب فیصلوں پر صرف کیے گئے وقت کی بنیاد پر مقرر کیا جاتا ہے۔ یہ معاوضہ صنعت کے رجحانات اور کاروباری طریقوں کے مطابق طے کیا جاتا ہے تاکہ بورڈ کے تجربہ کار ممبران کی خدمات کو حاصل کیا جا سکے اور کمپنی ان کو برقرار رکھ سکے۔ تاہم، اجلاس کی فیس اس سطح تک نہیں رکھی گئی ہے کہ اس سے آزادی پر سمجھوتہ کیا جا سکے۔
جیسا کہ ۳۰ جون ۲۰۲۵ کو ختم ہونے والی مدت کے لیے مالیاتی گوشواروں کے نوٹ ۴۱ میں بیان کیا گیا ہے، ڈائریکٹرز، چیف ایگزیکٹو اور ایگزیکٹوز کے لیے معاوضے کی تفصیلات جس میں مجموعی تنخواہ، بونس، کارکردگی اور دیگر مراعات شامل ہیں، کمپنی کی طرف سے درج ذیل ہیں:

	چیف ایگزیکٹو		ڈائریکٹر		ایگزیکٹوز	
	۲۰۲۵	۲۰۲۴	۲۰۲۵	۲۰۲۴	۲۰۲۵	۲۰۲۴
			(ہزار روپے)			
انتظامی اجرت	۵۳،۰۰۰	۳۵،۰۰۰	-	-	۹۸۳،۱۱۵	۲۰۹،۹۳۵
بونس	۱۰۲،۵۴۴	۸۹،۲۹۵	-	-	۸۹،۰۴۳	۸۴،۵۱۰
کیے گئے اخراجات کی واپسی	۱۸۰	۳۳۳	-	-	۱۵،۹۹۴	۳۳،۵۰۴
پروویڈنٹ فنڈ	۳،۷۴۱	۳،۱۰۵	-	-	۳۳،۷۶۱	۳۳،۳۳۳
دیگر	۳،۷۹۰	۳،۱۰۸	-	-	۳۵،۴۹۶	۱۵۵،۵۷۰
	۱۲۸،۷۱۳	۱۳۳،۹۲۳	-	-	۱،۰۰۴،۸۷۵	۹۷۵،۰۲۴
افراد کی تعداد	۱	۱	۹	۹	۱۵۳	۱۳۸

۱۵۔ ارضی حیات	اے ٹی پی کے ملازمین نے WWF کے ساتھ شراکت داری میں جنگلی حیات کی بحالی کی مہم میں حصہ لیا جو کہ جنگلات کے ماحولیاتی نظام کو محفوظ بنانا چاہتے تھے۔

۱۲۔ خطرات کا انتظام (رسک مینجمنٹ)

بورڈ آف ڈائریکٹرز کا خیال ہے کہ خطرات کا نظم و نسق اس کے پائیدار ترقی کے اہداف کے حصول کے لیے اہم ہے۔ پورے رسک مینجمنٹ سسٹم کا مقصد خطرات کے نتیجے میں کسی ممکنہ نقصان اور کمپنی کو درپیش غیر یقینی صورتحال میں تخفیف ہے۔ آڈٹ کمیٹی وقتاً فوقتاً اہم خطرات اور ان سے متعلق تخفیفی حکمت عملیوں کا جائزہ لیتی ہے، جس سے ایک منظم تخفیفی عمل کو یقینی بنایا جاتا ہے۔ بعد ازاں نتائج اور سفارشات سے بورڈ کو مطلع کیا جاتا ہے تاکہ معلومات پر مبنی فیصلے کیے جا سکیں۔

خطرے کی شناخت اور اسکا تجزیہ ایک جاری عمل ہے۔ اس میں کمپنی کو درپیش اسٹریٹجک، مالیاتی، آپریشنل، مارکیٹ، ٹیکنالوجی اور کمپلائنس کے خطرات کی شناخت، جانچ اور ان کا ازالہ سب اس عمل کا حصہ ہیں۔

بیرونی خطرات کے اثرات کم کرنے کے لیے انتظامیہ نے آپریشنل کارکردگی بڑھانے اور لاگت بہتر بنانے کے مختلف اقدامات نافذ کیے ہیں۔ کمپنی نے انوینٹری کے نظم و نسق کا ایک اسٹریٹجک طریقہ اپنایا ہے جس سے بغیر کسی رکاوٹ کے پیداواری ضروریات کے لیے اسٹاک کی بہترین سطح یقینی بنائی گئی ہے۔ مارکیٹ میں اشیاء کی عدم دستیابی کی صورتحال کو مد نظر رکھا گیا ہے۔ اس کے علاوہ موجودہ اور ممکنہ بین الاقوامی اور مقامی سپلائرز کے ساتھ بہتر تجارتی شرائط پر مذاکرات نے اسی طرح کے نتائج دکھائے ہیں۔ سپلائی چین کی قوت مدافعت میں مضبوطی کے لیے کمپنی متبادل ذرائع کو شامل کرنے پر کام کر رہی ہے جس سے ممکنہ خطرات کم ہوں گے۔ کمپنی غیر ملکی کرنسی کی قیمت میں اتار چڑھاؤ کم کرنے کے لیے بہتر آمدنی مواقع تلاش کر رہی ہے جس سے پائیدار ترقی اور مالی استحکام کے عزم کو تقویت ملتی ہے۔ اس مقصد کے لیے ایک تجربہ کار ٹیم کے ہمراہ ایک بہتر مینجمنٹ ریسورس تعینات کیا گیا ہے جو کہ آمدنی کے ذرائع فراہم کر سکے اور بین الاقوامی وسیع تر تجارتی نظام قائم کر سکے جس سے آمدنی میں اضافہ ہو اور غیر ملکی زرمبادلہ کی قیمت میں اتار چڑھاؤ کا خطرہ کم ہو سکے گا۔

۱۳۔ پائیداری کے متعلق خطرات اور مواقع، ماحولیاتی اقدامات اور تنوع، مساوات اور شمولیت (DE&I)

سال کے دوران کمپنی نے ماحولیاتی، سماجی اور طرز حکمرانی (ESG) سے متعلق موضوعات پر مشتمل ایک جامع فریم ورک تشکیل دیا جو کہ پائیداری سے متعلق خطرات اور مواقع (SRROs) اور موسم سے متعلق خطرات اور مواقع (CRROs) کی نشاندہی کرتا ہے۔ اس فریم ورک کی تیاری میں انتظامیہ نے متعدد اندرونی و بیرونی ذرائع کو مد نظر رکھا جن میں Sustainability اکاؤنٹنگ اسٹینڈرڈز بورڈ (SASB) کے مخصوص صنعتی معیارات IFRS S2 کی تحقیقی بنیاد پر موسمیاتی رہنمائی اور مقامی و علاقائی اور بین الاقوامی اہم پیش رفتوں کی پائیداری سے متعلق عملی مثالیں شامل تھیں۔ علاوہ ازیں انتظامیہ نے اسٹیک ہولڈرز سے مشاورت کی روشنی میں اہم مادی اہمیت (materiality) کا تعین بھی کیا جس کی بنیاد پر ESG موضوعات کو ایک وسیع مجموعہ شناخت کیا گیا ہے جس میں باقاعدہ اہمیت، متعلقہ خطرات اور مواقع کے تجزیے اور بورڈ کی سطح پر نگرانی کے ذریعے کمپنی کے استحکام سے متعلق عمل کو مزید بہتر بنایا گیا۔

پائیداری سے متعلق خطرات اور مواقع کا جائزہ ادارہ جاتی سطح پر لیا گیا جس میں اے ٹی پی لمیٹڈ کی مختلف سرگرمیاں شامل تھیں جیسے کہ پیداوار، گودام بندی، معیار پر کنٹرول، انتظامی اور معاون آپریشنز جو کراچی میں کمپنی کے تین آپریشنل مقامات پر انجام دیے جاتے ہیں۔ رپورٹنگ مدت کے دوران کمپنی نے اپنے اہم ESG موضوعات کے تحت پائیداری سے متعلق خطرات اور مواقع کے ایک مربوط مجموعے کی نشاندہی اور تجزیہ کیا۔ ان میں پیداواری تحفظ، صحت اور حفاظت، اور رپورٹنگ کے معیار، کاروباری اخلاقیات اور کارپوریٹ گورننس، انسانی حقوق اور مزدوروں کے حقوق، صحت کی سہولیات تک رسائی اور ان کی استطاعت، اینٹی مائیکروبیل ادویات کے خلاف مزاحمت (AMR)، تنوع، مساوات اور شمولیت (DE&I) اور آپریشنل کارکردگی شامل ہیں۔ ان خطرات اور مواقع کا جائزہ اس بنیاد پر لیا گیا کہ وہ مختصر، درمیانی اور طویل مدت میں کمپنی کی ادارہ جاتی مجموعی قدر پر کس حد تک اثر انداز ہو سکتے ہیں، جس میں مالی، آپریشنل، سماجی اور ساکھ سے متعلق عوامل کو مد نظر رکھا گیا۔

کمپنی کی حکمت عملی اس طرح ترتیب دی گئی ہے کہ پائیداری سے متعلق ایسے خطرات اور مواقع کو مد نظر رکھتے ہوئے ادارے کی مجموعی قدر کے تحفظ اور فروغ کو ممکن بنایا جا سکے جو اس کی مالی کارکردگی، مالی حیثیت اور مستقبل کے امکانات پر اثر انداز ہو سکتے ہیں۔ یہ عوامل الگ تھلگ پائیداری پروگراموں کے بجائے کمپنی کے بنیادی اسٹریٹجک اور آپریشنل فیصلہ سازی کے عمل میں شامل کیے گئے ہیں۔ منظم اور ایک عمل کے ذریعے شناخت کیے گئے اہم SRROS کمپنی کی انٹرپرائز رسک مینجمنٹ اور گورننس فریم ورک میں شامل کیے جاتے ہیں تاکہ پائیداری کے عوامل کو کاروباری منصوبہ بندی اور مالی ترجیحات کے ساتھ ہم آہنگ انداز میں چلایا جا سکے۔ اس ضمن میں گورننس کی نگرانی بورڈ اور انتظامیہ دونوں مشترکہ طور پر کی جاتی ہے جبکہ ESG کمپنی کے مختلف شعبوں کے درمیان ہم آہنگی، جوابدہی اور اسٹریٹجک مطابقت کو فروغ دینے میں مرکزی کردار ادا کرتی ہے۔

اے ٹی پی ایک جامع اور منصفانہ کام کے ماحول کو فروغ دینے کے لیے پرعزم ہے۔ تنوع، مساوات اور شمولیت (DE&I) کے اصول کمپنی کے انسانی وسائل کے طریقہ کار میں شامل ہیں، جن میں بھرتی، ترقی، مساوی مواقع، منصفانہ معاوضہ اور کام کی جگہ پر عزت و احترام یقینی بنانا شامل ہے۔ کمپنی مختلف شعبوں اور سطحوں پر تنوع کو فروغ دیتی ہے، ملازمین کی پیشہ ورانہ ترقی کے لیے منظم تربیتی پروگرام فراہم کرتی ہے اور باہمی تعاون و شمولیت کو فروغ دے کر ملازمین کی وابستگی اور کارکردگی کو مضبوط بناتی ہے۔

۱۴۔ بورڈ اور اس کی کمیٹیوں کی تشکیل اور اجلاس

کمپنی کو مستحکم اور اسٹریٹجک قیادت فراہم کرنے کے لیے بورڈ مختلف شعبوں سے تعلق رکھنے والے ماہر افراد پر مشتمل ہے جو کمپنی کو حکمت عملی کی رہنمائی فراہم کرنے کے لیے متعلقہ موضوعات میں متنوع مہارت اور تجربہ رکھتے ہیں۔ ہمارا بورڈ آف ڈائریکٹرز تمام امور میں شیئر ہولڈرز کے مفادات کی نمائندگی کرتا ہے اور خصوصاً اقلیتی شیئر ہولڈرز کے مفادات کو یقینی بناتا ہے۔ کوڈ آف کارپوریٹ گورننس (CoCG) کی ریگولیشن 10A(5) کے مطابق، سال کے دوران ایک Sustainability کمیٹی قائم کی گئی۔ کمپنی کی طرف سے کارپوریٹ گورننس کے بہترین طریقوں کو اپنانے اور اس طرح کے طریقوں کی مؤثر نگرانی کے لیے بورڈ اور اس کی کمیٹیوں کے درج ذیل اجلاس منعقد کیے گئے:

بورڈ آف ڈائریکٹرز (بورڈ)	۴
بورڈ آڈٹ کمیٹی (BAC)	۴
ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HRC)	۴
Sustainability کمیٹی (SC)	۱

۴۔ معیاری تعلیم	• AGP کی ایک پالیسی موجود ہے جو تجارتی ورکرز اور معاون عملے کے ضرورت مند اور مستحق بچوں کو تعلیمی وظائف فراہم کرتی ہے۔ • مشہور و معروف این جی اوز دی سٹیزن فاؤنڈیشن (TCF) اور [illegible] فاؤنڈیشن (SKMF) کے تعاون سے ۲۰۰ غیر مراعات یافتہ طالب علموں کی تعلیم کو سپانسر کیا گیا۔ مستحق طلباء کی تعلیم میں مجموعی طور پر [illegible] ملین روپے کی سرمایہ کاری کی گئی۔ • اے جی پی نے IBA کراچی میں [illegible] ملین روپے کا [illegible] قائم کیا جس میں ہر سال [illegible] ملین روپے مختص کیے جاتے ہیں تاکہ [illegible] طلباء کو ان کے گریجویٹ پروگرام کے لیے سپانسر کیا جا سکے۔ • اے جی پی اور اس کی ذیلی کمپنیوں نے [illegible] ملین روپے کا [illegible] دیا تاکہ کم وسائل والے بچوں کو [illegible] فراہم کیا جا سکے۔ • DVAGO کے ساتھ شراکت داری کر کے فارماسسٹس کی تربیت کے لیے ایک ٹریننگ سینٹر قائم کیا گیا جس کے لیے ۸ ملین روپے مختص کیے گئے۔
۵۔ صنفی مساوات	• اے جی پی میں خواتین کا تناسب کل ورک فورس کا تقریباً ۲۸.۹۵٪ ہے۔ • اے جی پی کو سال کی [illegible] شمولیتی کمپنیوں میں شامل ہونے کا اعزاز حاصل ہوا اور GDEIB ایوارڈز ۲۰۲۴ میں ۱۱ زمروں میں کامیابیاں حاصل کیں۔ • اے جی پی نے ایک [illegible] سپانسر کی حیثیت سے [illegible] کی خواتین کے [illegible] میں حصہ لیا تاکہ خواتین کے کھیلوں اور [illegible] کے اقدامات میں معاونت فراہم کی جا سکے۔ • اے جی پی نے خاص طور پر [illegible] کی انتظامیہ میں کام کرنے والی خواتین ملازمین کے لیے محفوظ اور سستی ٹرانسپورٹ کی سہولت فراہم کی۔ • خواتین کو [illegible] میں شامل کرنے کے لیے [illegible]
۶۔ صاف پانی اور طہارت	• پانی کو مناسب طریقے سے ٹھکانے لگانے کے لیے [illegible] واٹر ٹریٹمنٹ پلانٹ موجود ہے جو سندھ ماحولیاتی تحفظ ایجنسی (SEPA) کی تعمیل کرتا ہے۔ • جہاں ممکن ہو پانی کو بچانے کے لیے [illegible] کا استعمال کیا جاتا ہے۔
۷۔ کفایت اور صاف توانائی	• کمپنی کی طرف سے تین (۳) پلانٹوں پر سولر پاور سسٹم کی تنصیب [illegible] توانائی کی ضروریات پوری کی جا سکیں۔ • کمپنی WWF کے تجویز کردہ ماحولیاتی انتظام کے نظام (EMS) کو نافذ کرنے اور ہمارے کاربن کے اثرات کم کرنے پر WWF گرین آفس سرٹیفیکیشن کی حامل ہے۔ • نیشنل فورم برائے ماحولیات و صحت (NFEH) کی طرف سے ۲۲ ویں سالانہ ماحولیات [illegible] ایوارڈز ۲۰۲۵ میں اے جی پی کو اعزاز سے نوازا گیا جو [illegible] ماحولیاتی پائیداری [illegible] کی عکاسی کرتا ہے۔

۸۔ باوقار کام اور معاشی ترقی	• ہم نے ایک ایسا کلچر بنایا ہے جو [illegible] کے ذریعے اپنی خواتین ملازمین کو سہولیات فراہم کرتا ہے تاکہ وہ [illegible] کے بعد بغیر کسی رکاوٹ کے ملازمت جاری رکھ سکیں۔ • یکساں قابلیتوں اور تجربے کے حامل مرد اور خواتین ملازمین کے درمیان یکساں [illegible] کے کام میں مساوات یقینی بنانے کے لیے ایک مناسب نظام موجود ہے تاکہ انہیں ایک جیسے مواقع اور مراعات حاصل ہوں۔
۱۰۔ عدم مساوات میں تخفیف	• AGP کی طرف سے مزدوروں کی اجرت اور معاوضے سے متعلق تمام حکومتی پالیسیوں پر سختی سے عملدرآمد کیا جاتا ہے۔ • مہنگائی کے اثرات کم کرنے کے لیے ملازمین کی اجرتوں میں اضافہ کیا گیا ہے۔ • اے جی پی متنوع افرادی قوت رکھتی ہے جس میں مختلف نسلی گروہ شامل ہیں جن میں اقلیتی طبقے اور مختلف مذہب کے حامل افراد شامل ہیں۔ • اے جی پی نے کمیونٹی اقدامات کی معاونت میں [illegible] ایونٹ میں [illegible] سپانسر کے طور پر [illegible] ادا کیا ہے۔ • اے جی پی نے [illegible] اسکول کے طلباء کے لیے [illegible] سائنس میوزیم کی تعلیمی [illegible] سپانسر کیا تاکہ [illegible] تعلیم اور [illegible] کو فروغ دیا جا سکے۔ • اے جی پی کی طرف سے NOWPDP کے ساتھ شراکت داری کر کے مختلف معذوریوں کے حامل افراد کو [illegible] کے لیے [illegible] تاکہ ایک [illegible] کو فروغ دیا جائے۔ • [illegible] • اے جی پی نے [illegible] (ECC) کو ایک ملین روپے کا تعاون فراہم کیا [illegible] کی مدد کی جا سکے۔
۱۲۔ پائیدار کھپت اور پیداواری اسلوب	• [illegible] کے دوران [illegible] ہے۔
۱۳۔ ماحولیاتی اقدامات	• اے جی پی کاربن کے اخراج کو کم کرنے [illegible] ماحول دوست اقدامات اپنانے کے لیے پرعزم ہے۔ ماحولیاتی شعور کو فروغ دینے کے لیے اے جی پی فعال طور پر [illegible] سرگرمیوں میں شامل کرتی ہے [illegible] آگاہی فراہم کرنے کے لیے [illegible] کا انعقاد کیا جاتا ہے۔
۱۴۔ زیرِ آب حیات	• اے جی پی کے ملازمین نے ورلڈ وائلڈ لائف فنڈ فار نیچر (WWF) کے ساتھ تعاون کے ذریعے ایک ساحلی صفائی مہم میں فعال طور پر حصہ لیا، جو [illegible] کو محفوظ رکھنے اور اس کی حفاظت کے لیے ہمارے عزم کا مظہر ہے۔

میں ۸.۳ ملین روپے کا اضافہ کیا جب کہ ڈیویڈنڈ کی ادائیگیوں کے نتیجے میں ذخائر میں ۸۰۰ ملین روپے کی کمی ہوئی۔ اس کے مطابق خالص ذخائر سال کے اختتام پر ۱۰.۳ ملین روپے تک پہنچ گئے جس سے سال کے لیے ۱۹ فیصد کی اضافہ ہوتی ہے۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے ۱۱ مارچ ۲۰۲۶ کو منعقدہ اپنے اجلاس میں ختم ہونے والے سال ۲۰۲۵ کے لیے ۲ روپے فی شیئر کے حتمی نقد منافع کی سفارش کی ہے جو ۲۸ اپریل ۲۰۲۶ کو منعقد ہونے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری کے لیے رکھا جائے گا۔

۸۔ شیئر ہولڈنگ کا اسلوب

اے جی پی کے شیئرز پاکستان اسٹاک ایکسچینج لمیٹڈ میں لسٹڈ ہیں۔ ۳۱ دسمبر ۲۰۲۵ کو شیئر ہولڈنگ کی معلومات اور کوڈ کی ضروریات کے تحت بورڈ آف ڈائریکٹرز، سی ای او، کمپنی کے سیکرٹری، سی ایف او اور ان کے شریک حیات اور نابالغ بچوں کی طرف سے شیئرز کے لین دین کی معلومات ۲۰۲۵ کی سالانہ رپورٹ میں شیئر ہولڈنگ کے اسلوب سے متعلق حصے میں درج کی گئی ہیں۔

۹۔ بعد میں رونما ہونے والے واقعات

کمپنی کے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی اہم تبدیلیاں یا معاہدے نہیں ہوئے ہیں۔

۱۰۔ ماحول کی نگہداشت

ہمارا یقین ہے کہ کارپوریٹ کامیابی کے حصول کے ساتھ ساتھ کمپنی اعلیٰ ترین اخلاقی معیارات کی پاسداری اور اپنی تمام سرگرمیوں میں پائیداری کے اصولوں کے فروغ کے لیے پوری طرح پرعزم ہے۔ AGP آلودگی میں کمی لانے اور پانی و توانائی کے بہتر استعمال کو فروغ دینے کے لیے منظم پروگراموں اور ملازمین میں آگاہی کی مہمات کے ذریعے اپنے ماحولیاتی اثرات کم کرنے کو ترجیح دیتی رہی ہے۔ کمپنی اپنے کاروباری معاملات حفظانِ صحت، ماحولیاتی اور حفاظتی قوانین کی مکمل تعمیل کے ساتھ انجام دیتی ہے جن میں ماحولیات، صحت اور حفاظت (EHS) اور سندھ انوائرمنٹل پروٹیکشن ایجنسی (SEPA) کی شرائط شامل ہیں، تاکہ مثبت سماجی اور ماحولیاتی اثرات مرتب کیے جا سکیں۔

اپنی "گو گرین" حکمت عملی کے تحت AGP پائیدار توانائی کے حل میں سرمایہ کاری جاری رکھے ہوئے ہے اور سال کے دوران اپنی توانائی کی ضروریات کا ایک حصہ شمسی توانائی کے ذریعے پورا کیا۔ مزید برآں ورلڈ وائلڈ لائف فنڈ (WWF) کے ساتھ اپنی جاری شراکت داری کے ذریعے کمپنی نے ایک موثر ماحولیاتی مینجمنٹ سسٹم (EMS) نافذ کیا ہے جس کا مقصد کام کی جگہ پر پائیداری کو بہتر بنانا ہے۔ ان کوششوں کے اعتراف میں AGP کو مسلسل چھٹے سال گرین آفس سرٹیفکیٹ سے نوازا گیا۔

اپنی پائیداری کی حکمت عملی کے مطابق کمپنی نے سالانہ ماحولیاتی کارکردگی کے کلیدی اشاریوں (KPIs) کے حصول کی جانب نمایاں پیش رفت کی جس کی تفصیل درج ذیل ہے:

پانی کے استعمال میں کمی	۳%
کاغذ کے استعمال میں کمی	۵%
فضلہ میں کمی	۵%
توانائی کے استعمال میں کمی	۳%

کمپنی کے پیداواری عمل بین الاقوامی معیارات، موجودہ اچھی پیداواری طریقہ کار (CGMP) اور اچھی ذخیرہ کاری کے طریقہ کار (CGSP) کے مطابق انجام دیے جاتے ہیں۔ مصنوعات کو معیاری بنانے اور مریضوں کی صحت و سلامتی کے تحفظ کے لیے پائیدار عملی طریقہ کار اور مضبوط داخلی کنٹرول مسلسل برقرار رکھے جاتے ہیں۔ کمپنی یقینی بناتی ہے کہ تمام مصنوعات سخت معیاری پیمانوں پر پوری اتریں۔ ان مقاصد کی تکمیل کے لیے AGP متعلقہ ملازمین کو باقاعدہ تربیت اور پیشہ ورانہ ترقی پر زور فراہم کرتی ہے تاکہ صلاحیتوں کو مضبوط بنایا جا سکے اور ادارے بھر میں ماحولیات، صحت اور حفاظت (EHS) کی کارکردگی کو مسلسل بہتر بنایا جا سکے۔

۱۱۔ کاروباری سماجی ذمہ داری

AGP اپنی سماجی ذمہ داری پوری تندہی سے پوری کرتی ہے تاکہ کمپنی جن کمیونٹیز میں کام کرتی ہے ان کی خدمت کر سکے۔ اس سلسلے میں ہم نے سماجی بہبود، غریب اور مستحق طلبہ کی تعلیم دینے کے مقصد سے مختلف منصوبوں میں معاونت کی ہے۔ زندگی کو بہتر کرنے کے اپنے مشن کو پورا کرنے کے لیے AGP نے مریضوں کی نگہداشت میں معاونت کے لیے صحت کے اداروں کو تعاون فراہم کیا اور طبی تنظیموں کے ساتھ مل کر مختلف وجوہات کی مدد کی۔ کمپنی نے مختلف غیر منافع بخش اداروں کو بھی تعلیمی تعاون فراہم کیا اور ایسے ضرورت مند افراد کو ادویات اور خوراک مہیا کی جو طبی دیکھ بھال تک رسائی نہیں رکھتے۔

کمپنی نے پائیداری کو بہتر بنانے کی جدوجہد جاری رکھی، جیسا کہ حکومت پاکستان (GOP) کی طرف سے منظور کردہ اقوام متحدہ کے پائیدار ترقیاتی اہداف (SDGS) کی پیروی کرتے ہوئے۔ متعلقہ پائیداری کو بہتر بنانے کے لیے جاری کوششوں کا خلاصہ مندرجہ ذیل جدول کے ذریعے پیش کیا جا سکتا ہے:

پائیدار ترقیاتی اہداف (SDGs)	اقدامات
۲۔ زیرو ہنگر (کوئی بھوکا نہ سوئے)	• رمضان راشن بیگز اور افطاری کی تقسیم کے لیے ۷ ملین روپے عطیہ کیے گئے۔
۳۔ اچھی صحت اور فلاح و بہبود	• کڈنی ایسوسی ایشن کو تقریباً ۵ ملین روپے مالیت کی Fresenius ڈائلیسس مشینیں عطیہ کی گئیں۔ • AKUH کو پیشنٹ بہبود فنڈ کو ملین روپے کا عطیہ دیا گیا تاکہ کم وسائل والے افراد کو معیاری صحت کی سہولیات فراہم کی جا سکیں۔ • ہمارے پروڈکشن ملازمین کے ساتھ ساتھ ہمارے تمام پارٹی ملازمین بھی میڈیکل انشورنس کے تحت ہیں، اور ہم نے مرحوم ملازمین کے لیے پانچ (۵) سال تک تعلیم جاری رکھنے کا پروگرام بھی متعارف کرایا ہے۔

۳۔ مارکیٹ کا جائزہ

IQVIA سہ ماہی پاکستان فارما انڈسٹری رپورٹ دسمبر ۲۰۲۵ کے مطابق، پاکستان کی دواسازی کی صنعت سال ۲۰۲۵ میں ۱٬۰۰۵ بلین روپے تک پہنچ گئی جو قدر کی ۲۳٫۹ فیصد اور حجم کی ۳٫۴ فیصد سالانہ ترقی کو ظاہر کرتی ہے۔ اس شعبے کی نمو بنیادی طور پر سال کے دوران مصنوعات کی قیمتوں میں اضافے کی مرہون منت رہی۔ اے جی پی نے مارکیٹ کے عمومی رجحان کے مطابق کارکردگی دکھائی، جیسا کہ قدر میں ۲۳٫۱ فیصد کی حساب سے نمو اور حجم میں ۳٫۵ فیصد نمو حاصل ہوئی۔ اپنے ذیلی اداروں سمیت مجموعی طور پر، اے جی پی نے قدر میں ۲۰٫۴ فیصد نمو ریکارڈ کی جبکہ حجم کے لحاظ سے ۴٫۹ فیصد نمو درج کرائی۔ صنعت کی نمو زیادہ تر قیمتوں کی مرہون منت رہی جبکہ حجم میں محدود اضافہ طلب کے کمزور رجحان کو ظاہر کرتا ہے۔

۴۔ مالیاتی جائزہ

AGP کی مالی کارکردگی

AGP نے زیر جائزہ سال کے دوران مستحکم مالیاتی کارکردگی پیش کرتے ہوئے ۳۵٫۰ بلین روپے کی غیر معمولی آمدنی کا ہدف حاصل کرنے کے ساتھ گزشتہ سال کے مقابلے میں ۱۰٫۸ فیصد کی ٹھوس نمو کا مظاہرہ کیا۔ مجموعی خالص فروخت نے جو کہ آمدنی کا اکثریتی حصہ ہے، مضبوط ساخت اور کاروباری کارکردگی کی بدولت ۹۹٫۵ فیصد حصہ ظاہر کیا۔ یہ آمدنی فروخت زیادہ تر قیمت رہی اور ۵٫۰ فیصد حاصل کی گئی بلند اسٹریٹجک نمو مسلسل پیش رفت کرتا رہا اور گزشتہ سال کے مقابلے میں ۹٫۹ فیصد پوائنٹ کرائی۔ مجموعی طور پر فروخت کی کارکردگی میں ٹول مینوفیکچرنگ نے بھی حصہ لیا جس میں OBS AGP کو فراہم کی جانے والی بیالوجیکل مصنوعات بھی شامل ہیں۔ مجموعی طور پر ٹول بزنس نے ۹٫۲۳ فیصد کی نمو درج کی۔ موثر لاگت کنٹرول اور انوینٹری مینجمنٹ سمیت بہتر آپریٹنگ اقدامات کی بدولت، کمپنی نے اپنے مجموعی منافع جات گزشتہ سال کے ۹٫۴۶ فیصد سے بڑھا کر ۹٫۳۹ فیصد تک پہنچا دیے، جو اس کی منافع کمانے کی صلاحیت میں بہتری کی عکاسی کرتا ہے۔

انتظامیہ نے لاگت کی بہتر منصوبہ بندی کے لیے نظم و ضبط پر مبنی رویہ برقرار رکھا اور زیادہ فروخت کے باوجود انتظامی، مارکیٹنگ اور فروخت کے اخراجات کو موثر طریقے سے قابو میں رکھا جس کی بدولت، مالیاتی لاگت میں ۳٫۳۳ فیصد کی واقع ہوئی جس کی بنیادی وجہ پالیسی ریٹ میں کمی اور طویل مدتی مالیاتی سہولیات کی ادائیگی تھی۔ دیگر اخراجات میں اضافہ ہوا جس کی بڑی وجہ ورکرز پرافٹ پارٹیسپیشن فنڈ اور ورکرز ویلفیئر فنڈ میں اضافہ تھا جو گزشتہ سال دستیاب ہونے والے فوائد کی عدم موجودگی رہی۔ آمدنی پر ٹیکس کی مد میں کمی آئی کیونکہ گزشتہ سال کے عمومی ٹیکس نظام میں منتقل ہوا تھا جس کے نتیجے میں ٹیکس کا بوجھ بڑھ گیا۔

نتیجتاً کمپنی نے ۳٫۰ بلین روپے بعد از ٹیکس منافع حاصل کیا۔ فی شیئر آمدنی (EPS) کے حساب سے ۹٫۳۳ روپے بنتا ہے، جو سال بہ سال بنیاد پر ۳۳ فیصد اضافہ ظاہر کرتا ہے۔

OBS AGP کی مالی کارکردگی

سال کے دوران OBS AGP نے زبردست کارکردگی کا مظاہرہ کیا اور منافع جات نے ۲٫۱ بلین روپے کا ہدف حاصل کیا جو کہ ۲۵٪۲۱ کا صحت مند مجموعی منافع برقرار رکھا۔ اس کا سبب بہتر کی صورت میں زبردست اضافہ اور مالیاتی لاگت میں کمی تھی جس کا نتیجہ ۵٫۱ بلین روپے سے زائد بعد از ٹیکس منافع کی صورت میں سامنے آیا۔ نتیجتاً خالص منافع جات میں ۱۹٫۹ فیصد تک بہتری ہوئی جو آپریشنل کارکردگی اور منافع کمانے کی صلاحیت میں بہتری کی عکاسی کرتا ہے۔

OBS PK کی مالی کارکردگی

حاصل کردہ پورے وقفے کی آپریشنل کارکردگی سال کے دوران شاندار رہی اور کمپنی نے ۸٫۰ بلین روپے کی خالص فروخت کے ساتھ مجموعی منافع جات میں ۹٫۳۵ فیصد کا متاثر کن اضافہ ریکارڈ کرایا جس کے نتیجے میں کمپنی نے سال کے لیے ۱٫۲ بلین روپے کا خالص منافع درج کرایا جو گزشتہ سال کے مقابلے میں ۹۰٫۸ فیصد اضافے کی عکاسی کرتا ہے۔

مجموعی مالی کارکردگی

AGP اور اس کی ذیلی کمپنیوں کی مجموعی طور پر ۱۰ ماہ کی کارکردگی کا نتیجہ ۴۰ بلین روپے سے زائد مجموعی آمدنی کی شکل میں ظاہر ہوا جو گزشتہ سال کے مقابلے میں ۳۰٫۴ فیصد اضافہ ظاہر کرتا ہے۔ مجموعی منافع کا مارجن ایک حد تک کم ہو کر ۵۵٫۹ فیصد ریکارڈ کیا گیا ہے جو پچھلے سال کے ۵۷٫۱ کے مقابلے میں بہتری ہے۔ مالیاتی اخراجات میں ۲۱٫۹ فیصد کی نمایاں کمی واقع ہوئی جس کی بنیادی وجہ پالیسی ریٹس میں کمی اور طویل مدتی قرضوں کی واپسی تھی۔ دیگر تمام اخراجات کو بھی سال بھر محتاط طور پر منظم رکھا گیا۔ نتیجتاً مجموعی خالص منافع ۳٫۳ بلین روپے ریکارڈ کیا گیا اور حصص کنندگان کے لیے خالص منافع ۳٫۰ بلین روپے رہا، جس کے نتیجے میں فی شیئر آمدنی (EPS) ۱۳٫۳۲ پاکستانی روپے رہی جو سال بہ سال بنیاد پر ۳۷ فیصد کا شاندار اضافہ ظاہر کرتی ہے۔

۵۔ سرمایہ کی ساخت

اے جی پی نے سال کے دوران اپنی مالی حیثیت مزید مضبوط کی جس کے نتیجے میں کل ایکویٹی ۲۰٫۵ بلین روپے تک پہنچ گئی جو پچھلے سال ۱۷٫۲ بلین روپے تھی۔ کمپنی نے اپنے طویل مدتی قرضوں کی بروقت ادائیگیاں جاری رکھیں۔ ۳۱ دسمبر ۲۰۲۵ تک کمپنی کے طویل مدتی قرضہ جات بشمول موجودہ حصہ ۱٫۸ بلین روپے تک کم ہو گئے جو پچھلے سال ۴٫۲ بلین روپے تھے۔ مجموعی بنیاد پر کل ایکویٹی ۲۱ فیصد اضافے کے ساتھ ۲۱ بلین روپے ہو گئی۔ جب کہ قرضوں اور ایکویٹی کا تناسب پچھلے سال ۲۳:۷۷ سے بہتر ہو کر ۹:۹۱ ہو گیا جو گروپ کی قرضوں میں مسلسل کمی اور مضبوط سرمایہ کاری کی عکاسی کرتا ہے۔

اپنی ترقی اور سرمایہ میں وسیع کی حکمت عملی کے مطابق کمپنی نے اضافی ۲۰ بلین روپے اور مجموعی ۳٫۳ بلین روپے کی مالیت کے پاکستانی روپے سے زیادہ سرمایہ کاری کی۔ اس سرمایہ کاری کا بنیادی ہدف نئے شعبوں کا اضافہ، آپریشنل صلاحیتوں میں اضافہ اور مارکیٹ میں موجودگی بڑھانے کے لیے موجودہ پلانٹ اور مشینری کے BMR پر مرکوز ہے۔

کمپنی کی مضبوط مالی حیثیت کی پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے اکتوبر ۲۰۲۵ میں دوبارہ تصدیق کی جس نے اے جی پی لمیٹڈ کو طویل مدت کے لیے +A اور قلیل مدت کے لیے A1 کی درجہ بندی دی۔ اے جی پی کی درجہ بندی پچھلے چار (۴) سالوں میں مستحکم رہی ہے جو مسلسل مجموعی کارکردگی کے ساتھ ساتھ مالی نظم و ضبط اور ورکنگ کیپیٹل کی ضروریات پوری کرنے کے لیے مناسب لیکویڈیٹی کی عکاسی کرتی ہے۔

۶۔ منافع کی تقسیم اور ذخائر

آمدنی کے اوپر ہونے والی بچت۔ سال ۲۰۲۵ کے آغاز میں کمپنی کا غیر تصرف شدہ منافع ۱۰٫۹ بلین روپے رہا۔ سال ۲۰۲۵ کے لیے بعد از ٹیکس منافع نے ذخائر میں ۳٫۰ بلین روپے کا اضافہ کیا جب کہ ڈیویڈنڈ کی ادائیگیوں کے نتیجے میں ذخائر میں ۰٫۸ بلین روپے کی کمی ہوئی۔ اس کے مطابق ذخائر ۱۳٫۱ بلین روپے پر بند ہوئے جس سے سال کے دوران ۲٫۲ بلین روپے اضافے کی نشاندہی ہوتی ہے۔

آمدنی کے مجموعی ذخائر۔ ۲۰۲۵ کے آغاز میں غیر تصرف شدہ منافع ۱۱٫۰ بلین روپے رہا۔ ۲۰۲۵ کے لیے بعد از ٹیکس منافع نے ذخائر

ڈائریکٹرز رپورٹ

AGP لمیٹڈ (اے جی پی / کمپنی) کے بورڈ آف ڈائریکٹرز کے لیے ۳۱ دسمبر ۲۰۲۵ کو ختم ہونے والے سال کے لیے سالانہ رپورٹ مع آڈٹ شدہ مالیاتی گوشوارے پیش کرنا باعث مسرت ہے۔

۱۔ کمپنی کے بارے میں

کمپنی بنیادی طور پر ملکی اور برآمدی مارکیٹ میں دواسازی اور صحت کی دیکھ بھال کی مصنوعات کی مینوفیکچرنگ، مارکیٹنگ، درآمد اور فروخت میں مصروف عمل ہے۔ کمپنی مارکیٹ کی مخصوص صحت کی ضروریات پوری کرنے کے لیے معیاری مصنوعات کے وسیع انتخاب کی مالک ہے۔ بمطابق ۳۱ دسمبر ۲۰۲۵، Aitkenstuart Pakistan (Private) Limited (پیرنٹ کمپنی) براہ راست یا بالواسطہ طور پر کمپنی کی ایکویٹی کے ۵۷٫۲۶٪ حصے کی مالک ہے۔

کمپنی OBS AGP (پرائیویٹ) لمیٹڈ (OBS AGP) میں ۲۵٪ شیئر ہولڈنگ کی مالک ہے جس نے ۲۰۲۱ میں Sandoz AG سے ایک فارماسیوٹیکل پورٹ فولیو حاصل کیا تھا، اور OBS پاکستان (پرائیویٹ) لمیٹڈ میں ۸٫۹۱٪ شیئر ہولڈنگ رکھتی ہے، جس نے ۲۰۲۳ میں Viatris Inc. سے منتخب فارماسیوٹیکل برانڈز خریدے تھے۔

۲۔ معاشی جائزہ

سال ۲۰۲۵ میں پاکستان کا مجموعی معاشی ماحول مستحکم ہونے کے آثار دکھا رہا تھا، جسے بہتر مجموعی معاشی نظم و نسق اور بین الاقوامی مالیاتی اداروں کے ساتھ جاری تعاون سے سہارا ملا۔ آئی ایم ایف نے توسیعی پروگرام جائزے مکمل کیے، جس سے زرمبادلہ کے ذخائر اور مجموعی معاشی استحکام کو تقویت ملی۔ سال کے دوران افراط زر میں نمایاں کمی دیکھی گئی، جبکہ اسٹیٹ بینک آف پاکستان نے معاشی سرگرمیوں کو سہارا دینے کے لیے محتاط اور تدریجی مالیاتی پالیسی جاری رکھی، جس کے تحت مجموعی طور پر ۱۱۰۰ بیسس پوائنٹس کی کمی کی گئی۔ پاکستانی روپیہ امریکی ڈالر کے مقابلے میں عمومی طور پر مستحکم رہا، جس میں مضبوط ترسیلات زر اور محتاط مالیاتی پالیسی نے مدد فراہم کی۔ کرنٹ اکاؤنٹ کی صورتحال میں بہتری دیکھی گئی، جبکہ کاروباری اعتماد بتدریج بحال ہوتا رہا۔

دواسازی کے شعبے نے مالی سال ۲۰۲۵ کے دوران ایڈجسٹمنٹ کے مرحلے کا سامنا کیا، جو گزشتہ سال غیر لازمی ادویات کی قیمتوں میں اضافے کے بعد آیا۔ اگرچہ قومی لازمی ادویات کی فہرست (NEML) میں شامل نہ ہونے والی ادویات کی قیمتوں میں پہلے کی گئی ضابطہ جاتی نرمی (ڈی ریگولیشن) نے صنعت کاروں کو بڑھتی ہوئی پیداواری لاگت کا جزوی ازالہ کرنے کے لیے کچھ ریلیف فراہم کیا، تاہم اس کے نتیجے میں قیمتوں کی از سر نو ترتیب نے سال کے دوران طلب میں اعتدال پیدا کیا کیونکہ خوردہ قیمتوں میں اضافہ صارفین کے استعمال کے رجحانات پر اثر انداز ہوا۔

SUSTAINABILITY
REPORT 2025

MESSAGE FROM THE CHAIRPERSON - SUSTAINABILITY COMMITTEE

I am delighted to present AGP Limited's Sustainability Report for the year ended 31 December 2025, marking an important step in embedding the ESG principles into our business and strengthening long-term resilience.

During the year, AGP decided to be an early adopter of the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), reflecting our commitment to transparency, governance, and alignment with evolving regulatory expectations. This report establishes our initial baseline as we progress towards more comprehensive and data-driven sustainability disclosures.

We have strengthened our governance framework through the establishment of a Board-level ESG Committee, ensuring structured oversight of sustainability and climate-related risks and opportunities and their integration into strategy and decision-making.

Our approach focuses on operational resilience, ethical conduct, workforce wellbeing, and responsible resource management, while continuing to deliver quality and affordable healthcare solutions. We recognize that our sustainability journey is at an early stage and remain committed to enhancing data systems, governance practices, and performance measurement over time.

As the Chairperson of the ESG Committee to the Board, I appreciate the efforts of our committee members, management, consultants and employees in advancing this agenda.

We will be moving toward with, commitment , passion and purpose to ensure sustainability practices and ESG practices principles are woven into the very fabric of our organization, as we strive towards a brighter, better future for all.

MALEEHA HUMAYUN BANGASH
Chairperson - Sustainability Committee
Independent Director

INTEGRATING SUSTAINABILITY INTO BUSINESS RESILIENCE

AGP Limited (the Company or AGP) operates in Pakistan's pharmaceutical sector, supporting national health outcomes through the development, manufacturing, and supply of essential and specialized medicines. The Company's operations are conducted within a highly regulated environment where product quality, patient safety, and compliance are fundamental to maintaining trust and ensuring continuity of supply. As regulatory expectations, stakeholder scrutiny, and market dynamics evolve, AGP recognizes that sustainability considerations are increasingly linked to long-term resilience, cost management, and responsible value creation.

This Sustainability Report represents AGP's early adoption of the IFRS Sustainability Disclosure Standards and establishes an initial baseline for the Company's sustainability-related disclosures. AGP's approach to sustainability is grounded in the understanding that ethical business conduct, workforce wellbeing, operational efficiency, and prudent management of natural resources are integral to business performance and long-term stakeholder confidence.

AGP has initiated a structured sustainability reporting framework through early adoption of IFRS S1 and S2, ahead of regulatory timelines. While the Company has established a foundation of key environmental and operational data, including energy consumption and greenhouse gas emissions, it is actively progressing toward the development of formal climate targets, robust quantitative scenario analyses, and sustainability-linked capital allocation frameworks. AGP is focused on strengthening sustainability governance structures, improving data quality and internal controls, and embedding sustainability considerations into enterprise risk management and strategic planning processes.

1.1. ABOUT THIS REPORT

This Sustainability Report is structured to provide clear, decision-useful information consistent with the requirements of IFRS S1 and IFRS S2. The report follows a logical progression from contextual information to detailed disclosures, aligned with the four core content areas of governance, strategy, risk management, and metrics and targets.

Section Reference	Section Heading	Purpose and Content Overview
Section 1	Integrating Sustainability into Business Resilience	Sets out AGP's sustainability context, business model, value chain, and overarching strategic direction in relation to sustainability and climate-related matters.
Section 2	Basis of Preparation	Describes the basis of preparation of the Sustainability Report, including reporting scope, reporting period, materiality assessment process, key judgements, and alignment with IFRS S1, IFRS S2, and relevant local regulatory expectations.
Section 3	Sustainability and Climate-Related Risks and Opportunities	Presents sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) identified through AGP's structured risk and opportunity assessment process, including their potential implications for enterprise value.
Section 4	Governance	Describes AGP's governance arrangements for sustainability and climate-related matters, including Board oversight, committee structures, roles and responsibilities, and information flows supporting oversight and decision-making.
Section 5	Strategy	Explains how AGP's strategy responds to identified SRROs and CRROs, including strategic priorities, integration into business planning, and qualitative scenario-based considerations supporting strategic resilience.
Section 6	Risk Management	Describes how sustainability- and climate-related risks and opportunities are identified, assessed, managed, and integrated into AGP's enterprise risk management framework and operational processes.
Section 7	Metrics and Targets	Discloses sustainability- and climate-related metrics used to assess performance and exposure to SRROs and CRROs, together with information on targets, monitoring practices, and the current status of performance measurement.

1.2 OUR VALUE CHAIN

AGP's value chain reflects the characteristics of the pharmaceutical industry, where regulatory compliance, supply reliability, and quality assurance are critical at every stage. However, sustainability and climate-related challenges may arise across upstream sourcing activities, internal operations, and downstream distribution and market engagement.

AGP's value chain broadly comprises the following stages:

Upstream Sourcing

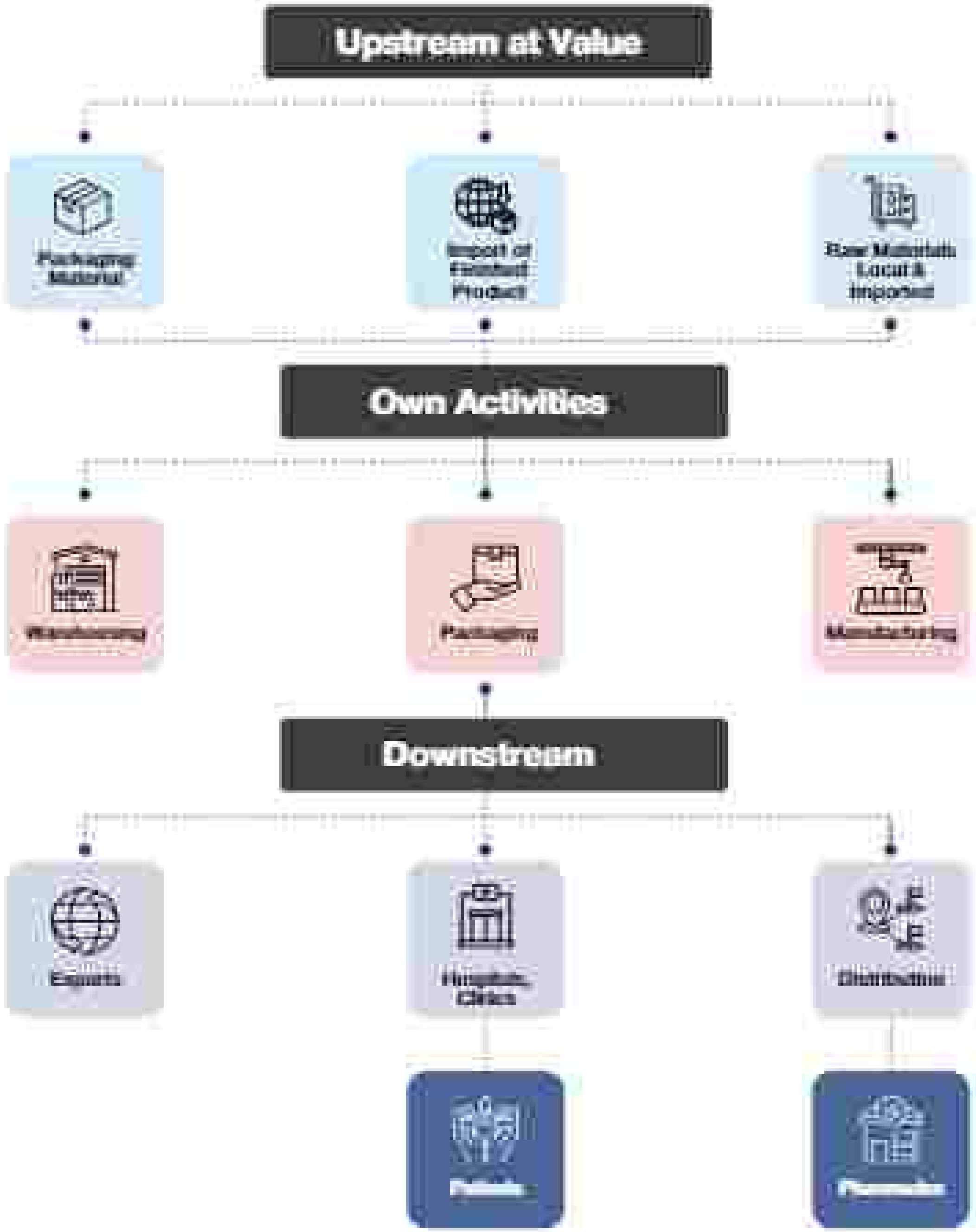
Procurement of raw materials including active pharmaceutical ingredients (APIs), packaging materials, and specialized services

Internal Operations

Manufacturing, quality control, warehousing, administrative, and supporting functions

Downstream Distribution

Logistics involvement, market supply, and in alignment within a regulated domestic healthcare requirements



Across these stages, AGP's operations are dependent on reliable energy supply, water availability, resilient logistics networks, compliant suppliers, and a skilled workforce supported by effective quality, environmental, health and safety, and compliance systems.

Certain sustainability and climate-related dependencies are particularly significant across the value chain, including:

1.3. ESTABLISHING SUSTAINABILITY PRIORITIES TO SUPPORT ENTERPRISE VALUE

AGP's sustainability priorities are informed by business relevance, stakeholder expectations, and emerging sustainability and climate-related disclosure requirements. During the reporting period, AGP undertook a structured process to identify sustainability material topics that are most relevant to the Company's enterprise value and long-term resilience.

This process considered peer practices, industry-based guidance, stakeholder perspectives, and management judgement. As a result, AGP identified a focused set of sustainability priority areas / material topics across environmental, social, and governance dimensions (detailed in section 2.7), which are foundation for identification and assessment of sustainability and climate-related risks and opportunities. As AGP's sustainability practices, data systems, and governance arrangements continue to mature, the Company expects to further refine its sustainability strategy and progressively enhance the depth and quality of disclosures in future reporting periods.

2. BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

AGP Limited has prepared this Sustainability Report (the Report) for the year ended 31 December 2025. The Company has prepared this report with partial alignment to the IFRS Sustainability Disclosure Standards IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2 – Climate-related Disclosures (hereinafter collectively referred as "the sustainability related disclosures"), as issued by the International Sustainability Standards Board (ISSB). The Company intends to achieve full compliance with the IFRS Sustainability Disclosure Standards once its systems, controls, and processes for sustainability disclosures have been further strengthened. In preparing the Report, AGP has considered the applicability of the sustainability-related disclosure topics set out in the SASB (Sustainability Accounting Standards Board) Standards, including IFRS S2 industry-based guidance relevant to the pharmaceutical sector. The consideration of SASB Standards and IFRS S2 industry-based guidance informed management judgement and did not, in isolation, determine materiality.

AGP Limited has early adopted the sustainability related disclosures ahead of mandatory timelines as part of its commitment to enhanced transparency, strengthened governance, and improved sustainability-related financial disclosures. The Company qualifies as a Phase 1 entity under the order issued by the Securities and Exchange Commission of Pakistan (SECP). In accordance with the requirements, the sustainability related disclosures will be mandatorily applicable for the companies having accounting periods beginning on or after 01 July 2025, accordingly, the Company is required to report mandatorily for the year ending on 31 December 2026 and thereafter.

No significant transactions, other events, or conditions have occurred between the end of the reporting period (31 December 2025) and the date of authorization of this Sustainability Report that would require disclosure in accordance with the sustainability related disclosures.

The Report was authorized for issue by the Board of Directors of the Company on the same date as the Company's financial statements for the year ended 31 December 2025.

2.2. IFRS SUSTAINABILITY ADOPTION – YEAR ZERO

The reporting period ended 31 December 2025 represents AGP Limited's first-time reporting in accordance with the IFRS Sustainability Disclosure Standards. Accordingly, this report establishes an initial sustainability reporting baseline ("Year Zero").

As a first-time adopter, AGP has prioritized:

Establishing governance and oversight arrangements for sustainability-related and climate-related matters.

01

Developing structured processes to identify and assess sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs).

02

Actively strengthening the availability, consistency, and reliability of sustainability and climate data to support informed decision-making.

03

The Company has considered transition reliefs for the first time adoption of IFRS Sustainability Disclosure Standards. AGP has applied the following transition reliefs:

Comparative information has not been provided as allowed for the first-year reporting period.

Scope 3 emissions have not been disclosed being first year of reporting period.

Following are transition reliefs, which have not been applied by the Company and have been disclosed in this report:

Sustainability report is planned to be published along with financial statements.

The transition relief permitting disclosure limited to climate-related risks and opportunities in the first annual reporting period (as per IFRS S1) has not been used.

2.3. REPORTING SCOPE AND BOUNDARY

This Sustainability Report has been prepared on a standalone entity basis for AGP Limited. All quantitative or qualitative data presented in this report pertains to AGP Limited only on standalone basis which covers AGP Limited's owned and operated activities located in Karachi, Pakistan, including manufacturing, quality control, warehousing, administrative, and supporting functions across its three operational sites in Karachi.

In identifying and assessing sustainability and climate-related risks and opportunities, AGP has considered relevant upstream and downstream value chain exposures that could reasonably be expected to affect its enterprise value, in accordance with IFRS S1 and IFRS S2 requirements. The extent of value chain consideration varies by topic and is determined by data availability, the degree of influence, and the relevance to financial performance, financial position, or future cash flows.

2.4. KEY JUDGEMENTS AND ESTIMATES

Key judgements and estimates applied in preparing this Sustainability Report include:

- Determining which sustainability and climate-related risks and opportunities could reasonably be expected to affect enterprise value.
- Defining reporting boundaries and the extent of value chain coverage
- Assessing the significance of risks and opportunities across short, medium, and long-term time horizons
- Determining the level of disaggregation and narrative detail appropriate for first-time adoption disclosures.

These judgements are based on management experience, stakeholder input, available data, and prevailing regulatory and market conditions.

2.5.MATERIALITY ASSESSMENT

AGP Limited has conducted an enterprise value-focused materiality assessment to identify sustainability and climate-related topics that could reasonably be expected to affect the Company's financial performance, financial position, and future cash flows. This assessment was carried out in accordance with the requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

The assessment was undertaken to identify sustainability and climate-related risks and opportunities that may influence the Company's enterprise value through their potential effects on revenues, costs, capital expenditure, asset values, liabilities, and access to capital. While the primary focus was on financial materiality, the process also considered the nature and significance of the Company's interactions with the environment and society, as reflected in the sustainability-related and climate-related risks and opportunities identified. For sustainability-related risks and opportunities other than climate, no specific IFRS Sustainability Disclosure Standard is currently applicable. In line with the guidance provided under IFRS Sustainability Disclosure Standards, the Company has therefore referred to the SASB Standards to identify relevant and decision-useful disclosure topics. Accordingly, applicable disclosure topics under the SASB Standards have been considered.

The materiality assessment process comprised the following steps:

1. Peer Benchmarking

Sustainability disclosures of six peer pharmaceutical companies (two local, two regional, and two international) were reviewed to identify sustainability topics commonly considered material within the pharmaceutical industry and relevant to enterprise value creation.

2. Initial Topic Identification

A list of potential sustainability topics was developed based on peer benchmarking, industry characteristics, and regulatory and market considerations relevant to the Company's operations and value chain.

3. Stakeholder Engagement and Risk & Opportunity Identification

Internal stakeholder engagement was conducted to gather management perspectives on sustainability priorities. Sustainability-related and climate-related risks and opportunities were identified and assessed against the initial list of topics, considering potential financial, operational, environmental, and social implications.

4. Prioritization and Narrowing

A structured prioritization exercise was undertaken to assess the relevance of the topics based on their potential impact on AGP Limited's enterprise value. Topics were evaluated considering both their potential financial effects and their significance in the context of AGP Limited's operational footprint, stakeholder relationships, and regulatory environment.

5. Review and Finalization

The shortlisted topics were reviewed by the ESG Committee (the Committee) as delegated by the Board of Directors and refined based on strategic importance, operational relevance, and leadership insight. The Committee approved the Company's material sustainability-related risks and opportunities and the related disclosures. The Board plans to review the materiality assessment every year, or earlier if a significant event or material change in circumstances occur. The final list of material topics was approved by the Committee on behalf of the Board.

As a result of this process, AGP Limited identified twelve material sustainability topics, categorized as follows:

Environmental	Climate change risk and management	Energy management	Water management	Waste management
Social	Diversity, Equity, and Inclusion (DEI)	Human rights and labor practices	Antimicrobial Resistance (AMR)	Access to healthcare and affordability
Governance	Business ethics and corporate governance	Supply chain management	Transparency and reporting	Operational efficiency

These material topics form the basis for the sustainability and climate-related disclosures presented in this report. Identified topics are further analyzed through the Company's sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs), which assess both the potential effects on enterprise value and Company's interactions with environmental and social systems.

2.6.MEASUREMENT UNCERTAINTY

Certain sustainability-related and climate-related information disclosed in this report is subject to inherent measurement uncertainty. This uncertainty arises from data limitations, estimation techniques, and the evolving nature of sustainability measurement practices, particularly in the context of first-time adoption.

2.7.KEY LIMITATIONS

This sustainability report represents AGP's first year of sustainability and climate-related disclosures prepared in alignment with IFRS Sustainability Disclosure Standards. At present, the systems, methodologies, and internal controls required to separately identify, measure, aggregate, and validate sustainability- and climate-related financial impacts are still under development. Accordingly, AGP has not disclosed quantitative information relating to the current or anticipated financial effects of sustainability and climate-related risks and opportunities for the reporting period.

The quantification of sustainability and climate-related financial effects requires the integration of scenario-based assumptions, historical datasets, sensitivity analysis, valuation techniques, and sustainability and climate-linked financial forecasting frameworks. These capabilities including but not limited to long-term climate modelling, impact quantification processes, and integrated forecasting systems are currently at an early stage of maturity and are being progressively developed across the organisation.

In preparing the sustainability and climate-related disclosures in this report, the Company has applied professional judgement to ensure that the information presented is based on reasonable and supportable inputs available at the reporting date and has been developed without undue cost or effort. The approach adopted reflects the Company's current skills, capabilities, data availability, and internal resources, and is proportionate to the maturity of its sustainability reporting systems.

As a first-year reporter, AGP has prioritised the establishment of governance structures, qualitative assessment processes, and foundational sustainability and climate-related risks and opportunities identification frameworks before introducing quantitative modelling. Where limitations existed in data completeness or methodological development, the Company has prioritised the use of qualitative information to provide meaningful insight into sustainability-related risks, opportunities, and management responses.

The Company intends to progressively strengthen its data management systems, scenario modelling capabilities, internal controls, and financial impact assessment methodologies in future reporting periods, with the objective of enabling robust, reliable, and decision-useful quantitative disclosures in line with IFRS S1 and IFRS S2 requirements.

2.8.CONNECTED INFORMATION:

AGP presents sustainability-related financial disclosures in a manner that enables users of general purpose financial reports to understand the connections between sustainability-related risks and opportunities and the Company's governance, strategy, risk management, metrics and targets, as well as their relationship with AGP's financial position, financial performance and cash flows where available.

The disclosures in this Sustainability Report are interconnected by design and are prepared to avoid unnecessary duplication, while ensuring that relevant linkages are clearly explained through narrative cross-references and consistent assumptions.

Specifically:

- Governance disclosures (Section 4) explain how the Board of Directors, supported by the Audit Committee and ESG Committee, oversees sustainability-related risks and opportunities identified through the enterprise risk management framework.
- Strategy disclosures (Section 5) describe how identified sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) influence AGP's strategic priorities, capital planning considerations, and operational focus areas over the short, medium and long term.
- Risk management disclosures (Section 6) explain how SRROs and CRROs are identified, assessed, prioritised, monitored and escalated through AGP's enterprise risk management processes, including linkages to operational controls and internal reporting.
- Metrics and targets disclosures (Section 7) provide quantitative and qualitative indicators that support the monitoring of exposure to sustainability and climate-related risks and opportunities described in Sections 3, 5 and 6, including energy consumption, emissions, water use, waste generation, supply chain indicators and governance metrics.
- Where sustainability and climate-related risks and opportunities have potential financial implications (e.g., impacts on revenues, costs, capital expenditure, or asset values), these relationships are currently described qualitatively within the Strategy and Risk Management sections. As AGP's data systems and methodologies continue to mature, the Company intends to progressively enhance its disclosures by quantifying the financial effects of such risks and opportunities, where practicable.

AGP has not identified material differences between the data and assumptions used in preparing its sustainability-related financial disclosures.

3. SUSTAINABILITY-RELATED AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

3.1. POSITION WITHIN THE MATERIALITY ASSESSMENT FRAMEWORK

The identification and assessment of sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs), form an integral component of AGP Limited's materiality assessment framework (refer to Section 2 – Basis of Preparation). This process was undertaken to identify, assess and prioritise sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the Company's enterprise value, including its financial position, financial performance and future cash flows.

The assessment of SRROs and CRROs is aligned with the objectives of the IFRS Sustainability Disclosure Standards, and supports management's understanding of how sustainability-related matters may influence the Company's ability to create value over the short, medium and long term.

3.2. IDENTIFICATION OF SUSTAINABILITY-RELATED AND CLIMATE-RELATED TOPICS

AGP established a comprehensive set of environmental, social and governance (ESG) topics for the identification of sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs). In developing this set of topics, management considered multiple authoritative sources of guidance, including: Sustainability-related disclosure topics set out in the SASB Standards for the pharmaceutical industry;

- Sustainability-related disclosure topics set out in the SASB Standards for the pharmaceutical industry.
- Industry-based guidance for identifying climate-related risks and opportunities under IFRS S2.
- Sustainability disclosures and practices of local, regional and international peer pharmaceutical companies.

These sources informed management's judgement but did not, in isolation, determine materiality. Based on this approach, an initial long list of ESG topics was identified and subsequently refined through stakeholder engagement, risk and opportunity analysis and Committee review as part of the Company's materiality assessment process.

3.3.BASIS AND SCOPE OF THE SUSTAINABILITY AND CLIMATE-RELATED RISK AND OPPORTUNITY ASSESSMENT

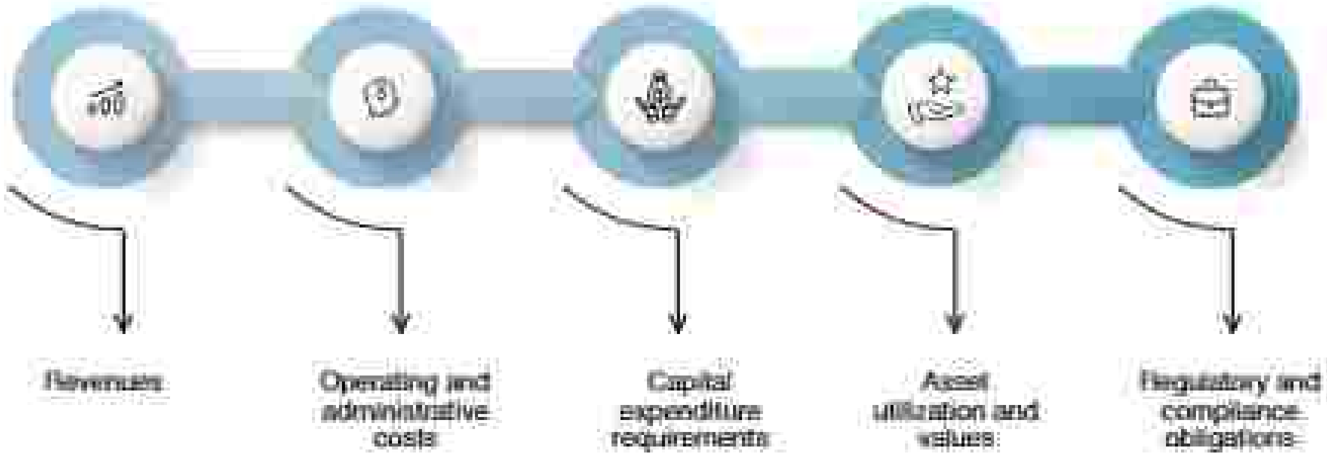
The sustainability and climate-related risk and opportunity assessment was conducted at the entity level and covers AGP Limited's owned operations, including manufacturing, warehousing, quality control, administrative and supporting functions across its three operational sites in Karachi.

Where relevant, the assessment also considered upstream and downstream value-chain exposures, including dependencies on global suppliers, logistics networks, regulatory frameworks, and access to critical resources such as energy and water, to the extent that such exposures could reasonably be expected to affect AGP's enterprise value.

3.4.BUSINESS-WIDE IDENTIFICATION OF SRROs AND CRROs

A structured, organization-wide identification process was undertaken to ensure a robust and entity-specific assessment of SRROs and CRROs. Sustainability and climate-related risks and opportunities were identified across key operational, functional and governance areas using standardized assessment templates.

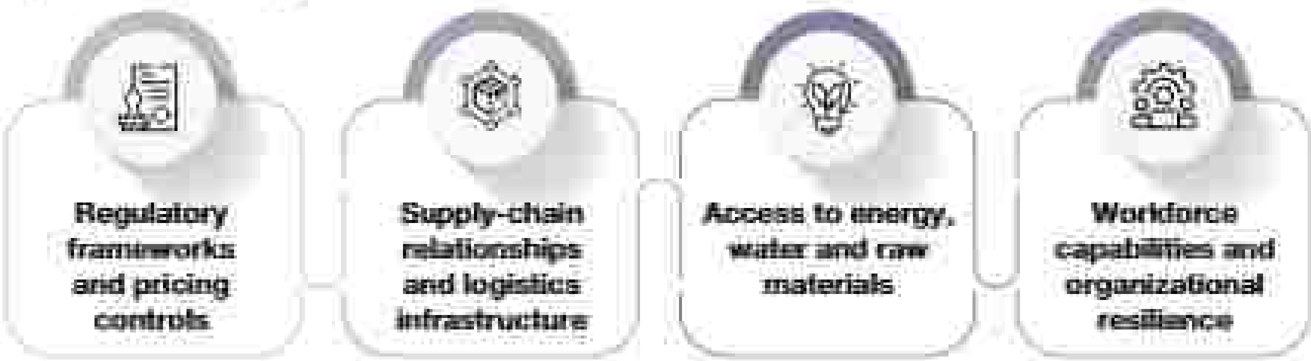
The identification process focused on the risks and opportunities that could reasonably be expected to affect AGP's:

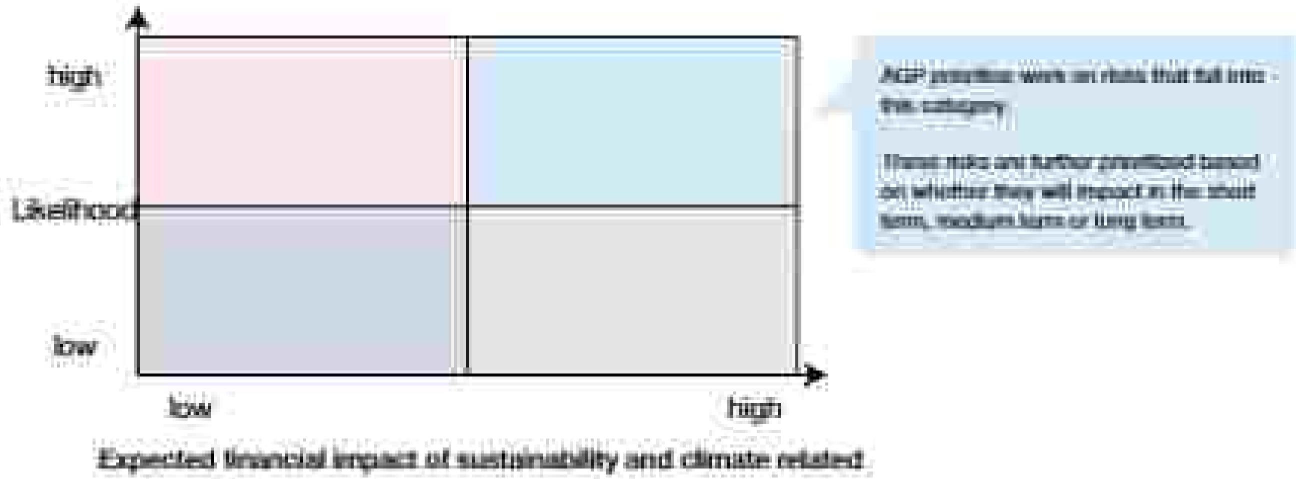


This approach supports an enterprise-value-oriented assessment consistent with the requirements of IFRS S1 and IFRS S2.

3.5. ASSESSMENT OF IMPACTS, DEPENDENCIES AND LIKELIHOOD

For each identified SRRO and CRRO, management assessed the nature and potential magnitude of impacts across financial, operational, social and reputational dimensions. This assessment has also considered key dependencies, including reliance on:





Each risk and opportunity was further evaluated for likelihood of occurrence, classified qualitatively as Low, Medium or High, taking into account current conditions, observable sustainability and climate trends, regulatory developments and historical experience, if any.

3.6. ASSESSMENT ACROSS TIME HORIZONS

Sustainability and climate-related risks and opportunities were assessed across multiple time horizons to determine when their effects could reasonably be expected to become significant for the Company. Our view of each of these time considerations is based on the time horizons used for internal risk management purposes.

Any references throughout this report to short, medium or long term should be read using these time periods.

This includes circumstances where the underlying sustainability or climate-related condition has not yet fully materialized but may affect enterprise value in future periods.

3.7. ASSESSMENT OF FINANCIAL EFFECTS

For each identified SRRO and CRRO, qualitative financial effects were assessed to determine potential impacts on components of the Company's enterprise value. These effects were evaluated across:

- Revenues and market access
- Operating expenditure (Opex)
- Capital expenditure (CapEx)
- Working capital requirements
- Asset values and impairment risk
- Regulatory or legal liabilities
- Cost of capital and access to finance

Financial exposure is presented using Low / Medium / High qualitative bands, reflecting the Company's current data maturity and its first-time adoption of IFRS sustainability disclosures standards.

3.8. SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES (SRROS)

During the reporting period, AGP identified and assessed a consolidated set of sustainability-related risks and opportunities across its material topics, which includes:

These SRROs were evaluated based on their potential effects on enterprise value across short, medium and long-term horizons, considering financial, operational, social and reputational impacts.

TABLE – SUSTAINABILITY-RELATED RISKS

Material topic	Risk	Likelihood & time horizon	Potential impact on business model and value chain	Financial impact area (as assessed)	Current financial effect (band)	Management response	Anticipated financial effects after response (band)
Supply Chain Management	Disruptions caused by geopolitical conflicts, natural disasters, or price increases	Medium | Medium	Production delays / shortages and higher procurement costs; dependency on supplier diversification, buffer inventory and alternative logistics routes.	Revenue losses from shortages; higher Opex from urgent sourcing/logistics; increased procurement costs; working capital stress.	High	Diversify suppliers; maintain buffer inventory; accelerate procurement planning; explore alternative logistics; monitor geopolitical risks/trends.	Medium
Supply Chain Management	Monopolistic Source	High | Medium	Single point of failure can halt production; Dependency on effective inventory monitoring systems and supplier diversification to ensure continuity of supply and mitigate disruption risks	Revenue at risk from disruptions; urgent sourcing increased Opex; idle assets during shortages; liabilities from unmet contractual obligations.	High	Developing alternative sources mitigates the risk of a monopolistic supplier by reducing dependency on a single vendor and enhancing supply chain resilience. This involves identifying and qualifying multiple suppliers for critical inputs, ensuring they meet regulatory and quality standards. To address this risk mitigation approach focuses on sourcing from multiple suppliers, closely monitoring inventory levels through effective tracking systems, and establishing contingency plans, including maintaining safety stock and pre-approved backup suppliers, to ensure uninterrupted supply in the event of disruptions	Low
Supply Chain Management	Supply Chain Dependency (Heavy reliance on imported APIs and global suppliers)	High | Short	Disruptions increase costs, cause stockouts, reduce revenue; dependent on global supply stability, regulatory changes and currency volatility.	Stockouts reduce sales/revenue; urgent logistics raise costs; contractual liabilities; underutilized assets.	High	Identify alternate suppliers; explore local API sourcing; enhance supply chain monitoring.	Medium
Supply Chain Management	Incomplete or insufficient supplier information and regulatory documentation	Medium | Short	Incomplete supplier documentation can delay development, registrations, and launches, while hindering ESG and regulatory compliance due to lack of transparency and traceability. Delay in product launches can also affect revenue, while compliance costs and timelines rise; dependency on timely documentation, contracts, early supplier collaboration.	Lost revenue from delayed launches; higher compliance costs; additional Opex for validation / monitoring; underutilized assets; potential liabilities.	Medium	Maintain flexible contracts; require certifications and batch documentation; proactively collaborate with suppliers to close gaps early.	Low
Transparency and Reporting	ESG disclosures are not in accordance with IFRS Sustainability Disclosures	High | Short	Non-compliant reporting may undermine valuation and reduce investor and stakeholder confidence amid growing demand for sustainability and transparency therefore financial and operational performance may be affected through higher cost of capital and reduced investor trust. Dependency on IFRS-aligned reporting frameworks and adequate internal capability to prepare compliant ESG disclosures. Frameworks, reporting standards and team capability.	Lower asset/portfolio valuation; higher cost of capital; increased liabilities from sanctions / greenwashing penalties/regulatory scrutiny.	High	Strengthen ESG reporting processes and align disclosures with IFRS Sustainability Disclosures requirements to improve transparency and credibility.	Medium
Business Ethics and Corporate Governance	Bribery & corruption in emerging markets	Medium | Medium	Fines / liabilities and exclusion from tenders; dependency on third-party integrity, internal controls, due diligence, leadership tone, and enforcement.	Potential regulatory fines / settlements; revenue decline from debarment / loss of partnerships; higher compliance and legal costs; goodwill impairment.	Very High	Implement / enforce anti-bribery program; training; risk-based third-party due diligence; controls for gifts / hospitality; whistleblowing; audits.	Medium

Material topic	Risk	Likelihood & time horizon	Potential impact on business model and value chain	Financial impact area (as assessed)	Current financial effect (band)	Management response	Anticipated financial effects after response (band)
Human Rights and Labor Practices	Workplace Harassment and Discrimination	Low | Short	Legal / regulatory exposure and increased costs due to low morale; dependency on training, enforcement, reporting mechanisms and leadership commitment.	Increased liabilities (penalties); higher Opex for investigations / trainings / HR actions; reduced productivity; indirect revenue impact.	Medium	Put in place clear policies; conduct training; establish safe reporting channels; ensure accountability and corrective action.	Low
Access to Health Care and Affordability	Pricing pressure from government & NGOs	High | Medium	Price controls limit revenue growth; rising costs not recoverable; dependency on payer negotiation frameworks and political environment.	Stagnant / declining revenue per unit; profitability pressure; delayed / cancelled investments; impairment risk; potential liabilities if quality affected.	Very High	Portfolio mix shift; operational excellence / cost optimization; evidence-based advocacy; explore export markets; protect quality and brand equity.	Medium
Access to Health Care and Affordability	Regulatory Risk (Pricing & Compliance)	Medium | Medium	Drug price controls / evolving regulations may constrain margins; dependency on demand shifts, competitor dynamics and macroeconomic conditions.	Revenue decline from product holds / shocks; increased liabilities from compliance exposure; higher Opex from remediation / refiling.	High	Engagement with regulators; focus on higher-margin products; advocate for sustainable pricing policies.	Medium
Anti-Microbial Resistance	Regulatory restrictions on antibiotic sales	High | Long	Reduced market size / revenues for key antibiotic brands; dependency on enforcement, pharmacy cooperation, awareness, access alternatives.	Decline in domestic sales; increased costs for stewardship / training, potential write-downs of brand and marketing assets associated with restricted products, obsolete inventory, non-compliance penalties.	High	Diversify portfolio; stewardship programs; export-focused capacity; regulator engagement; collaboration to maintain access while controlling OTC misuse.	Medium
Anti-Microbial Resistance	Over-promotion of antibiotics contributes to AMR, damaging credibility	Medium | Medium	Increased scrutiny and brand trust erosion; dependency on ethical marketing, outreach and stewardship adherence.	Potential revenue decline; higher Opex for compliance monitoring / education; longer-term brand value exposure.	Medium	Stewardship initiatives; training sales force; monitor promotional materials; collaborate with healthcare professionals.	Low
Diversity Equity & Inclusion (DEI)	Under representation of women and minorities	Medium | Medium	Reduced innovation potential and higher turnover; dependency on leadership commitment, inclusive hiring / promotion systems and practical support mechanisms.	Higher turnover costs; weaker intellectual capital; investment required for inclusive talent programs; reputational / compliance exposure.	Medium	Set targets; flexible work and safe transport; strengthen inclusive hiring / promotion; mentorship / sponsorship programs; monitor DEI KPIs.	Low

TABLE – SUSTAINABILITY-RELATED OPPORTUNITIES

Material topic	Opportunity	Likelihood & time horizon	Potential impact on business model and value chain	Financial impact area (as assessed)	Current financial effect (band)	Management response	Anticipated financial effects after response (band)
Supply Chain Management	Efficient supply chain ensures smooth market flow and brand reliability (Reliable logistics and strong vendor partnerships support timely product availability, improved service delivery, and consistent market supply. This enhances brand credibility and reliability while supporting uninterrupted market presence.)	High | Short	Improved availability and reliability; dependent on digital tracking, demand planning and supplier / logistics collaboration.	Stable sales / revenue continuity; lower distribution / storage costs; improved asset utilization and inventory turnover.	High	Supply chain digitalization; vendor relationship programs; integrated demand planning; increased local sourcing to reduce lead times.	Very High
Supply Chain Management	Resilient sourcing	High | Short	Multi-sourcing / local sourcing and tracking reduces disruption exposure; dependent on supplier relationships and technology investment.	Lower disruption volatility and costs; more reliable revenue; improved working capital control.	High	Multi-sourcing strategies; supply chain visibility tools; strengthen supplier partnerships focused on transparency and reliability.	Very High
Transparency & Reporting	Finance leadership in early adoption of ESG	High | Short	Strengthens governance integration and alignment with emerging disclosure expectations.	Improved valuation and lower financing risk; access to sustainable funding; cost of capital benefits.	High	Board-level oversight; integrate ESG metrics into planning/reporting; investor engagement; third-party assurance; consider green / transition finance.	Very High
Transparency & Reporting	High-quality ESG transparency improves ranking, investor appeal, trust	High | Medium	Enhanced positioning and stakeholder confidence; dependent on cross-functional data consolidation and narrative consistency.	Improved brand equity and investor perception; supports revenue potential and access to capital.	High	ESG disclosure roadmap aligned with regulatory / recognition indicators; strengthen internal coordination; use transparency in communications.	Very High
Business Ethics & Corporate Governance	Strong governance attracts investors	Medium | Medium	Builds investor confidence and strengthens access to capital; dependent on board oversight, transparent reporting and governance codes.	Lower cost of capital; improved valuation; access to ESG-linked programs; reduced reputational and regulatory liabilities.	Medium	Strengthen ESG governance with board oversight; align disclosures; third-party assurance; training; publish transparent sustainability / financial disclosures.	High
Business Ethics & Corporate Governance	Strong ethics and governance enhance credibility and sustainability	High | Medium	Supports compliance readiness and stakeholder trust; dependent on leadership and regulatory alignment.	Reputation and goodwill valuation uplift; reduced liabilities; potential partnership benefits.	Medium	Strengthen ethics frameworks and transparency; promote ESG disclosures; board oversight of marketing practices; integrate governance KPIs.	High

Material topic	Opportunity	Likelihood & time horizon	Potential impact on business model and value chain	Financial impact area (as assessed)	Current financial effect (band)	Management response	Anticipated financial effects after response (band)
Human Rights & Labor Practices	Worker Engagement & Rights	Medium | Short	Improved retention and productivity through structured feedback and engagement mechanisms.	Lower turnover and recruitment costs; stronger human capital; improved productivity; reduced employee relations risk.	Medium	Maintain feedback mechanisms; periodic HR / IR sessions; incorporate employee input into workplace improvements where appropriate.	High
Access to Health Care & Affordability	Reputation boost from equitable pricing	Medium | Long	Enhanced loyalty and stakeholder relationships; depends on authentic commitment and communication.	Revenue potential via volume / formulary placement; strengthening intangible assets (brand value).	Medium	Tiered pricing model; transparent communications; partnerships / case studies; embed access commitments into brand narrative.	High
Anti Microbial Resistance	Responsible marketing strengthens leadership in AMR management	High | Long	Supports public health outcomes and long-term credibility; dependent on alignment with AMR initiatives and stakeholder collaboration.	Strengthened brand equity; preferred partnerships; sustained revenue in critical therapy areas.	Medium	Educational evidence-based campaigns; collaboration with agencies; structured outreach to prescribers / public.	Very High
Diversity Equity & Inclusion (DEI)	Inclusive governance culture	High | Medium	Stronger decision-making and governance confidence; depends on leadership commitment and transparent DEI disclosures.	Reduced turnover costs; improved productivity; enhanced long-term asset value and investor confidence.	Medium	Establish DEI policies at board / management; integrate inclusive KPIs; training on unconscious bias and inclusive leadership.	High
Diversity Equity & Inclusion (DEI)	Diverse workforce drives innovation	High | Medium	Improved problem solving and administration; dependent on leadership, training and mentorship programs.	Lower long-term operating costs (turnover); increased human capital value; indirect benefits via reputation and reduced compliance risk.	Medium	Mentorship/training; equal opportunity practices; monitor DEI KPIs; internal / external communication celebrating diversity.	High

3.9. CLIMATE-RELATED RISKS AND OPPORTUNITIES (CRROS)

AGP also identified and assessed climate-related risks and opportunities associated with its material environmental topics, which includes:

- Climate Impact on Human Health and Infrastructure
- Energy Management
- Water Management
- Waste Management

These CRROs reflect the Company's exposure to climate-related transition risks and physical risks, evolving regulatory requirements, resource constraints and stakeholder expectations, and their potential effects on enterprise value.

3.10. CLIMATE-RELATED TRANSITION RISKS

Risks that arise from efforts to transition to a lower-carbon economy. Transition risks include policy, legal, technological, market and reputational risks. These risks could carry financial implications for an entity, such as increased operating costs or asset impairment due to new or amended climate-related regulations. The entity's financial performance could also be affected by shifting consumer demands and the development and deployment of new technology.

3.11. CLIMATE-RELATED PHYSICAL RISKS

Risks resulting from climate change that can be event-driven (acute physical risk) or from longer-term shifts in climatic patterns (chronic physical risk). Acute physical risks arise from weather-related events such as storms, floods, drought or heat waves, which are increasing in severity and frequency. Chronic physical risks arise from longer-term shifts in climatic patterns including changes in precipitation and temperature which could lead to sea level rise, reduced water availability, biodiversity loss and changes in soil productivity.

TABLE – CLIMATE-RELATED RISKS

Material topic	Risk classification	Risk	Likelihood & time horizon	Potential impact on business model and value chain	Financial impact area (as assessed)	Current financial effect (band)	Management response	Anticipated financial effects after response (band)
Climate Impact on Human Health & Infrastructure	Transition risk	Transition risks from carbon pricing & taxation	High | Medium	Higher carbon-related costs and asset stranding risk; dependency on regulatory frameworks, investor expectations, cleaner energy access, grid pathway.	Higher CapEx for upgrades / low-carbon tech; increased Opex for compliance / energy consumption.	High	Implement internal carbon pricing and GHG measurement; energy efficiency; electrification; renewables; integrate carbon into supply chain/commercial decisions.	Medium
Climate Impact on Human Health & Infrastructure	Physical acute risk	Supply chain disruptions due to extreme weather	High | Medium	Supply chain delays, higher logistics costs, reduced service levels; dependency on frequency / intensity of events, supplier preparedness, infrastructure resilience.	Revenue losses from stock-outs; higher working capital (safety stocks); higher insurance / emergency logistics / infrastructure costs.	High	Climate risk mapping; multi-sourcing; optimized safety stock; multi-carrier agreements; alternative routing; site hardening; digital visibility tools.	Medium
Climate Impact on Human Health & Infrastructure	Physical acute risk	Urban Floods and heat waves damaging manufacturing plants	Medium | Short	Physical damage may lead to production stoppages, higher insurance claims, reputational impacts due to supply interruptions, and reduced output. The Company's operations depend on reliable local infrastructure, utilities, water availability and workforce resilience.	CapEx for resilient infrastructure; higher Opex for preparedness; revenue losses from downtime.	High	Enhance drainage / flood protections; protect equipment; business continuity and disaster recovery; appropriate insurance coverage.	Medium
Climate Impact on Human Health & Infrastructure	Transition risk	Stakeholder pressure on carbon footprint	High | Long	Reputational / compliance impacts and competitiveness risk; Effective response depends on access to capital, quality of emissions data, transparent stakeholder engagement and supplier cooperation.	Revenue impacts from customer attrition; increased Opex for emissions management / reporting / de-carbonization.	High	GHG measurement / reporting; set reduction targets; supplier engagement (Scope 3); expand renewables; employee awareness programs.	Medium

Material topic	Risk classification	Risk	Likelihood & time horizon	Potential impact on business model and value chain	Financial impact area (as assessed)	Current financial effect (band)	Management response	Anticipated financial effects after response (band)
Energy Management	Transition risk	Rising energy costs due to grid reliance and increasing utility cost	High | Short	Higher cost base and production interruptions; dependency on grid reliability, tariffs, government policy, access to renewables.	Increased COGS / Opex; potential CapEx for alternative / renewable energy sources.	High	Energy efficiency initiatives; optimize energy-intensive processes; gradual onsite renewables (e.g., solar) deployment.	Medium
Energy Management	Transition risk	Inefficient energy usage	Medium | Short	Avoidable energy wastage; dependency on monitoring systems, awareness, oversight and technology upgrades.	Increased Opex; CapEx for upgrades; indirect reputational impacts.	Medium	Energy audits; staff training; continuous monitoring; upgrade to energy-efficient machinery and lighting.	Low
Waste Management	Transition risk	High disposal costs for expired / returned medicinal products	Medium | Medium	Higher costs and compliance risk; dependency on inventory planning / expiry management, training and compliant treatment facilities.	Inventory write-offs (COGS / assets); higher disposal / handling Opex; potential CapEx for stronger systems; reputational exposure.	Medium	Improve forecasting and expiry management; strengthen segregation; engage certified vendors; use digital inventory systems to reduce overstock / disposals and management of near expiry items.	Low
Waste Management	Transition risk	Poor compliance with waste laws	Medium | Short	Penalties / legal exposure; dependency on controls, audits, supplier oversight and consistent practices.	Potential regulatory penalties; legal liabilities; increased Opex for compliance and improvements.	Medium	Regular audits; enhanced monitoring; strengthen waste governance and reporting mechanisms.	Low
Waste Management	Transition risk	Lack of Waste Tracking Systems	Low | Short	Limited transparency and inefficiencies; dependency on digital tools, KPIs and monitoring.	Higher Opex from inefficient contracts; CapEx for tracking tools; regulatory risk from insufficient documentation.	Medium	Deploy tracking tools; set KPIs; integrate waste data into routine reporting; review vendor contracts for transparency and cost control.	Low
Water Management	Physical chronic risk	Water scarcity leading to production disruptions	Medium | Short	Operational disruption and higher cost base; dependency on municipal supply, RO system efficiency, recycling effectiveness.	Higher Opex (supply through tankers / maintenance); revenue loss from halted production / delays; investment in efficiency equipment / storage; reputational risk.	High	Water-efficient equipment; enhance RO efficiency with preventive maintenance; develop business continuity plan for water scarcity.	Medium

Material topic	Risk classification	Risk	Likelihood & time horizon	Potential impact on business model and value chain	Financial impact area (as assessed)	Current financial effect (band)	Management response	Anticipated financial effects after response (band)
Water Management	Physical chronic risk	Operational Disruption (water supply restrictions / contamination)	Medium | Short	Downtime and costs from alternative supply; dependency on backup supply / storage capacity and water risk planning.	Emergency water costs; investment in backup infrastructure/storage; indirect revenue loss from downtime; contractual/reputational exposure.	Medium	Backup supply and storage; water risk assessments; restricted-use scenarios planning; optimize efficiency; evaluate RO feasibility for backup solutions.	Low
Water Management	Physical chronic risk	Water pollution from effluents	Low | Short	Regulatory fines / remediation and reputational risk; dependency on treatment infrastructure, compliance monitoring and EMS.	Higher treatment / compliance Opex; CapEx for upgrades; potential liabilities (fines/litigation) and reputational impacts.	Medium	Upgrade effluent treatment; continuous monitoring; ensure compliance with discharge standards.	Low

TABLE – CLIMATE-RELATED OPPORTUNITIES

Material topic	Opportunity	Likelihood & time horizon	Potential impact on business model and value chain	Financial impact area (as assessed)	Current financial effect (band)	Management response	Anticipated financial effects after response (band)
Climate Impact on Human Health & Infrastructure	Green Financing & Incentives	High | Medium	Supports green investments and ESG outcomes; dependent on banks / DFIs engagement and available incentives.	Reduced financing and tax costs; improved project returns enabling ESG initiatives.	High	Engage with green finance schemes and sustainability-linked loan programs to support green projects and reduce financing costs.	Very High
Climate Impact on Human Health & Infrastructure	Investor preference for low-carbon models	High | Medium	Improves access to capital and valuation where disclosures and transition actions are credible.	Lower cost of capital; stronger valuation; supports CapEx in decarbonization; revenue upside from sustainable positioning.	High	Integrate low-carbon strategies; strengthen ESG disclosures; engage sustainability-linked instruments; third-party assurance; proactive investor engagement.	Very High
Energy Management	Energy efficiency and renewable sourcing reduces Opex	High | High	Lowers exposure to price volatility and emissions; dependent on resources and market dynamics.	Lower operating expenses and improved margins; reduced exposure to carbon taxes / penalties.	High	Gradual transition to renewables; monitor efficiency gains.	Very High

Material topic	Opportunity	Likelihood & time horizon	Potential impact on business model and value chain	Financial impact area (as assessed)	Current financial effect (band)	Management response	Anticipated financial effects after response (band)
Energy Management	Renewable adoption improves ESG score	High | Medium	Improves reputation and financing access; dependent on infrastructure availability, regulatory support and capital.	Upfront CapEx with ongoing energy savings; valuation uplift and financing access benefits; lower operational carbon exposure.	High	Integrate renewable energy; disclose progress in ESG reporting.	Very High
Waste Management	Corporate-wide zero-waste initiatives	Medium | Long	Reduces landfill and improves ESG credentials; dependent on supplier collaboration, recycling infrastructure and engagement.	Investment required, with long-term reduction in disposal costs; revenue potential via stronger ESG positioning and stakeholder trust.	Medium	Segregation and recycling programs; collaborate with recyclers / circular partners; employee training; disclose progress.	High
Water Management	Water recycling & reuse reduces costs	High | Medium	Reduces dependency on freshwater and utility costs; strengthens resilience and relations in water-scarce areas.	Upfront investment with reduced ongoing water purchase costs; improved ESG performance; mitigated regulatory risk / environmental liabilities.	High	Deploy recycling / closed-loop systems; monitor KPIs; process improvements; leverage subsidies / green financing; internal awareness for optimizing usage.	Very High
Water Management	Innovation in treatment technologies	Medium | Medium	Lowers long-term water purchase and pollution risks; depends on investment, permits, maintenance capacity.	Upfront treatment assets investment; reduced ongoing utility / disposal costs; improved operational resilience.	Medium	Explore grey-water / rainwater reuse; pilot treatment technologies; maintain RO and treatment plants; ensure compliance.	High
Climate Impact on Human Health & Infrastructure	Green building certifications	Medium | Long	Long-term efficiency gains and stakeholder trust; dependent on budget, financing, vendors and certification bodies.	Initial CapEx offset by long-term Opex savings and potential incentives; brand and asset quality improvements.	Medium	Pursue certification program; energy monitoring / reporting; retrofit lighting / HVAC / insulation; annual sustainability audits.	High

4. GOVERNANCE

4.1 OVERALL GOVERNANCE STRUCTURE

AGP Limited's governance framework is designed to provide effective oversight of strategy, performance, risk management, and sustainability and climate-related matters that could reasonably be expected to affect enterprise value. The Board of Directors is the highest governance body and is supported by Board committees and management-level structures.

During the year, AGP strengthened its governance framework through the establishment of an ESG Committee, providing focused oversight of sustainability and climate-related risks and opportunities (SRROs and CRROs) across the organization and value chain.

GOVERNANCE STRUCTURE

Refer to page number 16 of Company Overview

TABLE – GOVERNANCE BODIES AND MANDATES

Governance Body	Primary Mandate	Relevance to Sustainability & Climate
Board of Directors	Overall oversight of strategy, performance, risk management, and governance	Oversees SRROs and CRROs affecting enterprise value
Audit Committee	Financial reporting, internal controls, risk management, audit, compliance	Oversees sustainability risks relevant to financial reporting and disclosures
Human Resource & Remuneration Committee	People strategy, remuneration, culture, succession, workforce governance	Oversees social matters, workforce risks, DEI, and ethical culture
ESG Committee	Sustainability and climate oversight	Oversees ESG strategy, SRROs, CRROs, disclosures, and stakeholder engagement
Senior Management	Execution and implementation	Identifies, manages, and reports SRROs and CRROs

4.2 BOARD OF DIRECTORS' OVERSIGHT

The Board of Directors anchors AGP's governance through robust governance and compliance frameworks, with an emphasis on ethics, integrity, accountability, and long-term value creation. The Board oversees sustainability and climate-related matters as part of its oversight of strategy, enterprise risk management, and major business decisions.

The Chair of the Board plays a central role in ensuring that sustainability and climate-related considerations are embedded in AGP's vision, mission, strategic priorities, and evaluation of significant investments and transactions.

4.3 BOARD SKILLS AND COMPETENCIES

The Board of Directors assesses whether it has the appropriate skills and competencies to oversee sustainability-related and climate-related risks and opportunities, including those identified in the Company's sustainability and climate risk and opportunity assessment.

The Board comprises directors with experience across key areas relevant to AGP's business and operating context, including finance and accounting, audit and risk management, manufacturing and operations, supply chain management, corporate governance, ESG advisory and senior executive leadership. These competencies support the Board's ability to consider the strategic, financial, and operational implications of sustainability-related and climate-related matters.

In addition, the Board benefits from directors with financial and audit expertise who are able to evaluate the potential financial impacts of sustainability and climate-related risks, alongside directors with exposure to sustainability, ESG, and climate-related topics, supporting informed consideration of regulatory developments, transition risks, and stakeholder expectations.

The Board periodically considers whether additional skills or competencies are required to effectively oversee sustainability- and climate-related matters. Where relevant, capability gaps may be addressed through targeted training or access to external subject-matter expertise, consistent with AGP's governance and development practices.

4.4 ROLE OF BOARD COMMITTEES

AGP's management roles and responsibilities for governance and oversight are supported by Board-level committees.

AUDIT COMMITTEE

The Audit Committee assists the Board by providing independent oversight of financial reporting integrity, internal controls, enterprise risk management, and compliance. Sustainability-related risks are considered where relevant to financial reporting, controls, and disclosures, including those arising from regulatory, operational, and reputational exposure.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Human Resource and Remuneration Committee oversees people strategy, remuneration, leadership development, succession planning, and workforce governance. It supports the Board in monitoring workforce-related sustainability matters, including employee wellbeing, diversity and inclusion, ethical conduct, and grievance mechanisms.

Climate-related considerations are not currently incorporated into executive remuneration. Executive management remuneration during the reporting period was not linked to climate-related performance indicators. The Company will continue to evaluate this alignment as its climate-related governance and performance management practices evolve.

ESG COMMITTEE

In 2025, AGP established an ESG Committee to strengthen governance of sustainability and climate-related matters and to support informed Board-level decision-making. The ESG Committee comprises members of the Board of Directors and provides strategic oversight of the Company's sustainability agenda, including climate-related risks and opportunities.

The ESG Committee is responsible for overseeing the development and implementation of AGP's ESG strategy and roadmap, ensuring the integration of material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) into the Company's overall corporate strategy and capital allocation processes. The Committee also reviews key climate-related initiatives, including those related to energy management, water management, waste management, and emissions reduction, and oversees the quality, completeness, and consistency of sustainability-related disclosures.

ESG COMMITTEE STRUCTURE

Refer to page number 5 and 16 of Company Overview

TABLE – ROLES AND RESPONSIBILITIES OF THE ESG COMMITTEE

Area	ESG Committee Role
Strategy	Oversee ESG strategy and roadmap, ensuring that sustainability considerations including environmental compliance obligations and climate-related risks and opportunities are integrated into corporate strategy, business planning, and capital allocation decisions.
Risk and Opportunity	Review material sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs), including the evaluation of trade-offs between environmental impacts, regulatory compliance requirements, operational feasibility, and business growth objectives when making strategic and investment-related decisions.
Climate	Review and guide initiatives related to energy management, water management, waste management, emissions reduction, and climate resilience, ensuring alignment with applicable environmental laws, regulatory approvals, and evolving climate expectations.
Disclosure	Oversee the quality, completeness, and consistency of sustainability-related disclosures, including transparency regarding key decisions where trade-offs between sustainability risks and opportunities have been considered.
Stakeholders	Monitor ESG-related stakeholder engagement, including consideration of community, regulatory, employee, and other stakeholder perspectives when assessing sustainability-related trade-offs and decision outcomes.
Capacity Building	Support the development of ESG governance frameworks, data systems, internal controls, and organisational awareness to strengthen the Company's ability to identify, evaluate, and manage sustainability-related trade-offs over time.

Management supports the ESG Committee through regular reporting, analysis, and operational inputs. While the ESG Committee retains overall oversight responsibility, management is responsible for implementing approved initiatives and integrating climate-related considerations into day-to-day operations. Management currently relies on existing internal controls, policies, and procedures embedded within core business functions such as environment, health and safety, procurement, operations, finance, and risk management to support oversight of climate-related risks and opportunities. These controls are integrated within routine planning, budgeting, capital expenditure approval, compliance monitoring, and performance review processes, enabling climate-related matters to be identified, managed, and escalated through established governance channels.

This governance structure reflects AGP's current stage of sustainability maturity and provides a foundation for progressive enhancement of management-level oversight, data governance, and sustainability and climate-related decision-making in future reporting periods.

4.5 INFORMATION FLOW AND OVERSIGHT

Sustainability-related risks and opportunities are communicated to the Board through AGP's enterprise risk management framework, periodic management reporting, and Board committee reviews, particularly via the Audit Committee.

Historically, climate-related matters were communicated primarily through the Environment, Health and Safety (EHS) function. Following the establishment of the ESG Committee, responsibility for the structured reporting of climate-related risks and opportunities to the Board has been formally assigned to the Committee, including oversight of key areas such as greenhouse gas emissions, energy consumption, climate-related risks and opportunities, and related metrics, targets, and disclosures.

TABLE – INFORMATION FLOW FOR SUSTAINABILITY AND CLIMATE MATTERS

Level	Information Provided	Frequency
Operations / Functions	SRROs, CRROs, performance data	Ongoing
Management	Consolidated risk and performance updates	Periodic
ESG Committee	ESG and climate oversight reports	Periodic
Board	Strategic risks, disclosures, decisions	Aligned with meetings

4.6 INTEGRATION WITH RISK MANAGEMENT AND DECISION-MAKING

AGP integrates sustainability-related risks and opportunities into its enterprise risk management framework, which informs strategic decision-making, operational planning, and mitigation actions overseen by the Board of Directors. The Board considers risk governance a critical element in achieving sustainable growth and has implemented a comprehensive risk management framework to identify, analyse, and mitigate strategic, financial, operational, reputational, legal, and compliance risks. Climate-related risks and opportunities are currently integrated through EHS policies and standard operating procedures designed to identify, monitor, and mitigate physical climate risks.

Going forward, the ESG Committee will lead efforts to further formalize the integration of climate-related risks and opportunities into enterprise risk management processes.

Sustainability and climate-related considerations are taken into account in decisions on major transactions and capital investments. During the evaluation of significant capital expenditures, AGP assesses long-term financial impacts, potential cost savings, operational efficiencies, and environmental considerations alongside financial returns.

4.7 SUSTAINABILITY-RELATED POLICIES AND CODES

AGP's governance framework is underpinned by a set of policies and codes that guide ethical conduct, risk management, environmental stewardship, workforce practices and product quality. These policies support the management of SRROs and CRROs and reinforce accountability across the organization.

Code of Conduct

The Code of Conduct establishes expectations for ethical behavior, integrity, compliance with laws and regulations, and responsible engagement with stakeholders. It addresses matters such as anti-bribery and corruption, conflicts of interest, fair dealing and whistleblowing, and is applicable to employees and relevant third parties. The Code supports the management of governance-related risks, including ethical and reputational risks.

Risk Management Policy

The Risk Management Policy defines the framework for identifying, assessing, monitoring and mitigating risks across the business. It provides the foundation for integrating sustainability-related and climate-related risks into enterprise risk management, supporting consistent evaluation of risks that may affect enterprise value.

EHS and Integrated Management System (IMS) Policy

The EHS and IMS Policy governs environmental protection, occupational health and safety, and operational controls across AGP's sites. It supports the management of climate-related and environmental risks, including energy use, water management, waste management and workplace safety, and underpins compliance with applicable environmental and safety regulations.

Human Resource Management Policy

The Human Resource Management Policy addresses labor practices, employee wellbeing, diversity and inclusion, training and development. It supports the management of social risks, including human rights, workplace safety, discrimination and talent retention, and contributes to long-term organizational resilience.

Quality Manual

The Quality Manual defines AGP's quality management system and supports product quality, patient safety and regulatory compliance. It is central to managing risks related to product quality, recalls, regulatory non-compliance and reputational impact, which are critical to the pharmaceutical sector.

4.8 TARGETS, MONITORING, AND INCENTIVES

AGP intends to establish sustainability-related and climate-related targets through its ESG Committee, taking into account material risks and opportunities, business priorities, operational feasibility, and evolving regulatory and stakeholder expectations.

Progress towards sustainability-related objectives is monitored through management reporting and the review of operational data, including energy use, water consumption, and fuel usage. At present, AGP has not established formal climate-specific key performance indicators (KPIs) or explicit linkages between sustainability performance and remuneration. However, the Company intends to progressively evaluate and integrate selected sustainability and climate-related indicators into its management performance framework over time. AGP recognizes the importance of strengthening performance measurement and incentive alignment and continues to evaluate opportunities to enhance these mechanisms as governance and data maturity evolve.

4.9 INTERNAL CONTROLS AND ASSURANCE

AGP employs internal control systems, enterprise risk management procedures, and audit mechanisms to ensure effective oversight of sustainability and climate-related risks. Oversight is exercised through management controls, internal audit, Audit Committee reviews, Board oversight, and external audit engagement.

Operational controls further support climate-related risks oversight, with the EHS function monitoring key climate-relevant metrics. Collectively, these controls provide a robust foundation for enhancing the reliability of sustainability-related disclosures over time.

4.10 GOVERNANCE MATURITY AND CONTINUOUS IMPROVEMENT

AGP recognizes that its sustainability and climate-related governance framework will continue to evolve, particularly in the context of its first-time adoption of IFRS sustainability reporting. Governance processes, data quality and internal controls will be progressively strengthened as regulatory expectations evolve and sustainability considerations become more deeply embedded within strategy and operations.

The establishment of the ESG Committee, supported by Board oversight, management accountability and robust policies, provides a strong foundation for the ongoing development of AGP's sustainability and climate-related governance practices.

5. STRATEGY

AGP Limited's strategy is designed to support long-term enterprise value creation by addressing identified sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) in a proportionate, governance-led, and disciplined manner. It reflects the outcomes of the materiality assessment, SRRO and CRRO identification processes, and the Company's existing operational practices, control frameworks, and governance arrangements.

The Board of Directors, supported by the Audit Committee and the ESG Committee, oversees the integration of sustainability and climate considerations into strategic planning, capital allocation, and operational decision-making. Strategic responses are informed by AGP's enterprise risk management framework, environmental and operational oversight mechanisms, supply chain governance, and financial planning processes.

AGP's strategic approach emphasizes resilience, compliance readiness, and disciplined execution, while maintaining flexibility to respond and adapt to evolving regulatory expectations, market conditions, and sustainability and climate-related developments.

5.1 STRATEGIC APPROACH TO SUSTAINABILITY AND CLIMATE-RELATED MATTERS

The Company's strategy is designed to protect and enhance enterprise value by considering sustainability and climate-related risks and opportunities that could reasonably be expected to affect its financial performance, financial position, and future prospects. These considerations are embedded within the Company's core strategic and operational decision-making processes, rather than being addressed through standalone sustainability initiatives.

Material SRROs and CRROs are identified through structured assessment processes and have been incorporated into enterprise risk management and governance frameworks. This ensures that sustainability and climate considerations are evaluated alongside broader business, regulatory, and financial priorities.

Governance oversight is exercised at both Board and management levels, with coordination led by the ESG Committee to ensure consistency, accountability, and strategic alignment across relevant functions. This integrated approach enables informed decision-making and prudent risk management, even in areas where quantitative climate scenario analysis has not yet been applied.

5.2 STRATEGIC OBJECTIVES AND FOCUS AREAS

Based on the materiality assessment and the identified SRROs and CRROs, AGP's strategy focuses on the following interrelated areas:

Operational Resilience and Resource Management
AGP emphasizes disciplined management of energy, water, and waste to support operational continuity, regulatory compliance, and cost efficiency. Current practices in energy performance, water management and waste management help mitigate exposure to both physical and transition-related risks, while supporting the stability and resilience of operations.

Supply Chain Robustness and Compliance Readiness
Given AGP's reliance on global suppliers and imported inputs, strategic emphasis is placed on supplier oversight, regulatory documentation, and contingency planning. These measures strengthen resilience against supply chain disruptions, evolving regulatory expectations, and geopolitical as well as sustainability and climate-related uncertainties affecting logistics and procurement.

Governance, Transparency, and ESG Integration
AGP's governance framework, anchored in Board oversight and the establishment of the ESG Committee, supports the structured integration of sustainability and climate-related matters into strategy, reporting, and decision-making processes.

People, Ethics, and Social Responsibility
Strategic focus on workforce practices, business ethics, access to healthcare, and antimicrobial stewardship reinforces long-term reputation, strengthens stakeholder trust, and ensures alignment with evolving regulatory and societal expectations.

5.3 INTEGRATION OF SRRO'S AND CRRO'S INTO STRATEGIC DECISION-MAKING

Identified SRROs and CRROs inform strategic considerations across planning, operations, and governance. Sustainability-related matters are incorporated into ERM discussions, reviewed by management and escalated to the Board through established governance channels. Operational and environmental information, assessed through existing management processes, further informs sustainability and climate-related oversight, which is progressively strengthened through the ESG Committee.

Strategic trade-offs are evaluated by balancing near-term financial and operational priorities with longer-term resilience, compliance, and efficiency outcomes, thereby ensuring alignment between sustainability considerations and AGP's overall business objectives.

5.3.1 Integration of sustainability and climate considerations into financial planning

Historically, the Company did not explicitly classify climate-related risks and opportunities as a distinct category within its financial planning framework. Nevertheless, environmental, operational and ethical considerations have consistently been embedded within budgeting, capital allocation and investment decision-making processes.

During the reporting period, the Company initiated actions to more formally integrate climate-related considerations into financial planning. This includes incorporating climate-related factors into capital expenditure prioritization, particularly in relation to renewable energy, water conservation and waste-management initiatives. Scenario-based assessments are also being progressively introduced to evaluate the potential financial implications of sustainability and climate-related disruptions, thereby strengthening long-term financial resilience.

5.4 SUSTAINABILITY AND CLIMATE-RELATED STRATEGIC RESILIENCE

AGP's business model and operational activities inherently incorporate sustainability and climate-related considerations across supply chain management, technical operations including engineering functions and administrative processes. These practices provide day-to-day resilience against sustainability and climate-related disruptions; however, the Company acknowledges the need to formalize them within a structured climate resilience framework.

For the reporting year, AGP applied qualitative, scenario-based strategic considerations to assess the resilience of its strategy under a range of plausible sustainability and climate-related pathways. These considerations are informed by identified SRROs and CRROs, operational and environmental information reviewed by management, and governance oversight mechanisms.

These scenarios do not represent forecasts or quantified financial projections. Instead, they serve as analytical lenses to evaluate how AGP's existing strategy, controls, and governance arrangements may perform under differing external conditions. Looking ahead, AGP intends to develop a dedicated framework that defines how climate considerations are integrated into strategy, identifies relevant resilience metrics, and supports ongoing monitoring of the business model's adaptability to sustainability and climate-related changes and uncertainties.

5.4.1 Scenario selection

AGP selected three climate scenarios to represent contrasting yet plausible climate futures, providing a decision-useful range of outcomes for resilience assessment. The scenarios were deliberately chosen to capture a wide spectrum of potential pathways, ensuring that resilience considerations reflect diverse external conditions:

Scenario Pathway	Strategic Context	Primary Areas of Influence
Orderly Transition	Gradual and coordinated evolution of climate-related regulation, market expectations, and technology adoption	Energy costs and price volatility; compliance readiness; operational efficiency and performance
Physical Risk Escalation	Increasing frequency and severity of physical climate impacts, including heat stress, flooding events, and water availability constraints	Water availability and stewardship; site resilience and operational continuity; logistics and supply chain reliability
Delayed / Disorderly Transition	Abrupt or uncoordinated regulatory and market responses following a period of limited climate action	Cost volatility; governance responsiveness; flexibility in capital allocation and operational planning

The use of different pathways enables AGP to assess resilience under both favorable and adverse climate futures. AGP's manufacturing operations are highly dependent on grid-based electricity supply and reliable water availability, particularly in Karachi and surrounding regions that face persistent water stress and infrastructure constraints. The selected scenarios therefore provide a relevant framework for assessing potential impacts arising from energy system transition, physical climate stress on water resources, and evolving regulatory and stakeholder expectations within Pakistan's operating environment. Together, these scenarios allow AGP to evaluate both transition-related and physical climate risks that are most likely to influence its long-term operational resilience and cost structure.

5.4.2 Orderly transition pathway

Under an orderly transition pathway, AGP's strategy demonstrates resilience through its emphasis on operational performance, governance oversight, and compliance readiness. Existing initiatives in on-site renewable electricity generation, electricity consumption management, and energy performance help moderate exposure to grid-related cost volatility and transition pressures.

Water management and waste management practices further reinforce regulatory alignment and operational continuity as expectations evolve progressively. Oversight by the Board and ESG Committee enables early identification of transition-related implications and their measured integration into business planning. Strategic implications include:

Strategic implications include:

- 01 Greater predictability of utility-related operating costs
- 02 Enhanced readiness for evolving disclosure and regulatory requirements
- 03 Reinforcement of long-term operational performance without disruptive change

5.4.3 Physical risk escalation pathway

The physical risk escalation pathway assumes increasing frequency and severity of climate impacts, including heat waves, flooding events, and water availability constraints.

Under this pathway, AGP's resilience is supported by operational controls and infrastructure for water treatment, recycling, and alternative sourcing, as reflected in EHS and operational data. Physical climate risks are currently monitored through EHS-led awareness and control mechanisms.

Supply chain-related SRROs become more pronounced in this scenario, as logistics disruptions and upstream dependencies intensify. Existing supplier oversight, documentation review, and contingency arrangements provide a foundation for managing these exposures.

Strategic implications include:

- Heightened importance of operational continuity and workforce protection 01
- Increased reliance on water management and site-level controls 02
- Greater focus on supply chain resilience and logistics preparedness 03

5.4.4 Delayed or disorderly transition pathway

The delayed or disorderly transition pathway reflects a scenario in which regulatory or market responses to climate change occur abruptly following a period of limited action.

In such circumstances, AGP's strategy benefits from governance-led decision-making and the flexibility embedded within capital and operational planning processes. Identification of material SRROs and CRROs, together with Board and ESG Committee oversight, supports timely escalation and prioritization of responses.

Existing investments in efficiency, compliance systems, and operational controls provide buffer against sudden cost pressures or regulatory shifts, while maintaining optionality in strategic responses.

Strategic implications include:

- 01 Short-term volatility in costs and compliance requirements
- 02 Increased reliance on governance structures for rapid decision-making
- 03 Great importance of flexibility in capital allocation and operational planning

5.4.5 Cross-scenario strategic strength

Across all pathways, AGP's strategy demonstrates a consistent emphasis on governance, operational discipline, and adaptability rather than reliance on scenario-specific commitments.

Key strengths observed across scenarios include:

- 01 Integration of SRROs and CRROs into enterprise risk management
- 02 Board oversight supported by the ESG Committee
- 03 Operational practices that enhance resilience to both physical and transition risks
- 04 Use of existing data and controls to inform strategic judgement

This cross-scenario perspective indicates that AGP's strategy is structured to remain robust under a range of plausible external conditions. As governance, data quality, and analytical capabilities continue to evolve, these scenario-based considerations provide a foundation for progressively strengthening strategic integration over time.

5.4.6 Scope and methodology

The climate scenario analysis covers consolidated AGP operations, including manufacturing facilities, energy and water dependencies, and key supply chain exposures. The assessment was conducted on CRROs previously identified through AGP's climate risk assessment process. Both physical climate risks acute and chronic, and transition risks were evaluated, together with relevant climate-related opportunities.

Each identified climate-related risk and opportunity was assessed under the selected climate scenarios across short, medium and long-term time horizons. The assessment considered scenario-specific drivers and assumptions, potential strategic impacts on AGP, qualitative financial implications, the level of organizational preparedness and adaptability, and the severity of stress under each scenario.

The scenario analysis does not assume material changes to AGP's business model. Instead, it evaluates the resilience of the Company's current operating structure and planned activities under alternative climate pathways, supporting an assessment of potential vulnerabilities and adaptive capacity under future climate conditions.

AGP intends to review and update its climate scenario analysis on a periodically, and at least annually, to reflect developments in climate science, regulatory frameworks, market conditions, data availability and changes in the Company's operating environment.

The scope, assumptions and scenarios applied will be reassessed over time to ensure continued relevance and decision usefulness, with enhancements incorporated as the Company's climate data systems and analytical capabilities mature.

5.4.7 Key judgements and estimations

In preparing the climate-related scenario analysis and associated disclosures, management applied significant judgement in several areas.

Key judgements included the selection of climate scenarios most relevant to AGP's operating context, the determination of appropriate time horizons for assessing climate-related impacts, and the identification of climate-related risks and opportunities reasonably expected to affect the Company's strategy and financial performance.

Judgement was also exercised in evaluating the severity of risks under each scenario, particularly where qualitative and quantitative financial impacts could not be reliably quantified due to limitations in data availability and uncertainty regarding future policy, technology development, and market responses.

In addition, management assessed the extent to which current mitigation and adaptation measures contribute to organizational resilience, taking into account AGP's degree of control over external factors such as national energy infrastructure, water availability, and supply chain dependencies.

The scenario analysis was based on a number of core assumptions. These include sustained growth in pharmaceutical demand across the Company's core markets, the continuation of the existing geographic footprint of manufacturing and operations, and an energy system primarily reliant on grid electricity with gradual penetration of renewable energy sources. The analysis further assumes the ongoing water stress conditions in Karachi and surrounding regions, rising stakeholder expectations for climate transparency and disclosure, and assuming no major relocation of manufacturing facilities during the assessment period.

The scenario analysis does not assume radical changes to AGP's business model. Instead, it evaluates the resilience of the Company's current and planned operating structure under alternative climate pathways, enabling assessment of potential vulnerabilities and adaptive capacity under differing future climate conditions.

To ensure consistency and comparability across scenarios, additional macroeconomic and operational boundary assumptions were applied, including the assumption of no major acquisitions or divestments during the assessment period, continuation of AGP's existing production footprint and manufacturing locations, and baseline demand growth aligned with historical pharmaceutical market trends. The analysis further assumes continuity of core product portfolios and operating scale, enabling assessment of climate-related impacts on AGP's current and planned operations rather than on hypothetical changes to the business structure.

While the current scenario analysis is primarily qualitative, AGP recognizes the importance of progressively enhancing quantitative assessment of climate-related financial impacts. The Company intends to improve quantification over time through expanded data collection, enhanced energy and water monitoring systems, and development of internal analytical methodologies. These initiatives will support more granular assessment of financial impacts as data maturity and modelling capabilities improve.

5.5 SUSTAINABILITY STRATEGY (OTHER THAN CLIMATE)

AGP's sustainability strategy is centered on managing material sustainability-related risks and opportunities that could reasonably be expected to affect the Company's enterprise value over the short (0-2 years), medium (3-5 years), and long term (more than 5 years).

5.5.1 Supply Chain and Operational Resilience

The strategy emphasize strengthening supply chain resilience by addressing key risks such as supplier dependency, documentation gaps, monopolistic sourcing arrangements, and geopolitical disruptions. Strategic actions include supplier diversification, enhancing traceability, optimizing inventory planning, and fostering coordination between procurement and quality functions. Together, these measures aim to safeguard business continuity and revenue stability.

5.5.2 Transparency and Reporting

AGP's transparency and reporting strategy is grounded in producing high-quality, comprehensive disclosures that align with recognized reporting practices and stakeholder expectations, as reflected in its Silver Award at the SAFA Best Presented Annual Report and accolades, including the BCSR Awards. The Company emphasises robust governance, clear communication of performance and material topics, and ongoing enhancement of reporting processes to support accountability and stakeholder confidence.

5.5.3 Workforce, Ethics, and Governance

AGP's strategy mitigates workforce and governance-related SRROs by embedding ethical conduct, fair labor practices and strong internal controls across operations. Leadership and oversight is reinforced through Board committees and the ESG Committee, ensuring accountability and leadership alignment. These measures reduce legal, reputational, and operational risks while fostering employee engagement, organizational resilience and long term effectiveness.

5.5.4 Access, Affordability, and Responsible Practices

In response to risks and opportunities related to access to healthcare, affordability, AGP's strategy emphasizes responsible portfolio management, ethical marketing practices, strict regulatory compliance, and stewardship principles to support long-term brand credibility and stakeholder trust.

5.5.5 Diverse Workforce

AGP's approach to Diversity, Equity and Inclusion is centered on fostering an inclusive workplace culture where diverse perspectives are valued, equitable opportunities are provided, and employees can thrive irrespective of background. This is supported by systematic DEI practices and recognition through Global Diversity, Equity & Inclusion Benchmarks (GDEIB) awards across multiple categories, reflecting AGP's sustained commitment to integration of DEI into its organisational culture and people practices.

5.5.6 Antimicrobial Resistance

AGP's strategy on antimicrobial resistance centres on improving appropriate antimicrobial use and patient awareness through targeted educational initiatives and healthcare professional engagement. In line with best practice and regulatory expectations, AGP has incorporated AMR-oriented messaging such as "Proper dose, quick recovery" into product information and campaigns to support responsible use and enhance patient understanding of efficacy and safety. Also AGP arranged AMR Seminars across Pakistan to increase awareness.

5.6 CLIMATE STRATEGY

AGP's climate strategy has been based on the climate-related risks and opportunities outlined in Section 3, particularly those associated with energy use, water scarcity, waste management, physical climate hazards, and transition-related regulatory and cost pressures.

As AGP has not yet conducted quantitative climate scenario analysis, the climate strategy reflects a qualitative, preparatory approach centered on resilience, operational efficiency, and governance readiness.

Climate scenario analysis has been performed on a qualitative basis. The absence of quantitative and sophisticated modelling at this stage means the Company's climate strategy remains preparatory, with emphasis on resilience, operational efficiency, and governance readiness.

The Company maintains a comprehensive Property All Risks insurance policy covering major acute physical climate-related perils, including earthquake (fire and shock), flood, windstorm, cyclone, and other atmospheric disturbances. The coverage also includes Business Interruption (Loss of Gross Profit) arising from insured property damage during the indemnity period.

Accordingly, a significant portion of the potential financial exposure associated with acute physical climate risks including loss of revenue and coverage of certain fixed operating costs during business interruption is mitigated through the existing insurance program.

However, while insurance provides financial risk transfer and short- to medium-term earnings protection, it does not eliminate operational disruption, reputational impacts, or long-term structural climate risks. As the policy is issued on a composite "All Risks" basis, premiums are not apportioned by individual peril, and therefore the proportion specifically attributable to climate-related hazards and associated business interruption risks cannot be separately quantified.

5.6.1 Energy and Emissions

AGP's strategic priorities include improving energy performance, strengthening monitoring of electricity consumption, and progressively evaluating renewable energy opportunities where operationally and financially feasible. Current initiatives such as energy audits, process optimization, and renewable deployment provide a solid foundation for managing energy cost exposure and transition-related risks.

5.6.2 Water Management

AGP addresses water-related risks by maintaining and optimizing treatment and recycling systems, improving water-use efficiency, and strengthening contingency planning for supply disruptions. These measures enhance operational resilience and support ongoing regulatory compliance.

5.6.3 Waste and Environmental Management

AGP's strategic priorities for waste management include minimizing waste generation at source, strengthening segregation and tracking practices, engaging certified disposal vendors, and exploring recycling and circularity opportunities where feasible. These measures help manage costs while reducing environmental risks and supporting compliance with sustainability commitments..

5.7 TIME HORIZONS CONSIDERED IN STRATEGY

AGP's sustainability and climate strategy considers short, medium, and long-term time horizons consistent with those applied in the identification and assessment of SRROs and CRROs (refer to Section 3).

5.8 FINANCIAL EFFECTS OF SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

During the reporting period, climate-related risks and opportunities had a limited but identifiable impact on the Company's financial position, financial performance and cash flows. Expenditure increased primarily due to environmental compliance activities, waste-management enhancements and regulatory requirements, including statutory environmental fees and costs associated with addressing historical non-compliances.

Sustainability-related risks influenced the Company's financial position through their impact on assets, liabilities, and risk provisioning. Climate-related disruptions, product quality risks, and regulatory compliance exposures heightened the need for strengthened governance controls and, in certain areas, higher provisions for potential liabilities and contingencies. At the same time, investments in governance frameworks, quality systems, and product lifecycle management improved asset integrity, reduced impairment risks, and supported the long-term resilience of the financial position. Overall, while sustainability-related risks increased oversight and control requirements, effective risk management supported financial position stability during the reporting period.

In parallel, the Company initiated targeted capital expenditure planning related to sustainability initiatives, including feasibility assessments and vendor evaluations for renewable energy solutions, water-efficiency measures, and enhanced waste-management systems. These initiatives were undertaken to strengthen operational resilience and support longer-term efficiency improvements.

Operational efficiency measures implemented during the reporting year contributed to improved resource utilization and moderate cost savings, partially offsetting incremental climate-related expenditures incurred during the reporting period. These measures reinforced the Company's commitment to balancing sustainability investments with financial discipline.

5.8.1 Anticipated short, medium and long-term financial effects

AGP anticipates that sustainability and climate-related risks and opportunities will affect its financial position, performance, and cash flows differently across following time horizons.

Short term (0-2 years)

- The Company anticipates moderate financial impacts, primarily driven by higher operating expenses associated with rising temperatures, increased energy consumption, and supply chain variability arising from climate-related disruptions.
- Sustainability and climate-related risks are expected to place pressure on the Company's financial position through higher operating costs, increased compliance and control investments, and potential increases in provisions related to regulatory, product quality, environment, health and safety and supply chain risks. These factors may affect working capital efficiency and short-term liabilities as mitigation measures are strengthened.

Medium term (3-5 years)

- More pronounced but strategically beneficial financial effects are expected. Planned upgrades in waste management systems, hazardous waste handling, and compliance-aligned disposal processes may initially increase depreciation and operating expenses; however, these measures are expected to enhance operational continuity and reduce environmental and regulatory risk exposure.
- Effective management of sustainability-related risks and opportunities is expected to stabilize the financial position by reducing the likelihood of asset impairments, major product recalls, regulatory penalties, and litigation. Investments in governance systems, production controls, and supply chain resilience are expected to improve asset utilization and enhance predictability of liabilities.

Long term (beyond five years)

- AGP expects climate-resilient systems, renewable energy solutions, and resource-efficiency investments to deliver meaningful operational and financial benefits. Solar energy installations are expected to reduce reliance on conventional or grid based electricity, while modernized water and waste management systems are anticipated to lower long-term resource consumption and environmental risk mitigation costs.
- Sustainability-related opportunities are expected to have a positive impact on the financial position by protecting asset values, lowering structural risk exposure, and reducing contingent liabilities. Overall, proactive sustainability management is expected to strengthen financial position resilience and support long-term enterprise value creation.

5.8.2 Risks of material adjustment to assets and liabilities

Based on the climate-related risk and opportunity assessment conducted during the reporting period, AGP identified sustainability and climate-related factors, with potential financial implications. These risks primarily relate to extreme weather events that may disrupt supply chains, logistics operations, or production activities.

Such disruptions could result in inventory damage, delays in distribution, or temporary operational inefficiencies and prolonged disruptions may increase the likelihood of additional provisions for supply chain contingencies, contract penalties, or remediation costs.

Product quality risks may give rise to inventory write-downs, product recalls, or provisions associated with customer claims and regulatory actions. Supply chain and inventory management risks could lead to obsolescence or damage of raw materials and finished goods, thereby affecting inventory carrying values. Regulatory and compliance risks may require recognition or reassessment of provisions for penalties, legal claims, or remediation costs, while environment, health and safety-related risks may result in obligations for environmental remediation or employee-related obligations.

Conversely, opportunities arising from strengthened governance frameworks, quality systems, and operational controls are expected to reduce the need for certain provisions and improve asset recoverability, thereby supporting financial resilience. Overall, the most significant near-term sensitivities relate to inventory quality, regulatory compliance, and environmental and safety obligations. However, as of the reporting date, management has not identified sustainability or climate-related risks or opportunities that are considered highly probable to result in material adjustments to the carrying amounts of assets or liabilities within the next reporting period. Asset categories that remain most sensitive to sustainability and climate-related risks include inventories, property, plant and equipment, trade payables, and accruals related to energy and compliance costs.

5.8.3 Expected changes in financial position

In the short term, AGP expects limited changes to its financial position as sustainability and climate-related risk management actions are implemented primarily through enhanced planning, operational controls, and incremental operating expenditures. Some pressure on working capital may arise from inventory buffering and logistics adjustments; however, management does not anticipate material changes to the financial position, performance or cash flows within this horizon.

In the medium term, improved supply chain planning, operational efficiencies, and business continuity measures are expected to enhance financial position resilience by reducing the likelihood of inventory losses, asset impairments, and unplanned liabilities. These measures are expected to contribute positively to financial performance by stabilizing operating costs and improving predictability of cash flows.

In the long term, effective management of sustainability and climate-related risks and opportunities is expected to support a more durable financial position by protecting asset integrity, reducing structural exposure to climate disruptions, and limiting contingent liabilities. Investments in climate-resilient systems and resource-efficiency initiatives are anticipated to deliver meaningful operational benefits, thereby strengthening the Company's financial position, supporting sustainable performance, and enhancing long-term cash flow stability.

5.8.4 Investment plans and sources of funding

AGP's sustainability and climate-related strategy is supported by ongoing capital expenditure focused on energy efficiency, process optimization, environmental compliance, and supply chain resilience. These investments are directed primarily toward upgrading existing facilities and operational processes rather than acquisitions, divestments, or asset retirements.

The strategy is expected to be funded mainly through internally generated cash flows and existing banking facilities with sustainability and climate-related initiatives integrated into the Company's routine capital and operating expenditure planning processes. This integration ensures alignment with overall financial capacity and liquidity considerations, and the Company's broader business strategy. Where required, capital investments may be supported through existing banking facilities to manage short-term liquidity needs. Overall, the strategy is designed to be implemented without reliance on dedicated external sustainability financing, thereby reinforcing consistency with the Company's financial position, performance, and cash-flow generation.

5.8.5 Expected changes in financial performance and cash flows

In the short term, AGP's financial performance may remain under pressure due to energy cost volatility, logistics challenges, and sustainability and climate-related compliance expenses. Some impact of cash flows is expected from higher operating costs and selective capital expenditure, while working capital efficiency may be affected by inventory buffering and logistics adjustments. However, management does not anticipate material changes to the overall financial position within this time horizon.

In the medium term, efficiency improvements, process optimization, and enhanced operational resilience are expected to moderate cost pressures and support margin stability. These measures are anticipated to strengthen financial performance by stabilizing operating costs and improving predictability of cash flows, while reducing the likelihood of inventory losses, asset impairments, and unplanned liabilities.

In the long term, sustained focus on climate resilience, operational efficiency, and risk management is expected to contribute to more stable and improved financial performance. Cash flows are expected to follow a similar trajectory, with short-term impacts from higher operating costs and capital expenditure, giving way to greater predictability and stability as exposure to sustainability and climate-related volatility reduces. Over time, this is expected to support a more durable financial position by protecting asset integrity, reducing structural exposure to climate disruptions, and limiting contingent liabilities.

Sustainability-related risks had a direct bearing on the Company's financial performance during the reporting period, particularly through pressures on revenue and operating costs. Product quality and ethical compliance risks carried the potential for lost sales, reputational damage, regulatory penalties, and higher remediation costs, which negatively affected margins.

Conversely, sustainability-related opportunities arising from strong governance practices, ethical conduct, and effective sustainability management supported revenue stability, enhanced market confidence, and contributed to steady sales performance. These benefits were partially offset by increased operating expenses associated with compliance, quality assurance, and risk mitigation initiatives.

5.8.6 Effects on business model and value chain

Sustainability and climate-related risks currently affect AGP's business model and value chain primarily through exposure to extreme weather events, such as urban flooding, which may disrupt production activities, logistics, and supplier operations. These disruptions have the potential to affect financial performance and cash flows through inventory damage, delay in distribution and supplier inefficiencies. In addition, efficiency initiatives related to waste management, renewable energy adoption, and water conservation require incremental investment, resulting in short-term cost impacts.

At the same time, sustainability and climate-related opportunities include sustainability-driven initiatives and community-focused activities, such as beach cleaning and mangrove plantation programs, which contribute to environmental stewardship while incurring limited additional expenditure. These initiatives enhance stakeholder confidence and reinforces AGP's commitment to responsible business practices.

Looking ahead, AGP anticipates that sustainability and climate-related disruptions may require further diversification of suppliers and more robust logistics planning to safeguard operational continuity. Opportunities are also emerging in sustainable packaging solutions and environmentally responsible product practices, which are expected to support revenue stability and market differentiation. In addition, anticipated tightening of climate regulations is expected to influence future capital allocation decisions, operational practices, and strategic investment priorities, with implication for the Company's financial position, performance, and cash flows.

6 RISK MANAGEMENT

AGP manages sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) through its existing ERM framework and supporting operational control systems. Sustainability and climate considerations are evaluated within the Company's broader risk universe and are assessed, monitored and escalated through established governance channels, including management reviews and Board-level oversight, principally via the Audit Committee. The ESG Committee provides additional coordination for ESG matters, ensuring integration across functions.

AGP's risk management approach is designed to support disciplined identification, assessment, and prioritization of risks that could reasonably be expected to affect enterprise value over the short, medium and long term. It also ensures consistent implementation of mitigation actions through accountable ownership and ongoing monitoring, thereby, reinforcing resilience in the Company's financial position, performance, and cash flows.

6.1 POLICIES AND PROCESSES USED TO IDENTIFY, ASSESS, MONITOR, AND MANAGE SRROs AND CRROs

AGP's risk management policy establishes a structured approach for managing risks across the organization, including:

01 Risk identification at functional and site level

02 Risk assessment using defined likelihood and impact considerations and assignment of risk ratings

03 Risk response planning, including mitigation actions and assignment of accountable owners

04 Ongoing monitoring and reporting, including periodic review and escalation through management and governance forums

These processes are evidenced through AGP's function- and site-level risk registers (2025) (Admin & Security; BD/NPD/RA & Exports; HR; IS; Supply Chain; Plant 1; Plant 2; Plant 3), which document risks, ratings, controls/mitigations, ownership, and monitoring status.

6.1.1 Inputs and parameters used (including scenario analysis, where applicable)

Inputs used in AGP's risk assessment and monitoring include:

- Internal operational and compliance information captured through management processes and control functions (including EHS oversight for environment-related matters).
- Business and operational considerations reflected in functional risk registers (e.g., supply chain continuity, regulatory readiness, workforce-related risks, operational reliability).
- Governance inputs through periodic reviews and escalation mechanisms.

AGP has not evidenced the use of quantitative scenario modelling within its ERM framework for SRROs/CRROs in the documentation provided. Where qualitative scenario-based considerations are applied (refer Section 5), these are used primarily as analytical lenses for resilience rather than as quantified parameters within ERM processes. This approach reflects management's current emphasis on qualitative evaluation and governance oversight, while highlighting the potential for future integration of quantitative modelling to strengthen risk assessment and alignment with financial position, performance, and cash flow considerations.

6.1.2 How AGP assesses the nature, likelihood and magnitude of effects

AGP's risk registers reflect an assessment approach that distinguishes between:

01 Inherent risk (before mitigation), and

02 Residual risk (after considering existing controls / mitigations)

Supported by the use of likelihood/impact-type considerations and risk ratings captured at register level, alongside documented controls and action plans. This enables AGP to evaluate risks on a consistent basis and determine management responses proportionate to the risk exposure.

6.1.3 How AGP prioritizes sustainability-related and climate-related risks

Prioritization is performed through the ERM process using relative risk ratings and management judgement to focus attention on risks with higher potential implications for operational continuity, compliance, cost stability, and enterprise value protection. Risks requiring escalation, enhanced monitoring, or structured action planning are prioritized through management reviews and governance oversight.

6.1.4 How AGP monitors SRROs/CRROs

Monitoring is performed through:

- Progress tracking of mitigation actions and control effectiveness within risk registers (including status updates and ownership);
- Periodic reviews through management channels; and
- Escalation to governance bodies where appropriate (including Audit Committee oversight and ESG Committee coordination for ESG matters).

Environment-related risks are additionally monitored through EHS operational controls and management oversight mechanisms.

6.1.5 Changes in processes

AGP's ERM framework remains the core mechanism for risk management. However, the establishment of the ESG Committee represents a governance-strengthening measure intended to enhance coordination and oversight of ESG-related matters, including the identification of SRROs and CRROs. This addition reinforces governance integration within the broader risk universe and supports Board level oversight. Beyond this enhancement, no further process changes, such as adjustments to methodology, thresholds, or formal integration mechanisms, have been evidenced in the documentation provided.

6.2 INTEGRATION OF SRRO/CRRO RISK MANAGEMENT INTO THE OVERALL ERM FRAMEWORK

AGP's risk management processes for SRROs and CRROs are not separate stand-alone systems; rather, they are implemented through the Company's existing ERM architecture and risk register practices across functions and sites. This supports integration into:

- Broader operational and compliance controls;
- Management review and escalation pathways; and
- Governance oversight structures, including Board/Audit Committee oversight and ESG Committee coordination.

SRROs and CRROs identified at function and site levels are periodically consolidated through the Company's ERM reporting cycle. Risks assessed as significant based on defined impact and likelihood thresholds are escalated to the enterprise-level risk register and reported to the Board/Audit and ESG Committees as part of regular governance reporting.

6.3 LINKAGE TO GOVERNANCE, STRATEGY, AND METRICS & TARGETS

This Risk Management section is designed to be directly linkable to:

- **Governance (Section 4):** oversight through the Board and its committees, with ESG Committee coordination;
- **Strategy (Section 5):** strategic responses are informed by the prioritized SRROs/CRROs and mitigation actions tracked through ERM; and
- **Metrics & Targets (Section 7):** monitoring of relevant indicators (e.g., operational resource metrics) supports risk monitoring and management decision-making, where metrics are used as management information.

7 METRICS AND TARGETS

AGP manages SRRIOs and CRRIOs through its enterprise risk management framework and supporting operational control systems. Sustainability and climate-related considerations are evaluated within the Company's broader risk universe and are assessed, monitored, and escalated through established governance channels, including management reviews and Board-level oversight, primarily via the Audit Committee, with coordination support from the ESG Committee.

AGP uses sustainability and climate-related metrics to provide decision-useful information regarding exposure to SRRIOs and CRRIOs, to support governance oversight, and to strengthen the integration of sustainability considerations into strategic and operational decision-making. The metrics disclosed in this section reflect information currently monitored across AGP's operations and governance processes and are intended to provide transparency regarding matters relevant to enterprise value.

AGP is currently progressing towards the establishment of formal quantitative and qualitative climate-related targets, including greenhouse gas (GHG) emissions reduction targets. While the Company is not subject to any regulatory requirements mandating such targets for the reporting period, it has initiated a structured evaluation to define measurable sustainability and climate-related objectives. This process is being undertaken in alignment with evolving regulatory expectations, enhancement of data maturity, and the Company's broader operational and strategic priorities. Accordingly, detailed target characteristics, such as defined metrics, organizational and operational scope, base year, and time horizons are under development and will be disclosed in future reporting periods as part of AGP's continued advancement towards more comprehensive and decision-useful sustainability reporting.

Approach to Metrics and Target-Setting

AGP's approach to metrics and targets is designed to:

- Support oversight of sustainability- and climate-related risks and opportunities identified through the materiality assessment and risk evaluation processes;
- Provide management and the Board with indicators relevant to operational performance, regulatory exposure, and resource dependency; and
- Strengthen the consistency, quality, and governance of sustainability-related information over time.

At this stage, AGP monitors a defined set of operational and governance metrics considered decision-useful and sufficiently reliable for disclosure. While formal sustainability- and climate-related targets are not yet established across all areas, the governance structures necessary to support future target-setting, monitoring, and review are in place.

7.1 CLIMATE-RELATED METRICS

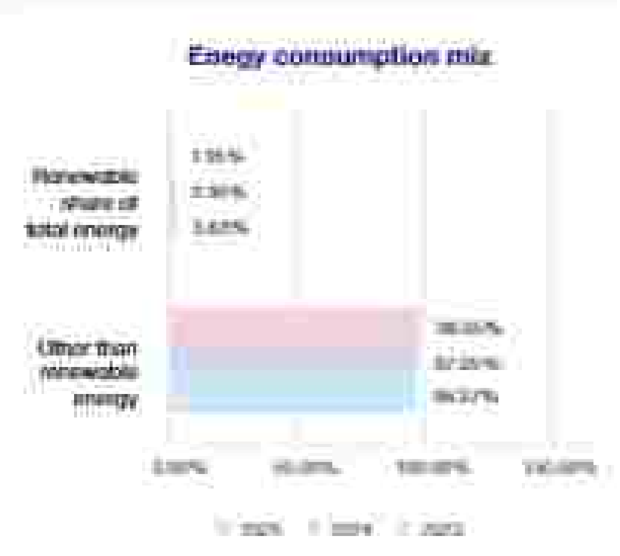
7.1.1 Energy Consumption and Energy Mix

Energy consumption is a key indicator of AGP's exposure to transition-related risks, including energy price volatility, supply reliability, and operational efficiency considerations.

During the reporting period, total energy consumption was influenced by production activity levels and operational requirements. The share of energy sourced from renewable inputs reflects the composition of the energy mix available during the period.

TABLE - ENERGY CONSUMPTION AND ENERGY MIX (2023–2025)

Metric	Unit	2023	2024	2025
Total energy consumption	GJ	54665	68823	90021
Electrical energy from grid	GJ	17725	19188	23081
Energy from non-renewable fuels	GJ	34955	47606	65187
Electrical energy from solar	GJ	1985	2029	1753
Renewable share of total energy	%	3.63	2.95	1.95



Total energy consumption increased over the reporting periods, primarily reflecting the Company's operational growth, including an approximate 27% increase in production volumes. The upward trend also corresponds with capacity expansion initiatives and the commissioning of new facilities, along with associated HVAC systems, which are essential to maintaining quality and compliance standards.

Electricity generated from solar sources remained a consistent component of the energy mix; however, a temporary decline in 2025 was observed due to the execution of multiple expansion projects, during which certain solar panel strings were relocated. This reduction is operational and transitional in nature, with renewable energy integration remaining a key focus area as part of the Company's ongoing sustainability strategy.

7.1.2 Scope 1 and Scope 2 Emissions

AGP reports Scope 1 and Scope 2 greenhouse gas (GHG) emissions as indicators of exposure to transition-related risks associated with fuel use, electricity consumption, and energy sourcing.

During the reporting period, Scope 1 and Scope 2 greenhouse gas emissions reflected operational activity levels, energy consumption patterns, and the composition of the energy mix.

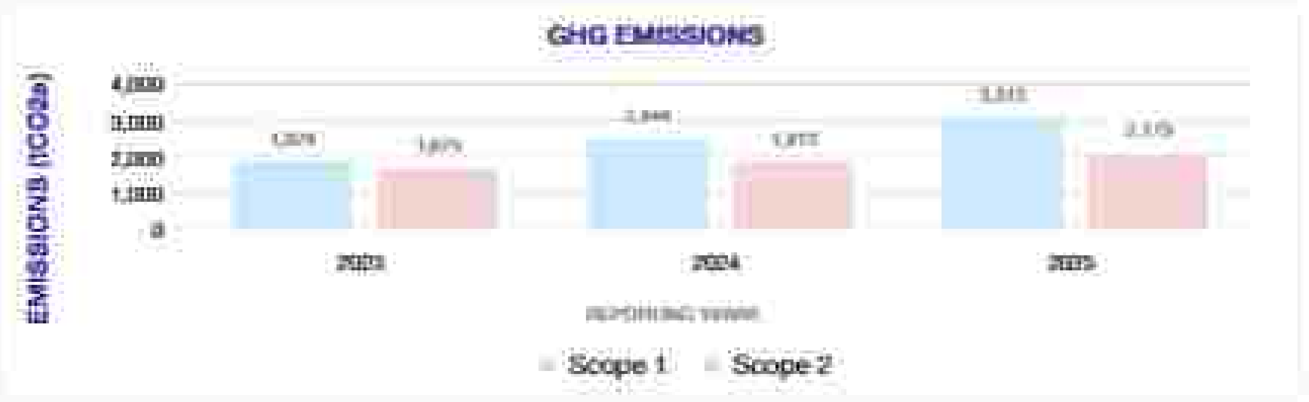
AGP calculates Scope 1 and Scope 2 emissions in accordance with the GHG Protocol, consistent with IFRS S2 requirements. Emissions are consolidated using the operational control approach, covering facilities where AGP has authority to direct operational policies.

Emission factors are sourced from:

- Intergovernmental Panel on Climate Change (IPCC)Guidelines for National Greenhouse Gas Inventories (2006/2019);
- GHG Protocol Emission Factor Database; and
- Electricity emission factors published by National Electric Power Regulatory Authority (NEPRA) and the International Energy Agency (IEA).
- Scope 1 emissions are calculated using actual activity data for natural gas and diesel consumption. No material assumptions are applied. AGP is progressing efforts to assess Scope 3 emissions in future reporting periods.

TABLE - SCOPE 1 AND SCOPE 2 EMISSIONS (2023–2025)

Metric	Unit	2023	2024	2025
Scope 1 emissions	tCO2e	1,824	2,444	3,313
Scope 2 emissions	tCO2e	1,675	1,813	2,179
Total Scope 1 + Scope 2 emissions	tCO2e	3,499	4,257	5,493



7.1.3 Water Withdrawal and Consumption

Water availability and reliability are relevant to AGP's operational continuity and exposure to physical climate-related risks, particularly in water-stressed operating contexts.

During the reporting period, total water withdrawal and consumption were driven by operational requirements across AGP's facilities. AGP recycled 1.9% of total process water during the reporting period through reuse of RO reject water in cooling tower operations. This initiative supports improved water efficiency and reduces dependence on freshwater withdrawals, consistent with AGP's resource management objectives.

TABLE - WATER WITHDRAWAL AND CONSUMPTION (2023–2025)

Metric	Unit	2023	2024	2025
Total water withdrawn	m³	52,711	53,788	71,564

The increase in total water withdrawal from 2023 to 2025 is primarily attributable to the approximately 27% growth in production volumes during the same period, reflecting business expansion and enhanced operational output. While absolute water consumption has risen, this increase is aligned with higher production rather than operational inefficiency. AGP remains committed to improving water efficiency and strengthening sustainable water management practices by promoting responsible freshwater use, including initiatives such as reuse of process water and operational optimization. The Company is also working to expand the reuse of treated water for suitable non-potable applications and plans to enhance monitoring systems through the installation of advanced measurement and digital tracking tools to support better visibility, efficiency, and transparency in water management.

Water Discharge and Effluents

AGP has an operational effluent treatment plant and maintains effluent management practices through its Environment, Health and Safety framework. Quantitative discharge volumes are not currently disclosed on a consistent basis for sustainability reporting purposes. AGP intends to strengthen the completeness and consistency of water discharge information as reporting practices continue to mature.

7.1.4 Waste and Environmental Management Metrics

Waste-related metrics provide insight into AGP's exposure to operational, regulatory, and cost-related considerations associated with waste handling and disposal.

During the reporting period, total waste generation was influenced by operational activity levels and prevailing waste management practices.

TABLE - WASTE GENERATED AND CLASSIFICATION (2023-2025)

Metric	Unit	2023	2024	2025
Total waste generated	tonnes	245.4	247.75	318.4
Hazardous waste	tonnes	13.4	22.75	36.4
Non-hazardous waste	tonnes	232	225	282

The 29.8% increase in overall waste from 2023 to 2025 are primarily associated with the 27.2% increase in production during the same period, this indicates that the rise in waste is primarily driven by higher operational output and expanded manufacturing activity rather than a decline in waste management controls. As production scaled up, greater raw material usage, packaging consumption, and process residues naturally contributed to higher overall waste volumes.

The increase also reflects improved segregation, classification, and compliance practices, ensuring that hazardous streams are properly identified and managed rather than being co-disposed as general waste. Non-hazardous waste fluctuations similarly correspond to changes in operational intensity and packaging usage.

AGP discloses waste generation by hazardous and non-hazardous categories, reflecting the level of detail currently monitored for sustainability reporting purposes. More granular waste-stream classifications are managed operationally and may be progressively incorporated into future disclosures.

AGP remains committed to strengthening waste management practices through strict adherence to a color-coded segregation system across all departments, along with ongoing efforts to reduce both hazardous and non-hazardous waste through process optimization and material reuse. Regular internal audits and inspections are conducted to monitor performance, support continuous improvement, and ensure compliance with applicable environmental regulations.

7.1.5 Performance Monitoring Status

AGP's disclosed metrics provide a foundation for understanding exposure to sustainability and climate related risks and opportunities and for strengthening performance monitoring over time.

At present:

- AGP monitors operational metrics relevant to climate-related exposure, including energy consumption, greenhouse gas emissions, water use, and waste generation.
- Oversight of these metrics is supported through management review processes and governance structures, including the ESG Committee.
- AGP continues to evaluate the appropriateness of formalizing targets, baseline definitions, and monitoring methodologies in a phased and proportionate manner.

7.2 NON-CLIMATE SUSTAINABILITY METRICS

7.2.1 Supply Chain Management

AGP monitors selected supply chain indicators to support procurement oversight, supplier compliance, and risk management.

TABLE - SUPPLY CHAIN METRICS

Supply Chain Metric	Unit	2025
Total number of active suppliers	Number	379
Hazardous waste	Number	174
Non-hazardous waste	Number	205
Non-hazardous waste	%	89

AGP's Tier I suppliers representing 90% or more of total purchasing costs are audited through recognized third-party programs, including EDQM, US FDA, and EcoVadis. Approximately 75% of Tier I supplier facilities participate in one or more such programs.

AGP manages a high-volume of supply chain with approximately 600–700 import deliveries annually, achieving an on-time delivery rate of around 89% for inbound materials. For exports, the Company maintained an on-time delivery performance of 90%, reflecting the effectiveness of its supply chain operations and logistics management.

7.2.2 Transparency and Reporting

AGP monitors transparency and reporting practices to support regulatory compliance, data reliability, and stakeholder trust. AGP demonstrates its commitment to high-quality corporate reporting and governance transparency, evidenced by multiple recognitions including the Silver Award at the SAFA Best Presented Annual Report awards and top placements at Best Corporate & Sustainability Report (BCR) Awards.

AGP positions transparent governance and stakeholder engagement as core to its sustainability framework, aligning disclosures with material issues that impact operations and contribute to shared value creation.

TABLE - TRANSPARENCY & REPORTING INDICATORS

Indicator	Status
Sustainability-related policies documented and approved	Yes
Defined reporting governance structure	Yes
Stakeholder engagement mechanism in place	Yes
Identification of key stakeholder groups	Yes
Internal data owners assigned for disclosures	Yes
Frequency of stakeholder engagement activities	Multiple meetings yearly no defined frequency
Sustainability disclosures included in annual report	Yes

7.2.3 Business Ethics & Corporate Governance

AGP monitors ethics and governance through employee coverage under the Code of Conduct, training, whistleblowing mechanisms, and governance oversight. Anchored by robust governance and compliance frameworks, AGP upholds the highest standards of ethical and accountable behavior across all operations, ensuring integrity, credibility and trustworthiness at every level.

AGP's consecutive recognition in the BCSR Awards for the last six years reflect our unwavering commitment to transparency, strong governance practices and high-quality corporate reporting aligned with global standards.

TABLE - BUSINESS ETHICS & CORPORATE GOVERNANCE METRICS

Metric	Unit	Quantity
Employees covered under Code of Conduct	%	100
Total amount of monetary losses as a result of legal proceedings associated with false marketing claims	Number	0
Total amount of monetary losses as a result of legal proceedings associated with corruption and bribery	Number	0
Independent directors on the board	Number	2
Total number of confirmed incidents of corruption	Number	0

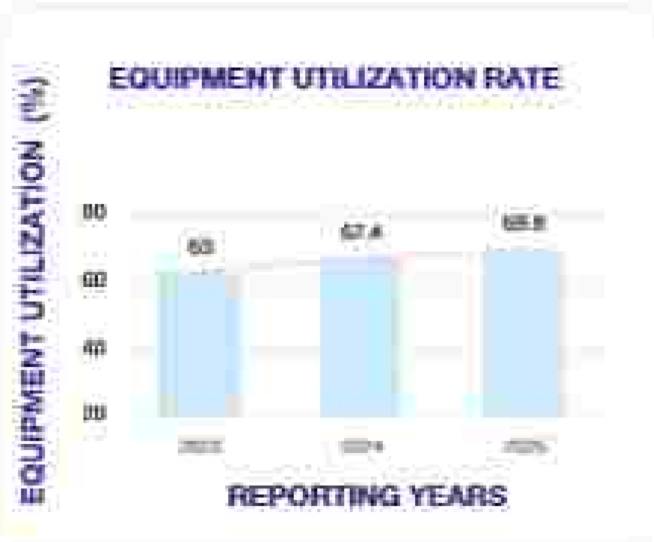
7.2.4 Operational Efficiency

AGP monitors a range of social and product responsibility-related metrics to support oversight of sustainability-related risks and opportunities across its operations and value chain. These metrics are embedded within existing governance, compliance, and operational monitoring processes and are used to inform management review and decision-making.

AGP defines operational efficiency as the optimal use of resources, utilities, manpower, and processes to ensure consistent production output while minimizing downtime, energy consumption, and environmental impact. Performance is monitored through key indicators such as Overall Equipment Effectiveness (OEE), energy utilisation, preventive maintenance effectiveness, and process optimization, with fortnightly management reviews led by the Director Technical Operations. During the reporting period, AGP initiated structured initiatives including energy management systems, enhanced preventive maintenance, and operator skill alignment, integrated into budgeting, planning, and Quality Risk Management processes to support cost optimization and long-term operational resilience.

TABLE - OPERATIONAL EFFICIENCY METRICS

Metric	Unit	2023	2024	2025
Waste per unit of production	Kg/unit	0.0001854	0.00026	0.00028
Inventory turnover ratio	Number	3.51	3	4



During the reporting period, improvements in energy intensity, equipment utilisation, and inventory turnover reflect ongoing efficiency initiatives, while variations in waste intensity highlight areas targeted for further process optimisation.

7.3 MONITORING OF SOCIAL AND PRODUCT RESPONSIBILITY METRICS

AGP monitors a range of social and product responsibility-related metrics to support oversight of sustainability-related risks and opportunities across its operations and value chain. These metrics are embedded within existing governance, compliance, and operational monitoring processes and are used to inform management review and decision-making.

7.3.1 Human Rights & Labour Practices

AGP is committed to upholding internationally recognised human rights and fair labour practices across its operations, supported by formal policies on ethical conduct, non-discrimination, health and safety, and employee wellbeing. The Company promotes a safe, inclusive, and respectful workplace through compliance with applicable labour laws, structured HSE management systems, employee training, and established grievance and disciplinary mechanism.

TABLE - HUMAN RIGHTS AND LABOUR PRACTICES METRICS

Metric	Unit	2023	2024	2025
Total number of incidents of discrimination	Number	0	0	0
Number of work related injuries	Number	0	0	0

During the reporting period, AGP reported zero incidents of discrimination and no work-related injuries, reflecting the effectiveness of its labour practices and occupational health and safety controls. AGP is focused on workforce policies and benefits framework in line with applicable labour regulations and evolving workforce requirements.

7.3.1.1. Employees Training & Wellbeing

AGP Limited maintains a comprehensive, structured talent development and reward framework designed to strengthen workforce capability, support fair labour practices, and enhance long-term enterprise value. AGP's approach to human rights and labour practices is anchored in a rights-based framework that integrates employee welfare, safe working conditions, fair remuneration, and freedom from discrimination across its operations. The Company delivers role-based on-the-job training across technical operations and field force functions, embedding practical skill development into workflows to accelerate competency and professional progression. Career development is supported through specialized programs in formulation development, analytical techniques, regulatory compliance, Good Manufacturing Practices (GMP), Quality Assurance, pharmaceutical sales excellence, and lean manufacturing. Annual skills assessments identify capability gaps and inform personalized learning plans for employees across functions. A dedicated Learning Management System (LMS) provides accessible online courses, certifications, and regulatory modules, while EHS training reinforces safe working conditions and regulatory compliance. Career growth is further strengthened through cross-functional exposure, industry conferences, mentoring, succession planning and career counseling, demonstrating AGP's commitment to continuous employee advancement and internal capability building.

Leadership development forms a core pillar of AGP's talent strategy. Structured programs are delivered across supervisory, middle management, and senior leadership levels, covering decision-making, team leadership, strategic thinking, organizational effectiveness, and change management. Senior leaders, including the CHRO and CFO, have completed advanced programs at leading institutions such as LUMS, IBA, and ICAP, complemented by international exposure in Japan, Turkey, and China.

AGP also engages external trainers and leadership coaches to strengthen managerial effectiveness and people-management capability. A strong mentoring culture is embedded, with senior leaders directly coaching teams and sharing global pharmaceutical insights. The LMS enables virtual leadership learning across locations, while field force teams receive specialized coaching in sales effectiveness and customer relationship management. This integrated approach builds a robust internal leadership pipeline, reinforces ethical and accountable leadership, and supports long-term organizational sustainability.

AGP complements its development architecture with a comprehensive incentive and employee welfare framework designed to attract, motivate, and retain talent. Performance-based variable pay operates across sales, marketing, and support functions using transparent metrics aligned with individual and organizational objectives. Competitive salaries are benchmarked to the pharmaceutical sector.

Non-management employees participate in the Workers' Profit Participation Fund (WPPF) with a 5% bonus, and broader bonus structures reward performance across departments. A flagship Pay Continuation Plan provides five years of salary support to an employee's family in the event of death during service, reflecting a strong commitment to employee dignity and family financial security. The benefits package includes life insurance (24 salaries natural death; 48 salaries accidental death), health coverage, Provident Fund, Leave Fare Assistance, subsidized meals, fuel support, company vehicles, mobile allowances, and technology provisions.

AGP's leave and wellbeing policies further reinforce good labour practices. Employees benefit from expanded leave entitlements (including 42 days of leave with accumulation provisions), paid maternity leave upto 112 days and paid Hajj/ religious (pilgrimage trips) leave (up to 45 days once during tenure), reflecting respect for religious and family commitments. Additional pilgrimage support is available for employees of different faiths. Work-life balance is supported through standard leave allocations and wellbeing initiatives. Recognition programs celebrate high performers, reinforcing a culture of meritocracy and engagement. AGP further reinforces labour rights through occupational health and safety measures, provision of safety gear, emergency health services, and workplace infrastructure designed for accessibility and dignity. Social protection initiatives including educational scholarships for workers' children, Ramadan support packages, subsidized meals, and healthcare facilities.

Collectively, AGP's integrated approach to training, leadership development, compensation, and employee welfare demonstrates alignment with international principles on human capital management, supporting workforce resilience, retention, ethical employment practices, and sustainable organizational performance.

TABLE - EMPLOYEES TRAINING INDICATORS

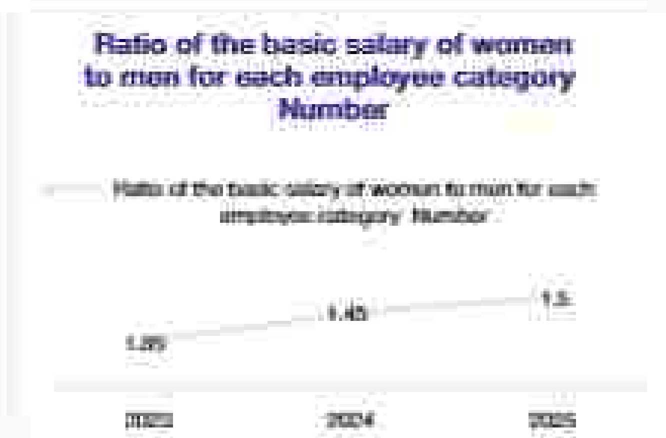
Metric	Unit	2023	2024	2025
Average hours of training that the organization's employees have undertaken during the reporting period				
BREAKDOWN BY GENDER				
Female	Hours	7.1	7.8	8.3
Male	Hours	6.9	7.1	7.8
BREAKDOWN BY EMPLOYEE CATEGORY				
Senior Management	Hours	8.1	8.9	9.4
Middle Management	Hours	6.8	6.9	7.1
Staff	Hours	7.5	7.7	7.8
Employees who received a regular performance and career development review (%)				
BREAKDOWN BY GENDER				
Female	%	5.7	5.2	5.1
Male	%	94.3	94.8	94.9
EMPLOYEE CATEGORY				
Senior Management	%	1.8	2.3	2.5
Middle Management	%	43.3	50.7	52.2
Staff	%	54.9	47.0	45.3

7.3.2 Diversity, Equity & Inclusion (DEI)

AGP fosters a diverse, equitable and inclusive workplace culture, underpinned by policies and practices that support equal opportunity, respect for individual differences, and employee engagement. The Company's efforts in embedding DEI principles across its workforce and organisational culture have been recognised through multiple Global Diversity, Equity & Inclusion Benchmarks (GDEIB) awards in nine categories, reflecting sustained performance in inclusion and diversity practices.

TABLE - DEI METRICS

Metric	Unit	2023	2024	2025
Total employees	Number	2871	2939	3344
Percentage of female employees	%	9.1	7.8	7.4



AGP's Board composition reflects ongoing attention to diversity and inclusion, with one female director who is also a member of an underrepresented social group consistently serving on the Board during the reporting period. The ratio of basic salary of women to men across employee categories remained above parity and indicating equitable remuneration practices.

7.3.2.1. DEI Initiatives and Achievements

AGP advances diversity, equity and inclusion (DEI) through its training, talent and culture programs by expanding access to opportunity, strengthening belonging, and supporting women and underrepresented groups in the workplace. Equal-access training across employee levels enables merit-based progression and reduces discrimination risk, while structured mentorship and leader-led coaching reinforce respectful, supportive workplace relationships. AGP's inclusive early-career pathways are strengthened through the SEED internship program, which builds a diverse talent pipeline and creates economic opportunity and social mobility for disadvantaged and underrepresented backgrounds. The company operationalizes DEI through measurable actions such as gender diversity targets, gender pay gap assessments, and inclusive hiring and retention programs including dedicated return-ship pathways for women and financial empowerment collaborations. AGP also fosters an inclusive culture by recognizing and celebrating religious and cultural diversity through equitable pilgrimage policies and multicultural events, reinforcing belonging across its workforce. Targeted support mechanisms such as safe transportation for women, flexible work arrangements for working mothers, and partnerships that enhance women's financial inclusion address structural barriers to workforce participation.

In 2025, AGP's DEI progress was externally recognized through winning 12 GDEIB (Gender, Diversity, Equity, Inclusion, Belonging) award categories, reflecting the systematic integration of inclusion principles into onboarding, leadership development and broader organizational culture. AGP also supported women's wellbeing and retention through initiatives such as the Empowering Women's Mental Wellness Retreat, which focused on psychological safety, resilience and belonging, and reinforced women's right to work and career continuity through the HIMMATWALI program.

Looking ahead, AGP plans to further strengthen DEI through scaling inclusive internships (SEED 3.0) with structured mentoring, feedback mechanisms and leadership exposure, and launching self-defense training for women employees to enhance safety, confidence and a respectful workplace environment. Stakeholder engagement including employees, HR leadership, senior management, operational teams and external inclusion partners continues to shape DEI-related actions, with effectiveness monitored through surveys, LMS analytics, mentoring feedback, and cultural indicators such as engagement and retention outcomes.

AGP demonstrates a strong commitment to Diversity, Equity & Inclusion through structured leadership programs, inclusive hiring practices, disability inclusion partnerships, gender sensitization efforts, employee well-being initiatives, and culturally relevant engagement campaigns.

Leadership & Women Empowerment

- WE LEAD 3.0 Bootcamp (2025) – An exclusive leadership development program designed to empower women leaders.
- Female representation in leadership platforms such as WIBCON – PSTD.
- Women's Mental Wellness Retreat integrating art, sound, and mindfulness therapies.
- Focused sessions on women's well-being and treatment trends.
- Open forums such as OPEN LANE with women workers to discuss workplace challenges.
- Collaborative menstrual health awareness sessions promoting understanding across genders.

Inclusive Talent Acquisition & Equal Opportunity

- RozeeGPT initiative aimed at eliminating unconscious bias in recruitment.
- Inclusive job postings reinforcing AGP as an equal opportunity employer.
- Integration of DEI into core corporate strategies with regular employee training.

Disability Inclusion & Accessible Employment

- Connect Hear – Access. Ability. Careers 2024 partnership.
- Collaboration with NOWPDP, ConnectHear & Deaf Reach to build an Inclusive Talent Pipeline.
- Sensitization training by Deaf Reach prior to onboarding SEED Diversity Interns.
- Sign language training programs.
- Structured employment pathways for persons with disabilities aligned with AGP's GDEIB framework.

Employee Engagement & Cultural Inclusion

- Universal religious inclusion and festival celebrations.
- CEO-led engagement initiatives such as Eid Milan gatherings.
- Cross-functional team retreats to promote collaboration.
- "Khayal Rakhna" marketing campaigns focused on culturally relevant and inclusive health education.

AGP also conducts extensive DEI trainings focused on gender equity, disability inclusion, ethical conduct, leadership development, and workplace sensitization, reinforcing its commitment to an inclusive and equitable organizational culture.

TABLE - DEI TRAINING HOURS

Metric	Unit	2023	2024	2025
Total types of DEI trainings conducted	Number	12	13	17
Total hours of training that the organization's employees have undertaken under DEI during the reporting period	Hours	721	1441	2328

These initiatives reflect AGP's expansion in both the variety of DEI training programs and overall employee participation and strategic integration of DEI into core operations, demonstrating AGP's strengthened and growing commitment to embedding diversity, equity, and inclusion across the organization.

7.3.3 Access to Healthcare & Affordability

As a pharmaceutical manufacturer, AGP contributes to healthcare access through the availability of essential medicines across domestic and international markets. The Company monitors selected qualitative and quantitative indicators related to product availability, affordability, pricing practices, and market access to support internal oversight of access-related risks and opportunities.

The information presented in this section reflects metrics currently monitored through AGP's operational, commercial, and regulatory processes. These disclosures provide insight into AGP's present approach to access and affordability, while recognising that data coverage, performance indicators, and monitoring practices will continue to evolve over time.

TABLE - ACCESS TO HEALTHCARE & AFFORDABILITY METRICS

Metric	Unit	Result
Total pharmaceutical products in portfolio	Number	218
Annualised change in revenue-weighted average list price	%	3.38
Annualised change in revenue-weighted average net price	%	12.0

- *List price: Published price before discounts and rebates*
- *Net price: Realised price after discounts, rebates, and allowances*

AGP uses a combination of qualitative assessments and selected quantitative indicators to monitor product availability across domestic markets, pricing practices aligned with applicable regulatory requirements, and internal affordability considerations applied during product portfolio decision-making. These indicators support management's understanding of access-related risks, regulatory exposure, and reputational considerations associated with pricing and market access.

7.3.3.1 Access to Medicines and Pricing Practices

AGP's approach to access to medicines focuses on ensuring product availability, regulatory compliance, and continuity of supply. Access considerations are embedded within product portfolio planning, manufacturing decisions, and distribution arrangements to support the consistent availability of medicines in relevant markets.

During the reporting period, AGP had multiple pharmaceutical products authorised for sale and included on the World Health Organization's list of prequalified medicinal products, supporting access to quality-assured medicines in eligible markets. These products include, among others:

Aminophylline, Amlodipine, Amoxicillin, Amoxicillin + Clavulanic Acid, Atorvastatin, Azithromycin, Cefazolin, Ceftriaxone, Cetirizine, Ciprofloxacin, Clomipramine, Clozapine, Dexlansoprazole, Docetaxel, Doxazosin, Eltrombopag, Esomeprazole, Famotidine, Fluconazole, Folic Acid, Gemcitabine, Hydrocortisone, Hyoscine Butylbromide, Iron, Lacosamide, Leuprorelin, Levofloxacin, Meropenem, Montelukast, Olanzapine, Ondansetron, Orlistat, Oxaliplatin, Paclitaxel, Paracetamol, Pyridoxine, Racecadotril, Rifaximin, Risperidone, Sertraline, Tenofovir Alafenamide, Tranexamic Acid, Ursodeoxycholic Acid, Venlafaxine, Vitamin D, Zinc, Zoledronic Acid.

AGP monitors pricing trends across its product portfolio to support oversight of affordability and regulatory compliance.

Pricing data is compiled from Finance and Medical Affairs records, product portfolio documentation, internal management reporting, and relevant national statistics. No material estimates or assumptions have been applied. Where quantitative information is unavailable, disclosures are provided on a qualitative basis.

7.3.4 Antimicrobial Resistance (AMR)

As a pharmaceutical manufacturer operating within a highly regulated healthcare environment, AGP recognises that excessive use, ineffective stewardship, or unintended environmental release of antimicrobial products may contribute to the development of antimicrobial resistance. Such outcomes may have implications for public health, regulatory compliance, reputational integrity, and long-term business sustainability.

AGP monitors AMR-related risks to better understand its exposure to regulatory, operational, and reputational risks and to identify opportunities to strengthen responsible manufacturing and product stewardship practices. The Company recognises AMR as a complex, long-term global health challenge requiring robust governance systems, regulatory compliance, and effective pharmacovigilance oversight.

TABLE - ANTIMICROBIAL RESISTANCE MONITORING INDICATORS

Indicators	Status
Policies addressing responsible antibiotic use	Yes
Pharmacovigilance system in place	Yes

These indicators are used internally to monitor regulatory compliance, governance effectiveness, and responsible antimicrobial stewardship practices. The information disclosed comprises a combination of qualitative and activity-based measures, reflecting the fact that AMR outcomes are influenced by multiple external factors beyond the Company's direct operational control.

Data is sourced from internal documentation maintained by Medical Affairs, Regulatory Affairs, and Quality Assurance functions, including pharmacovigilance records, regulatory compliance reports, training records, and internal audit documentation. The indicators are based on documented processes rather than estimates.

AGP monitors AMR-related performance through ongoing regulatory compliance reviews, pharmacovigilance monitoring, internal audits, and management oversight by relevant functional departments. Adverse drug reactions and compliance-related matters are reviewed in accordance with established internal procedures, enabling timely corrective and preventive actions where required.

While formal quantitative AMR performance indicators are not yet established, existing monitoring processes enable AGP to assess governance effectiveness and identify opportunities for continuous improvement.

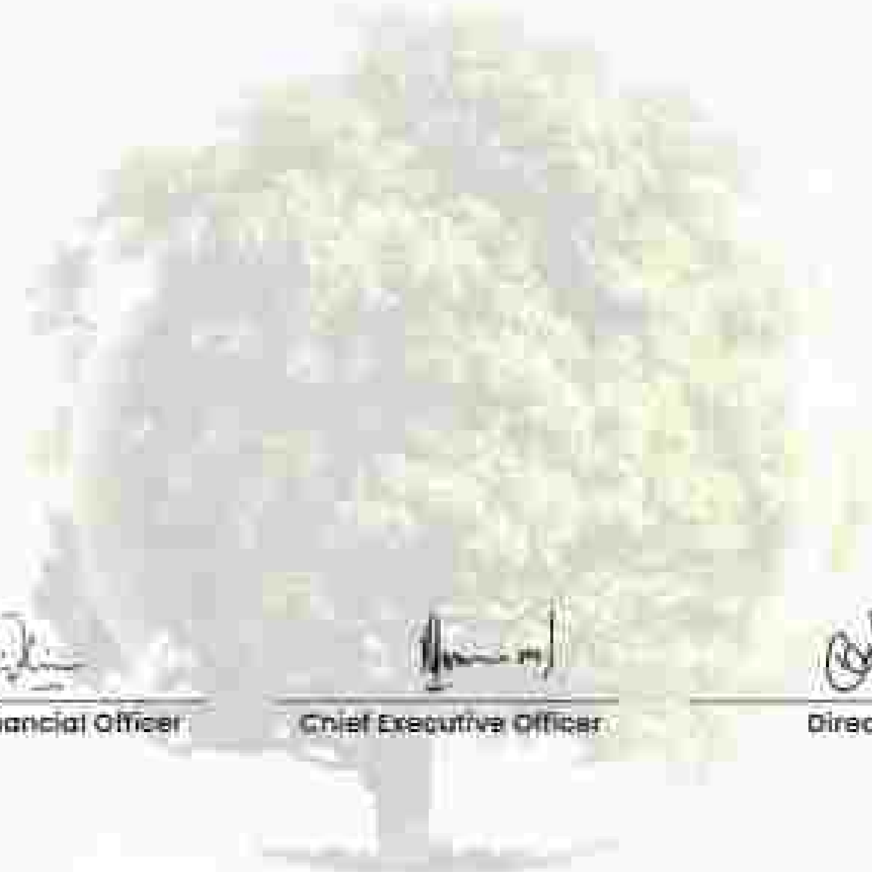
8. CONCLUSION

AGP Limited is committed to embedding sustainability and climate-related considerations at the core of its business operations, ensuring alignment with evolving ESG expectations and global best practices. With strong oversight from the Board of Directors and the ESG Committee, the Company has established a structured framework that integrates sustainability and climate-related risks and opportunities into its governance, strategy, and risk management processes.

Through the early adoption of IFRS S1 and IFRS S2, AGP has taken a proactive step towards delivering transparent, consistent, and decision-useful disclosures, thereby enhancing stakeholder confidence and reinforcing its commitment to long-term resilience and responsible business conduct.

AGP's approach emphasizes operational resilience, supply chain robustness, ethical practices, and efficient resource management. The initial disclosures on energy, emissions, water, and waste provide a baseline for future performance measurement and improvement. While the current report reflects an early stage of maturity, it establishes a clear direction for strengthening data systems, advancing the integration of climate and sustainability considerations and progressively enhancing the depth and quality of disclosures.

Through these efforts, AGP aims to create sustainable long-term value for stakeholders, contribute to improved healthcare outcomes, and strengthen its position as a responsible and forward-looking leader in the pharmaceutical sector.



Chief Financial Officer	Chief Executive Officer	Director

REPORT OF THE AUDIT COMMITTEE

The members of the Audit Committee are pleased to present their report to the shareholders for the year ended December 31, 2025.

Composition of the Audit Committee

The Audit Committee ("the Committee") comprised four (4) members. The Chairman is an independent director, who is not the Chairman of the Board. The remaining three (3) members are non-executive directors. All the members are qualified as financially literate professionals, and the Committee as a whole possesses significant economic, financial and business acumen. The Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Internal Auditors are not members of the Committee but attended all its meetings during the year at the invitation of the Chairman. The Committee has appointed Company Secretary as the Secretary of the Committee.

Meetings of the Audit Committee

The Committee met four (4) times during the year, primarily to review and recommend interim and annual financial statements to the Board of Directors ("the Board") for its consideration and approval. The details of all related party transactions were placed periodically before the Committee and upon satisfaction and recommendations of the Committee, the same were placed before the Board for review and approval. The Secretary of the Committee circulates the meeting minutes or a synopsis to all members, directors, the Head of Internal Audit and where required, the CFO before the subsequent meeting of the Board. The Chairman of the Committee briefed the Board on key discussions and significant matters arising during the Committee meetings.

Financial Statements

The Committee has concluded its annual review of the Company's performance, financial position, and cash flows during the year ended December 31, 2025, and reports that:

- The standalone and consolidated financial statements of the Company for the year ended December 31, 2025, have been prepared on a going concern basis under requirements of the Companies Act 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, International Financial Reporting Standards and other applicable regulations.
- These standalone and consolidated financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cashflows and changes in equities of the Company for the year ended December 31, 2025.
- The auditors have issued unmodified audit reports on both standalone and consolidated financial statements, in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by the Securities and Exchange Commission of Pakistan (SECP).
- Appropriate accounting policies have been consistently applied and adequately disclosed in the standalone and consolidated financial statements.
- The CEO, one Non-Executive Director and the CFO have endorsed the standalone and consolidated financial statements of the Company, while the Directors' Report is signed by the CEO and one Non-Executive Director. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results; compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017.
- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the

- external auditors of the Company.

Internal Audit Function

The internal audit function is outsourced to M/s A.F. Ferguson & Co., Chartered Accountants (AFF), a well-reputed professional service firm, who are suitably qualified and experienced for the task. The Company has also appointed a full-time employee other than CFO, as Head of Internal Audit (HOIA) holding equivalent qualification prescribed under the Code of Corporate Governance. The HOIA functionally reports to the Committee and administratively to the CEO and his performance appraisal is conducted jointly by the Chairman of the Committee and the CEO. The Committee has ensured the achievement of operational, compliance, risk management, financial reporting, and control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by the internal audit function. The internal audit is conducted as per the internal audit plan duly approved by the Committee. All internal audit reports are provided for the review of external auditors. The internal auditors also discussed major findings in relation to the reports with the Committee, and the Committee reports matters of significance to the Board. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives including a reliable and sound financial reporting system. At the year-end meeting, the Committee met AFF along with HOIA without the presence of CEO & CFO. The management supported internal-audit activities and provided all the required information on timely basis in a transparent manner. The recommendations of the auditors were agreed for implementation in due course of time and there was no point of conflict between the management and the internal auditors.

Internal Control and risk management

The Board has implemented a comprehensive internal control framework, with the independent internal audit function monitoring the implementation of financial and operational controls. The Committee regularly reviews the effectiveness of this framework and evaluates its adequacy. The Committee also reviewed the summary of risk assessment registers to ascertain that principal business risks are identified and appropriate action plans for mitigating risks are developed and implemented. The Company's approach towards risk management has been disclosed in the risk assessment portion of the Directors Report. The types and details of risks along with mitigation measures are disclosed in relevant section of the Annual Report. The Committee also oversees IT governance and the effectiveness of cyber security controls. The CFO has been nominated as a representative from the IT Steering Committee, to provide updates to the Audit Committee on a timely basis and seek their guidance where necessary.

External Auditors

The statutory auditors, M/s Grant Thornton Anjum Rahman, Chartered Accountants (GT), have completed their assignments for the audit of Company's financial statements and the statement of Compliance with the Code for the year ended December 31, 2025, and shall retire on the conclusion of the twelfth (12th) Annual General Meeting (AGM) of the Company. The Chairman of the Committee met the GT audit team along with engagement partner Mr. Khurram Jameel, to review the audit plan, assess resource adequacy, and discuss the appropriate recording of investment in the subsidiary in the financial statements. The Committee reviewed the Management Letter issued by external auditors along with management's response and action plans. At the year-end meeting, the Committee met Mr. Khurram Jameel and his senior team members without the presence of CEO, CFO and HOIA. The Committee discussed the audit process, key observations identified during audit of the financial statements, compliance with the applicable regulations and other significant matters. The Committee, being satisfied with the performance of external auditors, has recommended their reappointment for the financial year 2026 at the forthcoming AGM of the Company.

Governance and Sustainability Oversight

The Audit Committee remains committed to strengthening governance, financial integrity, and oversight of emerging risks, including sustainability and climate-related matters. During the year, the Committee supported the Company's early adoption of IFRS Sustainability Disclosure Standards, with a focus on enhancing transparency, internal controls, and the reliability of reported information. We continue to oversee the integration of sustainability-related risks within the enterprise risk management framework, ensuring alignment with regulatory expectations and stakeholder interests. The Committee will further support the progressive strengthening of reporting processes and governance practices in the coming periods.

Conclusion

The Audit Committee affirms that it has diligently discharged its roles and responsibilities fairly and transparently in compliance with the Code of Corporate Governance and as per the Terms of Reference approved by the Board, which principally included the items mentioned above. The Committee further confirms that all necessary information for a comprehensive understanding of the state of affairs of the Company has been duly incorporated in the Annual Report. The evaluation of the Board's performance, which also included members of the Audit Committee, was carried out by an external independent consultant, Pakistan Institute of Corporate Governance. As per the result of the evaluation, all committees of the Board, including the Audit Committee, are functioning effectively.

Zafar Iqbal Sobani
Chairman - Audit Committee
March 19, 2026

GrantThornton

Grant Thornton Anjum Rahman
1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF AGP LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of AGP Limited (the Company) for the year ended 31 December 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year 31 December 2025.

Chartered Accountants
Karachi
Date: 25 March 2026
UDIN: CR202510093UxmpwOf7

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

AGP Limited
YEAR ENDED 31 DECEMBER 2025

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are seven (7) as follows:

a.	Male	06	b.	Female	01

2. The composition of the Board is as follows:

a.	Independent Directors*	02	Mr. Zafar Iqbal Sobani Ms. Maleeha Humayun Bangash (Female Director)
b.	Non-executive Directors	04	Mr. Tariq Moinuddin Khan Mr. Kamran Nishat Mr. Mahmud Yar Hiraj Mr. Muhammad Kamran Mirza
c.	Executive Director	01	Mr. Muhammad Kamran Nasir

* Two independent directors were appointed on the Board of the Company, and the fraction was not rounded up as one since the Board considers that the current composition is adequate to protect the interests of the shareholders at large and minority shareholders in particular.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;

9. Six directors have duly acquired the prescribed Directors' Training Program (DTP) certificate. The Company will take appropriate measures to ensure that the remaining director and a head of department complete the Directors' Training Program;

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

Audit Committee

Mr. Zafar Iqbal Sobani	Chairman (Independent Director)
Mr. Kamran Nishat	Member (Non-Executive Director)
Mr. Mahmud Yar Hiraj	Member (Non-Executive Director)
Mr. Muhammad Kamran Mirza	Member (Non-Executive Director)

Human Resource and Remuneration Committee

Ms. Maleeha Humayun Bangash	Chairperson (Independent Director)
Mr. Kamran Nishat	Member (Non-Executive Director)
Mr. Muhammad Kamran Nasir	Member (Executive Director)
Mr. Mahmud Yar Hiraj	Member (Non-Executive Director)
Mr. Muhammad Kamran Mirza	Member (Non-Executive Director)

Sustainability Committee

Ms. Maleeha Humayun Bangash	Chairperson (Independent Director)
Mr. Zafar Iqbal Sobani	Member (Independent Director)
Mr. Muhammad Kamran Mirza	Member (Non-Executive Director)

13. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committees were as per following:
    a) Audit Committee: Four (4) quarterly meetings during the financial year ended December 31, 2025
    b) Human Resource and Remuneration Committee: Two (2) meetings during the financial year ended December 31, 2025
    c) Sustainability Committee: One (1) meeting during the financial year ended December 31, 2025

15. The Board has outsourced the internal audit function to M/s. A.F. Ferguson & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of regulations 3 (Number of Directorship), 6 (Independent Director), 7 (Female Director), 8 (Executive Director), 27 (Audit Committee), 32 (Terms of appointment of external auditor), 33 (Rotation of auditors) and 36 (Compliance Statement and Auditor Review) of the Regulations have been complied with.

19. Explanation with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are as below:

S. No	Requirement	Explanation	Reg. No
1	It is encouraged that all the directors on the Boards have acquired the prescribed certification under any director training program. The companies are also encouraged to arrange training for executive, including females.	All directors have attended directors training program except one. In addition, majority of the Directors had undergone a training organized by International Institute for Management Development in Switzerland. The Company has plans to enrol a director along with executive(s) under the directors' training program in the year 2026.	19
2	The Board may constitute the nomination committee.	The responsibilities as prescribed for the nomination committee are being taken care of at Board level as and when needed, hence a separate committee is not considered necessary.	29
3	The Board may constitute the risk management committee.	Effective risk management policy and procedures are in place to ensure a sound system of risk identification and management to safeguard assets, resources, reputation and interest of the company and shareholders. The management annually present an overall review of business risks along with their mitigation strategies to the Audit Committee which are subsequently briefed to the Board. Hence a separate committee is not considered necessary.	30

Tariq Moinuddin Khan
Chairman Of The Board

Muhammad Kamran Nasir
Chief Executive Officer

Gender Pay Gap

Gender Pay Gap Statement under SECP Circular 10 of 2024

Following is gender pay gap calculated for the year ended December 31, 2025:

i. Mean Gender Pay Gap: (16.6%)

ii. Median Gender Pay Gap: (61.0%)

The mean gender pay gap for the year ended December 31, 2025, is -16.6%, indicating that on average female employees earn 16.6% more than male employees. The median gender pay gap is -61.0%, indicating that the median female employee earns 61.0% more than the median male employee.

On behalf of the Board of Directors

Muhammad Kamran Nasir
Managing Director & Chief Executive Officer
Date: March 19, 2026

STRATEGIC OUTLOOK

Analysis of Last Year's Forward-Looking Statement

In line with our strategic ambition to deliver sustained value to all key stakeholders, AGP Limited delivered a strong performance in 2025. The Company achieved an overall growth of 10.8% over the prior year, underpinned by robust domestic brand performance, a growing nutraceutical segment, and encouraging supplies to our subsidiary companies. During the year, profitability has improved by 13.3% over last year validating the strategic priorities set in the prior year and affirm the Company's trajectory toward operational and financial excellence.

Key brand milestones reinforced this performance, with flagship products across the allergy, bone health, and anti-infective segments delivering strong double-digit growth and several brands crossing significant revenue thresholds during the year. Subsidiary portfolios also performed well, with leading brands in the azithromycin, amlodipine, and doxazosin segments consolidating their market positions and contributing meaningfully to consolidated topline growth. The Company also successfully completed the internalization of major in-licensed brands into full in-house production, generating meaningful cost savings and supply chain efficiencies across the portfolio.

Source of Information and Assumptions Used for Projections / Forecasts

AGP's business forecasts and projections are developed through a rigorous, multi-disciplinary process that integrates historical performance data, current market intelligence and forward-looking assumptions. Inputs are gathered from critical functions across the organization including Marketing and Sales, Technical Operations, Quality Management and Finance, which are further complemented by insights drawn from external industry and market analysis.

External variables, including macroeconomic indicators, regulatory developments, active pharmaceutical ingredient availability, competitor activity and evolving healthcare trends are systematically incorporated into the planning process. All forecasts undergo rigorous review and Board approval before adoption as the annual budget. Performance against budgeted targets is monitored through periodic reviews, with corrective actions and resource reallocations initiated as needed. New investment proposals and projects are subject to comprehensive due diligence spanning technical, financial, and legal feasibility assessments with involvement from the core management team and external specialists where required.

Future Outlook

Building on the strong foundation, AGP is committed to accelerating its transition from a legacy portfolio-driven model to a dynamic, innovation-led growth strategy. AGP's primary objectives are to establish a resilient regional presence, deepen partnerships with international collaborators, and unlock untapped potential across both commercial and operational dimensions.

AGP's launch strategy for the coming years is anchored on three pillars: the introduction of New Chemical Entities (NCEs) targeting unmet medical needs, portfolio enrichment through line extensions and support brands, and targeted expansion into high-growth therapeutic areas including oncology, immunology, and specialty care.

AGP will continue to invest in talent development, sales force optimization and the embedding of data-driven commercial practices. Establishing the Commercial Excellence function and expanding the Medical Scientific Liaison team in 2025 has laid the groundwork for more structured market development in the years ahead. Integration of business intelligence and AI-enabled tools will further sharpen our ability to identify opportunities, allocate resources effectively and respond to market dynamics with agility.

On the international front, AGP is actively pursuing export expansion into Anglo-African and Central American markets, building on an enhanced export infrastructure established during the year.

Response to Future Challenges and Uncertainties

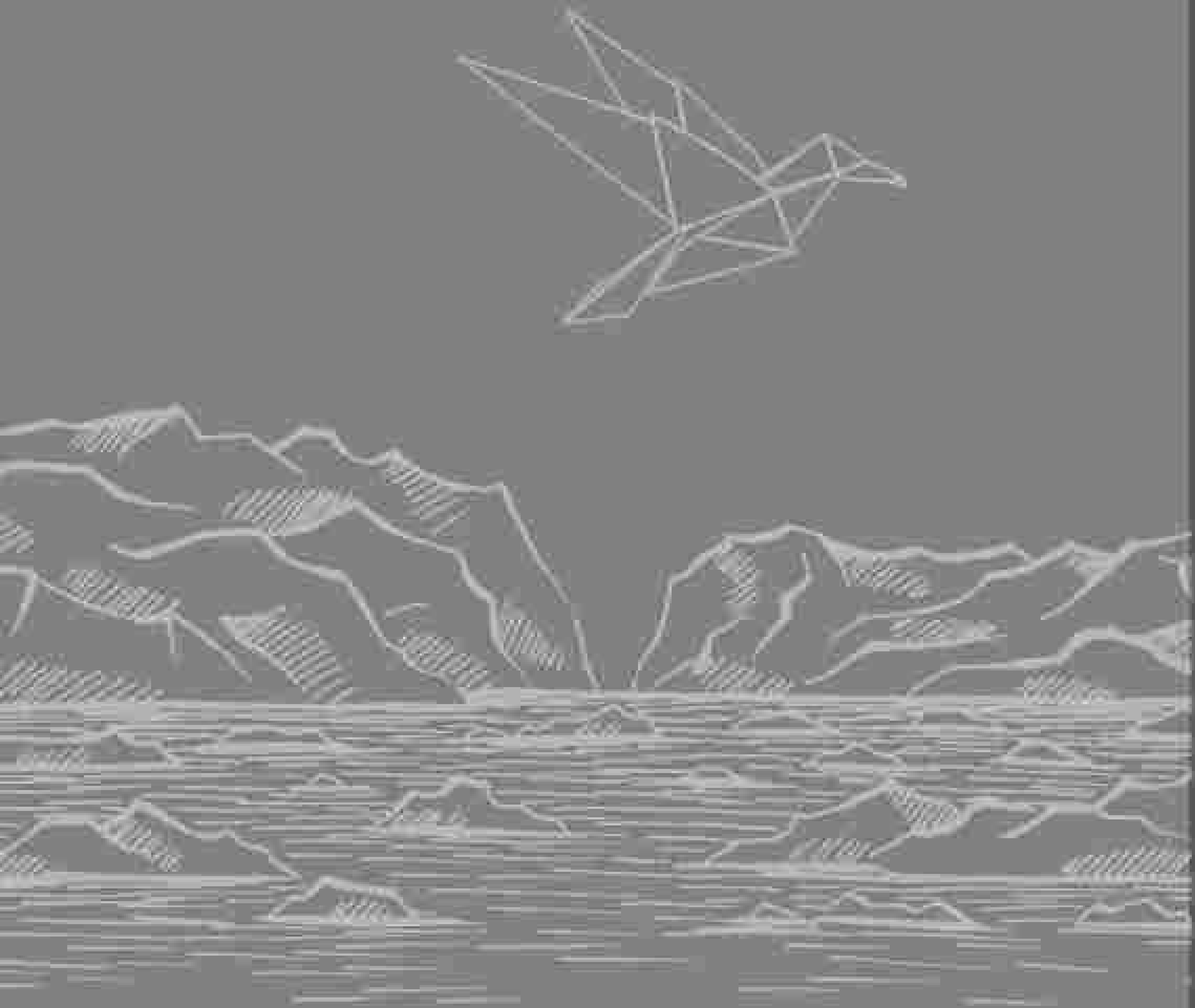
AGP operates in an environment shaped by both domestic macroeconomic pressures and escalating global geopolitical tensions. Rising input costs, supply chain disruptions, currency depreciation risks and evolving regulatory requirements represent the principal headwinds the Company must navigate. In response, management has implemented a comprehensive set of mitigation strategies designed to protect profitability, ensure supply continuity and sustain growth.

To reduce exposure to import-dependent raw material risks, AGP is progressively diversifying its supplier base toward local vendors without compromising on quality standards. AGP continues to leverage Group synergies across AGP Limited, OBS AGP and OBS Pakistan to optimize the combined portfolio, achieve cost efficiencies and consolidate market positions. AGP is also investing selectively directed towards BMR of existing facilities, addition of new production areas and strengthening quality infrastructure to support regulatory compliance and future product launches. The continued advancement of the SAP S/4 HANA ERP platform and growing adoption of digital channels in healthcare delivery are expected to drive efficiency gains and support more responsive commercial execution. Finally, AGP remains steadfast in its commitment to corporate social responsibility, environmental sustainability and diversity, equity and inclusion.

03

FINANCIAL PERFORMANCE

We emphasize data-driven strategies to progress in the business landscape. Our forecast involves long-term approaches to handling problems and setting new milestones for the future.



FINANCIAL PERFORMANCE

Review and analysis of the Company's financial performance for the year ended December 31, 2025.

2025 IN NUMBERS

FINANCIAL KPIs

The Company delivered robust revenue growth of 10.8% during the year, underpinned by strong performance of key products, expanded presence in priority export markets, and continued momentum in the nutraceuticals segment. Gross profit increased by 12.6%, reflecting enhanced operational efficiencies, favorable product mix, and higher sales volumes.

Marketing and selling expenses increased primarily due to the full-year impact of planned headcount expansion aimed at strengthening the sales organization and supporting long-term growth objectives. Notwithstanding the higher cost base, the Company sustained solid profitability, with net profit rising by 13.3%, underscoring disciplined cost management and the scalability of the business model.

KPI	2025	Change	2024
REVENUE	20,546 Million	10.8% Increase	18,544 Million
GROSS PROFIT	9,989 Million	12.6% Increase	8,872 Million
NET PROFIT	2,360 Million	13.3% Increase	2,084 Million
EPS	PKR 8.43	13.3% Increase	PKR 7.44
TOTAL ASSETS	20,439 Million	10.4% Increase	18,516 Million

NON FINANCIAL KPIs

In 2025, AGP Limited continued to strengthen its product portfolio with the successful launch of seven new products, building on the momentum of five launches in the preceding year. The Company's workforce expanded to 1,679 employees, supporting sustained operational efficiency and business scalability.

Driven by a strong focus on manufacturing excellence and process optimization, production volumes increased by 5.7% to 92 million packs during the year. The Company's flagship brand, Rigix, achieved a notable milestone, generating sales of PKR 3.93 billion, reflecting strong year-on-year growth and reinforcing its leadership position. AGP also remained committed to fostering an inclusive workplace, with female representation reaching 9.8% of the total workforce in 2025.

KPI	2025	2024
NEW PRODUCT LAUNCHES	07 Products	05 Products
NO OF EMPLOYEES	1679	1574
SALES OF RIGIX	3,932 Million	3,684 Million
UNITS PRODUCED	92 Million	87 Million
FEMALE TO MALE RATIO	9.8%	11.7%

FINANCIAL RATIOS

	Unit	2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross Profit ratio	%	48.8	47.2	44.3	55.6	55.5	55.8
Net Profit to Sales	%	11.8	11.2	5.5	13.8	21.7	22.6
EBITDA Margin	%	22.7	22.1	15.8	22.2	32.5	32.0
Operating Leverage Ratio	[illegible]	0.7	3.3	3.3	2.2	2.25	0.12
Return on Equity (after tax)	%	18.2	17.2	11.3	14.2	18.5	19.2
Return on Equity (before tax)	%	18.2	15.3	10.3	14.0	18.2	17.7
[illegible]	%	32	10	9.9	30	34.5	33.8
Total Shareholder Return	%	28.4	22.1	11.3	255.4	-14.2	17.8
Return on Capital Employed (after tax)	%	16.0	17.8	11.3	14.0	18.5	19.2
[illegible]	%	78.5	78.7	83.5	79.6	70.2	70.2
Return on Assets (before tax)	%	14.5	17.7	11.3	16.5	17.6	16.5
Return on Assets (after tax)	%	12.1	11.7	8.3	11.6	14.5	15.2
[illegible]	%	18.5	17.6	11.3	18.2	18.5	27.2
[illegible]	%	27.8	28.8	30.3	22.4	15.7	17.8
Liquidity Ratios							
Current ratio	Times	1.16	1.22	1.02	1.55	1.85	1.71
Quick / Acid test ratio	Times	0.41	0.58	0.55	0.73	0.85	0.88
Cash to Current Liabilities	Times	0.07	0.15	0.02	0.08	0.04	0.03
Cash Flow from Operations to Sales	Times	0.12	0.16	0.08	0.07	0.08	0.03
Cash Flow to Capital Expenditures	Times	1.84	3.87	1.59	0.99	4.35	0.00
Cash Flow Coverage Ratio	Times	0.79	0.72	0.00	0.84	4.22	1.98
Investment / Market Ratios							
Earnings per Share (EPS)	PKR	8.43	7.44	4.25	8.12	8.58	8.87
Price Earnings ratio	Times	24.10	23.22	15.04	13.76	17.25	33.06
[illegible]	Times	[illegible]	3.94	1.89	2.45	4.55	5.55
Dividend yield	%	3.9	3.4	3.3	3.2	1.5	2.9
[illegible]	Times	64.2	33.5	33.3	40.5	17.6	33.8
[illegible]	Times	1.1	1.3	1.7	5.2	5.55	1.38
Cash dividend per share	PKR	8.00	4.00	0.00	5.00	1.50	0.00
Market value per share							
- Year end	PKR	203.15	170.10	75.21	54.49	85.49	110.5
- High during the year	PKR	215.06	174.21	79.41	85.09	194.07	198.8
- Low during the year	PKR	149.96	83.03	47.27	54.48	80.51	75.2
Breakup value per share [illegible]	PKR	46.13	43.70	33.78	35.21	32.47	88.32
Share Price (PSX)	PKR	203.15	170.10	75.21	54.49	85.49	110.55
Capital Structure Ratios							
Financial leverage ratio	Times	0.27	0.25	0.30	0.08	0.08	0.13
Weighted Average Cost of Debt	%	8.89	15.80	17.47	10.55	5.85	8.42
Debt to Equity ratio	Times	0.12	0.18	0.26	0.21	0.05	0.10
Interest cover ratio	Times	8.94	4.7	3.3	18.3	68.4	16.1
Debt to Asset Ratio	Times	0.08	0.12	0.17	0.11	0.05	0.11
Equity to Asset Ratio	Times	0.55	0.55	0.54	0.60	0.55	0.61
Net Debt to EBITDA	Times	0.87	0.88	1.29	0.87	-0.15	0.31
Net Assets per Share	PKR	46.13	43.70	33.78	35.21	32.47	28.32
Activity / Turnover Ratios							
Total assets turnover ratio	Times	1.05	1.04	0.89	0.88	0.58	0.72
Fixed assets turnover ratio	Times	1.27	1.47	1.30	1.18	0.47	0.65
No. of Days in Inventory	Days	134	112	104	105	108	150
No. of Days in Receivables	Days	28	32	34	55	51	55
No. of Days in Payables	Days	101	100	97	27	108	130
Operating cycle	Days	61	45	41	45	55	65
Employee Productivity Ratios							
Production per Employee	PKR in 000's	35	35	40	37	37	42
Revenue per Employee	PKR in 000's	13,227	11,751	8,804	7,014	8,856	7,177
Staff cost per employee	PKR in 000's	1,405	1,294	735	877	1,242	1,005
Staff turnover ratio	%	21.2	29.7	42.4	48.5	40.4	27.2
Non Financial Ratios							
[illegible]	%	80.2	85.2	81.2	77.2	71.4	85.2
Others							
[illegible]	%	3.1	3.1	3.1	2.1	3.1	2.1
[illegible]	%	4.50	2.54	1.38	1.47	1.16	0.78
[illegible]	%	3.8	3.2	2.4	4.0	5.5	5.5
Marketing & Promotion [illegible]	%	24.2	22.5	22.7	24.8	21.5	20.2

RATIO ANALYSIS

Profitability Ratios

AGP delivered strong revenue growth of 11% during the year, demonstrating resilience amid a challenging political and macroeconomic environment. Domestic retail sales increased by 12%, supported by the sustained performance of key brands, while export sales recorded robust growth of 11%, surpassing PKR 3.0 billion. Strategic pricing initiatives and functional realignments contributed to an improvement in gross margin, which stood at a healthy 49%.

The cost of doing business increased, primarily reflecting targeted investments in human resources to support sales expansion and long-term growth. However, the sharp decline in KIBOR during the year helped offset the impact of higher working capital utilization and long-term borrowings, resulting in a significant reduction of approximately 43% in finance costs. Despite these cost pressures, the Company maintained sound profitability, with net profit margins of 12%, EBITDA margins of 23%, and return on capital employed of 16.0%. These indicators underscore AGP's ability to pursue growth initiatives while maintaining operational efficiency and strong financial discipline.

Liquidity Ratios

The current ratio remained largely stable during the year, marginally declining to 1.16 in 2025, indicating that the Company continues to maintain sufficient current assets to meet its short-term obligations. The quick ratio, however, declined to 0.41, reflecting a lower proportion of readily liquid assets relative to current liabilities. Despite pressures on cash and near-cash balances, AGP's overall liquidity position remains manageable. This is supported by improved operating cash flows and the availability of adequate financing facilities, enabling the Company to effectively manage its short-term funding requirements and maintain liquidity stability.

Investment / Market Ratios

In 2025, the Company's shares traded on the Pakistan Stock Exchange (PSX) with prices ranging between PKR 149.96 and PKR 215.06. AGP's share price closed at PKR 203.15 by year-end, up from PKR 170.10 in 2024. The Company recorded earnings per share (EPS) of PKR 8.43, a 13.3% surge compared to last year reflecting higher profitability in 2025. Further, P/E ratio rose, indicating a higher valuation of the company's shares relative to its earnings. This suggests increased investor confidence and expectations of future growth. The Board of Directors approved a dividend of PKR 6 per share, in addition to an interim dividend announced of PKR 2 per share during the year, upholding the Company's policy of balancing shareholder returns with retaining equity for growth and expansion.

Capital Structure Ratios

The financial leverage ratio remained fairly stable, increasing marginally from 0.25 to 0.27 in 2025, indicating a reduced reliance on debt relative to equity. This suggests a shift towards a more equity-funded structure, reducing financial risk and improving the company's stability. Further, debt-to-equity ratio decreased from 0.18 to 0.12 in 2025, reflecting a reduction in long-term debt relative to shareholders' equity. Consequently, the interest cover ratio increased to 8.94 from 4.73 in 2024. Net assets per share rose to PKR 46.13, up from PKR 43.70 in 2024.

Activity / Turnover Ratios

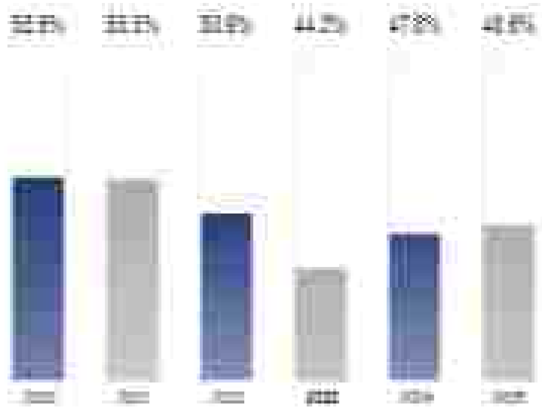
AGP's total assets turnover ratio improved marginally to 1.05 from 1.04 in 2024, reflecting an enhanced ability to generate revenue from assets. Due to favorable economic conditions along with Company's operating efficiency, the Company's operating cycle increased by 16 days, reaching 61 days in 2025 compared to 45 days in the previous year. Inventory days rose by 22 days to 134 days, receivable days decreased by 4 days to 28 days, while payables days increased to 101 days.

Methods And Assumptions Used In Compiling The Financial Performance Indicators

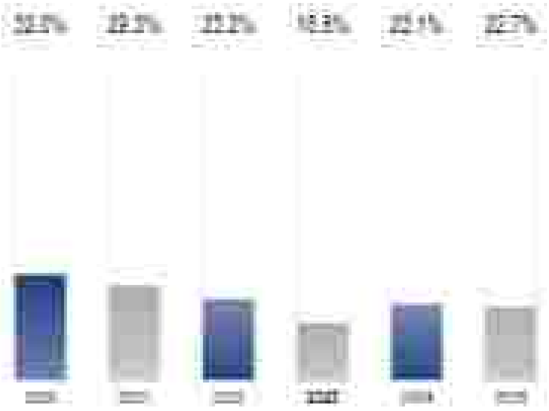
To track progress toward its strategic objectives, the Company has implemented both financial and non-financial indicators. Sales performance is closely monitored, and future actions are planned based on the results. The Company considers various internal and external factors, such as resource availability and quality, economic indicators, geopolitical conditions, competitor positioning, and overall market trends, when developing its key performance indicators (KPIs). These KPIs are created using industry-standard methodologies, historical trends, and the Company's strategic vision. They are regularly reviewed by the management team, with quarterly evaluations by the Board to implement corrective actions as necessary.

GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

Gross Profit Margin



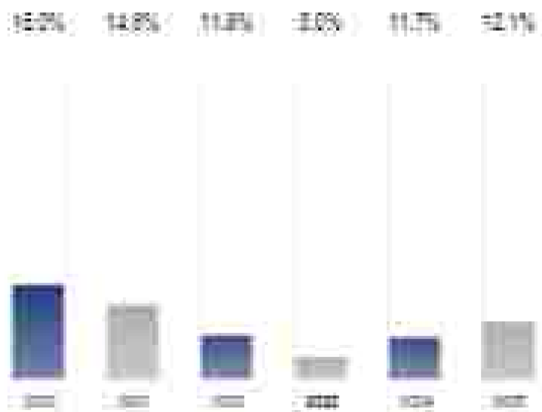
EBITDA Margin



Net Margin

Operating Leverage Ratio

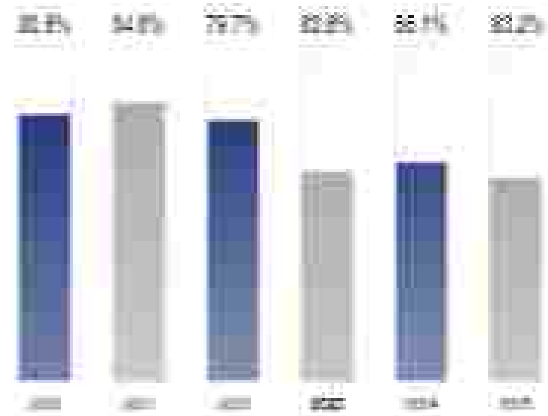
Return on Assets (After tax)



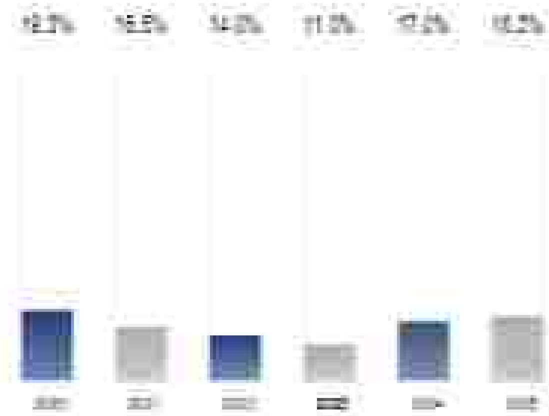
Return on Capital Employed

GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

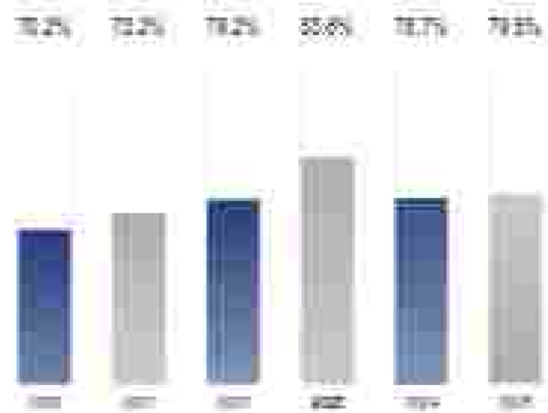
Shareholders' Fund



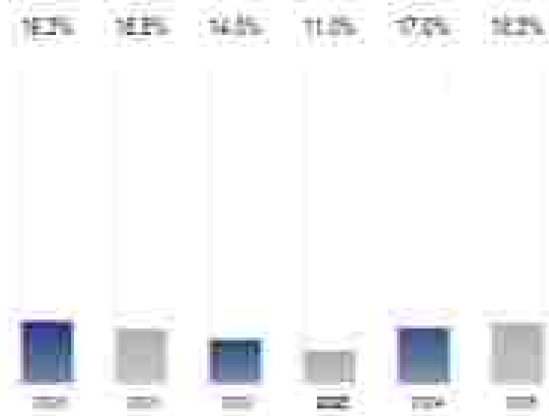
Return On Shareholder's Fund



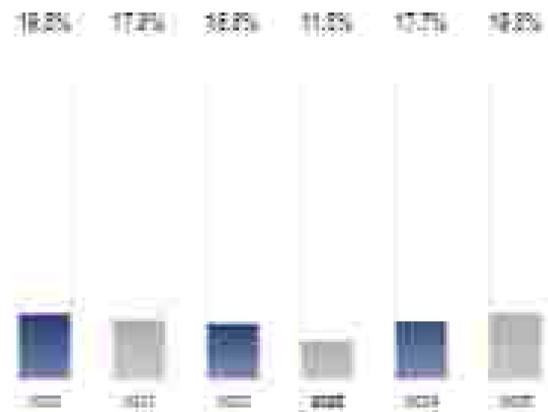
Cost / Income Ratio



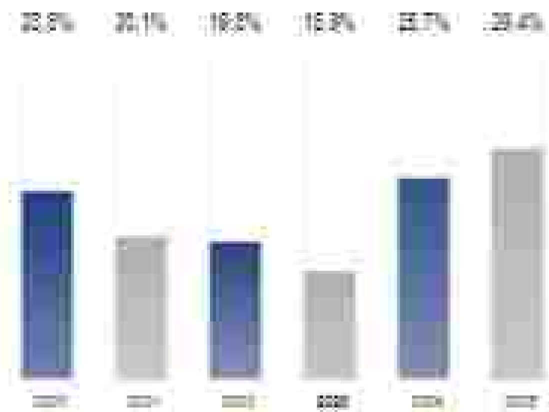
Return on Equity (After Tax)



Return on Assets (Before Tax)

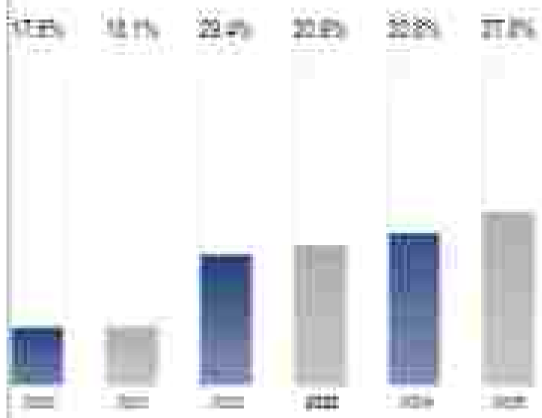


Total Shareholders' Return



GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

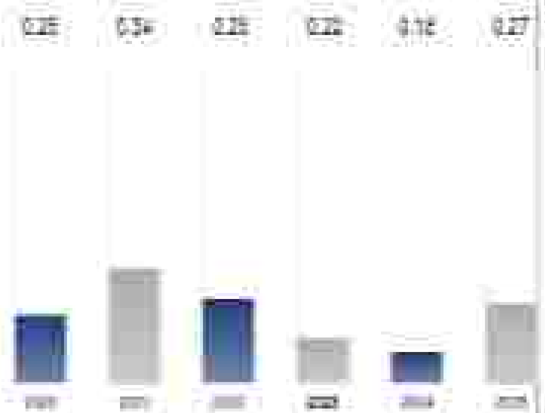
Effective Tax Rate



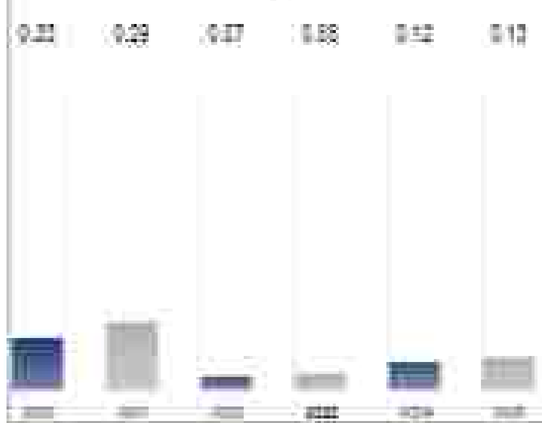
Current Ratio

Quick / Acid Test Ratio

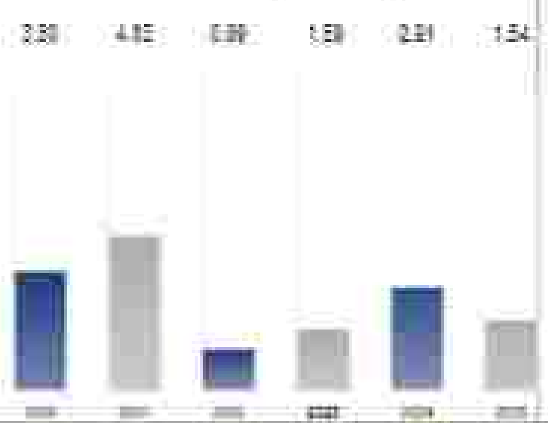
Cash To Current Liabilities



Cash Flow from Operations to Sales

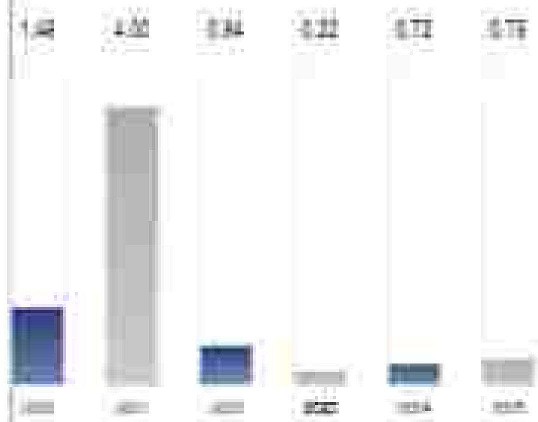


Cash Flow To Capital Expenditures

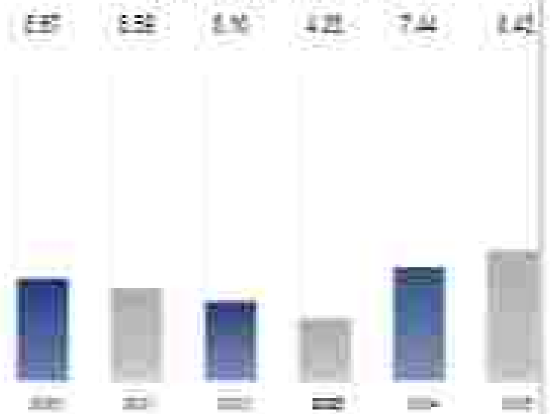


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

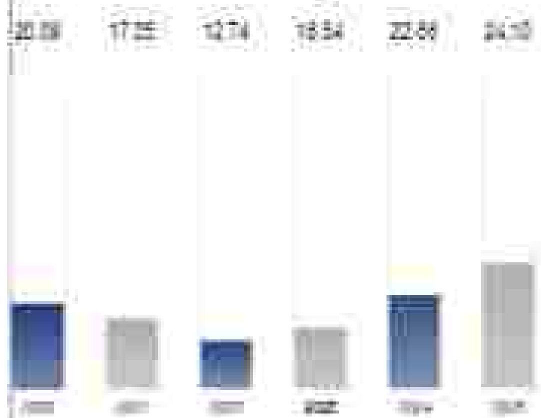
Cash Flow Coverage Ratio



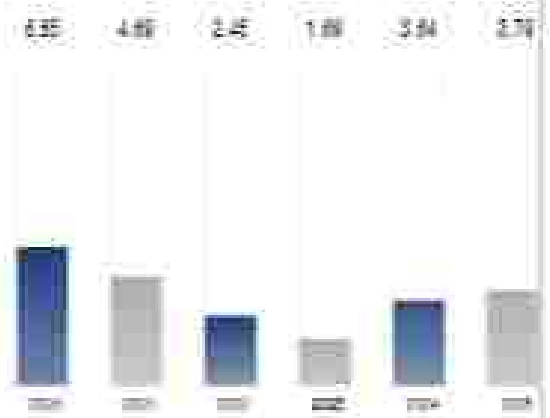
Earnings Per Share (EPS) and Diluted EPS



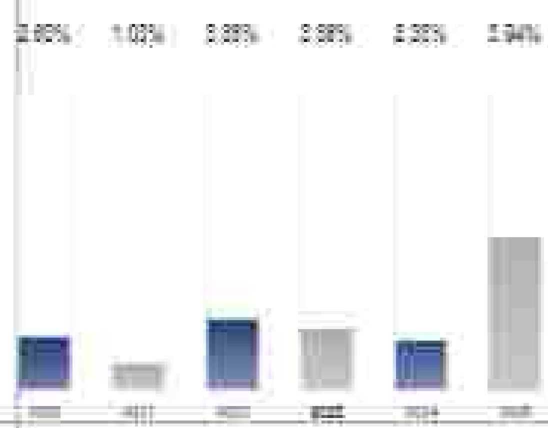
Price Earning Ratio



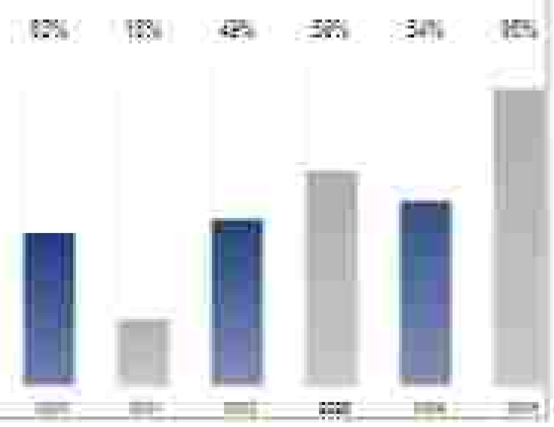
Price to Book Ratio



Dividend Yield Ratio

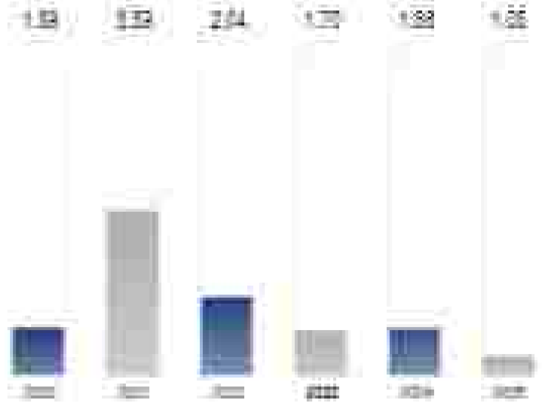


Dividend Pay Out Ratio



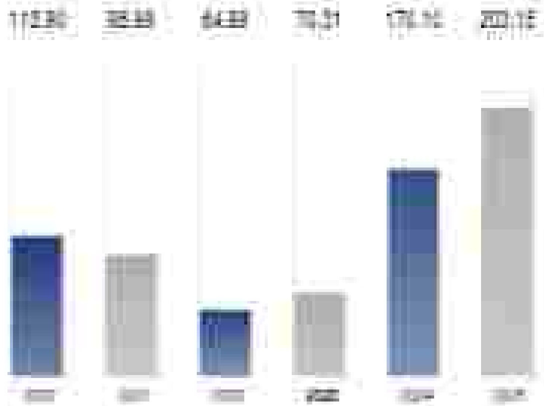
GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

Dividend Cover Ratio

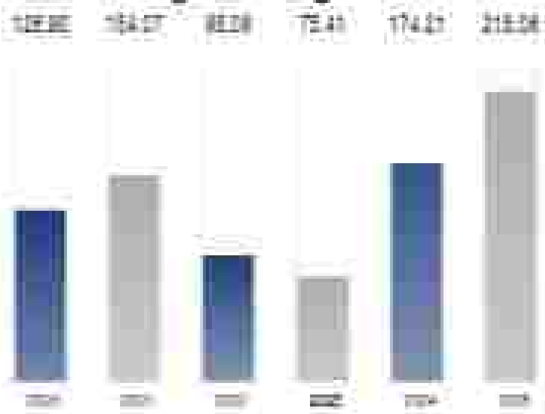


Cash Dividend Per Share

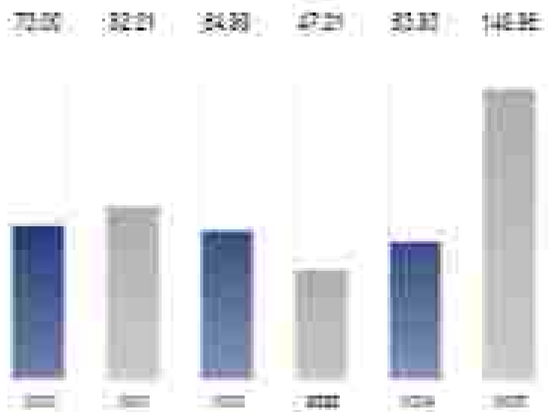
Market Value Per Share - At Year End



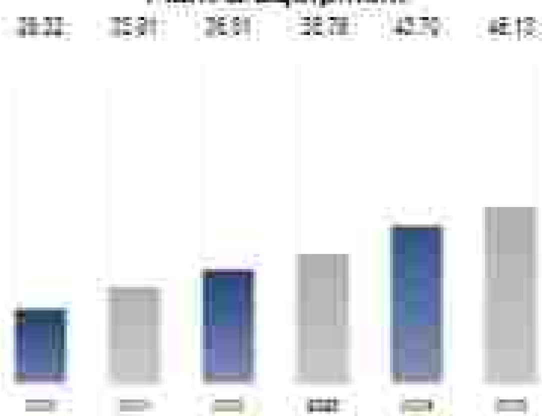
Market Value Per Share - High During Year



Market Value Per Share - Low During Year

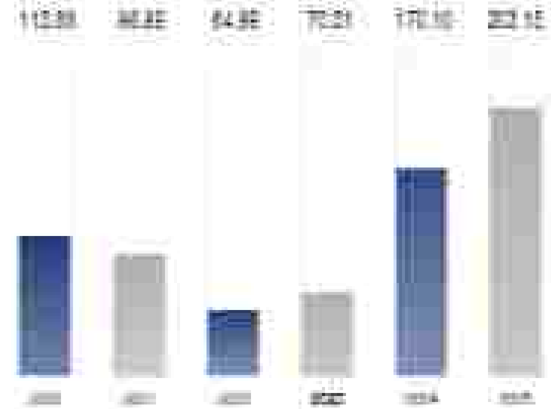


Break-up Value Per Share Without Surplus On Revaluation Of Property, Plant & Equipment

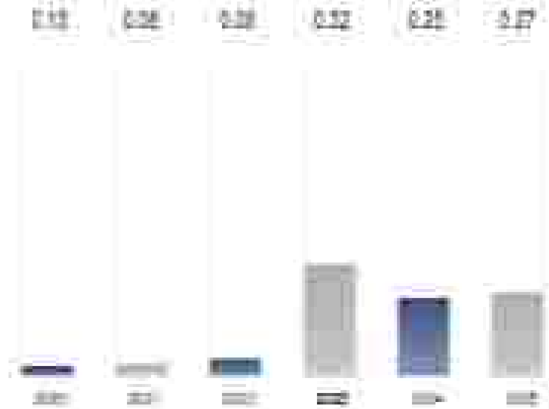


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

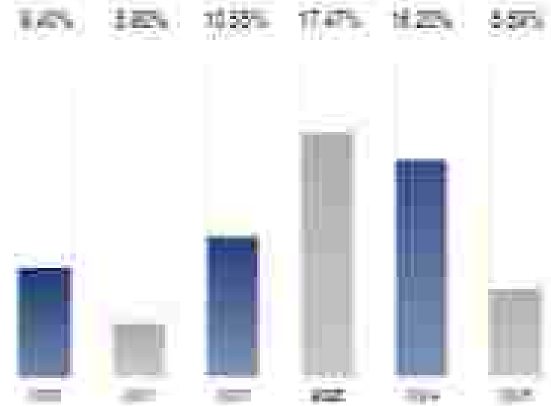
Share Price (Y/E)



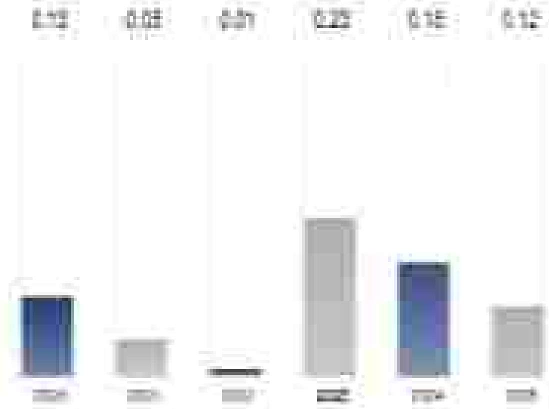
Financial Leverage Ratio



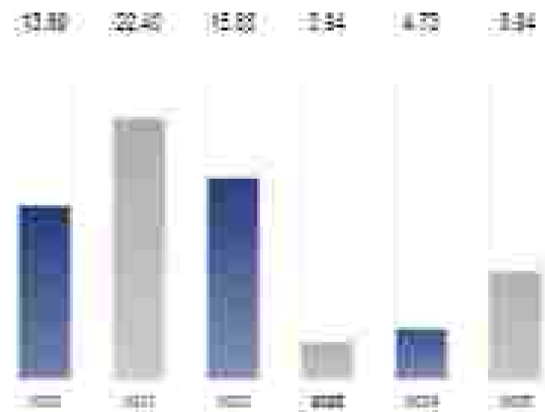
Weighted Average Cost of Debt



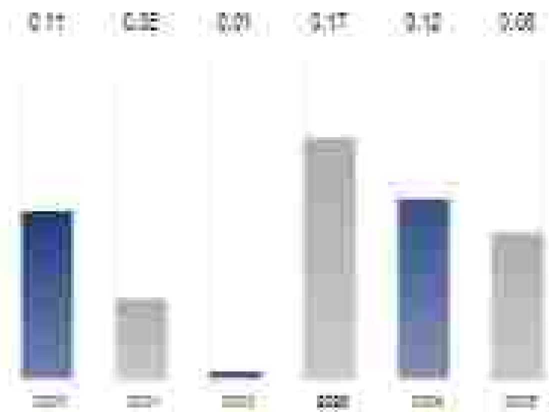
Debt To Equity (As Per Book Value)



Interest Cover Ratio

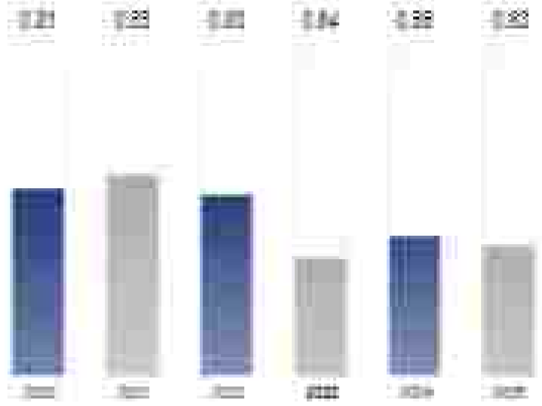


Debt To Asset Ratio

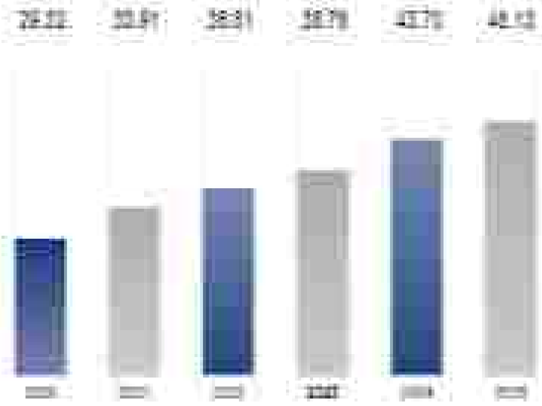


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

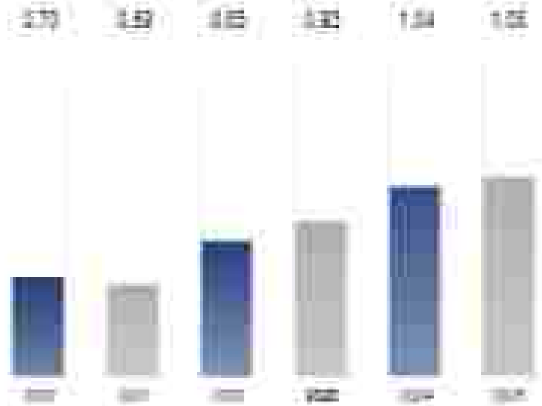
Equity To Asset Ratio



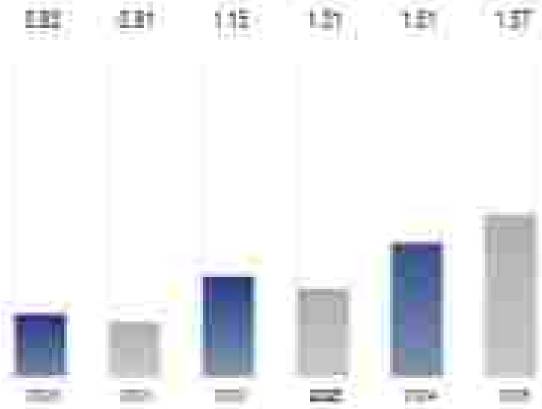
Net Assets Per Share



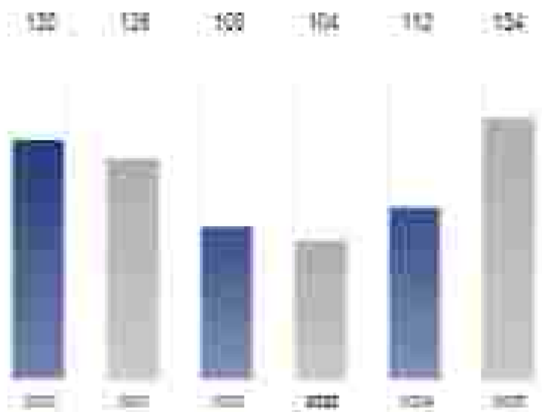
Total Assets Turnover Ratio (Average Assets)



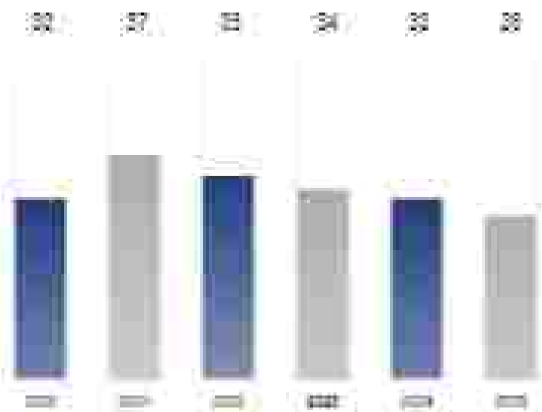
Fixed Assets Turnover Ratio



No. of Days In Inventory

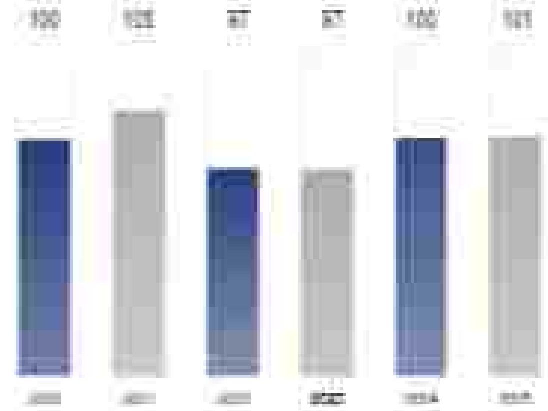


No. of Days In Receivables

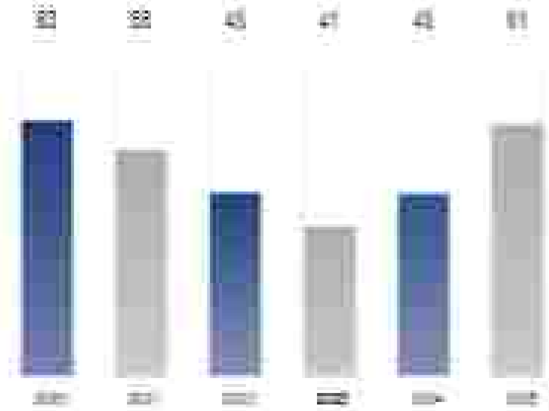


GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS

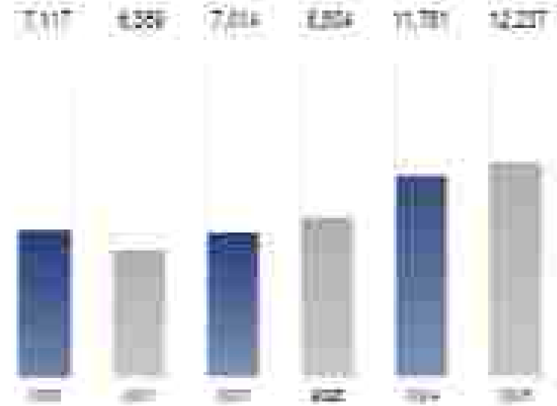
No. of Days In Payables



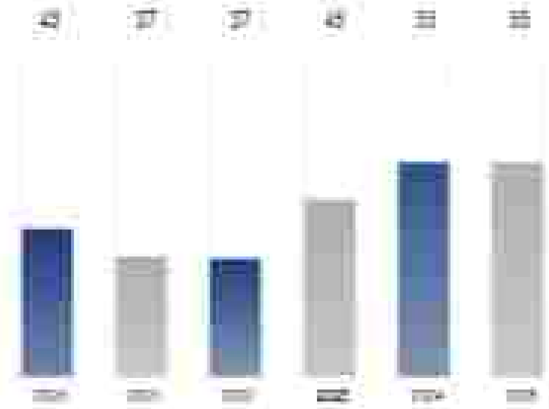
Operating Cycle



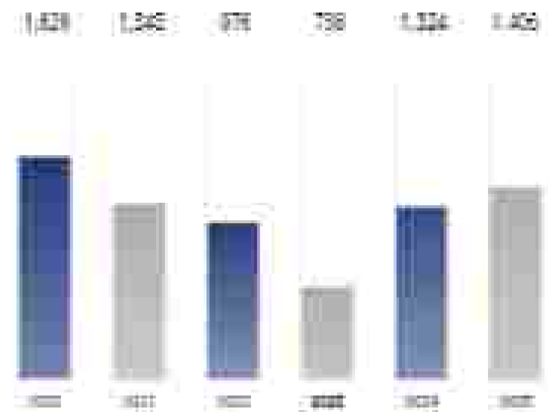
Revenue Per Employee



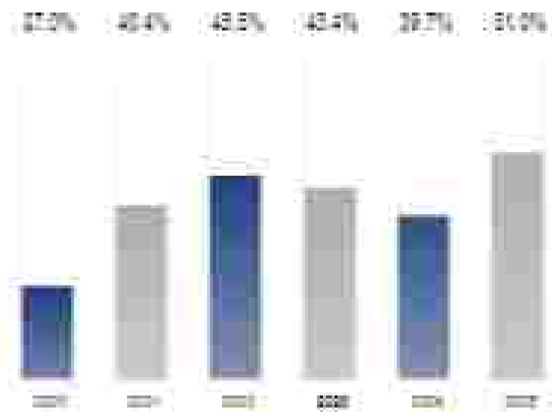
Production Per Employee



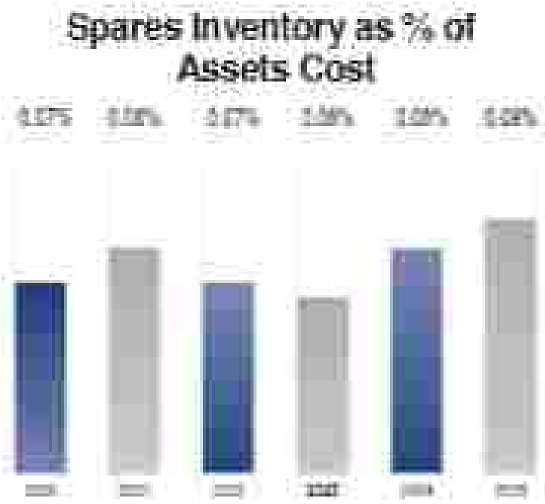
Net Profit Per Employee

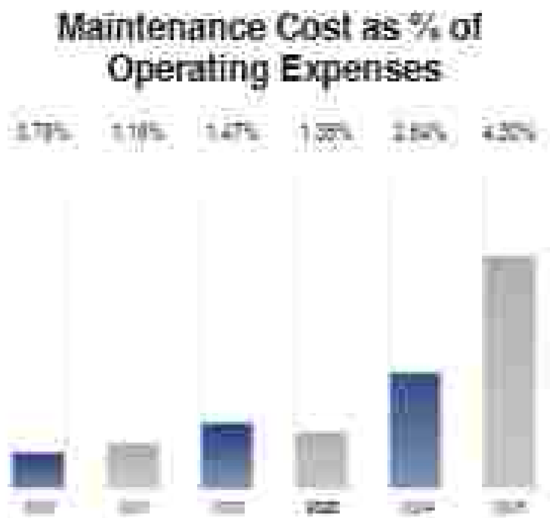


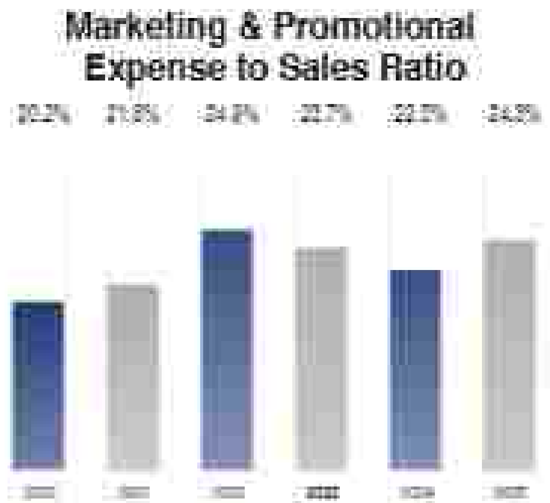
Staff Turnover Ratio



GRAPHICAL PRESENTATION OF FINANCIAL ANALYSIS



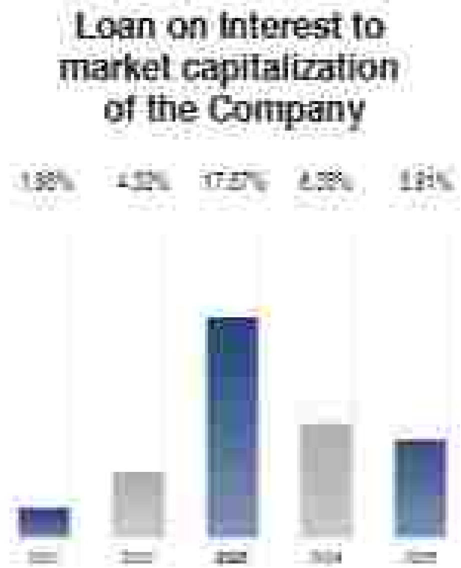




ADDITIONAL RATIOS FOR SHARIAH COMPLIANT COMPANIES

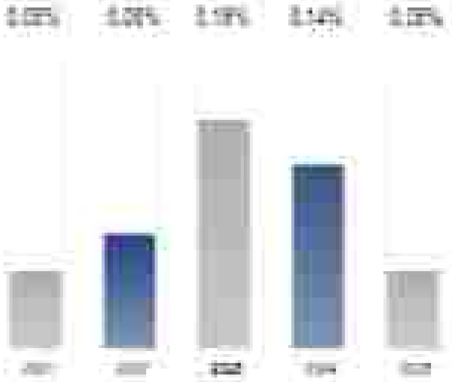
S. No.	Additional Ratios for Shariah Compliant Companies	2025	2024	2023	2022	2021
1	Loan on Interest to market capitalization of the Company (%)	5.91	6.38	17.85	4.32	1.38
2	Total interest taking deposits to market capitalization of total equity (%)	0.17	0.20	2.31	0.77	0.89
3	Income generated from prohibited components to Total Income (%)	0.03	0.14	0.18	0.03	0.05
4	Net liquid assets per share to M.V per share (%)	0.19	1.88	0.28	4.20	0.17
5	Interest Bearing Debt to Total Assets (%)	16.48	16.41	20.58	5.12	4.80
6	Non-Shariah Compliant Investments to Total Assets (%)	1.51	0.60	3.20	1.14	1.30
7	Non- Shariah Compliant Income to Total revenue (%)	0.05	0.14	0.18	0.09	0.05
8	Illiquid Assets to Total Assets (%)	70.98	71.04	73.82	73.13	78.48

GRAPHICAL PRESENTATION ADDITIONAL RATIOS FOR SHARIAH COMPLIANT COMPANIES

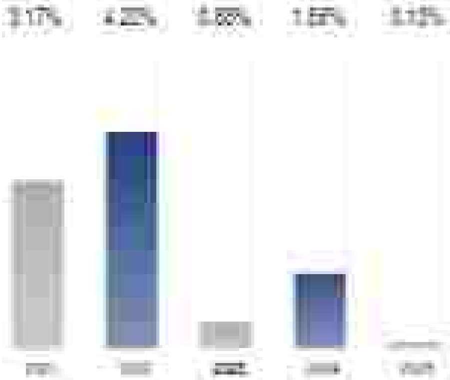


GRAPHICAL PRESENTATION ADDITIONAL RATIOS FOR SHARIAH COMPLIANT COMPANIES

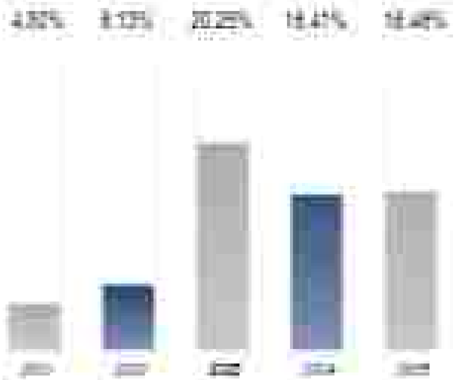
Income Generated from Prohibited Components to Total Income



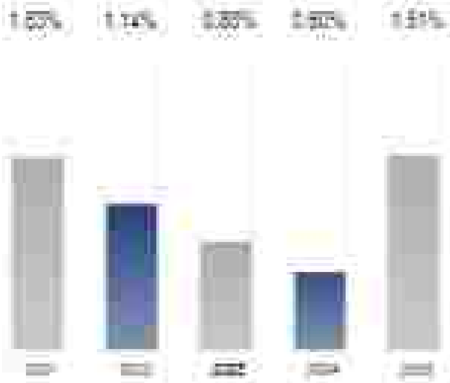
Net Liquid Assets Per Share To M.V Per Share



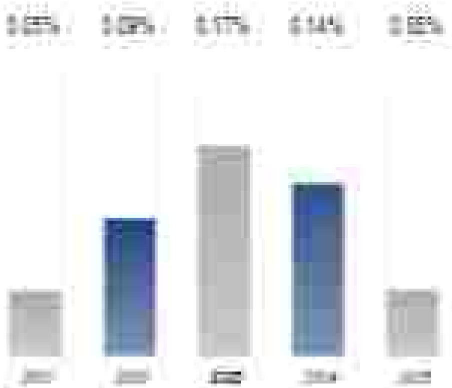
Interest Bearing Debt To Total Assets



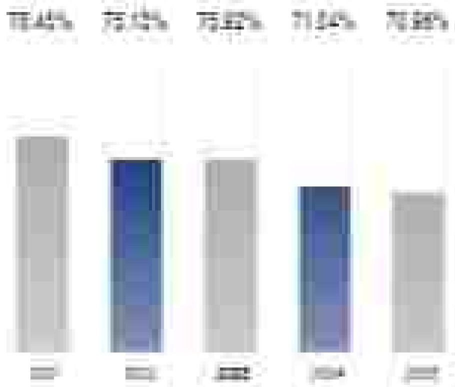
Non-shariah Compliant Investments To Total Assets



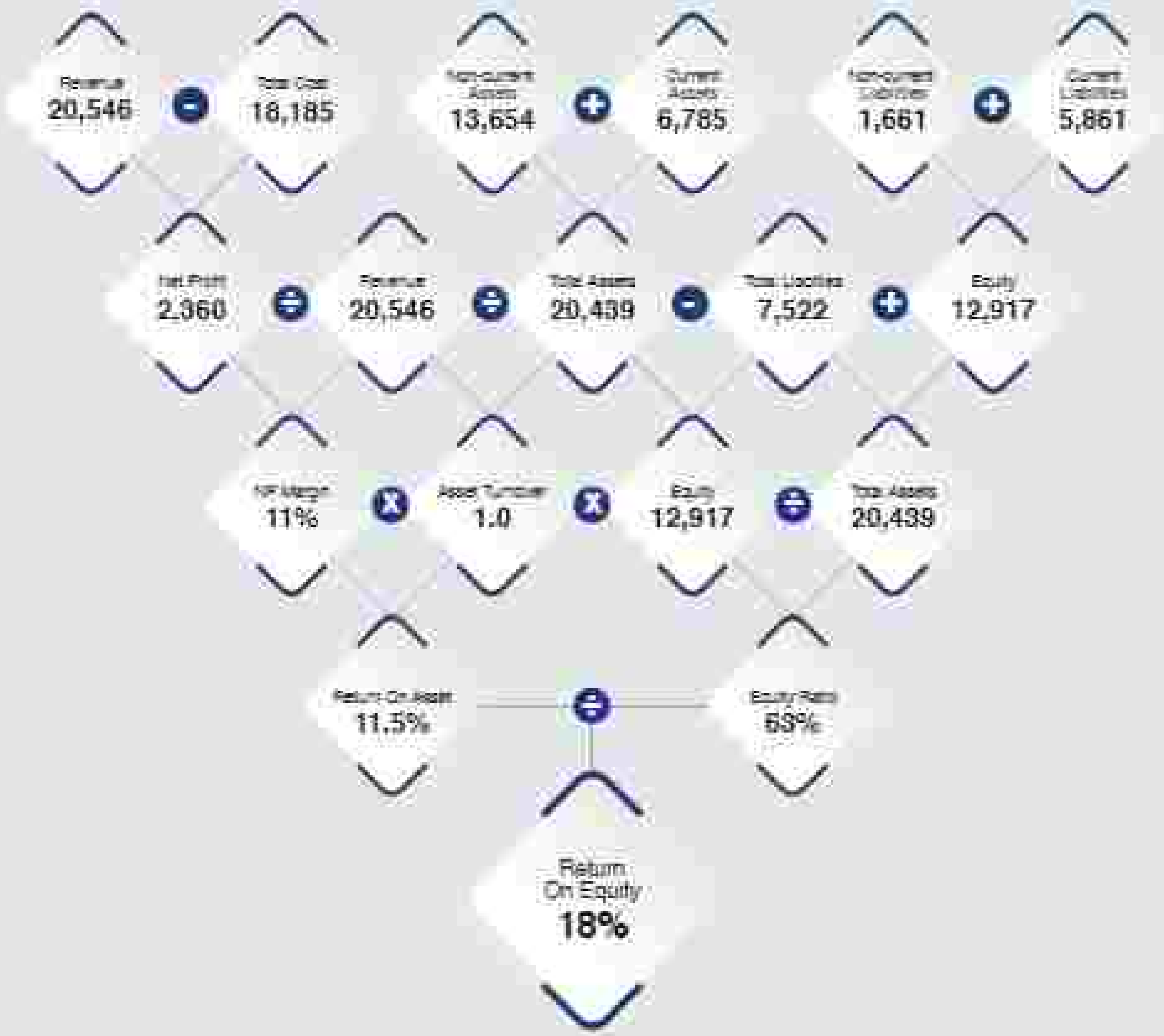
Non Shariah Compliant Income To Total Revenue



Illiquid Assets to Total Assets



DUPONT ANALYSIS



DUPONT ANALYSIS					
	2024	2025		2024	2025
Tax Burden	66%	62%	Asset Turnover	1.0 x	1.1 x
Interest Burden	79%	89%	Leverage	24.8%	26.7%
EBIT Margin	22%	21%	Return on Equity	17%	18%

During the year, the Company achieved an impressive revenue of PKR 20,546 million, reflecting a significant year-over-year growth of 10.8%. This performance was driven by the robust growth in domestic retail sales of flagship brands, coupled with a notable expansion in export revenues, particularly to Afghanistan and the nutraceutical segment.

While topline growth was commendable, translating it into profitability posed challenges due to rising operational costs, exacerbated by external socio-political pressures. Despite these challenges, the Company managed to generate a net profit of PKR 2,360 million, delivering a net profit margin of 11.5%, underscoring the effectiveness of its pricing strategies and operational realignments.

The Company's total asset base grew by 10.4%, reaching PKR 20,439 million. This consisted of PKR 13,654 million in non-current assets and PKR 6,785 million in current assets. The efficient utilization of these assets resulted in an asset turnover ratio of 1.01, reflecting the Company's ability to generate PKR 1.01 in revenue for every PKR 1 of assets deployed. Combined with the net margin, this contributed to a return on assets of 11.5%.

Total liabilities stood at PKR 7,522 million, comprising PKR 5,861 million in current liabilities and PKR 1,661 million in non-current liabilities. The Company's equity base increased to PKR 12,917 million, representing 63% of the total assets. This prudent financial management led to a healthy return on equity (ROE) of 18%, demonstrating the Company's ability to deliver sustainable returns to its shareholders.

FREE CASH FLOWS

(PKR in million)

	2025	2024	2023	2022	2021	2020
Profit before taxation	3,797	3,147	1,723	2,021	1,911	1,927
Adjustment of non-cash items	989	1,300	851	384	319	432
Changes in working capital	(385)	(1,035)	(285)	(934)	218	(292)
	4,401	3,412	2,289	1,471	2,448	2,067
Less: Capital expenditure	(1,189)	(715)	(752)	(778)	(474)	(381)
Free Cash Flows	**3,212**	**2,698**	**1,537**	**693**	**1,974**	**1,686**

ECONOMIC VALUE ADDED

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes on cash basis (NOPAT).

	2025	2024	2023	2022	2021	2020
NOPAT	3,707	3,845	1,720	1,900	2,194	2,182
Cost of Capital	(2,188)	(2,347)	(1,966)	(1,380)	(1,020)	(1,052)
Economic Value Added	**1,519**	**1,498**	**(247)**	**520**	**1,174**	**1,130**

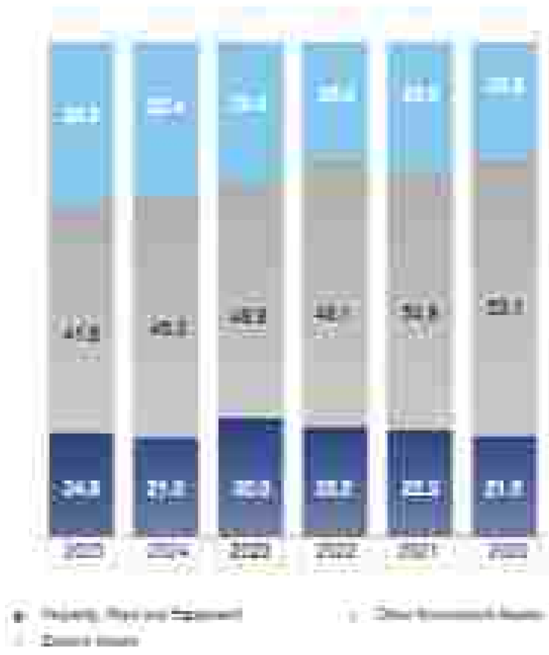
VERTICAL ANALYSIS

(PKR in million)

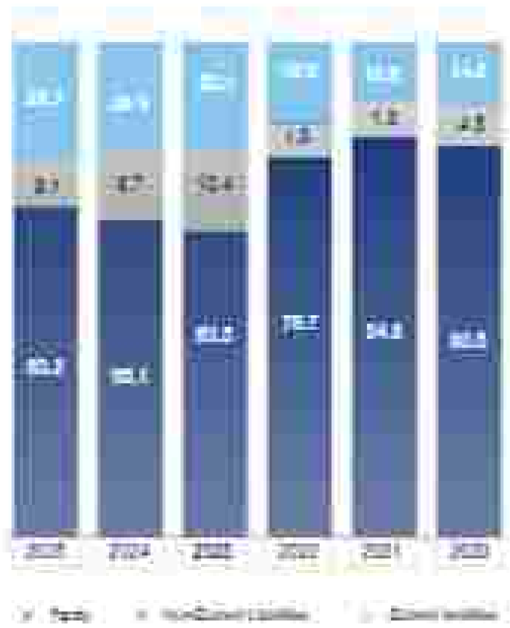
	2025 PKR	2025 %	2024 PKR	2024 %	2023 PKR	2023 %	2022 PKR	2022 %	2021 PKR	2021 %	2020 PKR	2020 %
STATEMENT OF FINANCIAL POSITION												
Assets												
Non-current Assets												
Property, plant and equipment	5,088	24.8	3,640	21.0	3,464	20.3	3,013	22.0	2,494	22.2	2,208	21.8
Intangible assets	5,425	26.5	5,427	29.2	5,442	31.2	5,411	42.2	5,425	48.3	5,286	52.0
Investment in subsidiary, long-term investments	3,074	15.0	3,074	16.5	3,055	17.9	730	5.7	730	6.5	-	-
Long-term loans, deposits and receivables	70	0.4	72	0.4	23	0.1	29	0.2	15	0.1	14	0.1
	13,654	66.8	12,513	67.6	11,984	70.3	9,178	71.6	8,651	77.1	7,513	74.2
Current Assets												
Stores, spares and loose tools	19	0.1	15	0.1	11	0.1	9	0.1	8	0.1	7	0.1
Stock-in-trade	4,358	21.3	2,288	12.4	2,527	14.8	1,875	14.6	1,036	9.2	1,184	11.8
Trade debts	1,060	5.2	1,849	10.0	1,450	8.5	1,162	9.1	798	7.1	705	6.8
Loans and advances	346	1.7	302	1.6	407	2.3	217	1.7	54	0.5	30	0.3
Trade deposits, prepayments and other receivables	484	2.4	322	1.7	258	1.5	227	1.8	61	0.5	31	0.3
Taxation - net	-	0.0	-	0.0	308	1.8	-	-	21	0.2	248	2.4
Short term investments	-	0.0	-	0.0	-	-	-	-	200	1.8	-	-
Cash and bank balances	315	1.5	118	0.6	138	0.8	156	1.2	328	2.9	270	2.6
	6,785	33.2	6,006	32.4	5,099	29.9	3,651	28.4	2,537	22.9	2,618	25.8
Total Assets	20,439	100	18,519	100	17,083	100	12,829	100.0	11,188	100.0	10,131	100.0
Equity & Liabilities												
Equity												
Share Capital	2,800	13.7	2,800	15.1	2,800	16.4	2,800	21.8	2,800	25.0	2,800	27.6
Revenue reserve	10,117	49.5	9,457	51.0	8,050	47.1	7,423	57.9	6,590	58.9	5,415	53.1
	12,917	63	12,257	66	10,850	64	10,223	79.7	9,390	84.5	8,215	80.8
Non-Current Liabilities												
Long-term financing	939	4.6	1,351	7.3	2,088	12.2	35	0.3	30	0.3	400	3.9
Deferred Grant	-	-	-	-	-	-	1	0.0	4	0.0	8	0.1
Lease Liability	300	1.5	48	-	-	-	-	-	-	-	-	-
Gas Infrastructure Development Cess	3	0.0	3	0.0	7	0.0	7	0.1	8	0.1	8	0.1
Deferred Taxation	412	2.0	255	1.4	181	1.1	129	1.0	88	0.8	58	0.6
	1,661	8	1,657	9	2,281	13	175	1.4	142	1.3	472	4.6
Current liabilities												
Trade and other payables	3,040	14.9	2,794	15.1	2,487	14.6	1,617	12.6	1,054	9.4	837	8.3
Unclaimed dividend	2	0.0	2	0.0	2	0.0	2	0.0	2	0.0	2	0.0
Accrued interest	38	0.2	40	0.2	77	0.4	40	0.3	3	0.0	4	0.0
Short-term borrowings	1,826	9.0	846	4.6	933	5.5	820	6.4	4	0.0	-	-
Current maturity of long-term financing	676	3.3	841	4.5	420	2.5	61	0.5	484	4.3	665	6.6
Taxation - net	264	1.3	51	0.3	-	-	29	0.2	-	-	-	-
	5,861	29	4,615	25	3,942	23	2,430	19	1,550	14	1,508	15
Total Equity & Liabilities	20,439	100	18,519	100	17,083	100	12,829	100.0	11,188	100.0	10,131	100.0
STATEMENT OF PROFIT OR LOSS												
Net sales	20,546	100.0	18,544	100.0	12,859	100.0	10,282	100.0	7,420	100.0	5,946	100.0
Cost of sales	10,356	50.4	9,673	52.2	7,715	58.7	5,059	49.1	3,303	44.5	2,636	44.4
Gross profit	10,190	50	8,871	48	5,142	40	5,223	50.9	4,117	55.5	3,307	55.6
Administration expenses	1,064	5.2	939	5.1	477	3.7	407	4.0	281	3.8	227	3.8
Marketing & selling expenses	4,984	24.3	4,167	22.5	3,279	25.5	2,552	24.8	1,615	21.8	1,404	23.6
Other expenses	344	1.7	301	1.6	203	1.6	238	2.3	157	2.1	152	2.6
Other income	(255)	(1.2)	(155)	(0.8)	(135)	1.0	(131)	1.3	(45)	0.6	(30)	0.5
Finance cost	475	2.3	840	4.5	595	4.6	136	1.3	98	1.3	122	2.1
Profit before tax	3,797	18.5	3,147	17.0	1,723	13.4	2,021	19.7	1,911	25.8	1,927	32.4
Taxation	(1,437)	(7.0)	(1,064)	(5.7)	(533)	(4.1)	(593)	(5.8)	(348)	(4.7)	338	4.8
Profit after tax	2,360	11.5	2,084	11.2	1,190	9.3	1,428	13.9	1,563	21.1	1,587	26.8
Operating Profits	4,251	20.8	4,126	22.3	2,289	17.8	2,284	22.2	2,112	28.5	2,239	37.7

GRAPHICAL PRESENTATION OF VERTICAL ANALYSIS

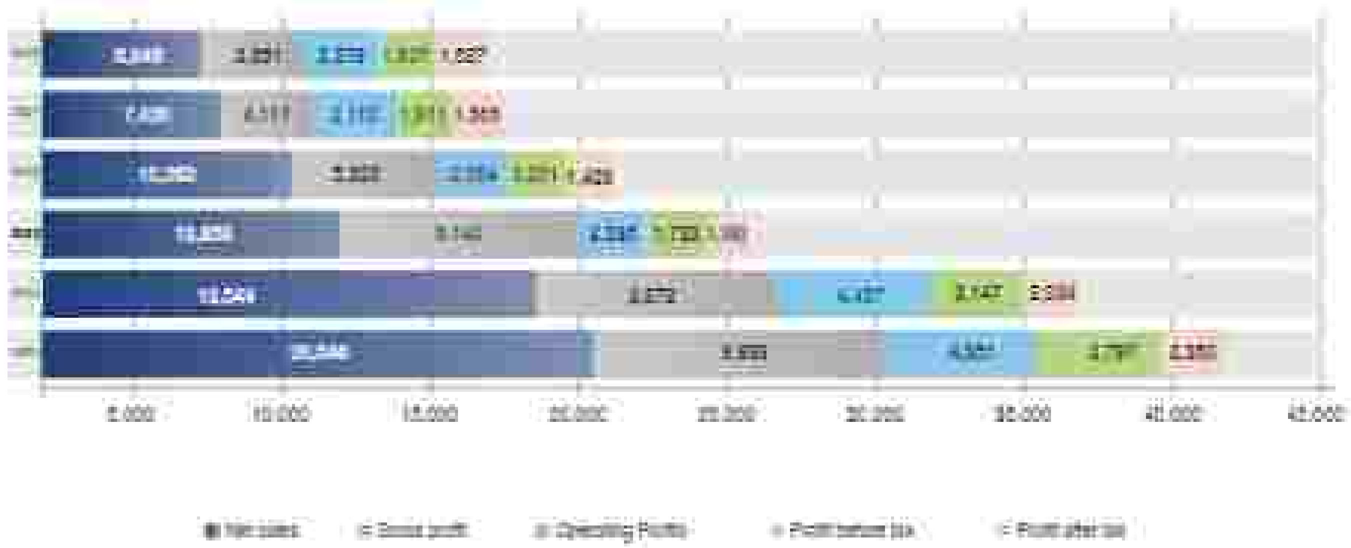
Financial Position Analysis - Assets (%)



Financial Position Analysis - Equity & Liabilities (%)



PROFIT OR LOSS ANALYSIS



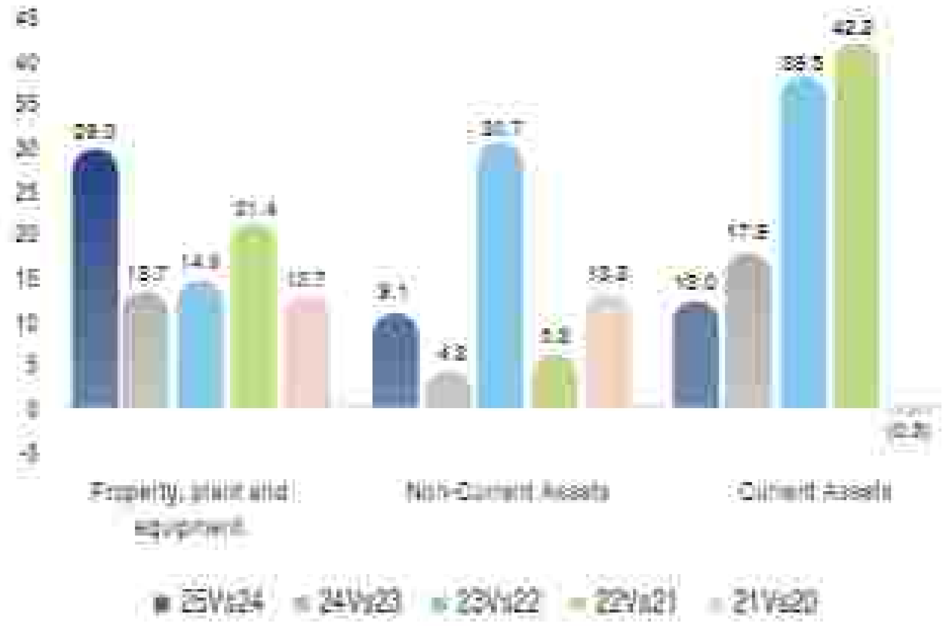
HORIZONTAL ANALYSIS

(PKR in Million)

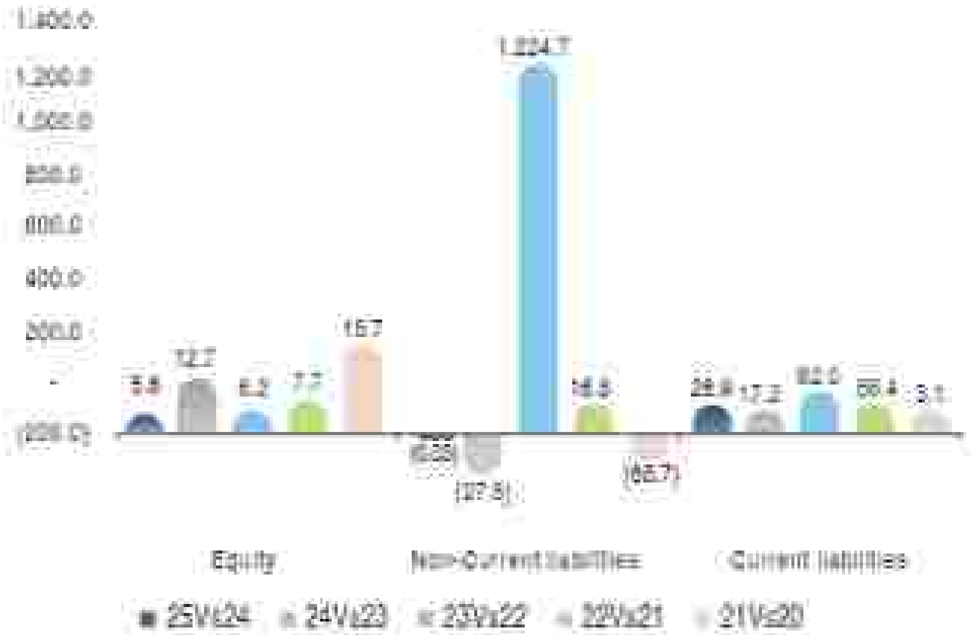
	2025	25 vs 24	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020
	PKR	%	PKR	%	PKR	%	PKR	%	PKR	%	PKR
Statement of Financial Position											
Assets											
Non-Current Assets											
Property, plant and equipment	5,050	28.0	3,942	15.8	3,404	14.8	3,015	21.4	2,484	12.7	2,205
Intangible assets	5,425	(0.0)	5,427	(0.0)	5,443	0.6	5,411	0.1	5,408	0.1	5,386
Investment in subsidiary (Long-term investments)	3,074	-	3,074	6.3	2,892	776.4	330	0.0	330	100.0	-
Long-term loans, deposits and receivables	75	5.6	71	215.6	23	1.4	22	54.0	15	3.0	14
	13,634	8.1	12,513	4.6	11,964	83.7	8,178	5.5	8,237	10.0	7,615
Current Assets											
Stores, spares and loose tools	15	17.1	13	26.7	11	20.2	9	8.4	8	13.8	7
Stock in trade	4,558	28.2	3,556	34.3	2,227	84.7	1,376	71.2	1,036	(7.5)	1,194
Trade debts	1,262	(31.7)	1,848	27.8	1,436	24.7	1,152	47.4	738	11.2	705
Loans and advances	348	15.1	302	(24.5)	400	84.5	217	241.8	64	111.5	35
Trade deposits, prepayments and other receivables	484	43.8	325	25.2	259	15.1	226	271.5	61	87.5	31
Taxation - net	-	-	-	(100.0)	309	-	-	(100.0)	21	(91.7)	248
Short term investments	-	-	-	-	-	-	-	(100.0)	300	100.0	-
Cash and bank balances	315	175.4	115	(15.4)	136	(7.5)	150	(54.5)	326	(11.1)	370
	6,783	10.0	6,203	17.8	5,265	39.8	3,651	41.8	2,557	(2.5)	2,575
Total Assets	20,432	10.4	18,513	6.4	17,399	33.3	12,828	14.5	11,198	8.8	10,787
Equity & Liabilities											
Equity											
Share Capital	2,800	-	2,800	-	2,800	-	2,800	-	2,800	-	2,800
Revenue reserve	10,117	7.2	9,437	17.2	8,055	8.5	7,423	13.5	6,550	20.7	5,410
	12,917	5.6	12,237	12.7	10,855	6.2	10,223	9.7	9,400	15.7	8,212
Non-Current liabilities											
Long-term financing	659	(38.9)	1,251	(33.4)	2,056	5,724.5	35	(32.3)	50	(85.7)	400
Deferred grant	-	-	-	-	-	(100.0)	1	(84.8)	4	(53.1)	8
Lease liability	302	526.6	48	-	-	-	-	-	-	-	-
Gas Infrastructure Development cess	8	1.3	8	12.2	7	(5.5)	7	(10.5)	8	(1.0)	8
Deferred Taxation	412	63.3	253	32.4	191	47.7	129	50.5	86	53.5	56
	1,380	(5.3)	1,561	(27.3)	2,261	1,224.7	173	14.5	148	(59.5)	472
Current liabilities											
Trade and other payables	3,040	9.3	2,784	11.8	2,497	54.7	1,617	61.2	1,054	27.1	827
Unclaimed dividend	2	26.2	2	6.8	2	5.2	2	6.5	2	(5.8)	2
Accrued interest	35	(12.8)	40	(41.7)	77	83.7	42	1,878.2	2	(47.8)	4
Short-term borrowings	1,855	118.8	848	(8.6)	928	36.1	682	17,174.4	4	100.0	-
Current maturity of long-term financing	670	(18.2)	841	96.2	429	502.7	61	(87.3)	424	(27.7)	585
Taxation - net	264	191.9	91	-	-	(100.0)	24	100.0	-	-	-
	5,291	26.9	4,513	17.2	3,942	59.5	2,429	86.2	1,505	2.6	1,532
Total Equity & Liabilities	20,432	10.4	18,513	6.4	17,399	33.3	12,828	14.5	11,198	8.8	10,787
Statement of profit or loss											
Net sales	20,340	10.8	18,544	33.8	13,858	35.3	10,202	38.5	7,420	5.8	6,946
Cost of sales	16,356	8.1	13,872	26.4	7,715	53.1	5,038	52.6	3,303	7.8	3,086
Gross profit	3,989	13.6	5,672	44.4	6,142	17.8	5,223	26.8	4,117	6.6	3,861
Administration expenses	854	7.4	833	27.5	477	17.4	407	4.1	391	72.4	227
Marketing & selling expenses	4,884	33.5	4,137	26.3	3,279	25.5	2,552	58.0	1,615	15.0	1,404
Other expenses	344	14.3	301	14.2	280	10.6	232	51.2	157	(14.2)	183
Other income	269	51.8	160	(11.2)	(186)	42.5	(131)	183.0	(46)	46.3	(32)
Finance cost	473	(43.2)	845	48.8	336	832.4	126	82.5	36	(41.2)	132
Profit before tax	3,797	20.8	3,147	82.7	1,722	(74.9)	2,247	5.6	1,971	(9.8)	1,847
Taxation	1,408	38.1	1,064	98.7	533	537.2	396	71.2	546	2.1	358
Profit after tax	2,389	13.3	2,083	75.0	1,190	(19.7)	1,448	(8.7)	1,385	(1.4)	1,897

GRAPHICAL PRESENTATION OF HORIZONTAL ANALYSIS

Financial Position Analysis - Assets (%)



Financial Position Analysis - Equity & Liabilities (%)



SUMMARY OF STATEMENT OF FINANCIAL POSITION

(PKR in Million)	2025	2024	2023	2022	2021	2020
ASSETS						
Property, plant and equipment	5,083	3,940	3,464	3,015	2,454	2,203
Intangible assets	5,426	5,426	5,442	5,411	5,403	5,398
Long-term investments	3,074	3,074	3,066	730	730	-
Long-term deposits and receivables	72	72	23	23	15	14
	13,654	12,513	11,094	9,179	8,631	7,615
Current Assets	6,785	6,003	6,093	3,651	2,567	2,575
TOTAL ASSETS	20,439	18,516	17,088	12,829	11,199	10,191
Share capital	2,800	2,800	2,800	2,800	2,800	2,800
Revenue reserve - unappropriated profits	10,117	9,437	8,053	7,423	6,696	5,410
TOTAL EQUITY	12,917	12,237	10,853	10,223	9,495	8,210
Total Non current liabilities	1,661	1,661	2,291	173	148	472
Current Liabilities	5,861	4,618	3,942	2,433	1,556	1,508
TOTAL LIABILITIES	7,522	6,279	6,233	2,606	1,704	1,980
TOTAL EQUITY AND LIABILITIES	20,439	18,516	17,086	12,829	11,199	10,191

SUMMARY OF STATEMENT OF PROFIT OR LOSS

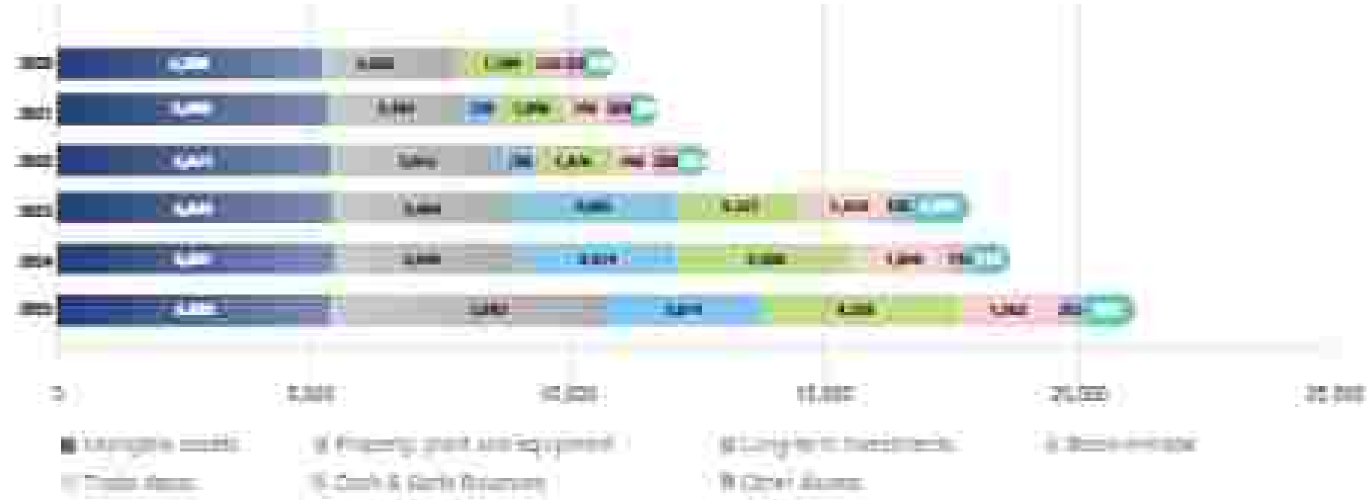
(PKR in Million)	2025	2024	2023	2022	2021	2020
Net Sales	20,648	18,544	13,858	10,262	7,420	6,946
Gross profit	9,989	8,872	6,142	5,223	4,117	3,851
Operating Profit	4,351	4,126	2,386	2,264	2,112	2,330
Profit before taxation	3,797	3,147	1,723	2,021	1,811	1,927
Taxation	1,436	1,064	533	593	346	338
Profit after tax	2,360	2,084	1,190	1,428	1,365	1,587

SUMMARY OF STATEMENT OF CASH FLOW

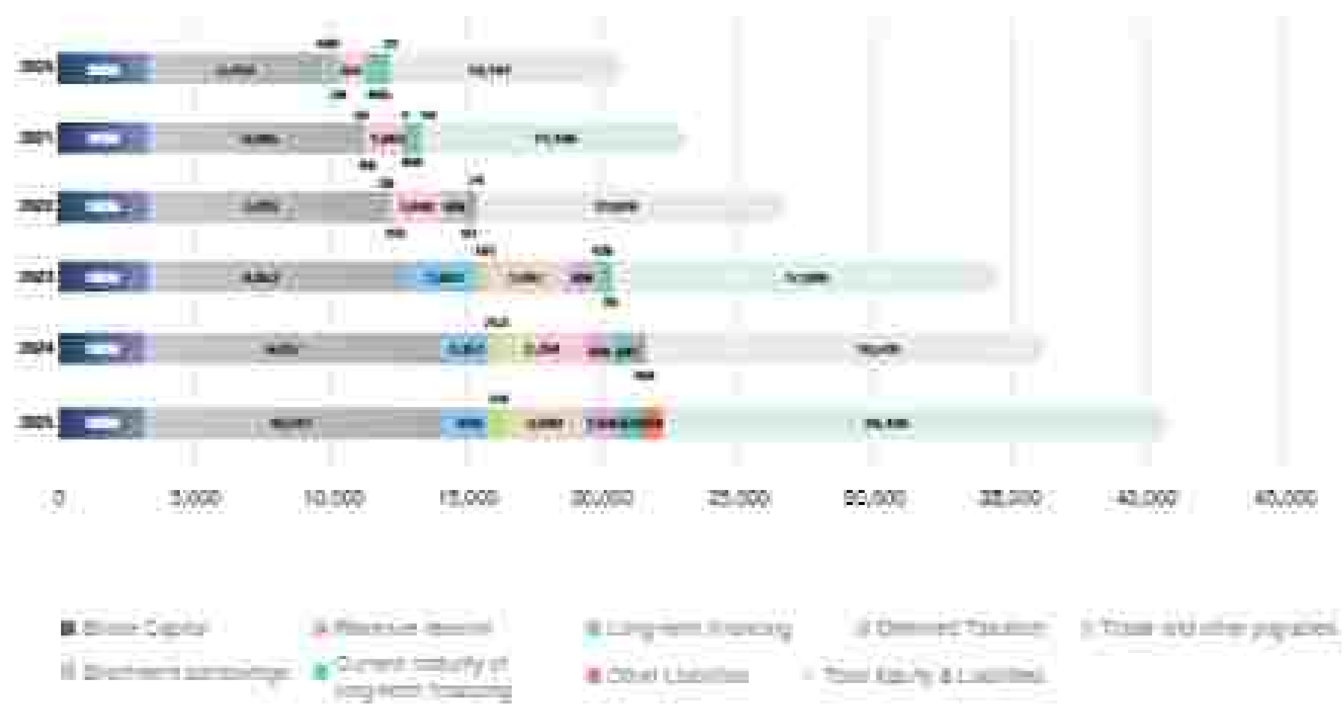
(PKR in Million)	2025	2024	2023	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Profit before taxation	3,797	3,147	1,723	2,021	1,911	1,927
Adjustments for non cash and other items	989	1,300	801	384	372	422
Changes in working capital	(385)	(1,035)	(235)	(934)	164	(292)
Cash generated from operations	4,401	3,412	2,289	1,471	2,447	2,057
Finance costs paid	(250)	(380)	(222)	(83)	(63)	(141)
Income tax paid	(1,104)	(602)	(804)	(505)	(90)	(167)
Statutory charges paid	(311)	(247)	(151)	(148)	(147)	(150)
Net cash flows generated from operating activities	2,736	2,183	1,112	737	2,147	1,599
CASH FLOWS FROM INVESTING ACTIVITIES						
Fixed capital expenditure	(1,169)	(715)	(752)	(778)	(474)	(381)
Investment in subsidiary	0	-	(2,324)	-	(715)	-
Deposits and receivables - paid / given back	-	-	(0)	(6)	(0)	-
received back	-	-	-	-	-	-
Proceeds from disposal of operating fixed assets	60	35	15	38	17	6
Dividend received	195	98	130	65	-	-
Others	9	26	26	22	17	13
Net cash flows used in investing activities	(925)	(556)	(2,906)	(661)	(1,156)	(362)
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividend paid	(1,680)	(700)	(538)	(700)	(280)	(839)
Short term borrowings	-	-	-	-	4	-
Lease liability - net	(57)	(21)	-	-	-	-
Lien on bank balance	-	-	32	(131)	-	-
Long-term financing - net	(865)	(838)	2,092	(440)	(538)	(137)
Net cash flows used in financing activities	(2,601)	(1,558)	1,586	(1,271)	(834)	(976)
Net increase / (decrease) in cash and cash equivalents	(790)	69	(208)	(1,195)	157	263
Cash and cash equivalents at the beginning of the year	(810)	(879)	(670)	525	370	117
Cash and cash equivalents at the end of the year	(1,600)	(810)	(879)	(670)	527	380

GRAPHICAL PRESENTATION OF STATEMENT OF FINANCIAL POSITION AND PROFIT OR LOSS

Summary of Financial Position - Assets



Summary of Financial Position - Equity & Liabilities



STATEMENT OF CASH FLOW - DIRECT METHOD

(PKR in 000's)	2025	2024
Cash Flows From Operating Activities		
Cash received from customer - net	21,132,822	18,185,794
Cash paid to supplier / employees / service providers	(16,731,274)	(14,753,621)
Finance costs	(250,213)	(379,994)
Income tax	(1,103,770)	(502,313)
Workers' Profit Participation Fund	(213,816)	(160,000)
Workers' Welfare Fund	(82,943)	(19,105)
Central Research Fund	(34,143)	(18,503)
Deposits and receivables - paid	(584)	(49,243)
Net cash flows generated from operating activities	**2,736,780**	**2,183,016**
Cash Flows From Investing Activities		
Capital expenditure	(1,189,417)	(714,548)
Dividend received	196,000	97,500
Proceeds from disposal of operating fixed assets	60,423	34,782
Interest income received	8,487	26,301
Net cash flows used in investing activities	**(924,607)**	**(668,876)**
Cash Flows From Financing Activities		
Dividend paid	(1,679,531)	(699,835)
Lease rentals paid	(56,673)	(20,512)
Repayment of long-term financings	(864,793)	(847,815)
Net cash flows used in financing activities	**(2,600,997)**	**(1,568,162)**
Net (decrease) / increase in cash and cash equivalents	**(789,724)**	**88,978**
Cash and cash equivalents at the beginning of the year	(909,816)	(998,794)
Cash and cash equivalents at the end of the year	**(1,699,540)**	**(909,816)**

QUARTERLY ANALYSIS

PKR in Million	Net Turnover	Gross Profit	Operating Profit	Profit After Tax
Quarter 1	4,814	2,167	934	466
Quarter 2	4,270	2,198	928	627
Quarter 3	5,587	2,870	1,388	671
Quarter 4	5,874	2,754	1,102	596
Total	**20,546**	**9,989**	**4,351**	**2,360**

The Company reported net revenue of PKR 20.6 billion during the year, reflecting steady growth of 10.8%. This performance was primarily driven by an 11.6% increase in domestic retail sales, supported by the strong performance of leading brands. Export sales also reached a significant milestone, surpassing PKR 3.0 billion for the first time and registering robust growth of 11%. Performance remained strong in the final quarter, with Q4 revenue exceeding PKR 5.9 billion, while the average monthly run rate increased to PKR 1,712 million, compared to PKR 1,545 million in 2024.

Pakistan's macroeconomic environment showed signs of stabilization during the year, with an improvement in GDP growth, easing inflationary pressures, and a downward trend in interest rates. Against this backdrop, the Company's gross margins improved to 49%. However, residual inflationary pressures resulted in a 7% increase in administrative expenses, while continued investments in human capital to support business growth led to higher marketing and selling expenses. Finance costs declined significantly by 43%, primarily due to the reduction in policy interest rates.

As a result, the Company recorded a profit after tax of PKR 2,360 million, translating into earnings per share of PKR 6.43. A detailed analysis of the Company's quarterly financial performance is presented below.

QUARTER 1

Revenue

The Company achieved net revenue of PKR 4,314 million in Q1, reflecting a significant 13% growth compared to the same period last year. This increase was primarily driven by domestic sales particularly for key brands, supplies to the group companies, and Export sales to Afghanistan.

Gross Profit

The gross profit amounted to PKR 2,167 million, reflecting a 22% increase from the previous year. The gross margin increased from 20% to 45%, mainly due to price increases, better sales mix and operational efficiencies.

Operating Profit

Operating profit for the quarter was PKR 934 million, indicating an 25% increase from the same period last year. OP margins also increased from 18% in 2024 to 19% in 2025 due to stability in PKR.

Profit After Tax

The company recorded a profit after tax of PKR 466 million for the first quarter of the year, compared to PKR 413 million in the same period last year, representing an increase of 13%. The earnings per share (EPS) for the quarter stood at PKR 1.56.

QUARTER 2

Revenue

Revenue for Q2 reached PKR 4,276 million. This was largely attributed to a surge in domestic retail sales.

Gross Profit

Gross profit amounted to PKR 2,167 million, with a margin of 51%. This represents a 8% increase in gross profit compared to the previous year, mainly attributable to operational efficiencies and improvement of production processes.

Operating Profit

Operating profit for the quarter was PKR 928 million. Operating margins increased to 22% but were impacted by the increasing cost of doing business in the country.

Profit After Tax

Net profit for the quarter was PKR 627 million, which is 96% higher than SPLY. Profitability increased due to robust sales growth and focus on plant level efficiencies resulting in an EPS of PKR 2.24 for the quarter.

QUARTER 3

Revenue

The Company achieved a revenue of PKR 5,537 million for the quarter, showing a 24% increase from the previous quarter. This growth in sales was driven by the strong performance of the Company's top brands and increase in export sales.

Gross Profit

Gross profit reached PKR 2,870 million, marking a 26% increase over the same quarter last year, with margins recorded at 51%.

Operating Profit

Operating profit amounted to PKR 1,386 million, increasing by 24% from SPLY. Margins were recorded at 25%.

Profit After Tax

Profit after tax stood at PKR 671 million, a 22% increase from the same quarter last year. Despite significant cost pressures, net margins were maintained at 12%, with EPS of PKR 2.40.

QUARTER 4

Revenue

The Company achieved a milestone by surpassing PKR 5,874 million in sales, marking a 7% growth compared to the same period last year. This achievement was driven by consistent sales performance.

Gross Profit

Gross profit reached PKR 2,764 million. Gross margins for the quarter were at 47%.

Operating Profit

Operating profits for the quarter stood at PKR 1,102 million, a 26% decrease from the same period last year. Due to the high costs of doing business, it resulted in operating margins being pulled down to 19%.

Profit After Tax

The Company's profit after tax (PAT) for the quarter was PKR 596 million, 26% lower than the same period last year. Net margins were also affected, standing at 10%, with earnings per share (EPS) of PKR 2.13.

SIX YEAR ANALYSIS

Statement of Financial Position Analysis

Assets

Over the past six years, the Company's asset base has exhibited steady growth, supported by strategic investments in tangible and intangible assets aligned with its operational and long-term objectives. Non-current assets, comprising primarily property, plant, and equipment (PPE) and intangible assets, have recorded notable expansion. PPE increased significantly to PKR 5,083 million in 2025 from PKR 2,203 million in 2020, representing a compound annual growth rate (CAGR) of approximately 18%. This increase reflects sustained capital expenditures aimed at expanding manufacturing capacity and upgrading facilities to meet rising demand, net of depreciation and disposals. Intangible assets, largely representing acquired brands, have remained stable at approximately PKR 5,425 million throughout the period, underscoring the enduring strength of the Company's brand portfolio. Long-term investments increased to PKR 3,074 million in 2025 from nil in 2020, highlighting a strategic shift towards portfolio diversification and long-term value creation.

Current assets have also expanded materially over the period, increasing nearly 2.6 times to PKR 6.8 billion, primarily driven by higher working capital requirements in line with business growth. Stock-in-trade rose to PKR 4.36 billion, reflecting a threefold increase over the six-year period. As a key supplier of essential medicines, the Company maintains adequate inventory levels to ensure operational continuity and uninterrupted market supply. Inventory turnover averages approximately 104 days, while receivables are collected within 28 days and payables are settled over an average period of 101 days.

Equity & Liabilities

The Company's equity comprises share capital and revenue reserves. Over the past six years, equity has increased by 57%, rising from PKR 8.21 billion in 2020 to PKR 12.92 billion in 2025. This growth was primarily driven by a sustained increase in revenue reserves, which expanded from PKR 5.41 billion in 2020 to PKR 10.12 billion in 2025, reflecting strong profitability and prudent earnings retention. Share capital has remained unchanged at PKR 2.8 billion throughout the period, highlighting the stability of the Company's capital structure.

Non-current liabilities increased markedly over the six-year period, rising by 252% from PKR 472 million in 2020 to PKR 1.66 billion in 2025. This increase reflects the Company's utilization of long-term financing to support expansion initiatives, including facilities such as the Refinance Scheme for Payment of Wages & Salaries introduced by the State Bank of Pakistan.

Current liabilities have also expanded significantly, nearly tripling from PKR 1.50 billion in 2020 to PKR 5.86 billion in 2025. This growth is primarily attributable to the expanding scale of operations, resulting in higher trade and other payables. In addition, the reclassification of the current maturity of long-term financing has contributed to the overall increase, in line with the Company's structured financial management approach.

Statement of Profit And Loss Analysis

Net Revenue

The Company has delivered consistent revenue growth, recording a five-year compound annual growth rate (CAGR) of 24.2% over the last six years, reaching PKR 20.5 billion in 2025. This performance reflects strong contributions from flagship brands such as Rigix, Ossate, and Ceclor, supported by expansion into the nutraceuticals segment and increased exports to Afghanistan. The successful launch of more than 40 new products, including line extensions, over the period has further strengthened AGP's portfolio and market presence.

Cost of Sales

Driven by higher sales volumes and significant local currency devaluation, the Company's cost of sales increased at a five-year CAGR of 28% over the last six years, rising from PKR 3.0 billion in 2020 to PKR 10.5 billion in 2025. Despite these pressures, the Company sustained a gross margin of 48.6% in 2025 through disciplined inventory management and effective cost control initiatives.

Expenditures

To support revenue growth and operational expansion, the Company continued to invest strategically in human capital. However, elevated inflation, fuel costs, and currency depreciation increased the overall cost of doing business, resulting in proportionate growth in administrative, marketing, and selling expenses. Finance costs rose from PKR 152 million in 2020 to PKR 478 million in 2025, reflecting higher borrowings and increased reliance on short- and long-term financing. Nevertheless, finance costs declined in 2025 due to easing policy rates. Tax expense recorded a sharp increase, rising from PKR 339 million in 2020 to PKR 1,436 million in 2025, representing a 4.2x increase, driven by higher profitability and the imposition of additional levies, including super tax.

Profit After Tax

During 2025, macroeconomic conditions showed signs of stabilization, with GDP growth rebounding over the period. In parallel, the pharmaceutical sector benefited from progressive regulatory developments, including the deregulation of prices for drugs excluded from the National Essential Medicines List (NEML). Consequently, the Company reported a net profit margin of 11.5% in 2025.

Cash Flow Analysis

Operating Activities

The Company's liquidity has been impacted by several factors, including acquisitions, super tax levies, increased investments in working capital, and higher inventory levels. Despite these pressures, cash flows generated from operating activities have improved by PKR 1,255 million over the past six years.

Investing Activities

The Company utilized internally generated funds to invest approximately PKR 6.6 billion over the last six years. This includes PKR 4.3 billion allocated to capital expenditures aimed at upgrading, maintaining, and expanding manufacturing capacity, as well as enhancing office space. Additionally, PKR 3.0 billion was invested in subsidiaries, which involved acquiring a 65% equity stake in OBS AGP (Private) Limited in 2021 and a 91.8% stake in OBS Pakistan (Private) Limited in 2023.

Financing Activities

Over the past six years, the Company repaid long-term liabilities amounting to approximately PKR 3.1 billion. In 2023, it secured syndicate term financing of PKR 2.36 billion to fund its investment in OBS Pakistan. During the same period, dividends totaling PKR 4.8 billion were distributed to shareholders. The annual dividend per share is summarized below.

Year	Dividend Per Share (in PKR)
2025	8.00
2024	4.00
2023	2.50
2022	2.00
2021	2.50
2020	2.00

SHARE PRICE SENSITIVITY ANALYSIS

Share Price Information

Traded on the Pakistan Stock Exchange (PSX), the Company's share price navigated both internal and external forces. While economic headwinds, government policies, and stakeholder sentiment affect the stock price, the Company's solid financial performance kept it alluring to investors. Soaring to a high of PKR 215.06 in August 2025, AGP shares closed the year at PKR 203.15, rising above the external challenges.

Market Capitalization Sensitivity

The PSX capitalized on the momentum in 2025, sustaining its strong market performance and ballooning by 35.8% to reach a staggering PKR 19.7 trillion. The KSE-100 index also mirrored this boom, soaring 48.8% during the year to close at 174,054 points. Riding this wave, AGP's share price jumped 18.1%, propelling its market capitalization to PKR 56.88 billion. There has been no change in the number of shares outstanding of the Company throughout the year.

Interest Rate Sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's long-term financing and short-term borrowings at a floating rate to meet its business operations requirements. Management of the Company estimates that 10% increase / decrease in the market interest rate, with all other factors remaining constant, would decrease / increase the Company's profit before tax for the next year by PKR 40.2 million, as also mentioned in the note 35.5.1 to the financial statements for the year ended December 31, 2025.

Foreign Currency Sensitivity

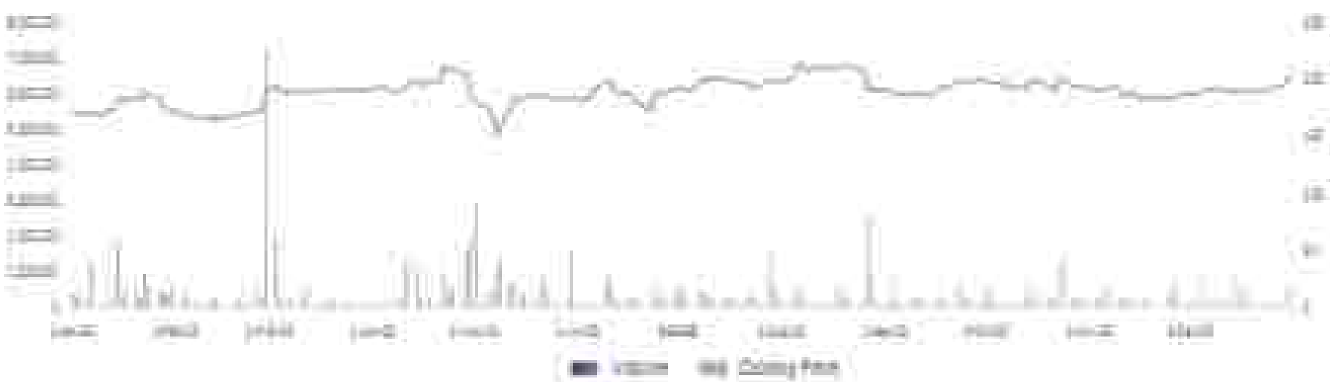
Fluctuations in foreign currency increase currency risk, that is, changes in foreign exchange will directly impact the fair value or future cash flows of a financial instrument. AGP is sensitive to this risk with respect to bank balances, receivables from customers and payables to suppliers.
All other variables held constant, every 10% change in exchange rate will impact Profit Before Tax for the next year by PKR 16.28 million, as also mentioned in the note 35.5.2 to the financial statements for the year ended December 31, 2025.

Foreign Currency Sensitivity

The Company's revenue is directly linked to government policies, specifically to the price revisions set by the Drug Regulatory Authority of Pakistan (DRAP). DRAP allows essential medicine prices to rise by 70% of the Consumer Price Index (CPI) increase, capped at 14%. Therefore, AGP's pricing directly reflects the annual CPI fluctuations announced by the Government of Pakistan.

Raw Material Sensitivity

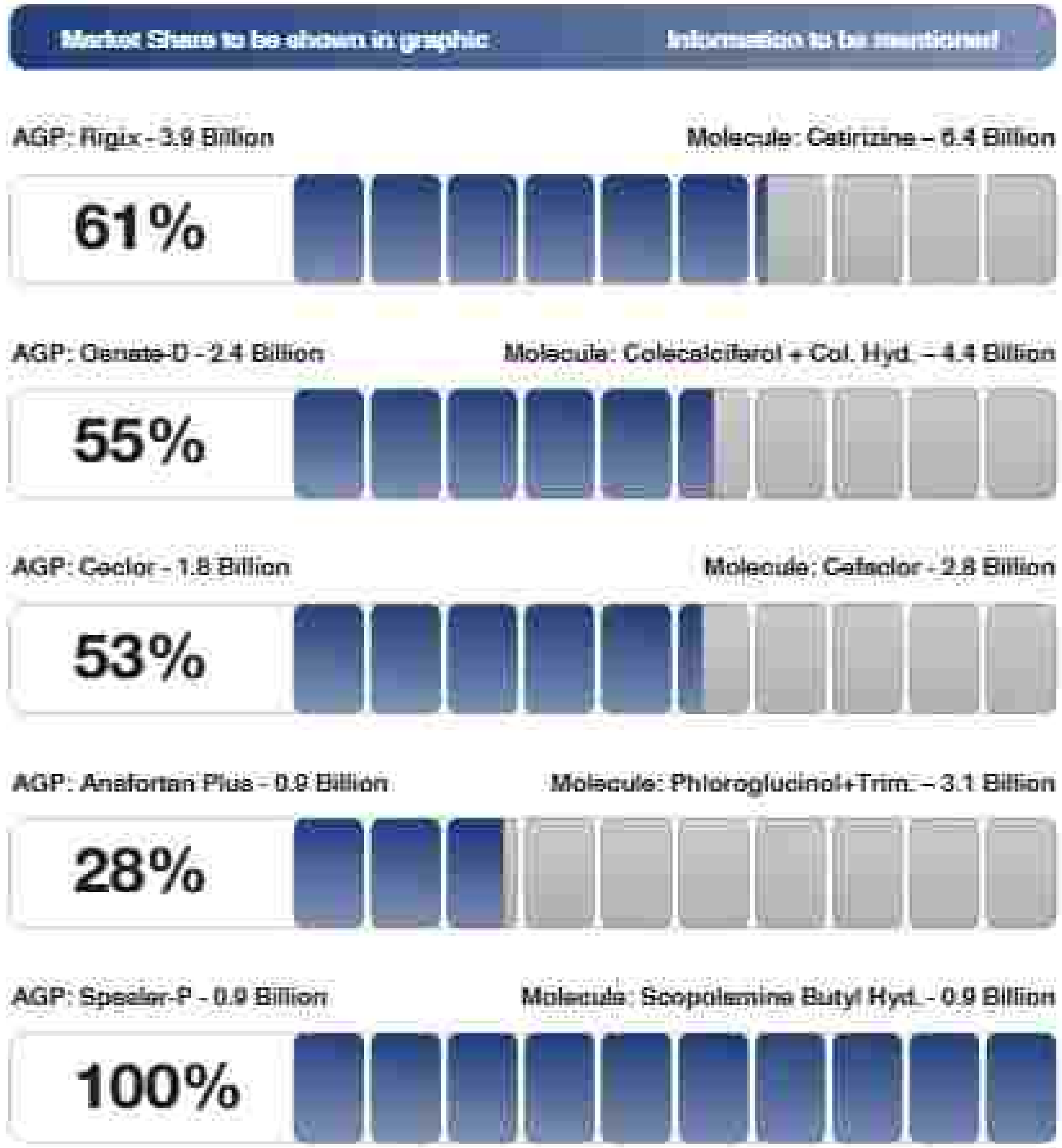
AGP relies heavily on imported raw materials, making it susceptible to price increases caused by both adverse foreign exchange movements and broader market shifts. Significant raw material price hikes could potentially erode profit margins and impact overall profitability, leading to potential downward pressure on the share price.

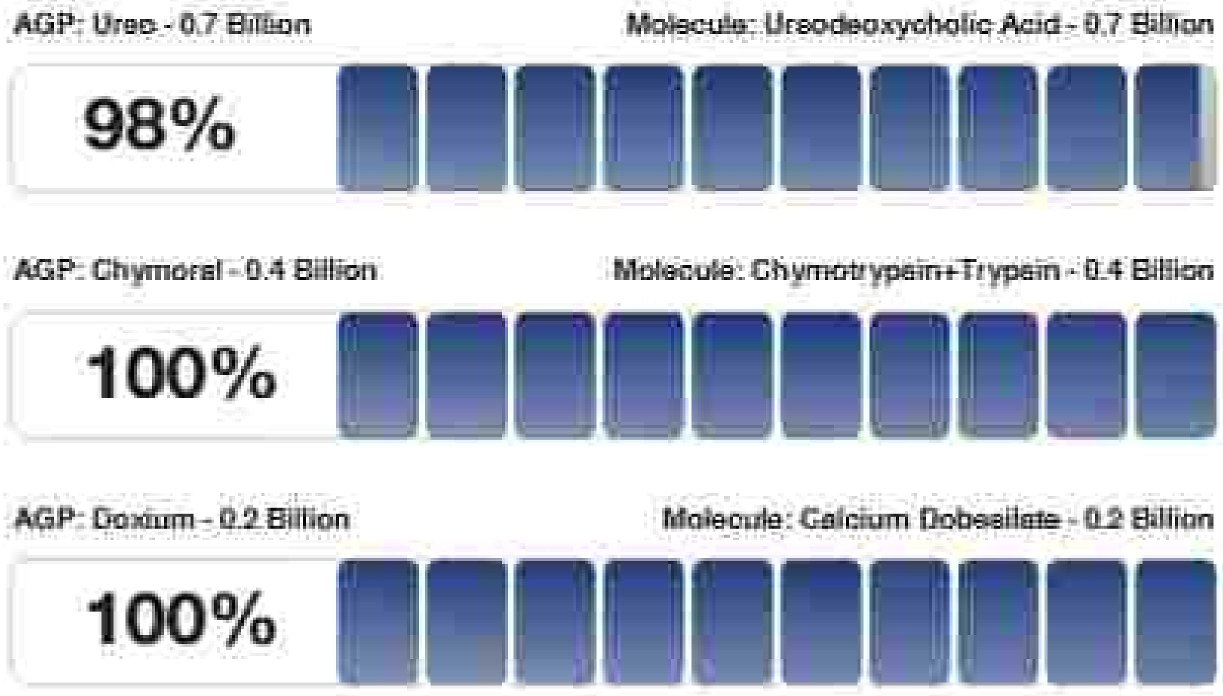


MARKET SHARE OF THE COMPANY AND ITS PRODUCTS

During the year, AGP's market share has remained stable in 2025, holding 5.69% market share in its served pharma market comprising of the same competing molecules, among products sold in 2025. AGP's flagship brands hold major market share among their same molecular categories.

Some of the leading brands of the Company along with market share in their respective molecular categories is shown below.





*Note: All numbers are based on data provided by IQVIA for the year 2025 (January to December).

Research and Development

Our Research and Development department is at the heart of AGP's mission to deliver innovative, high-quality, and affordable healthcare solutions. As a critical function of our operations, the R&D team ensures that each product is meticulously developed and tested to meet both local and international regulatory standards. In 2025, R&D demonstrated exceptional performance by successfully developing 41 pharmaceutical SKUs, which were subsequently submitted to DRAP for approval. These products span a variety of therapeutic areas, addressing critical healthcare needs and enriching AGP's diverse product portfolio.

The R&D department's commitment to excellence is driven by a strong focus on formulation development, stability testing, and ensuring compliance with stringent quality benchmarks. This dedication not only supports AGP strategic goals of portfolio expansion but also reinforces AGP's reputation as a trusted generic pharmaceutical manufacturer in Pakistan.

CAPEX RATIONALIZATION

In 2025, the Company strategically invested approximately PKR 1,189 million in capital projects, funded entirely through internally generated cash flows. In response to the challenging geo-political environment, management prioritized expenditures that directly supported operations, growth, and regulatory compliance. Notable achievements included the completion of four new compression suites with Material and Personnel Air Locks (MAL/PAL), expanded Work-in-Process (WIP) capacity, additional In-Process Quality Control (IPQC) areas, and enhanced tool-washing facilities, all of which strengthened operational efficiency and product quality. The Liquid Manufacturing Expansion Project was also completed, increasing annual production capacity, while upgrades to HVAC systems and Plant II Purified Water (PW) facilities ensured full GMP compliance across key production areas. Orders for a high-capacity Korsch XT-600 tablet press and CAM blister and cartoner line were placed to support future scalability.

Looking ahead, AGP Limited will continue targeted capital investments to further enhance manufacturing and technological capabilities. Key initiatives for 2026 include the development of biosimilar and biotechnology capabilities, acquisition of a high-capacity coating system to boost oral solid dosage production, and replacement of legacy wet granulation equipment with modern units to improve efficiency, reliability, and compliance. Additional motor vehicles will also be procured to support the growing workforce and operational needs.

STATEMENT OF UNRESERVED COMPLIANCE OF IFRS

The Company's Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan, which comprise of:

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

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed. Note 5.23 of the standalone and consolidated financial statements specifies the standards and interpretations which are yet to be effective in Pakistan. The Company believes that the impact of these standards and interpretations does not have any material impact on the financial statements.

CEO PRESENTATION VIDEO

Chief Executive's presentation video regarding Company's business overview, performance, strategy and outlook of the Company, is available on AGP's Website and can be accessed through the following weblink:
https://agp.com.pk/documentary/

04

FINANCIAL STATEMENTS

Through meticulous efforts to achieve optimal financial and operational results, we are experiencing both organic and inorganic growth, concurrently improving efficiency and surpassing expectations.

FINANCIAL STATEMENTS

Financial Statements of the Company along with the reports by the Independent External Auditors.

Unconsolidated Audit Report & Financial Statements

Grant Thornton

Grant Thornton Anjum Rahman
1st & 2nd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

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INDEPENDENT AUDITOR'S REPORT

To the members of AGP Limited

Report on the Audit of Unconsolidated financial statements

Opinion

We have audited the annexed unconsolidated financial statements of AGP Limited (the Company), which comprise the unconsolidated statement of financial position as at 31 December 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
Impairment of intangible assets	
As disclosed in note 7 to the unconsolidated financial statements, intangible assets include goodwill and trademarks having indefinite useful lives amounting to Rs. 5,425 million as of 31 December 2025. In accordance with the Company's accounting policy, these assets were tested for impairment as of the reporting date. The impairment assessment of the relevant cash-generating unit involves significant judgments and estimates about future business performance, key assumptions including cash flows, overall long-term growth rate and discount rate used. Changes in these assumptions might lead to a significant change in the carrying values of the related assets. Given the significance of intangible assets to the Company's total assets and the level of judgement / estimates involved, we have identified valuation of intangible assets as a key audit matter.	Our key procedures amongst others included the following: - obtained an understanding of the Company's process over impairment assessment of intangible assets with indefinite lives. - obtained management's value in use calculation and assessed the methodology used. - involved our specialist to assess the key assumptions and methodology used in the impairment analysis, in particular growth rate and discount rate applied. - assessed the adequacy of disclosures in the unconsolidated financial statements in accordance with the financial reporting standards.

Information Other than the Unconsolidated financial statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the unconsolidated financial statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the unconsolidated financial statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our

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conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits of public interest such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel**.

Chartered Accountants
Place: Karachi
Date: 26 March 2026
UDIN: AR20251009302Fayc9eE

AGP LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025	2024
		(Rupees in '000)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	6	5,082,899	3,940,316
Intangible assets	7	5,424,891	5,426,480
Long-term investments	8	3,074,211	3,074,211
Long-term loans and deposits		72,888	72,084
		13,654,389	12,513,091
CURRENT ASSETS			
Stores, spares and loose tools		18,089	15,442
Stock-in-trade	9	4,067,874	3,398,335
Trade debts	10	1,262,472	1,649,406
Advances		347,700	502,043
Trade deposits, prepayments and other receivables		483,877	323,042
Cash and bank balances	11	314,814	115,130
		6,784,827	6,003,398
TOTAL ASSETS		20,439,196	18,516,489
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	12	2,800,000	2,800,000
Revenue reserve - unappropriated profit		10,117,388	9,437,052
		12,917,388	12,237,052
NON CURRENT LIABILITIES			
Long-term financing	13	938,668	1,351,494
Lease liabilities	14	301,878	48,656
Gas infrastructure development cess		7,946	7,853
Deferred taxation	15	411,958	253,062
		1,660,648	1,661,065
CURRENT LIABILITIES			
Trade and other payables	16	3,040,199	2,793,612
Taxation - net		394,368	90,559
Accrued interest		39,100	44,591
Short-term borrowings	17	1,836,731	846,323
Unclaimed dividends		2,487	2,018
Current maturity of non-current liabilities	18	579,408	841,269
		5,881,294	4,618,372
TOTAL EQUITY AND LIABILITIES		20,439,196	18,516,489
CONTINGENCIES AND COMMITMENTS	19		

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

Chief Financial Officer	Chief Executive Officer	Director

AGP LIMITED

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025	2024
		(Rupees in '000)	
Revenue from contracts with customers	20	**20,645,689**	18,543,808
Cost of sales	21	**(10,656,274)**	(9,671,888)
Gross profit		**9,989,415**	8,871,920
Administrative expenses	22	**(683,721)**	(608,535)
Marketing and selling expenses	23	**(4,984,492)**	(4,137,456)
Other expenses	24	**(344,080)**	(301,014)
Other income	25	**367,841**	165,432
Finance costs	26	**(478,192)**	(843,172)
		(6,192,625)	(5,724,757)
Profit before taxation		**3,796,790**	3,147,163
Taxation	27	**(1,436,476)**	(1,063,582)
Net profit for the year		**2,360,314**	2,083,581
Earnings per share - basic and diluted	12.2	**Rs. 8.42**	Rs. 7.44

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	(Rupees in '000)	
Net profit for the year	**2,360,314**	2,083,581
Other comprehensive income	-	-
Total comprehensive income for the year	**2,360,314**	2,083,581

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital	Revenue reserve - Unappropriated profit	Total
	(Rupees in '000)		
Balance as at 31 December 2023	2,800,000	8,053,471	10,853,471
Net profit for the year	-	2,083,581	2,083,581
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,083,581	2,083,581
Final dividend for the year ended 31 December 2023	-	(700,000)	(700,000)
Balance as at 31 December 2024	**2,800,000**	**9,437,052**	**12,237,052**
Net profit for the year	-	**2,360,314**	**2,360,314**
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	**2,360,314**	**2,360,314**
Final dividend for the year ended 31 December 2024	-	**(1,120,000)**	**(1,120,000)**
Interim dividend for the year ended 31 December 2025	-	**(560,000)**	**(560,000)**
Balance as at 31 December 2025	**2,800,000**	**10,117,366**	**12,917,366**

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025	2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	30	**4,401,248**	3,403,984
Payments for:			
Finance costs		**(260,213)**	(379,984)
Income tax		**(1,103,770)**	(602,314)
Workers' Profit Participation Fund	16.3	**(213,816)**	(160,000)
Workers' Welfare Fund	16.4	**(62,948)**	(19,105)
Central Research Fund	16.5	**(24,149)**	(18,603)
Long term loans and deposits		**(684)**	(49,243)
Net cash generated from operating activities		**2,736,760**	2,174,825
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(1,189,417)**	(714,548)
Dividend received		**196,000**	97,500
Proceeds from disposal of operating fixed assets	6.1.3	**60,423**	34,782
Interest income received		**9,487**	26,391
Net cash used in investing activities		**(924,507)**	(555,875)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(1,879,531)**	(699,835)
Long-term financing paid		**(664,792)**	(837,815)
Lease rentals paid		**(56,573)**	(12,322)
Net cash used in financing activities		**(2,600,897)**	(1,549,972)
Net (decrease) / increase in cash and cash equivalents		**(789,724)**	68,978
Cash and cash equivalents at the beginning of the year		**(809,816)**	(878,794)
Cash and cash equivalents at the end of the year	31	**(1,599,540)**	(809,816)

The annexed notes from 1 to 37 form an integral part of these unconsolidated financial statements.

Chief Financial Officer | Chief Executive Officer | Director

1 THE COMPANY AND ITS OPERATIONS

1.1 AGP Limited (the Company) was incorporated as a public limited company in May 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited. The principal activities of the Company include import, marketing, export, dealership, distribution, wholesale and manufacturing of all kinds of pharmaceutical products. As of reporting date, Aitkenstuart Pakistan (Private) Limited (Parent Company) holds 55.8% of the share capital of the Company and West End 16 Pte Limited, Singapore is the Ultimate Parent Company.

1.2 These financial statements are separate financial statements of the Company in which investment in subsidiary companies have been accounted for at cost less accumulated impairment losses, if any.

1.3 Geographical location and addresses of major business units / immovable assets of the Company are as under:

Location	Purpose	Total Area (Acres)
B-23C, S.I.T.E. Karachi	Registered office and production plant	2.81
D-109, S.I.T.E. Karachi	Production plant	1.25
F/45, S.I.T.E Superhighway Phase II, Karachi	Production plant	0.50
E/134, S.I.T.E Superhighway Phase II, Karachi	Future expansion	0.50

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- IFRS Accounting standards issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the Act); and
- provisions of, directives and notifications issued under the Act.

Where the provisions of, directives and notifications issued under the Act differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Act have been followed.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the accounting policies below.

2.3 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

AGP LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

3 NEW ACCOUNTING STANDARDS

3.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Company's accounting period beginning on 01 January 2025, but are considered either to be not relevant or to not have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements.

3.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's accounting periods beginning on / after 01 January 2026. However, the Company expects that these standards will not have any material impact on the future unconsolidated financial statements of the Company.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's unconsolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognized prospectively.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the unconsolidated financial statements:

a) Impairment of intangible assets (Note 7.1)

b) Determining the useful lives and residual value of property, plant and equipment (Note 6.1)

c) Impairment / adjustment of inventories to their net realizable value (Notes 9)

d) Provision for taxation (Note 15 & 27)

5 MATERIAL ACCOUNTING POLICIES

5.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for land, which is stated at cost.

Depreciation charge is based on the straight-line method whereby the cost of an asset is written off to statement of profit or loss over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal instalments over the lease period and charged to statement of profit or loss. Depreciation on additions is charged from the month in which the asset is available for use and no depreciation is charged in the month of disposal.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each reporting date and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalised when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably and assets so replaced, if any, are derecognized or retired.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Gains and losses on disposal of assets are taken to the statement of profit or loss.

Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any and consist of costs incurred and advance made in respect of operating fixed assets and intangible assets in the course of their construction, installation and acquisition. Transfers are made to relevant asset category as and when assets are available for intended use.

Right-of-use assets

These are recognized at the commencement date of the lease (i.e. the date the underlying asset is available for use) and are subsequently measured at cost less any accumulated depreciation and impairment losses, if any, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. These are depreciated on a straight-line basis over the lease term.

5.2 Intangible assets

These are measured on initial recognition at cost and subsequently, stated at cost less accumulated amortization and accumulated impairment losses, if any (other than goodwill and intangible assets having indefinite useful lives).

The useful life of intangible assets are assessed as either finite or indefinite. Amortization of finite intangible assets is based on the cost of an asset less its residual value. Amortization is recognized in statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Full month's amortization is charged in the month of addition when asset is available for use, whereas amortization on disposals is charged up to the month in which the disposal takes place. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Intangible assets with indefinite useful lives are tested for impairment annually at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. The recoverable amount of an intangible asset or cash-generating unit is the higher of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the intangible asset. In determining the fair value less cost to sell, recent market transaction are taken into account. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

5.3 Investment in subsidiaries

These are stated at cost less accumulated impairment losses, if any, the Company reviews the carrying values at each reporting date to assess whether there is an indication of impairment. The amount of impairment loss is determined based on the higher of value in use and fair value less cost to sell. Impairment loss is recognized in the statement of profit or loss.

5.4 Stock-in-trade

These are valued at the lower of NRV and cost determined as follows:

- Raw and packing material - weighted average cost.
- Work-in-process - cost of direct materials and labour plus attributable overheads.
- Finished goods (manufactured and trading products) - weighted average cost.
- Stock in transit - invoice price plus other charges paid thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and the estimated costs necessary to make the sale and is also adjusted through systematic provision for damaged, obsolete and slow moving items.

5.5 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

5.5.1 Financial assets

i) Initial recognition and measurement

On initial recognition, financial assets are classified at amortised cost, Fair Value through Other Comprehensive Income (FVTOCI) or Fair Value through Profit or Loss (FVTPL). These are measured at fair value and transaction cost, if any, except for financial assets at FVTPL, in which case, transaction cost is charged to statement of profit or loss.

ii) Subsequent measurement

Financial assets at amortised cost:

These are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTOCI / FVTPL:

The Company does not have any financial assets at FVTOCI / FVTPL as of the reporting date.

iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognised the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

iv) Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The Company applies a simplified approach in calculating ECLs for its trade debts. The Company considers a financial asset in default when contractual payments are past due over 180 days. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. ECLs for a corporate guarantee contract are the cash shortfalls adjusted by the risks that are specific to the cash flows.

6.5.2 Financial liabilities

i) Initial recognition and measurement

On initial recognition, financial liabilities are classified at amortised cost or FVTPL and these are measured at fair value less transaction cost, if any, except for financial assets at FVTPL, in which case, transaction cost is charged to statement of profit or loss.

ii) Subsequent measurement

Financial liabilities at FVTPL:

The Company has not designated any financial liability as at FVTPL as of the reporting date.

Financial liabilities at amortised cost:

These are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

6.5.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

6.6 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments at the lease commencement date the Company uses its incremental borrowing rate (IBR). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

6.7 Taxation

Current / Levies

The charge for current taxation is computed in accordance with Income Tax Ordinance, 2001 (the Ordinance).The Company has elected to designate the amount computed is accordance with the Ordinance as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax is recognised as a levy.

Deferred

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

6.8 Provisions

A provision is recognised in the statement of financial position when the Company has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. They are reviewed at each reporting date and adjusted prospectively to reflect current best estimate.

6.9 Defined contribution plan

The Company operates an approved provident fund. Equal monthly contributions are made both by the Company and respective employees to the fund at the rate of 8.33% of the basic salary in accordance with the terms of the scheme.

5.10 Revenue recognition

5.10.1 Revenue from contracts with customers

a) Sale of goods

The Company is engaged in the manufacturing and selling of pharmaceutical products and related products. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, i.e. either on delivery of the goods to the customer or goods collected by customers. The normal credit term is 30 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., discounts). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

b) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provides certain customers with a right to return within a specified period.

i) Right of return

The contracts for sale of goods provide certain customers with a right to return the products within a specified time. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will not be entitled. The Company applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

ii) Discounts

The Company offers discounts to certain distributors, who shall pass the same onwards and is accordingly accounted for as a reduction from the transaction price. A refund liability is recognized for the expected future discounts (i.e. the amount not included in the transaction price).

c) Contract balances

i) Trade debts

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets as disclosed in note 5.5.1 'financial assets' to these unconsolidated financial statements.

AGP LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

ii) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Other income

Revenue from other sources is recognized on the following basis:

i) Dividend income is recognised when the right to receive dividend is established.

ii) Interest income is accounted for using the effective interest rate (EIR) method.

iii) Other income is recorded on accrual basis.

5.11 Segment reporting

For management purposes, the Company as a whole is considered to be a single cash generating unit i.e. pharmaceutical segment. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

6	PROPERTY, PLANT AND EQUIPMENT	Note	2025	2024
			(Rupees in '000)	
	Operating fixed assets	6.1	4,178,176	3,334,682
	Capital work-in-progress	6.2	436,970	538,389
	Right of use asset	6.3	467,753	67,245
			5,082,899	3,940,316

6.1.1 Depreciation for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in '000)	
Cost of sales	21	261,688	154,758
Administrative expenses	22	49,212	41,577
Marketing and selling expenses	23	29,671	79,413
		340,571	275,748

6.1.2 The cost of fully depreciated assets of the Company still in use amounted to Rs. 408.30 million (2024: Rs. 333.30 million).

6.1.3 Details of operating fixed assets disposed off during the year are as follows:

Description	Mode of disposal	Cost	Accumulated Depreciation	Net book value	Sales proceeds	Gain / (loss)	Relationship of purchaser with the Company	Particulars of buyers
		(Rupees in '000)						
Assets disposed off having NBV exceeding Rs. 500,000								
RO Plant	Bid	1,565	352	1,213	225	(988)	3rd Party Customer	
CE Drone	Bid	2,360	621	1,739	254	(1,485)	3rd Party Customer	
Honda Civic Oriel 1.8	Company policy	3,488	2,958	530	1,888	1,358	Employee	Mr. Umair Mukhtar
Honda Civic 1.8 i-Vtec Oriel	Company policy	3,999	2,772	1,227	2,350	1,123	Employee	Mr. Tanveer Mustafa Qazi
Suzuki Cultus VXR	Company policy	1,730	991	739	915	176	Employee	Mr. Syed Ali Sajjad Tirmizi
Yaris 6826 1.3MT	Company policy	2,415	1,411	1,004	1,278	274	Employee	Mr. Ishtiaq Ahmed
Honda City 1.2 PT	Company policy	2,817	1,413	1,404	1,702	298	Employee	Mr. Muhammad Hamza
Honda City CVT	Company policy	2,817	1,504	1,313	1,538	225	Employee	Mr. Zeeshan Ur Rehman
Honda Civic Oriel	Company policy	5,442	2,441	3,001	3,242	241	Employee	Mr. Junaid Aslam
Honda BRV i-VTEC	Company policy	3,598	1,739	1,959	1,729	(230)	Employee	Mr. Tanveer Mustafa Qazi
Honda City Aspire CVT	Company policy	3,810	1,776	2,034	2,270	236	Employee	Mr. Muhammad Aeez Khan
Suzuki Alto VXR	Company policy	1,548	630	918	697	(221)	Employee	Mr. Naveed Khan Jadoon
Yaris 6826 1.3HCVT	Company policy	3,940	1,735	2,205	2,364	159	Employee	Mr. Scoco Flinder Dominic Saleh
Suzuki Alto VXR	Company policy	1,975	701	1,274	2,450	1,176	Employee	Mr. Saif Ullah Khan
Suzuki Cultus VXR	Company policy	3,541	1,004	2,537	3,539	1,002	Employee	Mr. Rashid Hussain Pathan
		45,044	21,346	23,698	26,441	3,345		
Assets disposed off having NBV not exceeding Rs. 500,000		53,549	44,597	8,952	33,982	26,030	various	various
	2025	98,593	66,543	32,048	60,423	31,375		
	2024	98,208	80,432	18,775	34,792	15,006		

6.2 Capital work-in-progress (CWIP)

	Note	2025	2024
		(Rupees in '000)	
Opening balance		538,389	489,066
Additions during the year		1,111,693	704,139
Transferred to operating fixed assets	6.1	(1,214,112)	(654,816)
Closing balance		435,970	538,389

6.2.1 Capital work-in-progress comprise of:

	2025	2024
Buildings - factory / office sites	409,881	424,325
Plant and machinery	9,723	108,748
Furniture and fixtures	10,676	1,386
Motor vehicles	4,086	-
Refrigerators and air conditioners	-	2,457
Laboratory equipments	-	1,033
Computer and related accessories	-	185
Intangible assets	1,605	255
	435,970	538,389

6.3 Right of use asset - motor vehicles

	Note	2025	2024
Opening balance		67,245	-
Additions during the year		441,723	81,580
Terminated during the year		-	(7,831)
Depreciation for the year	6.4	(41,216)	(6,504)
Closing balance		467,752	67,245

6.4 Depreciation for the year has been allocated as follows:

	Note	2025	2024
Cost of sales	21	1,996	818
Administrative expenses	22	2,934	351
Marketing and selling expenses	23	36,286	5,335
		41,216	6,504

7 INTANGIBLE ASSETS

Intangible assets	Goodwill	Trademarks - indefinite	Computer softwares	Total
	(Rupees in '000)			
	(note 7.1)			
Net carrying value basis Year ended 31 December 2025				
Opening net book value	743,226	4,641,087	43,167	5,427,480
Additions	-	-	8,438	8,438
Amortisation charge	-	-	(11,327)	(11,327)
Closing net book value	743,226	4,641,087	40,278	5,424,591
Gross carrying value basis As at 31 December 2025				
Cost	743,226	4,641,087	136,289	5,520,602
Accumulated amortisation	-	-	(96,011)	(96,011)
Net book value	743,226	4,641,087	40,278	5,424,591
Annual rate of amortisation (%)	-	-	10-33	
Net carrying value basis Year ended 31 December 2024				
Opening net book value	743,226	4,641,087	49,651	5,433,964
Additions	-	-	7,872	7,872
Amortisation charge	-	-	(14,356)	(14,356)
Closing net book value	743,226	4,641,087	43,167	5,427,480
Gross carrying value basis As at 31 December 2024				
Cost	743,226	4,641,087	127,851	5,512,164
Accumulated amortisation	-	-	(84,684)	(84,684)
Net book value	743,226	4,641,087	43,167	5,427,480
Annual rate of amortisation (%)	-	-	10-33	

7.1 Goodwill and trademarks are allocated to the cash-generating unit (CGU) of the Company's pharmaceutical segment. In accordance with its accounting policy, the Company has performed its annual impairment test as at 31 December 2025. The recoverable amount of Rs. 56,118 million (2024: Rs. 51,752 million) is determined based on value-in-use calculation (discounted cash flow method) using future cash flow forecasts covering a five-year period. The pre-tax discount rate applied to cash flow projections is 22.03 percent (2024: 19.4 percent) and the growth rate used to extrapolate the cash flows beyond the five-year period is upto 5 percent. As a result of this assessment, the Company did not identify any impairment.

The calculation of discounted cashflows is most sensitive to the following assumptions:

a) Discount rate

The discount rate reflects the weighted average cost of capital of the Company and the specific risk of the underlying assets and is based on current market assessment of the rate of return required for the business and is calculated using the capital asset pricing model. A rise in the pre-tax discount rate by 1% will result in decrease of the recoverable amount by Rs. 3.9 million (2024: Rs. 4.2 million).

b) Growth rate

Growth rate used to extrapolate cashflows beyond the five-year forecast period and is based on published industry research and historical trends. A decline in long-term growth rate by 1% will decrease the recoverable amount by Rs. 2.3 million (2024: Rs. 2.7 million).

7.2 Amortisation for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in '000)	
Cost of sales	21	4,058	6,907
Administrative expenses	22	7,269	7,449
		11,327	14,356

7.3 The cost of fully amortized assets of the Company still in use amounted to Rs. 433.62 million (2024: Rs. 433.98 million).

8 LONG-TERM INVESTMENTS - Subsidiaries

	2025	2024
	(Rupees in '000)	
ODS AGP (Private) Limited		
Investment - at cost	715,000	715,000
Corporate guarantee - at fair value	14,531	14,531
	729,531	729,531
Percentage of shareholding: 65%		
ODS Pakistan (Private) Limited		
Investment - at cost	2,324,048	2,324,048
Corporate guarantee - at fair value	20,632	20,632
	2,344,680	2,344,680
Percentage of shareholding: 91.82%		
	3,074,211	3,074,211

9 STOCK-IN-TRADE

	Note	2025	2024
		(Rupees in '000)	
Raw and packing materials			
- In hand	9.1	2,762,926	2,587,597
- In transit		270,181	15,223
		3,033,107	2,602,820
Work-in-process		422,567	220,445
Finished goods			
- Manufacturing		916,384	527,625
- Trading		38,298	86,906
		954,682	614,531
Provision for slow moving stock	9.2	(62,772)	(39,461)
		4,387,874	3,398,335

9.1 Included herein items having value of Rs. 480.09 million (2024: Rs. 375.52 million), representing stock held by third parties.

9.2 Provision for slow moving stock is as follows:

	Note	2025	2024
		(Rupees in '000)	
Opening balance		39,461	30,474
Provision made during the year	21	39,210	30,170
Written off during the year		(15,899)	(21,183)
		62,772	39,461

10 TRADE DEBTS

	Note	2025	2024
Considered good			
Related parties			
- Muller & Phipps Pakistan (Private) Limited		1,069,103	1,311,916
- OBS AGP (Private) Limited		24,077	303,530
- OBS Pakistan (Private) Limited		11,719	-
- OBS Pharma (Private) Limited		4,571	10,383
- Aspin Pharma (Private) Limited		-	3,339
	10.2	1,109,470	1,629,168
Others		153,003	220,238
		1,262,473	1,849,406
Considered doubtful		2,828	2,828
Allowance for ECL		(2,828)	(2,828)
		-	-
	10.1	1,262,473	1,849,406

10.1 The aging of trade debts at 31 December is as follows:

	2025	2024
Not yet due	882,488	1,368,452
30 to 90 days	367,926	426,297
90 and above days	12,059	54,657
	1,262,473	1,849,406

10.2 The ageing analysis of trade debts due from related parties is as follows:

	Total	Not yet due	30 - 90 days	90 and above days
	(Rupees in '000)			
2025				
Muller & Phipps Pakistan (Private) Limited	1,069,103	1,061,110	-	7,993
OBS AGP (Private) Limited	24,077	24,077	-	-
OBS Pakistan (Private) Limited	11,719	10,824	895	-
OBS Pharma (Private) Limited	4,571	1,551	-	3,020
Aspin Pharma (Private) Limited	-	-	-	-
	1,109,470	1,097,562	895	11,013
2024				
Muller & Phipps Pakistan (Private) Limited	1,311,916	1,304,862	-	7,054
OBS AGP (Private) Limited	303,530	268,432	32,620	2,478
OBS Pakistan (Private) Limited	-	-	-	-
OBS Pharma (Private) Limited	10,383	-	2,722	7,661
Aspin Pharma (Private) Limited	3,339	558	1,720	1,061
	1,629,168	1,573,852	37,062	18,254

10.3 The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

	Note	2025	2024
		(Rupees in '000)	
Muller and Phipps Pakistan (Private) Limited		2,443,763	1,644,974
OBS AGP (Private) Limited		681,004	591,784
OBS Pakistan (Private) Limited		258,881	127,594
OBS Pharma (Private) Limited		112,343	134,221
Aspin Pharma (Private) Limited		19,756	13,771

11 CASH AND BANK BALANCES

	Note	2025	2024
Bank balances			
Current accounts			
- local currency		115,906	15,296
- foreign currency		97,677	577
		213,583	15,873
Deposit accounts	11.1	95,712	95,890
		309,295	111,763
Cash in hand		5,519	3,367
	11.2	314,814	115,130

11.1 These carry mark-up rates ranging from 11.3% to 13.5% (2024: 8.0% to 20.8%) per annum.

11.2 Include Rs. 78.62 million marked as lien against the bank guarantee given.

12 SHARE CAPITAL

Authorised share capital

2025	2024		2025	2024
Number of shares			(Rupees in '000)	
350,000,000	350,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	3,500,000	3,500,000

Issued, subscribed and paid-up capital

2025	2024		2025	2024
Number of shares			(Rupees in '000)	
280,000,000	280,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	2,800,000	2,800,000

12.1 Voting rights, board selection and similar rights of shareholders are in proportion to the shareholding of the Company.

12.2 Earnings per share - basic and diluted

	2025	2024
	(Rupees in '000)	
Net profit for the year	2,368,914	2,083,581
Weighted average number of ordinary shares outstanding during the year	280,000,000	280,000,000
Earnings per share (Rupees)	8.48	7.44

13 LONG-TERM FINANCING - secured

	Note	2025	2024
		(Rupees in '000)	
SBP financing scheme for renewable energy	13.1	15,218	22,524
Syndicate term finance	13.2	1,513,193	2,107,773
Corporate guarantee contract	13.3	13,847	33,349
		1,542,258	2,163,646
Less: current maturity	18	(605,630)	(812,152)
		936,628	1,351,494

13.1 The Company had obtained financing facility under SBP financing scheme for Renewable Energy of Rs. 75 million for a period of 7 years including 3 months grace period. The repayment will be made in 81 equal monthly installments after grace period. It carries mark up at the SBP rate (i.e. 2%) + 4% per annum. The facility is secured against first pari passu hypothecation charge of Rs. 100 million over present and future plant and machinery of the Company.

13.2 The Company has obtained long-term finance of Rs. 2,304 million through the syndicate term finance agreement repayable in quarterly installments commencing from 06 July 2024 including grace period of 12 months over the term of 5 years. These carry profit rate of 3 months KIBOR + 1.45% per annum and are secured against the present and future property, plant and equipment of the Company to the extent of Rs. 3,000 million.

13.3 Represents corporate guarantee provided by the Company on behalf of its subsidiaries (refer note 15.2).

13.4 The movement in long-term financing is as follows:

	2025	2024
	(Rupees in '000)	
Balance at beginning of the year	2,163,646	2,520,253
Corporate guarantee recognized	-	8,562
Corporate guarantee amortized	(6,501)	(8,501)
Finance cost	280,991	485,127
Financing repaid during the year	(894,738)	(837,814)
Balance at end of the year	1,542,258	2,163,646

14 LEASE LIABILITIES

	2025	2024
	(Rupees in '000)	
Opening balance	58,689	-
Addition during the year	372,698	71,011
Interest on lease liabilities	24,526	8,190
Lease rentals paid	(81,159)	(20,512)
	375,654	58,689
Less: current portion	(73,678)	(10,833)
	301,976	48,856

14.1 *Future period lease payments and interest expense:*

	2025			2024		
	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments
	(Rupees in '000)			(Rupees in '000)		
Not more than 1 year	119,692	46,014	73,678	18,881	8,848	10,033
Later than 1 year but not more than 5 years	375,236	73,250	301,976	63,222	14,566	48,656
	494,928	119,264	375,654	82,103	23,414	58,689

15 DEFERRED TAXATION

	Note	2025	2024
		(Rupees in '000)	
Taxable temporary differences			
Accelerated tax depreciation / amortisation		437,891	295,528
Deductible temporary differences			
Provisions		(25,953)	(42,956)
		411,938	253,052

16 TRADE AND OTHER PAYABLES

	Note	2025	2024
Creditors	16.1	1,285,346	1,159,489
Accrued liabilities		1,217,064	1,088,580
Compensated absences		58,602	57,789
Contract liabilities		292,880	283,704
Retention money		11,787	8,990
Provident fund	16.2	13,917	12,856
Workers' Profit Participation Fund	16.3	(4,012)	5,273
Workers' Welfare Fund	16.4	75,939	52,333
Central Research Fund	16.5	41,363	54,027
Infrastructure Cess		13,801	13,801
Withholding tax		21,739	15,782
Sales tax		30,819	25,312
Others		6,748	4,072
		3,040,120	2,793,610

16.1 Include Rs.8.8 million (2024: Rs. 18.48 million) payable to Aspin Pharma (Private) Limited, a related party.

16.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act and the regulations formulated for this purpose.

	Note	2025	2024
		(Rupees in '000)	
16.3 Workers' Profits Participation Fund			
Balance at the beginning of the year		5,973	(2,700)
Charge for the year	24	203,830	158,673
		209,803	155,973
Payments made during the year		(213,815)	(150,000)
Balance at the end of the year		(4,012)	5,973
16.4 Workers' Welfare Fund			
Balance at the beginning of the year		52,893	17,512
Charge for the year	24	75,383	54,486
		128,276	71,998
Payments made during the year		(52,348)	(19,105)
Balance at the end of the year		75,928	52,893
16.5 Central Research Fund			
Balance at the beginning of the year		34,027	18,443
Charge for the year	24	41,178	34,083
		75,205	52,526
Payments made during the year		(34,143)	(18,499)
Balance at the end of the year		41,062	34,027

17 SHORT-TERM BORROWINGS - secured

	Note	2025	2024
Running finance from commercial banks	17.1	311,237	350,036
Running musharakah from Islamic banks	17.2	1,524,494	495,297
		1,835,731	845,333

17.1 The Company has obtained running finance facilities from commercial banks amounting to Rs 2,200 million (2024: Rs 2,050 million) carrying mark-up of 1 - 3 months KIBOR plus 0.30% to 1.25% per annum payable quarterly. These are secured by way of hypothecation charge over current assets of the Company.

17.2 The Company has obtained running musharakah facilities from Islamic banks amounting to Rs. 2,750 million (2024: Rs 1,450 million) carrying mark-up of 1 - 3 months KIBOR plus 0.10% to 0.50% (2024: 0.50% to 1%) per annum payable quarterly. These are secured by way of hypothecation charge over current assets of the Company.

18 CURRENT MATURITY OF NON-CURRENT LIABILITIES	Note	2025	2024
		(Rupees in '000)	
Long-term financing	13	597,008	822,377
Lease liabilities	14	72,478	10,093
Gas Infrastructure Development Cess		2,141	2,282
Corporate guarantee	13	6,831	6,501
		678,458	841,253

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

19.1.1 In the year 2023, Federal Board of Revenue (FBR) issued show cause notices in respect of tax periods from July 2021 to March 2023 claiming sales tax aggregating to Rs. 48 million along with default surcharge. The proceeding was conducted and sales tax demand of Rs. 28.33 million was established. The Company contested against the above demand before the Commissioner Inland Revenue Appeals (CIRA) who nullified the demand and remanded the case to Deputy Commissioner who reduced the tax liability to Rs. 18 million. The Company has filed an appeal before the Appellate Tribunal, which is still pending. The Company, in view of a tax advice, expects a favorable outcome, accordingly, no provision has been made in these unconsolidated financial statements.

19.1.2 During the year, the Employees' Old-Age Benefits Institution (EOBI) issued a demand notice amounting to Rs. 110 million on the grounds that the Company deposited EOBI contributions at 6% of the minimum wage of Rs. 13,000 for the period from July 2013 to June 2022. The Company has filed an appeal before the EOBI Adjudicating Authority. Further, since the similar petitions had been filed before the High Court of Sindh, which, through its order dated 26 May 2025, directed the petitioners to present their respective positions before EOBI, following which both parties are required to carry out a reconciliation of contributions. Based on the initial reconciliation, the Company determined a contribution difference of Rs. 23.76 million; however, the detailed final reconciliation is still pending. In addition, the Company made a payment of Rs. 10 million, which will be adjusted against the final liability. The Company, in view of a legal advice, expects a favorable outcome, accordingly, no provision has been made in these unconsolidated financial statements.

19.2 Commitments	2025	2024
	(Rupees in '000)	
Corporate guarantee issued on behalf of related parties:		
- OBS AGP (Private) Limited	487,500	1,137,500
- OBS Pakistan (Private) Limited	6,881,617	6,500,000
Bank guarantees	134,090	135,558
Letters of credit	1,008,973	803,198
Capital expenditure	238,506	518,210

The Company has entered in an agreement in respect of purchase of vehicles under ijarah arrangement for a period of five years, the rentals of which are payable monthly by the Company. Future rentals payable are as follows:

	2025	2024
	(Rupees in '000)	
Not later than one year	23,089	25,844
Later than one year but not later than five years	67,530	98,514
	90,619	124,358

20 REVENUE FROM CONTRACT WITH CUSTOMERS - net

	2025	2024
Local		
- Manufacturing	19,488,938	17,575,332
- Trading	477,310	313,014
	19,966,248	17,888,346
Export	3,062,003	2,759,408
	23,028,251	20,647,754
Less: Trade discounts	(2,048,978)	(1,734,096)
Sales returns	(127,863)	(89,582)
Sales tax	(306,821)	(280,268)
	(2,483,662)	(2,103,946)
	20,544,589	18,543,808

21 COST OF SALES	Note	2025	2024
		(Rupees in '000)	
Cost of sales – manufacturing			
Raw and packing materials consumed			
Opening stock		2,587,597	1,765,496
Purchases		8,107,337	7,804,775
		10,694,934	9,570,271
Closing stock	9	(2,762,926)	(2,587,597)
		7,932,008	6,982,674
Manufacturing cost			
Salaries, wages and other benefits	21.1	1,438,329	1,284,471
Stores and spares consumed		80,678	91,292
Provision for obsolescence and slow moving stock - net		29,219	30,170
Processing charges		176,308	112,819
Freight		67,443	22,862
Fuel, gas and electricity		471,838	446,322
Repairs and maintenance		316,527	282,043
Travelling and conveyance		29,663	21,444
Insurance		23,143	21,406
Laboratory expenses		83,040	61,725
Rates and taxes		24,719	12,246
Printing and stationery		16,794	12,540
Depreciation on operating fixed assets	6.1.1	201,666	154,767
Depreciation on right of use assets	6.4	1,966	619
Amortisation	7.1	4,269	7,107
Communication		3,619	6,947
		2,970,728	2,548,076
		10,902,736	9,530,750
Work-in-process			
Opening stock		220,445	200,205
Closing stock	9	(422,957)	(220,445)
		(202,512)	(20,240)
		10,700,224	9,510,510
Finished goods - manufacturing			
Opening stock		527,825	552,893
Closing stock	9	(916,394)	(527,825)
		(388,569)	25,068
		10,311,655	9,535,578
Cost of samples for marketing and sales promotion	23	(56,877)	(56,497)
Finished goods - trading			
Opening stock		88,906	24,452
Purchases		268,178	265,261
Closing stock	9	(22,298)	(88,906)
		334,786	200,807
		10,589,274	9,671,888

21.1 Included herein Rs. 20.9 million (2024: Rs. 19.4 million) in respect of provident fund.

22 ADMINISTRATIVE EXPENSES	Note	2025	2024
		(Rupees in '000)	
Salaries and other benefits	22.1	380,229	272,924
Directors' remuneration		13,180	8,675
Meeting and conferences		10,606	8,321
Legal and professional		80,368	68,990
Research cost		38,167	46,581
Repairs and maintenance		34,567	40,382
Software license renewals and maintenance fee		92,118	84,002
Advertisement		4,598	430
Auditors' remuneration	22.2	9,571	6,553
Donations	22.3	13,879	12,961
Depreciation on operating fixed assets	6.1.2	49,213	41,577
Depreciation on right of use assets	6.4	3,004	351
Amortisation	7.1	7,269	7,449
Corporate social responsibility		13,024	11,241
Others		13,866	17,998
		683,721	608,535

22.1 Included herein Rs. 5.6 million (2024: Rs. 7.5 million) in respect of provident fund.

22.2 Auditors' remuneration	2025	2024
	(Rupees in '000)	
Audit fee	3,400	3,134
Half yearly review	632	631
Other services	3,718	1,885
Out of pocket expenses	1,112	440
Sindh sales tax	709	463
	9,571	6,553

22.3 Donation to a single party exceeding higher of Rs. 1 million or 10% of total donations are as follows:

	Note	2025	2024
		(Rupees in '000)	
The Citizens Foundation		6,720	5,200
The Kidney Foundation		4,460	-
Institute of Business Administration		1,000	1,000
The Patients' Behbud Society for AKUH	22.3.1	-	1,000

22.3.1 Mr. Zafar Iqbal Sobani, a director of the Company is also an Executive Committee Member in The Patients' Behbud Society for AKUH.

23 MARKETING AND SELLING EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Salaries and other benefits	23.1	2,001,527	1,828,613
Sales promotion		1,022,987	879,587
Traveling and conveyance		721,880	600,988
Freight, handling and transportation		308,536	191,300
Meeting and conferences		370,421	308,640
Repairs and maintenance		36,540	17,011
Insurance		13,445	15,205
Depreciation on operating fixed assets	5.1.1	89,871	79,413
Depreciation on right of use assets	5.4	36,306	5,335
Printing and stationery		8,937	3,921
Samples	21	96,077	65,497
Communication		64,110	28,335
Subscription		63,970	26,347
Ijara rentals		24,799	4,385
Product registration fee		87,514	81,769
		4,984,493	4,137,468

23.1 Included herein Rs. 44.4 million (2024: Rs. 41.3 million) in respect of provident fund.

24 OTHER EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Workers' Profit Participation Fund	16.3	203,830	168,723
Workers' Welfare Fund	16.4	76,982	64,475
Central Research Fund	16.5	41,179	34,085
Exchange loss - net		23,089	35,149
Allowance for ECL		-	(1,419)
		344,989	301,014

25 OTHER INCOME

	Note	2025	2024
Income from financial assets			
Markup on bank balances		9,487	26,391
Amortisation of corporate guarantee	13.4	6,501	6,501
		15,988	32,892
Income from non-financial assets			
Dividend income		195,000	97,500
Gain on sale of operating fixed assets	5.1.3	31,376	15,006
Scrap sales		35,476	20,034
		261,852	132,540
		277,840	165,432

26 FINANCE COSTS

	2025	2024
Mark-up on:		
long-term financing	222,901	495,127
short-term borrowings	173,346	291,742
lease liabilities	34,326	8,190
short-term borrowings from Subsidiaries	17,863	-
	448,436	795,059
Bank charges	29,762	48,113
	478,198	843,172

27 TAXATION

	2025	2024
	(Rupees in '000)	
Current	1,327,990	1,026,026
Prior	(63,410)	(24,432)
Deferred	168,898	61,988
	1,436,478	1,063,582

Relationship between income tax expense and accounting profit is as follows:

	2025	2024
Profit before income taxation	3,796,792	3,147,163
Tax at the applicable tax rate of 29%	1,101,069	912,677
Tax effects of:		
Prior year charge	(63,410)	(24,432)
Lower tax rate	(27,300)	(13,852)
Tax credits	(9,078)	(3,730)
Super tax	393,543	280,209
Deductible / non-deductible items	41,653	(67,482)
	1,436,478	1,063,582

28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	(Rupees in '000)					
Managerial remuneration	54,000	45,000	-	-	673,187	609,937
Bonus	106,523	82,487	-	-	88,833	62,515
Reimbursement of expenses	180	244	-	-	174,682	43,502
Provident fund	3,731	3,105	-	-	30,726	53,355
Others	3,780	3,108	-	-	35,287	155,700
	168,214	133,944	-	-	1,002,845	925,042
Number of persons	1	1	6	6	159	138

28.1 In addition, certain executives are provided with free use of Company maintained car in accordance with their entitlements.

28.2 During the year, fee paid to two (2024: two) independent directors and four (2024: four) non-executive directors for attending board and other meetings aggregating to Rs. 13.15 million (2024: Rs. 6.9 million). Traveling and boarding expenses of executive and non-executive directors borne by the Company amounted to Rs. 1.4 million (2024: Rs. 0.3 million). Number of non-executive directors at year end were four (2024: four).

29 PRODUCTION CAPACITY

	2025	2024
	Number of packs in millions	
Available capacity	119	110
Actual Production	93	87

29.1 Actual production during the year is in line with market demand.

30 CASH GENERATED FROM OPERATIONS

	Note	2025	2024
		(Rupees in '000)	
Profit before taxation		3,796,790	3,147,163
Adjustments for non-cash items:			
Depreciation of property, plant and equipments	6.1.1	340,871	275,756
Depreciation of right of use assets	6.4	41,216	6,504
Amortisation	7.1	11,629	14,556
Allowance for ECL	24	-	(1,419)
Gain on disposal of operating fixed assets	25	(31,376)	(15,006)
Provision for obsolescence and slow moving stock	21	39,210	30,170
Mark-up on bank balances	25	(9,467)	(26,381)
Charge / (reversal) of GIDC		162	1,374
Amortisation of corporate guarantee	25	(6,501)	(6,501)
Finance costs	28	478,192	543,172
Dividend income	25	(195,000)	(97,500)
Workers' Profit Participation Fund	24	203,830	188,723
Workers' Welfare Fund	24	78,983	54,476
Central Research Fund	24	41,178	34,085
		999,498	1,201,992
Working capital changes:			
Stores, spares and loose tools		(2,847)	(4,392)
Stock-in-trade		(999,749)	(901,881)
Trade debts		606,932	(598,048)
Advances		(46,867)	98,455
Trade deposits, prepayments and other receivables		(160,036)	(57,819)
Trade and other payables		236,910	238,507
		(386,037)	(1,535,178)
		4,401,248	3,403,954

31 CASH AND CASH EQUIVALENTS

	Note	2025	2024
Cash and bank balances	11	314,814	115,130
Lien on bank balances	11.2	(78,623)	(78,623)
Short-term borrowings	17	(1,835,731)	(846,323)
		(1,599,540)	(809,816)

32 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprises ultimate parent company, parent company, subsidiary companies, associated companies, staff retirement funds, directors and key management personnel.

32.1 Transactions with related parties, other than those disclosed elsewhere in these unconsolidated financial statements, are as follows:

Name	Basis of relationship	Nature of transactions	2025	2024
			(Rupees in '000)	
Alterndust Pakistan (Private) Limited	Parent Company	Expenditure incurred by the Company on behalf of Parent Company	-	57
		Expenditure incurred by parent Company on behalf of the Company	59,436	2,960
		Dividend paid	997,592	390,026
OBS AGP (Private) Limited	Subsidiary	Sales	3,309,583	2,934,554
		Expenditure incurred by the Company on behalf of subsidiary	580,087	72,586
		Expenditure incurred by subsidiary on behalf of the Company	30,622	2,934
		Finance Cost	3,541	-
		Dividend received	195,000	97,500
OBS Pakistan (Private) Limited	Subsidiary	Sales	476,816	79,379
		Finance cost	14,017	2,832
		Expenditure incurred by the subsidiary on behalf of the Company	400	677
		Expenditure incurred by the Company on behalf of subsidiary	412,589	40,691
Aspin Pharma (Private) Limited	Associate (Common directorship)	Sales	5,271	8,358
		Expenditure incurred by the Company on behalf of associate	7,282	4,335
		Expenditure incurred by associate on behalf of the Company	26,594	21,311
		Dividend paid	40,400	33,500
OBS Pharma (Private) Limited	Associate (Common directorship)	Sales	165,969	114,432
		Expenditure incurred by the Company on behalf of associate	36,016	40,464
Muller and Phipps Pakistan (Private) Limited	Associate (Common directorship)	Sales	13,677,078	12,411,859
		Settlement of discounts and expenses incurred on behalf by associate of the Company	571,199	502,074
		Dividend paid	227,320	54,500
Key management personnel		Remuneration	333,384	293,708
		Provident fund contribution	15,940	14,709
		Dividend paid	36	19
		Reimbursement of expenses	27,369	24,541
Directors		Dividend paid	3,799	1,579

32.2 Balances with related parties, other than those disclosed elsewhere in these unconsolidated financial statements, are as follows:

Name	Basis of relationship	Nature of balance	2025	2024
			(Rupees in '000)	
OBS AGP (Private) Limited	Subsidiary	Other receivables	78,004	10,266
OBS Pakistan (Private) Limited	Subsidiary	Other receivables	82,882	40,304
OBS Pharma (Private) Limited	Associate (Common directorship)	Other receivables	6,266	10,401
Aspin Pharma (Private) Limited	Associate (Common directorship)	Other receivables	-	7,940
Aitkenstuart Pakistan (Private) Limited	Parent Company	Other receivables	-	25,000

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

33.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and over sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

33.2 Financial risks

The Company's activities expose it to a variety of financial risks as follows:

33.2.1 Credit risk

Credit risk is the risk of financial loss to the Company if one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly effected by changes in economical, political or other conditions. As of 31 December 2025, the Company is mainly exposed to such risk in respect of trade debts and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The credit quality of bank balances can be assessed by reference to external credit ratings or the historical information about counter party default rates as follows:

	2025	2024
	(Rupees in '000)	
A-1+	307,677	110,633
A-1	546	528
Unrated	1,072	602
	309,295	111,763

AGP LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

33.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company applies prudent liquidity risk management by maintaining sufficient bank balances and the availability of funding through committed credit facilities. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

2025	On demand	Less than 3 months	3 to 12 months	More than 12 months	Total
	(Rupees in '000)				
Long-term financing	-	199,402	669,380	1,038,786	1,907,568
Trade and other payables	293,460	2,549,928	16,486	-	2,859,874
Accrued interest	-	39,100	-	-	39,100
Short-term borrowings	1,835,731	-	-	-	1,835,731
Unclaimed dividends	-	2,487	-	-	2,487
	2,129,691	2,790,916	684,463	1,038,786	6,643,747

2024	On demand	Less than 3 months	3 to 12 months	More than 12 months	Total
	(Rupees in '000)				
Long-term financing	-	218,119	616,723	1,793,243	2,628,085
Trade and other payables	283,704	2,338,492	13,068	-	2,635,264
Accrued interest	-	44,591	-	-	44,591
Short-term borrowings	846,323	-	-	-	846,323
Unclaimed dividends	-	2,018	-	-	2,018
	1,130,027	2,603,220	629,791	1,793,243	6,156,281

33.2.3 Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and comprise of the following:

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's long-term financing, short-term borrowings and bank balances at a floating rate to meet its business operations requirements. The Company manages interest rate risk by maintaining arrangement with number of financial institutions to have access to the best possible rate, if financing from banks is required. Management of the Company estimates that 10% increase / decrease in the market interest rate, with all other factors remaining constant, would decrease / increase the Company's profit before tax for the next year by Rs 40.2 million. However, in practice, the actual result may differ from the sensitivity analysis.

ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Company is mainly exposed to such risk in respect of foreign currency trade debts, bank balances and trade payables to suppliers. The Company manages currency risk by carefully selecting countries for purchasing which pose minimum risk for foreign currency fluctuations. Moreover, the Company's exports in foreign currency are pursued to offset the adverse currency fluctuations.

	2025					2024			
	USD	EURO	CNY	CHF	GBP	USD	EURO	CNY	CHF
Financial assets									
Trade debts	801,879	-	-	-		188,541	-	-	14,388
Bank balances	346,359	1,992	-	-		-	1,992	-	-
	1,148,238	1,992	-	-		188,541	1,992	-	14,388
Financial liabilities									
Trade payables	(1,024,910)	(2,386)	(2,428,944)	(23,800)	(90,853)	(1,044,220)	(185,995)	(2,085,659)	(247,105)
	(Rupees in '000)								
Financial assets									
Trade debts	224,832	-	-		-	46,348	-	-	-
Bank balances	97,032	896	-		-	-	578	-	-
	321,864	896	-	-	-	46,348	578	-	-
Trade payables	(376,862)	(744)	(97,329)	(7,771)	(8,268)	(236,967)	(56,274)	(60,891)	(76,218)

The exchange rates applied during the year and at year end were as follows:

	Average rate for the year		Spot rate as at 31 December	
	2025	2024	2025	2024
	Rupees		Rupees	
US Dollar	281.19	278.48	280.10	278.55
Chinese Yuan	39.13	38.71	40.07	38.16
Euro	317.86	255.74	328.85	290.58
Swiss Franc	338.19	316.30	353.23	306.44
GBP	370.58	355.74	377.17	349.71

Sensitivity analysis

Every 10% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase profit before tax for the next year by Rs. 16.28 million.

iii) Equity price risk

Equity price risk is the risk of loss arising from uncertainties about future values of investments securities movements in prices of equity investments. The Company is not exposed to any equity price risk as the Company does not have any investment in equity securities measured at fair value.

33.3 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction other than in a forced or liquidation sale. The carrying values of all financial assets and liabilities reflected in the unconsolidated financial statements approximate their fair values.

The following table shows assets recognised at fair value, analyzed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the assets or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, all financial instruments of the Company are carried at amortised cost.

33.4 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Capital includes issued capital and reserves and the Company is not subject to any regulatory capital requirements. The Company finances its operations / investing activities through external facilities, in addition to its equity.

	Note	2025	2024
		(Rupees in '000)	
Long-term financing	15	1,642,288	2,180,648
Accrued interest		39,100	44,591
Short-term borrowings	17	1,836,711	848,323
Total debts		3,417,098	3,071,562
Less: Cash and bank balances	11	(236,191)	(36,507)
Net debts		3,180,898	3,035,055
Total capital		12,917,388	12,237,052
Gearing ratio		26%	25%

34 INFORMATION ABOUT OPERATING SEGMENTS

34.1 For management purposes, the activities of the Company are organised into one operating segment i.e. manufacture and sale of pharmaceutical products. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure and internal financial reporting systems. The operating interests of the Company are confined to Pakistan in terms of production/generation capacity. Accordingly, the information and figures reported in these unconsolidated financial statements are related to the Company's only reportable segment in Pakistan.

34.2 Export sales are made to Afghanistan Rs. 2,285.4 million, Srilanka Rs. 7.8 million and Cambodia Rs. 12.4 million.

34.3 The details of customers with whom the sales amount to 10% or more of the Company's overall revenue is as follows:

	2025	2024
	(Rupees in '000)	
Pakistan		
- Muller & Phipps Pakistan (Private) Limited	13,877,079	12,428,920
- OBS AGP (Private) Limited (Subsidiary)	3,309,883	2,928,201
Afghanistan		
- Al Haj Malem Khan Mangal	2,286,437	2,234,613

34.4 Non-current assets of the Company are confined within Pakistan.

35 **SHARIAH COMPLAINCE DISCLOSURE**

	2025	2024
	(Rupees in '000)	
Unconsolidated statement of financial position		
Bank balances	102,244	528
Long-term financing	1,813,189	2,137,775
Short-term borrowings	1,524,494	496,287
Accrued markup on Islamic mode	27,886	22,272
Accrued markup on conventional mode	11,848	22,319
Unconsolidated statement of profit or loss		
Revenue from contracts with customers	20,839,549	16,543,808
Finance costs	339,310	639,386
Dividend earned	196,900	97,500
Profit earned on Islamic mode of financing	2,704	2,889
Interest earned on conventional loan	6,790	23,702

The Company has relationship with Meezan Bank Limited, Faysal Bank Limited, Habib Metropolitan Bank Limited, MCB Islamic Bank Limited, Dubai Islamic Bank Limited.

36 **SUBSEQUENT EVENT**

36.1 The Board of Directors in its meeting held on March 19, 2026 has proposed a final cash dividend for the year 2025 of Rs. 6 per share (2024: Rs. 4 per share), aggregating to Rs. 1,680 million (2024: Rs. 1,120 million) subject to approval of shareholders in the Annual General Meeting of the Company to be held on April 20, 2026.

37 **GENERAL**

37.1 These unconsolidated financial statements were authorised for issue on March 19, 2026 by the Board of Directors of the Company.

37.2 The number of persons employed as at year end were 1679 (2024: 1,574) and the average number of persons employed during the year were 1659 (2024: 1,570).

37.3 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

Chief Financial Officer	Chief Executive Officer	Director

Consolidated Audit Report & Financial Statements

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

To the members of AGP Limited

Report on the Audit of the Consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of AGP Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
Impairment testing of intangible assets	
As disclosed in note 7 to the consolidated financial statements, intangible assets include goodwill and trademarks having indefinite useful lives amounting Rs. 17,494 million as of 31 December 2025. In accordance with the Group's accounting policy, these assets were tested for impairment as of the reporting date. The impairment assessment of the relevant cash-generating unit involves significant judgments and estimates about future business performance, key assumptions including cash flows, overall long-term growth rate and discount rate used. Changes in these assumptions might lead to a significant change in the carrying values of the related assets. Given the significance of intangible assets to the Group's total assets and the level of judgement / estimates involved, we have identified valuation of intangible assets as a key audit matter.	Our key procedures amongst others included the following: - obtained an understanding of the Group's process over impairment assessment of intangible assets with indefinite lives. - obtained management's value in use calculation and assessed the methodology used. - involved our specialist to assess the key assumptions and methodology used in the impairment analysis, in particular growth rate and discount rate applied. - assessed the adequacy of disclosures in the consolidated financial statements in accordance with the financial reporting standards.

Information Other than the Consolidated financial statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors of the Group are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with the Board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The engagement partner on the audit resulting in this independent auditor's report is Khurram Jameel.

Chartered Accountants
Place: Karachi
Date: 28 March 2026
UDIN: AR202510093ZNbd8WIKQ

AGP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025	2024
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	5,575,849	4,287,053
Intangible assets	7	17,508,352	17,514,075
Long term loans and deposits		86,886	85,983
		23,170,187	21,889,111
CURRENT ASSETS			
Stores, spares and loose tools		16,085	15,442
Stock-in-trade	8	6,456,268	4,114,367
Trade debts	9	2,490,181	1,880,705
Advances	10	457,292	853,768
Trade deposits, prepayments and other receivables	11	941,932	594,954
Short term investments		18,000	31,009
Cash and bank balances	12	1,105,832	580,765
		9,665,446	7,461,039
TOTAL ASSETS		32,835,873	29,348,150
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
Share capital	13	2,800,000	2,800,000
Group reorganisation reserve		(128,765)	(128,765)
Revenue reserve - unappropriated profit		13,794,722	10,739,345
		16,465,958	13,410,780
Non-controlling interest		1,652,363	1,157,532
		17,118,321	14,568,312
NON-CURRENT LIABILITIES			
Long term financings	14	5,405,883	7,540,883
Lease liability	15	390,565	48,858
Gas infrastructure development cess		7,546	7,854
Deferred taxation	16	376,557	258,352
		6,178,257	7,855,944
CURRENT LIABILITIES			
Trade and other payables	17	3,555,593	3,275,128
Taxation - net		361,253	500,843
Accrued interest		35,190	56,364
Short term borrowings	18	1,926,721	845,323
Unclaimed dividends		2,487	2,518
Current maturity of non-current liabilities	19	2,413,095	2,443,320
		8,748,356	6,924,894
CONTINGENCIES AND COMMITMENTS	20		
TOTAL EQUITY AND LIABILITIES		32,835,873	29,348,150

The annexed notes 1 to 38 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025	2024
		(Rupees in '000)	
Revenue from contracts with customers	21	**28,600,765**	25,033,543
Cost of sales	22	**(11,336,015)**	(10,482,168)
Gross profit		**17,264,750**	14,551,375
Administrative expenses	23	**(1,302,994)**	(942,369)
Marketing and selling expenses	24	**(7,596,997)**	(6,393,059)
Other expenses	25	**(344,692)**	(301,758)
Other income	26	**120,299**	135,841
Finance costs	27	**(1,443,393)**	(2,603,053)
		(10,567,678)	(10,104,397)
Profit before income tax and levies		**6,697,073**	4,446,978
Levies		**(172,471)**	(37,122)
Profit before income tax		**6,524,602**	4,409,856
Taxation	28	**(2,188,593)**	(1,449,226)
Net profit for the year		**4,336,009**	2,960,630
Net profit for the year attributable to:			
Equity holders of the Holding Company		**3,736,178**	2,669,763
Non-controlling interest		**599,831**	290,867
		4,336,009	2,960,630
Earnings per share - basic and diluted	13.2	**Rs. 13.34**	Rs. 9.53

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
	(Rupees in '000)	
Net profit for the year	**4,336,009**	2,960,630
Other comprehensive income	-	-
Total comprehensive income for the year	**4,336,009**	2,960,630
Total comprehensive income for the year attributable to:		
Equity holders of the Holding Company	**3,736,178**	2,669,763
Non-controlling interest	**599,831**	290,867
	4,336,009	2,960,630

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Holding Company					
	Capital Reserve		Revenue reserve			
	Share capital	Group reorganisation reserve	Unappropriated profits	Total	Non-controlling interest	Total equity
	Rupees in '000					
Balance as at 31 December 2023	2,800,000	(128,763)	8,769,780	11,441,017	919,165	12,360,182
Net profit for the year	-	-	2,669,763	2,669,763	292,867	2,962,630
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,669,763	2,669,763	292,867	2,962,630
Final dividend for the year ended 31 December 2023	-	-	(700,000)	(700,000)	(52,500)	(752,500)
Balance as at 31 December 2024	2,800,000	(128,763)	10,739,546	13,410,783	1,160,532	14,571,315
Net profit for the year	-	-	3,735,179	3,735,179	[illegible]	[illegible]
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	3,735,179	3,735,179	[illegible]	[illegible]
Final dividend for the year ended 31 December 2024	-	-	(1,120,000)	(1,120,000)	(105,000)	(1,225,000)
Interim dividend for the year ended 31 December 2025	-	-	(560,000)	(560,000)	-	(560,000)
Balance as at 31 December 2025	2,800,000	(128,763)	12,794,725	15,465,962	1,652,359	17,118,321

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Director

AGP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025	2024
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	8,181,844	7,073,844
Payments for:			
Finance costs		(275,407)	(521,683)
Income tax		(1,662,747)	(969,820)
Workers' Profit Participation Fund	17.3	(213,814)	(160,000)
Workers' Welfare Fund	17.4	(82,944)	(19,105)
Central Research Fund	17.5	(34,143)	(18,503)
Long-term loans and deposits - net		(1,103)	(49,378)
Net cash generated from operating activities		5,911,386	5,305,370
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(1,322,336)	(947,188)
Proceeds from disposal of operating fixed assets	6.1.4	61,443	20,694
Investments - net		35,000	601,509
Interest income received		62,527	36,603
Net cash flows used in investing activities		(1,163,366)	(288,382)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,784,631)	(752,335)
Long-term financing paid		(3,422,207)	(3,163,538)
Lease rentals paid		(86,124)	(12,311)
Net cash flows used in financing activities		(5,292,962)	(3,928,184)
Net (decrease) / increase in cash and cash equivalents		(534,942)	1,137,804
Cash and cash equivalents at the beginning of the year		(274,180)	(1,411,984)
Cash and cash equivalents at the end of the year	32	(809,022)	(274,180)

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Financial Officer | Chief Executive Officer | Director

1. The Group and its operations

1.1 The Group consists of AGP Limited (the "Holding Company") and its subsidiary companies, OBS AGP (Private) Limited (the "OBS AGP") and OBS Pakistan (Private) Limited (the "OBS PK"), that have been consolidated in these financial statements. The principal activities of the Group include import, marketing, export, dealership, distribution, wholesale and manufacturing of all kinds of pharmaceutical products.

1.2 AGP Limited - the Holding Company

The Holding Company was incorporated as a public limited company in May 2014 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The Holding Company got listed on Pakistan Stock Exchange Limited on 05 March 2018. The registered office of the Holding Company is situated at B-23C, S.I.T.E, Karachi.

1.3 OBS AGP (Private) Limited - a subsidiary company

OBS AGP was incorporated in Pakistan as a private limited company in November 2020 under Companies Act, 2017. OBS AGP is in the business of trading pharmaceutical products. Since incorporation, OBS AGP was a wholly owned subsidiary of Aitkenstuart Pakistan (Private) Limited. Effective from 14 July 2021, the Holding Company acquired 65% shareholding of OBS AGP from Aitkenstuart Pakistan (Private) Limited at a cost of Rs. 715 million through purchase of ordinary right shares offered by OBS AGP which was renounced by Aitkenstuart Pakistan (Private) Limited.

1.4 OBS Pakistan (Private) Limited - a subsidiary company

OBS PK was incorporated in Pakistan as a private limited company in December 2021 under Companies Act, 2017. OBS PK is in the business of trading pharmaceutical products. Since incorporation, OBS PK was a wholly owned subsidiary of Aitkenstuart Pakistan (Private) Limited. During the period from April 2023 to September 2023, the Holding Company acquired 91.92% shareholding of OBS PK i.e. 10.20 million ordinary shares having face value of Rs. 10 each, issued at Rs. 115.86 each, 10.20 million ordinary shares having face value of Rs. 10 each, issued at Rs. 92.36 each, and 20 million ordinary shares issued at face value of Rs. 10 each.

1.5 As of reporting date, Aitkenstuart Pakistan (Private) Limited holds 55.80% of the share capital of the Holding Company and West End 16 Pte Limited, Singapore is the ultimate parent company.

1.6 Geographical location and addresses of major business units / immovable assets of the Company are as under:

Location	Purpose	Total Area (Acres)
B-23C, S.I.T.E. Karachi	Registered office and production plant	2.809
D-109, S.I.T.E. Karachi	Production Plant	1.25
F- 46, S.I.T.E Superhighway Phase II, Karachi	Production plant	0.50
E/134, S.I.T.E Superhighway Phase II, Karachi	Future expansion	0.50

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 as applicable in Pakistan comprise of:

- IFRS Accounting standards issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the Act); and

- provisions of, directives and notifications issued under the Act.

Where the provisions of, directives and notifications issued under the Act differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Act have been followed.

2.2 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the accounting policies below.

2.3 Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

2.4 Basis of consolidation

Subsidiary

Subsidiary is the entity over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee ;

- the ability to use its power over the investee to affect its returns

The Holding Company meets all the above conditions and hence has power over the subsidiary.

Subsidiary is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit and loss account from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiary's shareholder equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full. The Subsidiary has same reporting period as that of the Holding Company. The accounting policies of the Subsidiary are consistent with the accounting policies of the Group.

In the year 2023, the parent company (Aitkenstuart Pakistan (Private) Limited) renounced its right to subscribe shares of OBS Pakistan (Private) Limited (previously a wholly owned subsidiary of the parent company, Aitkenstuart Pakistan (Private) Limited) in favor of the Holding Company. As a result, the Holding Company acquired 67.57% stake in OBS Pakistan (Private) Limited from Aitkenstuart Pakistan (Private) Limited on 05 April 2023. As this reorganisation involves entities under common control, therefore, the difference between the carrying amounts of net assets of OBS Pakistan (Private) Limited as of 05 April 2023 and consideration paid have been incorporated in these consolidated financial statements within equity (Reserve arising on reorganisation of group). Effect of reorganisation is summarized as follows:

	05 April 2023
	OBS Pakistan (Private)
	Rs in '000
Non- Current Assets	8,601,886
Current Assets	452,559
	9,054,445
Non-Current Liabilities	-
Current Liabilities	8,601,886
	8,601,886
Carrying amount of net assets as of 05 April 2023	452,559
Proportionate share in net assets %	67.57%
Proportionate share in net assets	305,794
Consideration paid	434,559
Reserve arising on reorganisation of group	(128,765)

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3 NEW ACCOUNTING STANDARDS

3.1 Accounting standards effective for the year

There are certain new standards and amendments that are mandatory for the Group's accounting period beginning on 01 January 2025, but are considered either to be not relevant or to not have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated financial statements.

3.2 Accounting standards not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Group's accounting periods beginning on / after 01 January 2026. However, the Group expects that these standards will not have any material impact on the future consolidated financial statements of the Group.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The management continually evaluates estimates and judgments which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances. Revisions to accounting estimates are recognized prospectively.

In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to the unconsolidated financial statements:

a) Impairment of intangible assets (Note 7.2)

b) Determining the useful lives and residual value of property, plant and equipment (Note 6.1)

c) Impairment / adjustment of inventories to their net realizable value (Note 8)

d) Provision for taxation (Notes 16 & 28)

5 MATERIAL ACCOUNTING POLICIES

5.1 Property, plant and equipment

Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for land, which is stated at cost.

Depreciation charge is based on the straight-line method whereby the cost of an asset is written off to statement of profit or loss over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal instalments over the lease period and charged to statement of profit or loss. Depreciation on additions is charged from the month in which the asset is available for use and no depreciation is charged in the month of disposal.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each reporting date and adjusted, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Maintenance and normal repairs are charged to consolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalised when it is probable that respective future economic benefits will flow to the Group and the cost of the item can be measured reliably and assets so replaced, if any, are derecognised or retired.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Gains and losses on disposal of assets are taken to the consolidated statement of profit or loss.

Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any and consist of costs incurred and advance made in respect of operating fixed assets and intangible assets in the course of their construction, installation and acquisition. Transfers are made to relevant asset category as and when assets are available for intended use.

Right-of-use assets

These are recognized at the commencement date of the lease (i.e. the date the underlying asset is available for use) and are subsequently measured at cost less any accumulated depreciation and impairment losses, if any, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. These are depreciated on a straight-line basis over the lease term.

5.2 Intangible assets

These are measured on initial recognition at cost and subsequently, stated at cost less accumulated amortization and accumulated impairment losses, if any (other than goodwill and intangible assets having indefinite useful lives).

The useful life of intangible assets are assessed as either finite or indefinite. Amortisation of finite intangible assets are based on the cost of an asset less its residual value. Amortisation is recognised in consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Full month's amortisation is charged in the month of addition when asset is available for use, whereas amortisation on disposals is charged up to the month in which the disposal takes place. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Intangible assets with indefinite useful lives are tested for impairment annually at year end at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. The recoverable amount of an intangible asset or cash-generating unit is the higher of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the intangible asset. In determining the fair value less cost to sell, recent market transaction are taken into account. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

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5.3 Stock-in-trade

These are valued at the lower of NRV and cost determined as follows:

- Raw and packing material - weighted average cost.
- Work-in-process and semi-finished goods - cost of direct materials and labour plus attributable overheads.
- Finished goods (manufactured and trading products) - weighted average cost.
- Stock in transit - invoice price plus other charges paid thereon.

Cost of raw material and finished trading goods comprises purchases cost and other incidental charges incurred in bringing the inventories to their present location and condition. Manufactured finished goods and work-in-progress include prime cost and appropriate portion of production overheads based on the normal operating capacity but excluding borrowings costs.

Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and the estimated costs necessary to make the sale and is also adjusted through systematic provision for damaged, obsolete and slow moving items.

5.4 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

5.4.1 Financial assets

i) Initial recognition and measurement

On initial recognition, financial assets are classified at amortised cost, Fair Value through Other Comprehensive Income (FVTOCI) or Fair Value through Profit or Loss (FVTPL). These are measured at fair value and transaction cost, if any, except for financial assets at FVTPL, in which case, transaction cost is charged to consolidated statement of profit or loss.

ii) Subsequent measurement

Financial assets at amortised cost:

These are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTOCI / FVTPL:

The Group does not have any financial assets at FVTOCI / FVTPL as of the reporting date.

iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognised the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

iv) Impairment

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group applies a simplified approach in calculating ECLs for its trade debts. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. For trade debts, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the third parties and the economic environment.

6.4.2 Financial liabilities

i) Initial recognition and measurement

On initial recognition, financial liabilities are classified at amortised cost or FVTPL and these are measured at fair value less transaction cost, if any, except for financial assets at FVTPL, in which case, transaction cost is charged to consolidated statement of profit or loss.

ii) Subsequent measurement

Financial liabilities at FVTPL:

The Group has not designated any financial liability as at FVTPL as of the reporting date.

Financial liabilities at amortised cost:

These are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

6.4.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

6.5 Advances, deposits and prepayments

These are initially recognised at cost, which is the fair value of the consideration given. Subsequent to initial recognition, assessment is made at each consolidated statement of financial position date to determine whether there is an indication that an asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

6.6 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments at the lease commencement date the Group uses its incremental borrowing rate (IBR). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

6.7 Taxation

Current / Levies

The charge for current taxation is computed in accordance with Income Tax Ordinance, 2001 (the Ordinance).The Company has elected to designate the amount computed in accordance with the Ordinance as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax is recognized as a levy.

Final tax

As computation of final taxes under provisions of ITO is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37 and not income tax in the statement of profit or loss.

Deferred

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

6.8 Provisions

A provision is recognized in the consolidated statement of financial position when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. They are reviewed at each reporting date and adjusted prospectively to reflect current best estimate.

5.9 Defined contribution plan

The Holding Company and OBS AGP operates an approved provident fund for its permanent. Equal monthly contributions are made both by the Holding Company, OBS AGP and respective employees to the fund at the rate of 8.33% of the basic salary in accordance with the terms of the scheme. However, OBS PK operates an unfunded / unapproved contributory provident fund for its permanent staff. Equal monthly contributions are made, both by the OBS PK and the employees at the rate of 8.33% of basic salary.

5.10 Revenue recognition

5.10.1 Revenue from contracts with customers

a) Sale of goods

The Group is engaged in the manufacturing and selling of pharmaceutical products and related products. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, i.e. either on delivery of the goods to the customer or goods collected by customers. The normal credit term is 30 days upon delivery. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. discounts). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

b) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts for the sale of goods provides certain customers with a right to return within a specified period.

i) Right of return

The contracts for sale of goods provide certain customers with a right to return the products within a specified time. The Group uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will not be entitled. The Group applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue.

iii) Discounts

The Group offers discounts to certain distributors, who shall pass the same onwards and is accordingly accounted for as a reduction from the transaction price. A refund liability is recognized for the expected future discounts (i.e. the amount not included in the transaction price).

c) Contract balances

i) Trade debts

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets as disclosed in note 5.4.1 'financial assets' to these consolidated financial statements.

ii) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

5.10.2 Other income

Revenue from other sources is recognized on the following basis:

i) Dividend income is recognized when the right to receive dividend is established.

ii) Interest income is accounted for using the effective interest rate (EIR) method.

iii) Other income is recorded on accrual basis.

5.11 Segment reporting

For management purposes, the Group is considered to have three cash generating units i.e. pharmaceutical segment of AGP Limited, OBS AGP (Private) Limited and OBS Pakistan (Private) Limited. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

6 PROPERTY, PLANT AND EQUIPMENT	Note	2025	2024
		(Rupees in '000)	
Operating fixed assets	6.1	4,688,403	3,681,420
Capital work-in-progress	6.2	494,669	538,387
Right of use asset	6.3	886,977	67,245
		6,070,049	4,287,052

6.1 Operating fixed assets

	Land		Buildings		Plant and machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Gas and electrical fittings	Refrigeration and air-conditioner	Laboratory equipments	Computers and related accessories	Total
	Freehold	Leasehold	Factory	Office									
	(Rupees in '000)												
Net carrying value basis Year ended 31 December 2025													
Opening net book value	369,000	297,524	375,299	368,822	772,732	64,243	658,396	58,578	87,587	382,308	179,662	78,246	3,691,423
*Transfers (note 6.2)	-	-	580,286	1,750	183,289	35,320	985,483	11,437	47,096	285,841	95,181	108,402	1,309,307
Disposals (at NBV)													
Cost			(12,075)	(12,563)	(96)	(185)	(75,893)	(652)		(12,448)	(48)	(11,832)	(99,303)
Depreciation			668	350	75	168	55,043	398		2,460	44	11,400	66,715
	-	-	(11,407)	(12,213)	(21)	(17)	(20,850)	(254)	-	(9,988)	(4)	(432)	(32,588)
Depreciation charge	-	(8,238)	(55,394)	(33,788)	(103,569)	(18,138)	(140,166)	(8,653)	(16,588)	(41,998)	(35,318)	(36,646)	(454,794)
Closing net book value	369,000	289,286	904,254	327,714	996,434	79,161	979,113	59,557	104,072	423,955	236,662	208,224	4,556,403
Gross carrying value basis As at 31 December 2025													
Cost	369,000	346,284	1,115,093	400,343	1,193,059	150,135	1,242,129	109,000	141,445	565,867	443,503	436,077	6,355,321
Accumulated depreciation	-	(67,018)	(197,000)	(99,330)	(203,134)	(70,334)	(263,012)	(49,443)	(37,371)	(150,042)	(206,351)	(230,669)	(1,607,209)
Accumulated impairment	-	-	-	-	(3,018)	-	-	-	-	-	-	-	(3,018)
Net book value	369,000	289,286	904,254	327,714	996,434	79,161	979,113	59,557	104,072	423,955	236,662	208,224	4,556,403
Annual rate of depreciation (%)	-	80-91 years	3.33	5	5	10	16.67	10	10	10	10	25 / 33	

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	Land		Buildings		Plant and machinery	Furniture and fixtures	Motor Vehicles	Office equipments	Gas and electrical fittings	Refrigeration and air-conditioner	Laboratory equipments	Computers and related accessories	Total
	Freehold	Leasehold	Factory	Office									
	(Rupees in '000)												
Net carrying value basis Year ended 31 December 2024													
Opening net book value	389,000	311,780	382,309	287,121	547,284	58,582	571,030	45,810	46,006	156,987	208,713	61,233	3,159,220
*Transfers (note 6.2)	-	-	38,546	121,763	288,012	16,248	286,759	19,746	38,447	134,035	1,978	43,884	987,732
Disposals (at NBV)													
Cost	-	-	-	-	(41,897)	-	(45,830)	(790)	-	(913)	-	(3,837)	(94,289)
Depreciation					37,300	555	37,136	181		913		3,232	73,343
	-	-	-	-	(4,257)	555	(15,748)	(28)	-	-	-	(555)	(20,946)
Depreciation charge	-	(4,256)	(53,486)	(18,076)	(58,850)	(8,715)	(103,930)	(7,747)	(7,880)	(29,011)	(32,945)	(26,311)	(368,385)
Closing net book value	389,000	307,524	375,299	368,822	772,732	64,243	658,346	58,578	87,587	262,308	179,662	78,246	3,697,423
Gross carrying value basis As at 31 December 2024													
Cost	389,000	345,284	736,323	451,203	953,645	125,384	938,383	91,909	94,356	392,954	253,916	255,712	4,986,559
Accumulated depreciation	-	(37,760)	(160,024)	(75,043)	(177,900)	(61,241)	(279,457)	(41,132)	(25,769)	(120,646)	(74,214)	(177,266)	(1,213,126)
Accumulated impairment	-	-	-	-	(3,013)	-	-	-	-	-	-	-	(3,013)
Net book value	389,000	307,524	375,299	368,822	772,732	64,243	658,346	58,578	87,587	262,308	179,662	78,246	3,697,423
Annual rate of depreciation (%)	-	80-91 years	3.33	5	5	10	16.67	10	10	10	10	25 / 33	

*Represents assets transferred from capital work-in-progress (note 6.2)

6.1.1 Depreciation for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in '000)	
Cost of sales	22	301,888	154,795
Administrative expenses	23	34,757	42,873
Marketing and selling expenses	24	88,138	150,903
		424,783	348,571

6.1.2 The cost of fully depreciated assets of the Company amounted to Rs. 428.53 million (2024: Rs. 358.30 million). In addition, land includes leasehold land having cost of Rs. 35.17 million remains idle as of 31 December 2025 and 2024.

6.1.3 The operating fixed assets of the Company is under hypothecation / mortgage charge in respect of financing facility as disclosed in note 15 to these financial statements.

6.1.4 Details of operating fixed assets disposed of during the year are as follows:

Description	Mode of disposal	Cost	Accumulated Depreciation	Net book value	Sales proceeds	Gain / (loss)	Relationship of purchaser with the Company	Particulars of buyers
		(Rupees in '000)						
Aggregate amount of assets disposed off having NBV exceeding Rs. 500,000								
RO Plant	Bid	1,565	352	1,213	225	(988)	3rd Party Customer	
DG Genset	Bid	2,260	521	1,739	294	(1,445)	3rd Party Customer	
Honda Civic Oriel 1.8	Company	3,459	2,889	530	1,888	1,358	Employee	Mr. Usair
Honda Civic 1.8 i-Vtec	Company	3,999	2,772	1,227	2,350	1,123	Employee	Mr. Tanweer Mustafa Qazi
Suzuki Cultus VXR	Company	1,730	991	739	915	176	Employee	Mr. Syed Ali Sajjad Tirmizi
Yaris ATIV 1.3GT	Company	2,415	1,411	1,004	1,278	274	Employee	Mr. Imtiaz Ahmed
Honda City 1.2 PT	Company	2,817	1,413	1,404	1,702	298	Employee	Mr. Muhammad Hamza
Honda City CVT	Company	2,817	1,504	1,313	1,538	225	Employee	Mr. Zeeshan Ul Rehman
Honda Civic Oriel	Company	5,442	2,441	3,001	3,242	241	Employee	Mr. Junaid Aslam
Honda BRV i-VTEC	Company	3,696	1,738	1,958	1,728	(230)	Employee	Mr. Tanweer Mustafa Qazi
Honda City Aspire	Company	3,810	1,776	2,034	2,270	236	Employee	Mr. Muhammad Asad Khan
Suzuki Alto VXR	Company	1,548	630	918	697	(221)	Employee	Mr. Mujeeb Khan Jadoon
Yaris ATIV 1.3HCVT	Company	3,940	1,735	2,205	2,364	159	Employee	Mr. Bosco Peter Dominic Sales
Suzuki Alto VXR	Company	1,975	701	1,274	2,450	1,176	Employee	Mr. Saif Ullah Khan
Suzuki Cultus VXR	Company	3,541	1,004	2,537	3,539	1,002	Employee	Mr. Rashid Hussain Pathan
		45,044	21,948	23,096	26,441	3,345		
Aggregate amount of assets disposed off having NBV not exceeding Rs. 500,000		52,221	47,167	5,053	35,002	29,949	Various	Various
	2025	98,265	69,115	29,149	61,443	32,294		
	2024	94,395	71,305	23,094	38,884	15,790		

6.2 **Capital work-in-progress (CWIP)**

	Note	2025	2024
		(Rupees in '000)	
Opening balance		538,387	499,343
Additions during the year		1,227,109	936,781
Transferred to operating fixed assets	6.1	(1,328,927)	(897,737)
Closing balance		436,569	538,387

6.2.1 **Capital work-in-progress comprise of:**

	2025	2024
Buildings - factory / office sites	409,881	424,325
Plant and machinery	9,723	108,748
Furniture and fixtures	10,878	1,386
Motor vehicles	4,005	-
Refrigerators and air conditioners	-	2,452
Laboratory equipments	-	1,032
Computer and related accessories	698	165
Intangible assets	1,606	254
	436,569	538,387

6.3 **Right of use asset - motor vehicles:**

	2025	2024
Opening balance	67,245	-
Additions during the year	667,491	81,580
Terminated during the year	-	(7,831)
Depreciation for the year	(48,859)	(6,504)
Closing balance	685,877	67,245

6.3.1 Depreciation for the year has been allocated as follows:

	Note	2025	2024
Cost of sales	22	1,994	819
Administrative expenses	23	3,834	351
Marketing and selling expenses	24	43,031	5,335
		48,859	6,504

7 **INTANGIBLE ASSETS**

	Goodwill	Trademarks - indefinite	Trademarks - finite	Computer softwares	Total
	(Rupees in '000)				
Intangible assets					
Net carrying value basis **Year ended 31 December 2025**					
Opening net book value	743,226	16,665,957	50,739	54,154	17,514,076
Additions	-	-	-	9,636	9,636
Amortisation charge	-	-	(7,715)	(12,747)	(20,462)
Closing net book value	743,226	16,665,957	43,024	51,043	17,503,250
Gross carrying value basis **As at 31 December 2025**					
Cost	743,226	16,665,957	443,097	159,163	18,011,443
Accumulated amortisation	-	-	(400,073)	(108,120)	(508,193)
Net book value	743,226	16,665,957	43,024	51,043	17,503,250
Annual rate of amortisation (%)	-	-	10-20	10-33	

	Goodwill	Trademarks - indefinite	Trademarks - finite	Computer softwares	Total
	(Rupees in '000)				
Net carrying value basis **Year ended 31 December 2024**					
Opening net book value	743,226	16,665,957	58,456	64,131	17,531,770
Additions	-	-	-	7,673	7,673
Amortisation charge	-	-	(7,717)	(17,650)	(25,367)
Closing net book value	743,226	16,665,957	50,739	54,154	17,514,076
Gross carrying value basis **As at 31 December 2024**					
Cost	743,226	16,665,957	443,097	149,527	18,001,807
Accumulated amortisation	-	-	(392,358)	(95,373)	(487,731)
Net book value	743,226	16,665,957	50,739	54,154	17,514,076
Annual rate of amortisation (%)	-	-	10-20	10-33	

7.1 **Goodwill and trademarks**

Goodwill of Rs. 743.23 million and trademarks having indefinite useful lives of Rs. 4,641.09 million arose due to business acquisition of AGP (Private) Limited in the year 2014 by the Holding Company (the then Apollo Pharma Limited, the Holding Company at that time), which were later amalgamated into the Holding Company (surviving entity i.e. the Holding Company) under the approved scheme of arrangement. Later, Apollo Pharma Limited changed its name to AGP Limited.

7.2 **Impairment testing of goodwill and intangible assets (i.e. trademarks) having indefinite lives**

Goodwill and trademarks having indefinite useful lives as disclosed in note 5.2 to these consolidated financial statements are allocated to the cash-generating unit (CGU) of the Holding Company pharmaceutical segment.

Goodwill and trademarks are allocated to the cash-generating unit (CGU) of the Holding Company pharmaceutical segment. In accordance with its accounting policy, the Company has performed its annual impairment test as at 31 December 2025. The recoverable amount of Rs. 78,868 million is determined based on value-in-use calculation (discounted cash flow method) using future cash flow forecasts covering a five-year period. The pre-tax discount rate applied to cash flow projections is 22.03 percent (2024: 19.4 percent) and the growth rate used to extrapolate the cash flows beyond the five-year period is upto 5 percent. As a result of this assessment, the Company did not identify any impairment.

The calculation of discounted cashflow is most sensitive to the following assumptions:

a) Discount rates

The discount rate reflects the weighted average cost of capital of the Company and the specific risk of the underlying assets and is based on current market assessment of the rate of return required for the business and is calculated using the capital asset pricing model. A rise in the pre-tax discount rate by 1% will result in decrease of the recoverable amount by Rs. 3.9 million (2024: Rs. 4.2 million).

b) Growth rates

Growth rate used to extrapolate cashflows beyond the five-year forecast period and is based on published industry research and historical trends. A decline in long-term growth rate by 1% will decrease the recoverable amount by Rs. 2.3 million (2024: Rs. 2.6 million).

Trademarks are allocated to the cash-generating unit (CGU) of OBS AGP's pharmaceutical segment. In accordance with its accounting policy, the Company has performed its annual impairment test as at 31 December 2025. The recoverable amount i.e. Rs. 6,443.4 million of CGU is determined based on value-in-use calculation (discounted cash flow method) using future cash flow forecasts covering a five-year period. The pre-tax discount rate applied to cash flow projections is 22.8 percent and the growth rate used to extrapolate the cash flows beyond the five-year period is upto 5 percent. As a result of this assessment, the Company did not identify any impairment.

The calculation of discounted cashflow is most sensitive to the following assumptions:

a) Discount rates

The discount rate reflects the weighted average cost of capital of the Company and the specific risk of the underlying assets and is based on current market assessment of the rate of return required for the business and is calculated using the capital asset pricing model. A rise in the pre-tax discount rate by 1% will result in decrease of the recoverable amount by Rs. 307.4 million.

b) **Growth rates**

Growth rate used to extrapolate cashflows beyond the five-year forecast period and is based on published industry research and historical trends. A decline in long-term growth rate by 1% will decrease the recoverable amount by Rs. 275.5 million.

Trademarks are allocated to the cash-generating unit (CGU) of the OBS PK's pharmaceutical segment. In accordance with its accounting policy, the Company has performed its annual impairment test as at 31 December 2025. The recoverable amount i.e. Rs. 13,907 million of CGU is determined based on value-in-use calculation (discounted cash flow method) using future cash flow forecasts covering a five-year period. The pre-tax discount rate applied to cash flow projections is 21.5 percent and the growth rate used to extrapolate the cash flows beyond the five-year period is 5 percent. As a result of this assessment, the Company did not identify any impairment.

The calculation of discounted cashflow is most sensitive to the following assumptions:

a) **Discount rates**

The discount rate reflects the weighted average cost of capital of the Company and the specific risk of the underlying assets and is based on current market assessment of the rate of return required for the business and is calculated using the capital asset pricing model. A rise in the pre-tax discount rate by 1% will result in decrease of the recoverable amount by Rs. 886.8 million.

b) **Growth rates**

Growth rate used to extrapolate cashflows beyond the five-year forecast period and is based on published industry research and historical trends. A decline in long-term growth rate by 1% will decrease the recoverable amount by Rs. 512.2 million.

7.4 Amortisation for the year has been allocated as follows:

	Note	2025	2024
		(Rupees in '000)	
Cost of sales	22	13,193	14,824
Administrative expenses	23	7,269	9,890
Marketing and selling expenses	24	-	653
		20,462	25,367

7.5 The cost of fully amortized assets of the Company amounted to Rs. 433.62 million (2024: Rs. 433.88 million).

8 STOCK-IN-TRADE

	Note	2025	2024
		(Rupees in '000)	
Raw and packing materials:			
- In hand	8.1	2,762,926	2,587,597
- In transit		270,181	15,223
		3,033,107	2,602,820
Work-in-process		422,957	220,445
Finished goods:			
- Manufacturing		914,910	527,625
- Trading		264,862	818,538
		1,179,772	1,346,163
Provision for obsolescence and slow moving stock	8.2	(183,568)	(55,031)
	8.3	4,452,268	4,114,397

8.1 Included herein items having value of Rs. 480.09 million (2024: Rs. 375.52 million), representing stock held by third parties.

8.2 Provision for slow moving stock is as follows:

	Note	2025	2024
		(Rupees in '000)	
Opening balance		55,031	31,295
Provision made during the year	22	178,948	29,115
Written off during the year		(50,411)	(5,379)
		183,568	55,031

8.3 Stock-in-trade includes items having cost of Rs. 17.92 million (2024: Rs. 32.67 million) written down to net realizable value of Rs. 13.57 million (2024: Rs. 25.58 million) resulting in a write down of Rs. 4.34 million (2024: Rs. 7.09 million).

8.4 During the year, the manufacturing and trading finished goods sold amounted to Rs. 4,179 Million and Rs. 4,869 (2024: Rs 3,905.75 Million and Rs. 4,085 million), respectively that are charged to cost of sales.

9 TRADE DEBTS

	Note	2025	2024
		(Rupees in '000)	
Considered good			
Related parties:			
- Muller & Phipps Pakistan (Private) Limited		2,273,903	1,700,498
- OBS Pharma (Private) Limited		4,571	9,029
	9.2	2,278,474	1,709,527
Others		220,627	271,178
		2,499,101	1,980,705
Considered doubtful		2,628	2,628
Allowance for ECL		(2,628)	(2,628)
		-	-
	9.1	2,499,101	1,980,705

9.1 The aging of trade debts at 31 December is as follows:

	Note	2025 (Rupees in '000)	2024 (Rupees in '000)
Not yet due		1,822,201	1,400,501
30 to 90 days		471,770	464,191
90 and above days		205,130	116,023
		2,499,101	1,980,715

9.2 The ageing analysis of trade debts due from related parties is as follows:

	TOTAL	Not yet due	30 - 90 days	90 and above days
	(Rupees in '000)			
2025				
Muller & Phipps Pakistan (Private) Limited	2,273,903	2,037,020	58,397	178,486
OBS Pharma (Private) Limited - Pakistan	4,871	1,661	-	3,028
Aspin Pharma (Private) Limited	3,339	659	1,720	1,061
	2,281,813	2,039,135	60,117	182,558
2024				
Muller & Phipps Pakistan (Private) Limited	1,700,498	1,693,444	-	7,054
OBS Pharma (Private) Limited - Pakistan	9,029	-	1,368	7,661
Aspin Pharma (Private) Limited	-	-	-	-
	1,709,527	1,693,444	1,368	14,715

9.3 The maximum amount outstanding from related parties at any time during the year calculated by reference to month end balances are as follows:

	Note	2025 (Rupees in '000)	2024 (Rupees in '000)
Muller & Phipps Pakistan (Private) Limited		2,443,763	2,562,386
OBS Pharma (Private) Limited		112,343	124,221

10 **ADVANCES - unsecured, considered good**

	Note	2025	2024
Suppliers	10.1	417,741	355,286
Employees		19,551	8,480
		437,292	363,766

10.1 These are interest free and adjustable within the period of 6 months from the date of issuance.

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11 **TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	Note	2025 (Rupees in '000)	2024 (Rupees in '000)
Trade deposits:			
Security deposits		37,116	15,223
Margin on letters of credit		260,687	217,997
		297,803	233,220
Prepayments - insurance		2,177	2,926
Other receivables:			
Related parties:			
OBS Pharma (Private) Limited		9,268	13,320
Atkenstesart Pakistan (Private) Limited		-	22
Aspin Pharma (Private) Limited		-	8,370
	11.1	9,268	21,712
Others		32,344	27,096
		41,612	48,808
		341,592	284,954

11.1 Represents shared services charged by the Company and expenditure incurred on behalf of related parties. These balances are interest free and repayable on demand.

12 **CASH AND BANK BALANCES**

	Note	2025 (Rupees in '000)	2024 (Rupees in '000)
Bank balances			
Current accounts:			
- local currency		358,555	299,326
- foreign currency		97,677	577
		456,232	299,903
Deposit accounts		642,581	347,379
	12.1	1,098,813	647,282
Cash in hand		7,519	3,484
	12.2	1,106,332	650,766

12.1 These carry markup at the rates ranging from 5.75% to 13.5% (2024: 8.0% to 20.50%) per annum.

12.2 Include Rs. 78.62 million marked as lien against the bank guarantee given.

13 SHARE CAPITAL

Authorised share capital

2025	2024		2025	2024
Number of shares			(Rupees in '000)	
360,000,000	350,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	3,600,000	3,500,000

Issued, subscribed and paid-up capital

2025	2024		2025	2024
Number of shares			(Rupees in '000)	
280,000,000	280,000,000	Ordinary shares of Rs. 10/- each fully paid in cash	2,800,000	2,800,000

13.1 Voting rights, board selection and similar rights of shareholders are in proportion to the shareholding of the Holding Company.

13.2 Earnings per share - basic and diluted	2025	2024
	(Rupees in '000)	
Net profit attributable to equity holders of the Holding Company	3,736,179	2,669,763
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	280,000,000	280,000,000
Earnings per share (Rupees)	13.34	9.53

14 LONG-TERM FINANCING - secured	Note	2025	2024
		(Rupees in '000)	
SBP financing scheme for renewable energy	14.2	16,219	22,524
Diminishing musharakah	14.5	111,736	134,846
Syndicate term finance	14.3	1,612,189	2,137,775
Sukuk (net of transaction cost)	14.7 & 14.8	5,986,084	7,677,042
		7,726,230	9,972,187
Less: current maturity	19	(2,319,381)	(2,431,205)
		5,406,889	7,540,982

14.1 The movement in long-term financings is as follows:

	2025	2024
Balance at beginning of the year	9,972,187	10,914,410
Proceeds received during the year	10,177	142,412
Mark-up charged during the year	1,186,280	2,221,314
Mark-up paid during the year	(3,442,384)	(3,305,949)
Balance at end of the year	7,726,230	9,972,187

14.2 The Holding Company had obtained financing facility under SBP financing scheme for Renewable Energy of Rs. 75 million for a period of 7 years including 3 months grace period. The repayment will be made in 81 equal monthly installments after grace period. It carries mark-up at the SBP rate (i.e. 2%) + 4% per annum. The facility is secured against first pari passu hypothecation charge of Rs. 100 million over present and future plant and machinery of the Company.

14.3 The Holding Company has obtained long-term finance of Rs. 2,364 million through the syndicate term finance agreement, repayable in quarterly instalments commencing from 06 July 2024 including grace period of 12 months over the term of 5 years. These carry profit rate of 3 months KIBOR + 1.45% per annum and are secured against the present and future property, plant and equipment of the Company to the extent of Rs. 3,000 million.

14.4 The Holding Company has provided corporate guarantee to JS Bank Limited being the investment agent of its subsidiaries. This is in relation to secure all payment obligations and liabilities i.e. principal repayment and principal along with profit repayments for OBS AGP and OBS PK respectively, in respect of sukuk issued by the subsidiaries to the investment agent for the benefit of certificate holders of the subsidiaries.

14.5 OBS AGP has obtained amounting to Rs 100 million and Rs 92.45 million carrying profit at the rates of 6 months KIBOR + 0.55% and 3 months KIBOR + 1.25% per annum from Bank Islami and First Habib Modaraba respectively. These facilities are obtained for the term of five years and are secured against respective assets.

14.6 OBS AGP issued sukuk certificates issued by the Company during the year ended 2021, amounting to Rs. 2,600 million carrying profit of 3 months KIBOR + 1.55% per annum. The outstanding amount is repayable by July 2026 and is secured against term deposit receipts of the Company, the present and future fixed assets and corporate guarantee of the Parent Company and shares of the Parent Company held by Aitkenstuart Pakistan (Private) Limited.

14.7 OBS PK issued sukuk certificates of Rs. 3,600 million, which are repayable in quarterly instalments of Rs. 163.63 million commencing from February 2026, over the term of 7 years including 18 months grace period. These carry profit rate of 3 months KIBOR + 1.60% per annum and are secured against pledge of shares of Rs.6,000 million of the Parent Company held by Aitkenstuart Pakistan (Private) Limited (an associated company), and Corporate Guarantee issued by the Holding Company.

14.8 OBS PK issued sukuk certificates of Rs. 2,850 million, which are repayable in quarterly instalments of Rs. 129.54 million commencing from August 2026, over the term of 7 years including 18 months grace period. These carry profit rate of 3 months KIBOR + 1.60% per annum and are secured against the present and future fixed assets aggregating to Rs 3,625 million and corporate guarantee of the Parent Company.

15 LEASE LIABILITIES	2025	2024
	(Rupees in '000)	
Opening balance	58,689	-
Additions during the period	481,904	71,011
Interest on lease liabilities	29,962	8,190
Lease rentals paid	(96,006)	(20,512)
	474,489	58,689
Less: Current portion	(91,864)	(10,033)
	382,605	48,656

15.1 Future period lease payments and interest expense.

	2025			2024		
	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments	Minimum lease payments	Interest expense for the future periods	Present value of minimum lease payments
	Rupees			Rupees		
Not more than 1 year	149,018	57,434	91,584	18,881	8,848	10,033
Later than 1 year but not more than 5 years	477,418	94,535	382,883	63,222	14,566	48,656
	626,436	151,969	474,467	82,103	23,414	58,689

16 DEFERRED TAXATION

	Note	2025	2024
		(Rupees in '000)	
Taxable temporary differences			
Accelerated tax depreciation / amortisation		402,810	304,461
Deductible temporary differences			
Provisions		(26,963)	(46,109)
		375,847	258,352

17 TRADE AND OTHER PAYABLES

	Note	2025	2024
Creditors		1,477,671	1,464,891
Accrued liabilities		1,461,389	1,453,586
Payable to Aspin Pharma (Private) Limited - related party		26,133	13,140
Compensated absences		64,289	64,879
Contract liabilities (advances from customers)	17.1	308,509	49,866
Retention money		11,737	8,986
Provident fund	17.2	63,840	40,799
Infrastructure Cess		13,801	13,801
Workers' Profit Participation Fund	17.3	(4,012)	5,973
Workers' Welfare Fund	17.4	75,922	62,883
Central Research Fund	17.5	41,063	34,027
Withholding tax		31,608	30,582
Sales tax		32,091	28,415
Others		14,022	4,060
		3,696,933	3,276,126

17.1 These contract liabilities are unsecured and received under normal course of business. Revenue recognized during the year from amount included in contract liabilities at beginning of the year amounts to Rs. 49.86 million (2024: Rs. 36.29 million).

17.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Act, and the regulations formulated for this purpose.

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17.3 Workers' Profits Participation Fund

	Note	2025	2024
		(Rupees in '000)	
Balance at the beginning of the year - payable / (receivable)		5,973	(2,750)
Allocation charged for the year	25	202,630	168,723
		208,603	165,973
Payments made during the year		(212,615)	(160,000)
Balance at the end of the year - payable		(4,012)	5,973

17.4 Workers' Welfare Fund

	Note	2025	2024
Balance at the beginning of the year		62,883	17,512
Charge for the year	25	75,983	64,476
		138,866	81,988
Payments made during the year		(62,944)	(19,105)
Balance at the end of the year		75,922	62,883

17.5 Central Research Fund

	Note	2025	2024
Balance at the beginning of the year		34,027	18,445
Charge for the year	26	41,179	34,085
		75,206	52,530
Payments made during the year		(34,142)	(18,503)
Balance at the end of the year		41,063	34,027

18 SHORT-TERM BORROWINGS - Secured

	Note	2025	2024
Running finance from Commercial banks	18.1	311,237	350,036
Running musharakah from Islamic banks	18.2	1,524,494	496,287
		1,835,731	846,323

18.1 The Holding Company has obtained running finance facilities from commercial banks amounting to Rs. 2,250 million (2024: Rs 2,050 million) carrying mark-up of 1 - 3 months KIBOR plus 0.30% to 1.25% per annum payable quarterly. These are secured by way of hypothecation charge over current assets of the Company.

18.2 The Holding Company has obtained running musharakah facilities from islamic banks amounting to Rs. 2,750 million (2024: Rs 1,450 million) carrying mark-up of 1 - 3 months KIBOR plus 0.10% to 0.60% (2024: 0.50% to 1%) per annum payable quarterly. These are secured by way of hypothecation charge over current assets of the Company.

19 CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note	2025	2024
		(Rupees in '000)	
Long-term financing	14	2,319,361	2,431,205
Lease liability	15	91,584	10,033
Gas Infrastructure Development Cess		2,141	2,082
		2,413,086	2,443,320

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 In the year 2023, Federal Board of Revenue (FBR) issued show cause notices in respect of tax periods from July 2021 to March 2023 claiming sales tax aggregating to Rs. 46 million along with default surcharge. The proceeding was conducted and sales tax demand of Rs. 26.55 million was established. The Holding Company confronted against the above demand before the Commissioner Inland Revenue Appeals (CIRA) who nullified the demand and remanded the case to Deputy Commissioner who reduced the tax liability to Rs. 18 million. The Holding Company has filed an appeal before the Appellate Tribunal, which is still pending. The Holding Company, in view of a tax advice, expects a favorable outcome, accordingly, no provision has been made in these consolidated financial statements.

20.1.2 During the year, the Employees' Old-Age Benefits Institution (EOBI) issued a demand notice amounting to Rs. 110 million on the grounds that the Holding Company deposited EOBI contributions at 6% of the minimum wage of Rs. 13,000 for the period from July 2013 to June 2023. The Holding Company has filed an appeal before the EOBI Adjudicating Authority. Further, since the similar petitions had been filed before the High Court of Sindh, which, through its order dated 26 May 2025, directed the petitioners to present their respective positions before EOBI, following which both parties are required to carry out a reconciliation of contributions. Based on the initial reconciliation, the Holding Company determined a contribution difference of Rs. 23.76 million, however, the detailed final reconciliation is still pending. In addition, the Holding Company made a payment of Rs. 10 million, which will be adjusted against the final liability. The Holding Company, in view of a legal advice, expects a favorable outcome, accordingly, no provision has been made in these consolidated financial statements.

20.2 Commitments

	2025	2024
	(Rupees in '000)	
Bank guarantees	164,613	156,078
Letters of credit	1,008,073	1,047,835
Capital expenditure	226,606	516,210

The Group has entered in an agreement in respect of purchase of vehicles under ijarah arrangement for a period of five years, the rentals of which are payable monthly by the Group. Future rentals payable are as follows:

	2025	2024
	(Rupees in '000)	
Not later than one year	88,361	53,242
Later than one year but not later than five years	274,071	141,985
	362,432	195,227

21 REVENUE FROM CONTRACT WITH CUSTOMERS - net	Note	2025	2024
		(Rupees in '000)	
Local:			
- Manufacturing		19,488,938	17,575,345
- Trading		10,474,543	7,440,388
		29,963,481	25,015,733
Export		3,082,755	2,759,405
		33,046,236	27,775,138
Less: Trade discounts		(3,915,124)	(2,371,845)
Sales returns		(935,094)	(89,382)
Sales tax		(306,253)	(280,268)
		(5,156,471)	(2,741,495)
		27,889,765	25,033,643

22 COST OF SALES	Note	2025	2024
Cost of sales – manufacturing			
Raw and packing materials consumed:			
Opening stock		2,597,587	1,765,496
Purchases		4,495,938	4,813,022
Available for consumption		7,093,525	6,578,518
Closing stock	9	(2,763,926)	(2,597,587)
Raw and packing materials consumed		4,329,599	3,980,931
Manufacturing cost:			
Salaries, wages and other benefits	22.1	1,481,588	1,257,834
Stores and spares consumed		88,578	91,282
Provision for obsolescence and slow moving stock - net	9.2	89,210	28,145
Processing charges		175,808	113,819
Freight		37,442	24,824
Fuel, gas and electricity		486,389	454,813
Repairs and maintenance		315,527	282,048
Traveling and conveyance		35,853	21,444
Insurance		38,140	21,408
Laboratory expenses		88,040	61,725
Rates and taxes		24,710	12,248
Depreciation on operating fixed assets	6.1.1	221,866	104,788
Depreciation on right of use assets	6.3.1	1,095	858
Amortisation	7.4	4,258	7,167
Communication		8,918	8,347
Printing and stationery		16,794	12,343
		2,998,969	2,357,977
		7,328,568	5,348,868
Work-in-process:			
Opening stock		220,445	200,205
Closing stock	9	(432,557)	(220,445)
		(212,112)	(20,240)
Cost of goods manufactured		7,116,456	5,328,628
Finished goods:			
Opening stock		527,825	552,883
Closing stock	9	(914,318)	(527,825)
		(386,493)	25,058
Total carried forward		6,729,963	5,353,686

	Note	2025	2024
		(Rupees in '000)	
Total brought forward		**6,739,188**	6,553,726
Cost of samples for marketing and sales promotion	24	**(180,100)**	(180,813)
Cost of sales – trading:			
Opening stock		**818,538**	673,510
Purchases		**4,314,405**	4,309,979
Closing stock	8	**(264,862)**	(818,538)
		4,868,081	4,064,951
Direct expenses:			
Amortisation	7.4	**8,934**	7,717
Provision / (reversal) for slow moving and obsolete stock- net	8.2	**137,738**	(8,811)
Warehousing charges paid to Muller & Phipps Pakistan (Private) Limited. (Related Party)		**58,173**	45,498
Other		**3,020**	-
		207,865	44,404
		11,636,016	10,482,268

22.1 Included herein Rs. 21.2 million (2024: Rs. 18.4 million) in respect of provident fund.

23 ADMINISTRATIVE EXPENSES	Note	2025	2024
		(Rupees in '000)	
Salaries and other benefits	23.1	**537,499**	479,543
Software license renewals and maintenance fee		**109,418**	76,511
Directors' remuneration		**13,160**	8,375
Meeting and conferences		**10,865**	8,320
Traveling and conveyance		**23,894**	11,130
Legal and professional		**99,231**	97,936
Research cost		**38,669**	105,510
Repairs and maintenance		**38,081**	42,517
Auditors' remunerations	23.2	**15,948**	11,074
Donations	23.3	**14,933**	14,031
Corporate social responsibility		**13,834**	11,311
Depreciation on operating fixed assets	6.1.1	**64,797**	42,973
Depreciation on right of use assets	6.3.1	**2,834**	351
Amortisation	7.4	**7,269**	9,890
Lease rental		**4,196**	-
Shared cost		**2,479**	1,321
Other		**14,829**	21,075
		1,053,965	942,368

23.1 Included herein Rs. 11.55 million (2024: Rs. 11.43 million) in respect of staff retirement benefits.

23.2 Auditors' remunerations	2025	2024
	(Rupees in '000)	
Audit fee	**3,400**	3,134
Subsidiary companies	**5,726**	4,015
Half yearly review and other services	**4,360**	2,527
Sindh sales tax	**708**	453
Out of pocket expenses	**1,764**	945
	15,948	11,074

23.3 Donation to a single party exceeding higher of Rs. 1 million or 10% of total donations are as follows:

	Note	2025	2024
		(Rupees in '000)	
The Citizens Foundation		**6,720**	4,200
The Patients' Behbud Society for AKUH		**-**	1,000
The Kidney Foundation		**4,480**	1,075
Institute of Business Administration	23.3.1	**1,000**	-

23.3.1 Mr. Zafar Iqbal Sobani, a director of the Company is also an Executive Committee Member in The Patients' Behbud Society for AKUH.

24 MARKETING AND SELLING EXPENSES	Note	2025	2024
		(Rupees in '000)	
Salaries and other benefits	24.1	**3,637,808**	2,896,629
Sales promotion		**1,519,386**	1,224,140
Traveling and conveyance		**1,142,143**	901,303
Meeting and conferences		**588,652**	446,594
Freight, handling and transportation		**320,021**	212,087
Samples	22	**180,100**	180,813
Product registration fee		**91,076**	81,739
Ijarah rental		**51,193**	34,077
Communication		**52,386**	51,909
Subscription		**54,947**	48,360
Insurance		**22,313**	25,777
Depreciation on operating fixed assets	6.1.1	**198,136**	150,932
Depreciation on right of use assets	6.3.1	**43,051**	5,335
Amortisation	7.4	**-**	653
Printing and stationery		**11,347**	13,729
Repairs and maintenance		**48,800**	27,352
		7,806,997	6,300,059

24.1 Included herein Rs. 85.75 million (2024: Rs. 82.12 million) in respect of staff retirement benefits.

25 OTHER EXPENSES

	Note	2025	2024
		(Rupees in '000)	
Workers' Profit Participation Fund	17.3	203,930	168,723
Workers' Welfare Fund	17.4	76,983	64,476
Central Research Fund	17.5	41,178	34,085
Exchange loss - net		22,801	35,893
Allowance for ECL		-	(1,419)
		344,892	301,758

26 OTHER INCOME

	Note	2025	2024
Income from financial assets:			
Mark-up on deposit accounts		42,527	36,603
Dividend income on mutual funds		-	28,470
Mark-up on term deposit receipts (TDRs)		-	35,009
		42,527	100,082
Income from non-financial assets:			
Gain on sale of operating fixed assets - net	5.1.4	32,294	15,700
Scrap sales		25,478	20,034
Others		-	25
		57,772	35,759
		100,299	135,841

27 FINANCE COSTS

	Note	2025	2024
Mark-up on:			
long-term financings		1,233,264	2,216,081
short-term borrowings		154,637	379,782
lease liabilities		24,526	43,071
		1,412,427	2,638,934
Bank charges		30,966	53,119
		1,443,393	2,692,053

28 TAXATION

	Note	2025	2024
Current		2,137,484	1,414,407
Prior		(67,017)	(24,432)
Deferred		118,226	59,251
	28.1	2,188,693	1,449,226

Relationship between income tax expense and accounting profit is as follows:

	2025	2024
	(Rupees in '000)	
Profit before income tax and levies	6,697,072	4,445,976
Tax at the applicable tax rate of 29%	1,942,151	1,289,624
Tax effects of:		
Prior year charge	(67,017)	(24,432)
Lower tax rate	(27,300)	(16,290)
Tax credits	(2,076)	(4,205)
Super tax	575,596	358,987
Deductible / non-deductible items	(232,661)	(154,458)
	2,188,693	1,449,226
Effective tax rate	32.68%	32.59%

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	(Rupees in '000)					
Managerial remuneration	84,000	45,000	43,200	36,000	936,722	848,549
Bonus	106,533	40,212	36,983	14,983	136,613	143,633
Reimbursement of expenses	180	244	3,673	10,255	263,409	113,071
Provident fund	3,721	3,105	2,980	2,480	46,678	48,173
Others	3,780	3,108	3,094	3,346	46,918	188,244
	198,214	91,669	90,726	67,074	1,437,141	1,323,670
Number of persons	1	1	6	6	305	202

29.1 The Directors' remuneration represents compensation paid to the Chief Executive Officer of the Group's subsidiaries who is director of the Holding Company.

29.2 In addition, the chief executive and certain executives are provided with free use of Company maintained car in accordance with their entitlements.

29.3 During the year, fee paid to two (2024: two) independent directors and four (2024: four) non-executive directors for attending board and other meetings aggregating to Rs. 13.15 million (2024: Rs. 8.9 million). Traveling and boarding expenses of executive and non-executive directors borne by the Company amounted to Rs. 1.4 million (2024: Rs. 0.3 million). Number of non-executive directors at year end were four (2024: four).

29.4 No remuneration was paid/payable to any of the directors other than chief executive.

30 PRODUCTION CAPACITY

	2025	2024
	— Number of packs in millions —	
Available capacity	110	110
Actual Production	92	87

30.1 Actual production during the year is in line with market demand.

31 CASH GENERATED FROM OPERATIONS

	Note	2025	2024
		(Rupees in '000)	
Profit before taxation		6,697,073	4,446,978
Adjustments for non-cash items:			
Depreciation of property, plant and equipments	6.1.1	424,796	348,571
Depreciation of right of use assets		40,880	6,504
Amortisation	7.4	20,482	25,367
Allowance for ECL	25	-	(1,419)
Gain on disposal of operating fixed assets	26	(32,294)	(15,700)
Provision for obsolescence and slow moving stock	8.2	176,946	29,115
Stock written off during the year	8.2	(48,411)	(6,379)
Mark-up on bank balances	26	(62,627)	(36,603)
Reversal of GIDC		181	1,375
Mark-up of term financing	27	-	3,133
Finance costs	27	1,442,389	2,693,053
Workers' Profit Participation Fund	25	203,930	158,723
Workers' Welfare Fund	25	76,983	64,479
Central Research Fund	25	41,179	34,085
		2,292,368	3,315,301
		8,989,441	7,762,279
Working capital changes:			
Increase in current assets:			
Stores, spares and loose tools		(2,847)	(4,392)
Stock-in-trade		(406,400)	(1,063,272)
Trade debts		(616,390)	(69,333)
Advances		(72,526)	70,313
Trade deposits, prepayments and other receivables		(66,638)	9,559
		(1,117,815)	(1,057,125)
Increase in current liabilities			
Trade and other payables		309,719	368,690
		8,181,345	7,073,844

32 CASH AND CASH EQUIVALENTS

	Note	2025	2024
Cash and bank balances	12	1,106,332	650,766
Lien on bank balance	12.2	(78,620)	(78,623)
Short-term borrowings	18	(1,836,731)	(846,323)
		(809,022)	(274,180)

33 TRANSACTIONS WITH RELATED PARTIES

The related parties of the Group companies comprises parent companies, group companies, associated companies, staff retirement funds, directors and key management personnel. All transactions with related parties are executed into at agreed terms duly approved by the Board of Directors of the Holding Company. Transactions with related parties, other than those disclosed elsewhere in these consolidated financial statements, are as follows:

Name	Basis of relationship	Nature of transactions	2025	2024
			(Rupees in '000)	
Aitkenstuart Pakistan (Private) Limited	Parent company	Expenditure incurred on behalf of parent company of the Group	-	87
		Transaction fee on Nationwide	-	84,025
		Expenditure incurred by parent on behalf of the Group	58,438	2,980
		Dividend paid	1,021,682	437,828
Aspin Pharma (Private) Limited	Associate (Common directorship)	Sales	8,271	6,258
		Purchases	34,082	31,710
		Expenditure incurred by the Group on behalf of associate	7,504	7,365
		Expenditure incurred by associate on behalf of the Group/behalf of associate	81,189	28,887
		Dividend paid	88,486	32,500
OBS Pharma (Private) Limited	Common directorship	Sales	322,888	114,482
		Expenditure incurred by associate on behalf of the Group	8	-
		Expenditure incurred by the Group on behalf of associate	37,781	47,564
		Purchase of Tablet devices	-	2,798
Muller and Phipps Pakistan (Private) Limited	Common directorship	Sales	24,436,487	21,038,540
		Settlement of discounts and expenses incurred on behalf of the Company	1,481,828	1,113,239
		Warehouse and logistic charges	37,166	32,805
		Dividend paid	227,828	94,600
Key management personnel		Remuneration	330,264	301,350
		Provident fund contribution	16,949	14,398
		Dividend paid	36	16
		Reimbursement of expenses	27,989	28,690
Directors		Dividend paid	24,790	12,078

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

34.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and over sight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

34.2 Financial risks

The Group's activities expose it to a variety of financial risks as follows:

34.2.1 Credit risk

Credit risk is the risk of financial loss to the Group if one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economical, political or other conditions. As of 31 December 2025, the Group is mainly exposed to such risk in respect of trade debts and bank balances. The Group seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities, where applicable. The credit quality of bank balances can be assessed by reference to external credit ratings or the historical information about counter party default rates as follows:

	2025	2024
	(Rupees in '000)	
A-1+	1,028,635	110,674
A-1	52,990	528
Unrated	1,072	602
	1,082,697	111,804
Short term investments	16,009	51,009

As at reporting date, there are no financial assets that could otherwise be past due or impaired whose terms have been renegotiated.

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34.2.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group applies prudent liquidity risk management by maintaining sufficient bank balances and the availability of funding through committed credit facilities. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	More than 12 months	Total
	(Rupees in '000)				
2025					
Long-term financing	-	608,346	1,691,016	5,406,869	7,726,200
Trade and other payables	308,509	3,072,192	26,760	-	3,494,461
Accrued interest	-	35,100	-	-	35,100
Short-term borrowings	1,835,731	-	-	-	1,835,731
Unclaimed dividends	-	2,487	-	-	2,487
	2,142,240	3,742,126	1,716,776	5,406,869	13,007,009

	On demand	Less than 3 months	3 to 12 months	More than 12 months	Total
	(Rupees in '000)				
2024					
Long-term financing	-	540,266	1,890,939	7,540,982	9,972,187
Trade and other payables	49,866	3,037,493	13,046	-	3,100,405
Accrued interest	-	56,364	-	-	56,364
Short-term borrowings	846,323	-	-	-	846,323
Unclaimed dividends	-	2,018	-	-	2,018
	896,189	3,636,141	1,903,985	7,540,982	13,977,297

34.2.3 Market risk

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and comprise of the following:

i) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's long-term financing, short-term borrowings and bank balances at a floating rate to meet its business operations requirements. The Group manages interest rate risk by maintaining arrangement with number of financial institutions to have access to the best possible rate, if financing from banks is required. Management of the Group estimates that 10% increase / decrease in the market interest rate, with all other factors remaining constant, would decrease / increase the Group's profit before tax for the next year by Rs 136.96 million. However, in practice, the actual result may differ from the sensitivity analysis.

ii) **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Group is mainly exposed to such risk in respect of foreign currency trade debts, bank balances and trade payables to suppliers. The Group manages currency risk by carefully selecting countries for purchasing which pose minimum risk for foreign currency fluctuations. Moreover, the Group's exports in foreign currency are pursued to offset the adverse currency fluctuations.

	2025					2024			
	USD	EURO	CNY	CHF	GBP	USD	EURO	CNY	CHF
Financial assets:									
Trade debts	801,879	-	-	-		166,541	-	-	14,386
Bank balances	346,369	1,992	-	-		-	1,992	-	-
	1,148,248	1,992	-	-		166,541	1,992	-	14,386
Financial liabilities:									
Trade payables	(1,024,070)	(2,380)	(2,426,540)	(22,909)	(30,820)	(1,044,220)	(135,885)	(2,385,005)	(247,100)
				——— Rupees '000 ———					
Financial assets:									
Trade debts	304,822	-	-		-	46,343	-	-	4,407
Bank balances	17,033	666	-		-	-	578	-	-
	321,855	666	-	-	-	46,343	578	-	4,407
Trade payables	(270,983)	(744)	(97,308)	(7,271)	(6,298)	(290,807)	(38,274)	(80,691)	(76,218)

The exchange rates applied during the year and at year end were as follows:

	Average rate for the year		Spot rate as at 31 December	
	2025	2024	2025	2024
	—— Rupees ——		—— Rupees ——	
US Dollar	281.18	276.48	280.12	278.55
Chinese Yuan	38.13	38.71	40.07	39.16
Euro	317.46	355.74	328.86	290.08
Swiss Franc	339.10	316.30	353.22	308.44
GBP	370.58	355.74	377.17	349.71

Sensitivity analysis

Every 10% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase profit before tax for the next year by Rs. 16.28 million.

iii) **Equity price risk**

Equity price risk is the risk of loss arising from uncertainties about future values of investments securities movements in prices of equity investments. The Group is not exposed to any equity price risk as the Group does not have any investment in equity securities measured at fair value.

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34.3 **Fair values of financial assets and liabilities**

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction other than in a forced or liquidation sale. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The following table shows assets recognized at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the assets or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, all financial instruments of the Group are carried at amortised cost.

34.4 **Capital management**

The Group's objective when managing capital is to safeguard the Group's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Capital includes issued capital and reserves and the Group is not subject to any regulatory capital requirements. The Group is currently financing majority of its operations / investing activities through long-term financing and short-term financing facilities, in addition to its equity.

	Note	2025	2024
		—— (Rupees in '000) ——	
Long-term financings	14	7,726,220	9,972,187
Accrued interest		39,100	56,364
Short-term borrowings	15	1,836,731	846,323
Total debts		9,600,051	10,874,874
Less: Cash and bank balances	12	(1,026,709)	(572,143)
Net debts		8,573,342	10,302,731
Total capital		16,468,968	13,410,790
Gearing ratio		36%	43%

36 OPERATING SEGMENT RESULTS

	The Holding Company		OBS AGP		OBS PAK		Total	
	For the year ended 31 December 2025	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ended 31 December 2024	For the year ended 31 December 2025	For the year ended 31 December 2024
	(Rupees in '000)							
Sales								
Afghanistan	6,341,752	2,757,203	-	-	20,759	-	6,362,[illegible]	2,757,203
Sri Lanka	7,798	-	-	-	-	-	7,798	-
Cambodia	12,416	2,195	-	-	-	-	12,416	2,195
	[illegible]	2,759,398	-	-	20,759	-	[illegible]	2,759,398
Inter-segment	3,593,305	3,004,532	-	-	-	-	3,593,305	3,004,532
Local	14,281,[illegible]	14,883,814	6,193,182	6,798,955	4,552,[illegible]	3,334,857	25,0[illegible]	25,013,73[illegible]
Turnover	[illegible]	20,647,754	6,193,182	6,798,959	4,573,[illegible]	3,334,857	[illegible]	30,778,670
Sales tax	(305,801)	(280,258)	(622)	-	-	-	(306,2[illegible])	(280,258)
Sales return	(737,852)	(88,382)	(95,854)	-	(102,180)	-	(935,887)	(88,382)
Discounts	(2,848,878)	(1,734,306)	(881,327)	(539,722)	(654,719)	(97,838)	(3,919,134)	(2,371,842)
	(3,492,562)	(2,103,946)	(977,803)	(539,722)	(756,899)	(97,838)	(5,152,464)	(2,741,486)
Net turnover	[illegible]	18,543,808	5,215,179	6,257,238	3,816,152	3,237,121	32,874,871	28,038,175
Cost of sales	(10,338,274)	(8,071,888)	(2,711,417)	(2,919,945)	(960,049)	(873,970)	(16,227,786)	(13,465,803)
Gross profit	9,595,414	8,471,920	4,581,762	3,337,291	2,856,203	2,363,161	17,047,[illegible]	14,572,372
Marketing and selling expenses	(4,284,400)	(4,127,469)	(1,235,261)	(1,831,030)	(1,097,128)	(632,528)	(7,095,957)	(6,304,540)
Administrative expenses	(609,719)	(608,335)	(297,241)	(194,472)	(101,143)	(148,714)	(1,012,107)	(949,727)
Operating result	4,201,305	4,125,115	2,409,140	1,311,789	1,657,782	1,880,918	8,445,882	7,318,822
Segment assets	20,420,195	18,516,489	5,291,238	4,828,938	8,706,509	9,726,001	36,436,642	33,072,428
Unallocated assets	-	-	-	-	-	-	-	-
	20,420,195	18,516,489	5,291,238	4,828,938	8,706,509	9,726,001	36,436,642	33,072,428
Segment liabilities	7,521,831	6,304,818	1,533,455	2,275,097	6,102,240	6,885,909	15,147,626	15,465,625
Unallocated liabilities	-	-	-	-	-	-	-	-
	7,521,831	6,304,818	1,533,455	2,275,097	6,102,240	6,885,909	15,147,626	15,465,625
Depreciation and amortisation	338,314	256,817	99,915	85,281	56,880	18,342	494,118	360,441
Interest expense	(448,400)	(793,058)	(107,204)	(422,428)	(1,429,650)	(1,429,633)	(2,025,254)	(2,657,127)
Interest income	8,497	58,385	18,467	34,115	59,205	49,179	86,169	165,082
Income tax expense	(1,487,530)	(1,083,852)	(685,241)	(383,604)	(187,675)	(29,780)	(2,458,815)	(1,495,336)

36.1 OBS AGP (Private) Limited and OBS Pakistan (Private) Limited are considered as a separate business segment / Cash Generating Unit (CGU) of the Group which has been reflected as 'OBS-AGP' and 'OBS-PAK' in these consolidated financial statements.

AGP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
36.2 Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities	(Rupees in '000)	
36.2.1 Net turnover		
Total net turnover for reportable segments	32,874,871	28,038,175
Elimination of inter-segment/group net turnover from subsidiary	(2,885,305)	(3,004,532)
Total net turnover - note 21	29,989,566	25,033,643
36.2.2 Cost of sales		
Total cost of sales for reportable segments	(16,227,786)	(13,465,803)
Elimination of inter-segment/group purchases from the Holding Company	4,592,770	2,983,535
Total cost of sales - note 22	(11,635,016)	(10,482,268)
36.2.3 Assets		
Total assets for reportable segments	36,436,642	33,072,428
Elimination of inter-segment/group transactions	(3,396,772)	(3,723,278)
Total assets	33,039,870	29,349,150
36.2.4 Liabilities		
Total liabilities for reportable segments	15,147,626	15,465,625
Elimination of inter-segment/group transactions	(226,077)	(684,787)
Total liabilities	14,921,549	14,780,838

36.3 Revenue from Muller and Phipps Pakistan (Private) Limited, a related party, amounting to Rs. 24,436 million (2024: Rs. 21,037 million) represents 10% or more of the Group's overall revenue related to manufactured and tradings goods.

36 SHARIAH COMPLAINCE DISCLOSURE

	2025	2024
	(Rupees in '000)	
Consolidated statement of financial position		
Bank balances	161,672	24,433
Long-term financing	7,719,011	9,949,662
Short-term borrowings	1,824,494	496,287
Accrued markup on Islamic mode	27,566	34,048
Accrued markup on conventional mode	11,646	22,319
Consolidated statement of profit or loss		
Revenue from contracts with customers	33,668,831	28,036,175
Finance costs	1,310,273	2,307,221
Dividend earned	2,171	406
Profit earned on Islamic mode of financing	4,798	2,669
Interest earned on conventional loan	73,212	96,241

The Group has relationship with Meezan Bank Limited, Faysal Bank Limited, Habib Metropolitan Bank Limited, MCB Islamic Bank Limited, Dubai Islamic Bank Limited and Al Baraka Bank (Pakistan) Limited.

37 DATE OF AUTHORISATION

These financial statements were authorised for issue on March 19, 2026 by the Board of Directors of the Company.

38 SUBSEQUENT EVENT

38.1 The Board of Directors in its meeting held on March 19, 2026 has proposed a final cash dividend for the year 2025 of Rs. 6 per share (2024: Rs. 4 per share), aggregating to Rs. 1,680 million (2024: Rs. 1,120 million) subject to approval of shareholders in the Annual General Meeting of the Holding Company to be held on April 20, 2026.

39 GENERAL

39.1 The number of persons employed as at year end were 2,745 (2024: 2,358) and the average number of persons employed during the year were 2,724 (2024: 2,341).

39.2 Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary. However, there are no material transactions to report.

39.3 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

Chief Financial Officer	Chief Executive Officer	Director

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05

SHAREHOLDERS' INFORMATION

Notice of Annual General Meeting along with other information for shareholders

SHAREHOLDERS' INFORMATION

Notice of Annual General Meeting along with other information for shareholders

NOTICE OF THE 12TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 12th Annual General Meeting (the Meeting) of Shareholders of AGP Limited (the Company) will be held on Monday, April 20, 2026, 11:00 A.M. at Ramada Karachi Creek, Zulfiqar Street 1, DHA Phase VIII, Karachi, through in-person and video link facility to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 11th Annual General Meeting held on April 10, 2025.
2. To consider, approve and adopt the Standalone and Consolidated Audited Financial Statements of the Company together with Directors' and Auditors' Reports thereon for the year ended December 31, 2025.
3. To appoint Auditors for the year ending December 31, 2026, and fix their remuneration.
4. To consider and approve the payment of final dividend at the rate of PKR 6.00 per share (i.e. 60%) as recommended by the Board of Directors.
5. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS

6. Special Resolution No. 1 – Amendment of Articles of Association
To consider and, if deemed appropriate, pass with or without modification, the following as a special resolution to amend the Articles of Association of the Company by inserting a new Article 5A under the heading "CAPITAL" to enable the Company to establish and implement an Employee Stock Option Scheme (ESOS) in accordance with applicable laws and regulations.

RESOLVED THAT
"pursuant to Section 38 of the Companies Act, 2017, the Articles of Association of AGP Limited be and are hereby amended by inserting a new Article 5A under the heading 'CAPITAL' as follows:

5A. Employee Stock Option Scheme: Notwithstanding anything contained in these Articles, the Company may, in accordance with law and subject to such approvals or permissions as may be required, establish and implement an Employee Stock Option Scheme (ESOS) and may issue further shares or provide shares to its employees in such manner as may be authorized by law and approved by the Board from time to time.

FURTHER RESOLVED THAT
"the Company Secretary be and is hereby authorized to file the amended Articles of Association and Form-26 with the Registrar, SECP."

7. Special Resolution No. 2. – Buy-back of Shares
To consider and, if deemed appropriate, pass with or without modification, the following as a special resolution for the purchase/buy-back by the Company of its issued and paid-up ordinary shares in accordance with Section 88 of the Companies Act, 2017 and the Listed Companies (Buy-Back of Shares) Regulations, 2019, on the terms and conditions as set out in the resolutions below.

RESOLVED THAT
"pursuant to Section 88 of the Companies Act, 2017 and the Listed Companies (Buy-Back of Shares) Regulations, 2019, the approval of the members of AGP Limited be and is hereby accorded for the purchase/buy-back by the Company of up to 5.6 million issued and paid-up ordinary shares, representing 2% of the total paid-up capital, having face value of Rs. 10/- each."

RESOLVED FURTHER THAT
"the shares so purchased shall be held as Treasury Shares in accordance with applicable law."

RESOLVED FURTHER THAT
"the Purchase shall be made through the Pakistan Stock Exchange (Open Market) at the spot/current share price during the purchase period in accordance with Regulation 8(2) of the Regulations."

RESOLVED FURTHER THAT
"the purchase period shall be for 180 days commencing from April 22, 2026, to October 18, 2026, or until completion of purchase, whichever is earlier."

RESOLVED FURTHER THAT
"The Chief Executive Officer of the Company, or any person authorized by him, be appointed as the Company's authorized officer ("Authorized Officer") to undertake all necessary actions in relation to the buy-back, including but not limited to observing the spot price of the Company's shares and determine and approve the quantum of shares that may be purchased by the Company (as may be deemed fit) on a day-to-day basis during the purchase period."

RESOLVED FURTHER THAT
"the Chief Executive Officer and/or the Company Secretary be and are hereby jointly and severally authorized to take all necessary actions, file requisite returns (including Form-26), and execute all documents required by the SECP, PSX, and CDC to give effect to this resolution."

8. Special Resolution No. 3 – Renewal and Enhancement of Funding Facilities to and from Associated Companies:
To consider the enhancement and renewal of funding facilities to and from associated companies, namely OBS AGP (Private) Limited and OBS Pakistan (Private) Limited, which were renewed earlier by the shareholders in their meeting held on April 10, 2025 and if deemed appropriate, pass with or without modification, the following resolution, as a special resolution as required under Section 199 of the Companies Act, 2017 read together with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT
To consider the enhancement and renewal of funding facilities to and from associated companies, namely OBS AGP (Private) Limited and OBS Pakistan (Private) Limited, which were renewed earlier by the shareholders in their meeting held on April 10, 2025 and if deemed appropriate, pass with or without modification, the following resolution, as a special resolution as required under Section 199 of the Companies Act, 2017 read together with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT
"the Company be and is hereby authorized to renew and enhance, for a further period of twelve (12) months, short term funded and / or unfunded financing facilities and / or security to and from its associated companies, namely OBS AGP (Private) Limited and OBS Pakistan (Private) Limited, from PKR 500 Million to PKR 1,000 million each to meet excess debt requirements and / or funding shortfalls or to otherwise assist the Company and such associated companies in meeting and fulfilling their financial obligations."

RESOLVED FURTHER THAT
"such facilities extended by the Company to its associated companies and vice versa as per the preceding resolution, will be extended for a period of one (1) year and shall be renewable annually for each successive year, unless not renewed."

RESOLVED FURTHER THAT
"the Chief Executive officer together with Chief Financial Officer or Company Secretary of the Company be and are hereby jointly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents, as may be necessary or incidental for the purpose of implementing this resolution."

A Statement under section 134(3) of the Companies Act, 2017 relating to the above-mentioned special business is annexed with the notice.

By Order of the Board

Karachi.
Dated: March 30, 2026

Muhammad Asad Khan
Company Secretary

NOTES:

1. Closure of Share Transfer Books

The share transfer books of the Company will remain closed from April 13, 2026, to April 20, 2026 (both days inclusive). Transfers received in order at the office of our Registrar, namely CDC Share Registrar Services Limited situated at CDC House, 99-B, Block B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi - 74400 by the close of business on April 12, 2026, will be treated as being in time for the purposes of payment of final cash dividend to the transferees and to attend and vote at the Meeting.

2. Appointment of Proxy Holder

A member of the Company entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the registered office of the Company or emailed at corp.affairs@agp.com.pk not later than forty-eight (48) hours before the time of holding the Meeting. In calculating the aforesaid time period, no account shall be taken of any day that is not a working day. A member shall not be entitled to appoint more than one proxy. Proxy form is available at Company's website www.agp.com.pk and also attached at the end of the annual report.

3. Guidelines for CDC Account Holders:

Any Individual Beneficial Owner of CDC, entitled to vote at this Meeting, must bring his/her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the Board of Directors' resolution / power of attorney with specimen signature of the nominee for such purpose.

CDC account holders shall follow the guidelines as laid down in Circular No. 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

4. Participation in the Annual General Meeting

SECP through its Circular No. 4 of 2021 dated 15 February 2021, Circular No. 6 of 2021 dated 3 March 2021, read together with the clarification bearing number SMD/SE/2(20)/2021/117 dated 15 December 2021, has directed listed companies to ensure the participation of members in general meeting through electronic means as a regular feature in addition to holding physical meetings.

Accordingly, in compliance with the directives from SECP, the Company is also providing the facility to its shareholders to attend the Meeting through video link. To avail this facility, members are requested to register their following particulars by sending an e-mail at corp.affairs@agp.com.pk.

Folio / CDC account no.	No. of shares held	Name	CNIC	Cell No	Email address

After necessary verification, the video link and login credentials will be shared with the shareholders whose e-mails containing all the requested particulars are received at the given e-mail address by April 19, 2026. The shareholders are also encouraged to send their comments / suggestions related to the agenda items of the Meeting on the above-mentioned e-mail address by the close of business hours on April 17, 2026.

5. Notice of AGM and Annual Report

In accordance with Section 223 of the Companies Act, 2017 and pursuant to SECP's SRO 389(1)/2023 dated March 21, 2023, the Company has obtained shareholders' approval in the 10th Annual General Meeting of the Company held on March 19, 2024, to circulate the Annual Report of the Company to Members through QR enabled Code and Website. A complete set of Annual Report 2025 can be downloaded from the following:

Website link of the Company	QR code
https://agp.com.pk/financial-statements/	

Further, the notice of the Meeting and the Annual Report 2025 is uploaded on the official website of the Company and posted at PUCAR. The Annual Report 2025 shall also be e-mailed to the members who have provided their valid email addresses to the Company or Registrar. Other members who wish to receive the Annual Report 2025 through email or hard copy at their registered address may send us the request with the following particulars at corp.affairs@agp.com.pk:

Name of the Members/ Shareholders:	
CNIC /SNIC #:	
Folio / CDC Account Number:	
Valid Email Address	
Address:	

Members are requested to intimate any change in their registered email addresses in a timely manner, to ensure effective communication by the Company.

6. Polling on Special Business

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (Regulations) amended through notification dated December 05, 2022, issued by SECP, wherein, SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

7. E-Voting Procedure:

a. Details of the e-voting facility will be shared through an email on April 13, 2026, with those members of the Company whose valid CNIC Numbers, cellular phone numbers and email address are available in the register of members of the Company by the close of business on April 10, 2026.
b. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited, being the e-voting service provider.
c. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
d. E-voting lines will start from April 14, 2026, 09:00 a.m. and shall close on April 19, 2026, at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

8. Postal Ballot

Members may alternatively opt for voting through postal ballot. The members shall ensure that duly filled and signed ballot paper, along with copy of CNIC, should reach the Chairman of the meeting through post on the Company's registered address, AGP Limited, B-23-C, S.I.T.E., Karachi with attention to the Company Secretary, or email with subject "Voting through Postal Ballot" at corp.affairs@agp.com.pk no later than April

19, 2026: during working hours. The signature on the ballot paper shall match the signature on CNIC. The postal ballot paper will be placed on the Company's website www.agp.com.pk at least seven (7) days before the meeting.

9. Scrutinizer

In accordance with Regulation 11 of the Regulations, the Board of the Company has appointed M/s Junaidy Shoaib Asad, Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

10. Video Conference Facility

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate ten percent (10%) or more shareholding residing at geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate Members regarding venue of video conference facility at least five (5) days before the date of the Meeting along with complete information necessary to enable them to access such facility. In order to avail this facility please provide the following information to our Registrar:

"I/We, ________ of ____________ beinga member of AGP Limited holder of ________ Ordinary Share(s) as per Register Folio No./ CDC Account No. __________ hereby opt for video conference facility at (Please insert name of the City).

____

Signature of member"

11. Electronic Payment of Cash Dividend

In accordance with the provisions of section 242 of the Companies Act 2017, a listed company is required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders who have not yet provided their relevant information are requested to provide the same as mentioned on an E-Dividend Mandate Form available at the website of the Company to the Registrar. The CDC account holders must submit their information directly to their broker (participant) / CDC.

As per the provisions of section 243(3) of the Companies Act, 2017 and Regulation 6 of the Companies (Distribution of Dividends) Regulations, 2017, the Company may withhold the payment of dividend to shareholders who have not provided valid bank details and copy of CNIC or NTN.

12. Withholding Tax on Dividend

In pursuance to section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001, the rates of deduction of income tax from dividend payments shall be 15% for a person appearing in Active Taxpayers List (ATL) and 30% for a person not appearing in ATL. However, the provisions of withholding tax at additional rate from the person not appearing in ATL are not applicable to the extent of dividend payment to non-resident persons.

In case of joint shareholders, tax will be deducted on the basis of shareholding of each shareholder as may be notified by them, in writing as follows, to our Registrar, by the close of business hours on April 13, 2026, or if no such notification is received each shareholder shall be assumed to have an equal number of shares:

Folio / CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

Withholding Tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Registrar by close of business on the first (1st) day of book closure.

13. Unclaimed Dividend

As per the provisions of section 244 of the Companies Act 2017, any shares issued, or dividend declared by the Company which remains unclaimed / unpaid for a period of three (3) years from the date on which it was due and payable are required to be deposited with the SECP in an account specified by the Federal Government. Shareholders whose dividend remains unclaimed till date are requested to approach the Company to claim their unclaimed / unpaid amount of dividend. In case, no claim is filed with the Company within the due time frame, the Company shall proceed to deposit the unclaimed / unpaid amount dividend or any other share with the Federal Government pursuance to section 244(2) of the Act.

14. Conversion of Physical Securities into Book Entry Form

In accordance with section 72 of the Companies Act, 2017, SECP through its letter dated March 26, 2021, has advised all listed companies to pursue their shareholders to replace their shares in physical form into book entry form within a period not exceeding four (4) years from the date of promulgation of the Companies Act, 2017. Consequently, all shareholders bearing physical folios / share certificates are requested to convert their shares from physical form into book entry form at the earliest. Maintaining shares in book entry form has many advantages such as safe custody of shares with the CDC, fast and convenient selling of shares, avoidence of formalities required for the issuance of duplicate shares and paperless environment which makes the process eco-friendly.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

AGENDA ITEM NO. 6 – Amendment of Articles:

Purpose of Amendment: The Board of Directors seeks to align the interests of the Company's employees with those of its shareholders by introducing a mechanism for equity-based incentives. This initiative is intended to attract, retain, and motivate high-performing talent essential for the Company's long-term growth. At present, the Articles of Association do not contain an enabling provision for implementation of an Employee Stock Option Scheme (ESOS).

Nature of Amendment: The proposed amendment is an enabling provision which provides a legal framework for implementation of ESOS in the future, subject to the Companies (Further Issue of Shares) Regulations, 2020 and other applicable laws. The amendment allows flexibility in structuring employee share-based incentives as permitted by law.

AGENDA ITEM NO. 7 – Buy Back of Shares:

The Board of Directors, in its meeting held on March 19, 2026, recommended the purchase of the Company's own shares to optimize its capital structure. The buy back is expected to improve Earnings Per Share (EPS) and the break-up value of the Company's shares. Retention of such shares as Treasury Shares shall also provide flexibility to meet future requirements, including potential employee incentive schemes.

Element	Specification
Number of Shares	Up to 5.8 million ordinary shares (approximately 2% of the issued and paid-up share capital of the Company)
Purpose of Purchase	To be held as Treasury Shares for improving shareholder value and enabling capital optimization
Purchase Price	Spot price prevailing on the Pakistan Stock Exchange at the time of purchase, acceptable to the Company, in accordance with Regulation 8(2) of the Listed Companies (Buy-Back of Shares) Regulations, 2019
Mode of Purchase	Through the automated trading system of the Pakistan Stock Exchange Limited during the purchase period
Purchase Period	The purchase period shall commence from April 22, 2026, and end on October 18, 2026.
Source of Funds	In cash against distributable profits of the Company in accordance with Section 88(8) of the Companies Act, 2017
Justification	• Provide an exit opportunity to existing shareholders; • improve shareholder value; and • enable capital optimization either through such holding shares as treasury shares or disposal thereof in accordance with applicable laws, including to employees as part of employee incentive plans.
Financial Impact	Expected to have a positive impact on the Company's financial position, including improvement in Earnings Per Share (EPS), Return on Equity (ROE), and break-up value per share.

AGENDA ITEM NO. 8 – Renewal and Enhancement of Funding Facilities to and from Associated Companies

The Shareholders in their meeting held on April 10, 2025, had approved the extension or renewal of funding facilities / security up to PKR 500 million to and from each of its associated companies, namely OBS AGP (Private) Limited (OBS AGP) and OBS Pakistan (Private) Limited (OBS PK) for a period of one (1) year.

In order to provide greater financial flexibility and to support the working capital requirements of the Company and its associated companies, it is proposed to renew and enhance the limit of such funding facilities and/or security from PKR 500 million to PKR 1,000 million to and from each associated company for a further period of one (1) year. Each financing facility will be provided on an arm's length basis and will carry a markup rate which shall not be lower than the average borrowing cost of the Company. The extension and enhancement of funding facilities will ensure that short-term funds are readily available for the Company and its associated companies and will help them to manage their working capital requirements efficiently.

These short-term facilities have been utilized during the year by AGP Limited. However, there is no balance outstanding at the end of the year. Interest rate was duly charged on the facility and recorded in the accounts.

These short-term facilities are being renewed as earlier approved by the shareholders.

UPDATE UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

SR. NO.	DESCRIPTION	INFORMATION REQUIRED		
3 (a)	Disclosures for all types of investments			
(A)	Regarding Associated Company or Associated Undertakings:			
(i)	Name of the associated company or associated undertakings	OBS AGP (Private) Limited (OBS AGP) OBS Pakistan (Private) Limited (OBS PK)		
(ii)	Basis of relationship	Subsidiaries		
(iii)	Earnings per share for the last four years	Years	OBS AGP	OBS PK
		2021	PKR 28.23	Not Applicable
		2022	PKR 38.52	
		2023	PKR 51.11	PKR 11.05
		2024	PKR 72.63	PKR 6.08
		2025	PKR 151.29	PKR 16.97
(iv)	Break-up value per share, based on latest audited financial statements		OBS AGP	OBS PK
		As at Dec 31, 2025	PKR 378.78	PKR 81.90
(v)	Financial position including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Main items of the financial statements (audited) of OBS AGP and OBS Pakistan for the year ended Dec 31, 2025, are given below. The figures are PKR in million.		
		Items	OBS AGP	OBS PK
		Total Assets	5,306	9,716
		Total Liabilities	1,538	6,112
		Total Equity	3,768	3,604
		Net Sales	8,213	3,816
		Gross Profit	4,502	2,858
		Profit Before Tax	2,290	722
		Profit After Tax	1,513	747
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations.	Not Applicable		
(B)	General Disclosures			
(i)	Maximum amount of investment to be made	Short term funded and / or unfunded financing facilities up to PKR 1,000 million each.		
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	Provision of short-term finance facilities will meet the operational and cash flow requirements of the Company or its associated companies.		

(iii)		Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds	The Company will facilitate the associated companies by using its own excess credit lines and vice versa.	
	(I)	Justification for investment through borrowings	The associated companies will pay a markup rate which is not lower than the average borrowing cost of the Company and vice versa.	
	(II)	Details of collateral, guarantees provided and assets pledged for obtaining such funds	The Company secures its overdraft lines by providing a joint hypothecation charge on pari passu basis over its current assets and vice versa.	
	(III)	Cost benefit analysis	The Company will charge the associated companies a rate which will add to its profitability and vice versa.	
(iv)		Salient features of the agreement(s), if any with associated company or associated undertaking with regards to the proposed investment	Each financing facility will be provided on an arm's length basis.	
(v)		Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	**OBS AGP** Aitken, sponsor and parent of the AGP, holds twenty-eight percent (28%) shareholding in OBS AGP. Mr. Tariq Moinuddin Khan, sponsor and Chairman of AGP, is the ultimate beneficial owner of Aitken. The following Directors of AGP are also on the Board of Directors of OBS AGP: • Mr. Muhammad Kamran Nasir • Mr. Kamran Nishat • Mr. Mahmud Yar Hiraj • Mr. Muhammad Kamran Mirza Mr. Muhammad Kamran Nasir (indirectly) and Mr. Muhammad Kamran Mirza, hold three and a half percent (3.5%) each, shareholding in OBS AGP. Mr. Kamran Nishat, Director of AGP, is the CEO of Muller & Phipps (M&P), and M&P is the authorized distributor of OBS AGP.	**OBS PK** Aitken, sponsor and parent of AGP, holds two and seventy-three hundredths percent (2.73%) shareholding in OBS PK against the provision of collateral, from its own sources, to secure the financing of up to PKR 3.6 billion raised by OBS PK. Mr. Tariq Moinuddin Khan, sponsor and Chairman of AGP, is the ultimate beneficial owner of Aitken. The following Directors of AGP are also on the Board of Directors of OBS PK: • Mr. Muhammad Kamran Nasir • Mr. Kamran Nishat • Mr. Mahmud Yar Hiraj • Mr. Muhammad Kamran Mirza Mr. Muhammad Kamran Nasir and Mr. Muhammad Kamran Mirza, Directors of AGP, hold two and seventy-three hundredths' percent (2.73%) each, shareholding in OBS PK. Mr. Kamran Nishat, Director of AGP, is the CEO of Muller & Phipps (M&P), and M&P is the authorized distributor of OBS PK.

(vi)		In case any investment in associated company or undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write-offs	The facility has been utilized / availed during the year for the amount not exceeding Rs. 500 Million, there being no balance outstanding at the year end. There are no impairment or write-offs in any of these facilities.
(vii)		Any other important details necessary for the members to understand the transaction	Not Applicable
(c)		In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made	
(i)		Category-wise amount of investment	Short term funded and / or unfunded financing facilities, up to PKR 1,000 million each.
(ii)		Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Average borrowing of the Company is as follows: - under conventional arrangements, ranges from 1-3 months KIBOR + 0.3% - 1.25% per annum payable quarterly; - under Islamic arrangements, ranges from 1-3 months KIBOR + 0.25% - 1% per annum payable quarterly.
(iii)		Rate of interest, markup, profit, fees, or commission etc. to be charged by investing company	It shall not be less than the borrowing cost of the Company or KIBOR for the relevant period, whichever is higher.
(iv)		Particulars of collateral or security to be obtained in relation to the proposed investment	No security is required to be obtained. The Company and its associated companies are confident that any financing arrangement will be repaid timely.
(v)		If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable

(vi)		Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	The short-term funded and / or unfunded financing facilities are for a period of one (1) year and renewable annually for each successive year, unless not renewed. Repayment will be made on the availability of the funds, and at a rate which shall not be less than the borrowing cost of the Company or KIBOR for the relevant period, if higher.

Except to the extent as mentioned in B(v) above, the Board of Directors of the Company have no direct or indirect interest in this Special Business.

The annual audited financial statements of OBS AGP and OBS PK for the year ended December 31, 2025, shall be made available for inspection of the members in the meeting.

AGP LIMITED

POSTAL BALLOT PAPER

for voting through post for the Special Businesses at the Annual General Meeting to be held on Monday, April 20, 2026, at 11:00 A.M. at Ramada Karachi Creek, Zulfiqar Street 1, DHA Phase VIII, Karachi.
Phone: +92-21-111 247 247 Website: www.agp.com.pk.

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation, and federal Government)	
Name of Authorized Signatory	
CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached)	

Resolution For Agenda Item No. 6 – Amendment of Articles of Association

To consider and, if deemed appropriate, pass with or without modification, the following as a special resolution to amend the Articles of Association of the Company by inserting a new Article 5A under the heading "CAPITAL" to enable the Company to establish and implement an Employee Stock Option Scheme (ESOS) in accordance with applicable laws and regulations.

RESOLVED THAT

"pursuant to Section 38 of the Companies Act, 2017, the Articles of Association of AGP Limited be and are hereby amended by inserting a new Article 5A under the heading 'CAPITAL' as follows:

5A. Employee Stock Option Scheme: Notwithstanding anything contained in these Articles, the Company may, in accordance with law and subject to such approvals or permissions as may be required, establish and implement an Employee Stock Option Scheme (ESOS) and may issue further shares or provide shares to its employees in such manner as may be authorized by law and approved by the Board from time to time.

FURTHER RESOLVED THAT

"the Company Secretary be and is hereby authorized to file the amended Articles of Association and Form-26 with the Registrar, SECP."

Resolution For Agenda Item No. 7 – Buy-back of Shares

To consider and, if deemed appropriate, pass with or without modification, the following as a special resolution for the purchase/buy-back by the Company of its issued and paid-up ordinary shares in accordance with Section 88 of the Companies Act, 2017 and the Listed Companies (Buy-Back of Shares) Regulations, 2019, on the terms and conditions as set out in the resolutions below.

RESOLVED THAT

"pursuant to Section 88 of the Companies Act, 2017 and the Listed Companies (Buy-Back of Shares) Regulations, 2019, the approval of the members of AGP Limited be and is hereby accorded for the purchase/buy-back by the Company of up to 5.6 million issued and paid-up ordinary shares, representing 2% of the total paid-up capital, having face value of Rs. 10/- each."

RESOLVED FURTHER THAT

"the shares so purchased shall be held as Treasury Shares in accordance with applicable law."

RESOLVED FURTHER THAT

"the Purchase shall be made through the Pakistan Stock Exchange (Open Market) at the spot/current share price during the purchase period in accordance with Regulation 5(2) of the Regulations."

RESOLVED FURTHER THAT

"the purchase period shall be for 180 days commencing from April 22, 2026, to October 18, 2026, or until completion of purchase, whichever is earlier."

RESOLVED FURTHER THAT

"The Chief Executive Officer of the Company, or any person authorized by him, be appointed as the Company's authorized officer ("Authorized Officer") to undertake all necessary actions in relation to the buy-back, including but not limited to observing the spot price of the Company's shares and determine and approve the quantum of shares that may be purchased by the Company (as may be deemed fit) on a day-to-day basis during the purchase period."

RESOLVED FURTHER THAT

"the Chief Executive Officer and/or the Company Secretary be and are hereby jointly and severally authorized to take all necessary actions, file requisite returns (including Form-26), and execute all documents required by the SECP, PSX and CDC to give effect to this resolution."

Resolution For Agenda Item No. 8 – Renewal and Enhancement of Funding Facilities to and from Associated Companies

To consider the enhancement and renewal of funding facilities to and from associated companies, namely OBS AGP (Private) Limited and OBS Pakistan (Private) Limited, which were renewed earlier by the shareholders in their meeting held on April 10, 2025 and if deemed appropriate, pass with or without modification, the following resolution, as a special resolution as required under Section 199 of the Companies Act, 2017 read together with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

RESOLVED THAT

"the Company be and is hereby authorized to renew and enhance, for a further period of twelve (12) months, short term funded and / or unfunded financing facilities and / or security to and from its associated companies, namely OBS AGP (Private) Limited and OBS Pakistan (Private) Limited, from PKR 500 Million to PKR 1,000 million each to meet excess debt requirements and / or funding shortfalls or to otherwise assist the Company and such associated companies in meeting and fulfilling their financial obligations."

RESOLVED FURTHER THAT

"such facilities extended by the Company to its associated companies and vice versa as per the preceding resolution, will be extended for a period of one (1) year and shall be renewable annually for each successive year, unless not renewed."

RESOLVED FURTHER THAT

The Chief Executive officer together with Chief Financial Officer or Company Secretary of the Company be and are hereby jointly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents, as may be necessary or incidental for the purpose of implementing this resolution."

Instructions For Poll

1. Please indicate your vote by ticking (✓) the relevant box.
2. In case if both the boxes are marked as (✓), your poll shall be treated as **"Rejected"**.

I/We hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below:

Resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
Resolution For Agenda Item No. 6		
Resolution For Agenda Item No. 7		
Resolution For Agenda Item No. 8		

Notes / procedures for submission of duly filled-in Ballot Paper:

1. Duly filled ballot paper should be sent to the Chairman at B-23-C, S.I.T.E, Karachi, with attention to the Company Secretary, or e-mail at: corp.affairs@agp.com.pk
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Ballot paper should reach the Chairman by or before Sunday, **April 19, 2026**. Any postal Ballot received after this date, will not be considered for voting.
4. Signature on ballot paper should match with signature on CNIC/ Passport. (In case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.
6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
7. Ballot Paper form has also been placed on the website of the Company at: www.agp.com.pk. Members may download the Ballot paper from the website or use an original/photocopy published in newspapers.

____________________ Date: ____________

Shareholder/Proxy holder Signature/Authorised Signatory

(In case of corporate entity, please affix company stamp)

[illegible]

[illegible] OBS AGP [illegible] OBS [illegible] 2025 [illegible]

[illegible]

[illegible]

[illegible]		
[illegible]		
[illegible]		
[illegible]		
[illegible]	[illegible]	[illegible]
[illegible] 6 [illegible]		
[illegible] 7 [illegible]		
[illegible] 8 [illegible]		

[illegible]

[illegible] AGP Limited B-23-C S.I.T.E [illegible] corp.affairs@agp.com.pk [illegible]

[illegible] CNIC [illegible]

[illegible] www.agp.com.pk [illegible]

پوسٹل بیلٹ پیپر

[illegible] 2026 [illegible]

[illegible] 92-21-111-247-247 [illegible] www.agp.com.pk

[illegible]	
[illegible]	
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[illegible]	
[illegible]	
[illegible]	
[illegible]	

خصوصی امور

۱۔ [illegible]

[illegible] "CAPITAL" [illegible]

[illegible] "CAPITAL" [illegible]

[illegible]

۲۔ [illegible] (Buy-back of Shares)

[illegible]

[illegible] 2026 [illegible]

[illegible]

(i)		[illegible] KIBOR [illegible]	[illegible] 3-1 KIBOR+0.3%-1.25% [illegible] 3-1 KIBOR+0.25%-1% [illegible]
(ii)		[illegible]	[illegible] KIBOR [illegible]
(iv)		[illegible]	[illegible]
(v)		[illegible]	[illegible]
(vi)		[illegible]	[illegible] KIBOR [illegible]

[illegible]

[illegible] 2025 [illegible] AGP OBS [illegible] CBE [illegible]

(E)	[illegible]		
(i)	[illegible]	[illegible] 1000 [illegible]	
(ii)	[illegible]	[illegible]	
(iii)	[illegible]	[illegible]	
(i)	[illegible]	[illegible]	
(ii)	[illegible]	[illegible] pari passu [illegible]	
(iii)	[illegible]	[illegible]	
(iv)	[illegible]	[illegible]	
(v)	[illegible]	AGF OBS [illegible]	OBS [illegible]
(vi)	[illegible]		[illegible] 500 [illegible]
(vii)	[illegible]	[illegible]	
(C)	[illegible]		
(i)	[illegible]	[illegible] 100PKR [illegible]	

[illegible] 2025 [illegible] OBS [illegible] OBS [illegible]
[illegible] 500 [illegible] (1) [illegible]

[illegible] 500 [illegible]
500 [illegible] (1) [illegible]
[illegible]
[illegible]
[illegible] AGF [illegible]
[illegible]

[illegible]
[illegible] 2017 [illegible]

[illegible]	[illegible]			
3 (a)	[illegible]			
(A)	[illegible]			
(i)	[illegible]	AGF OBS [illegible] OBS [illegible]		
(ii)	[illegible]	[illegible]		
(iii)	[illegible]	[illegible]	AGF OBS	OBS [illegible]
		2021	29.23 [illegible]	[illegible]
		2022	39.52 [illegible]	[illegible]
		2023	51.11 [illegible]	71.05 [illegible]
		2024	72.53 [illegible]	6.03 [illegible]
		2025	151.29 [illegible]	16.97 [illegible]
(iv)	[illegible]	[illegible] 31 [illegible] 2025	OBS AGF 376.78 [illegible]	OBS PK 81.90 [illegible]
(v)	[illegible]	AGF OBS [illegible] OBS [illegible] 31 [illegible] 2024 [illegible]		
(vi)	[illegible]	[illegible]	AGF OBS	OBS [illegible]
		[illegible]	5306	5,719
		[illegible]	1,238	5,117
		[illegible]	3,763	3,604
		[illegible]	3,213	3,316
		[illegible]	4,302	2,338
		[illegible]	2,290	722
		[illegible]	1,372	747
	[illegible]	[illegible]		

۳۔ [illegible]

[illegible]

کمپنیز ایکٹ، 2017 کی دفعہ 134(3) کے تحت بیان

[illegible]

[illegible] (ESOS) [illegible]

[illegible] (ESOS) [illegible] 2020 [illegible]

ایجنڈا آئٹم نمبر 7 – شیئرز کی واپس خریداری (Buy Back of Shares)

[illegible] 19 [illegible] 2025 [illegible] EPS [illegible]

عنصر	وضاحت
حصص کی تعداد	[illegible] 2% [illegible] 5.6 [illegible]
خریداری کا مقصد	[illegible]
خریداری کی قیمت	[illegible] 2019 [illegible] 5(2) [illegible]
خریداری کا طریقہ	[illegible] (Automated Trading System) [illegible]
خریداری کی مدت	[illegible] 22 [illegible] 2025 [illegible] 18 [illegible] 2026 [illegible]
قانونی پہلو	[illegible] 2017 [illegible] 88 (8) [illegible]
اثرات	[illegible]
مالیاتی اثرات	[illegible] (EPS) [illegible] (ROE) [illegible]

۱۔ [illegible]

[illegible] 10% [illegible]

[illegible] AGP [illegible]

[illegible]

۲۔ [illegible]

[illegible]

۳۔ [illegible]

[illegible] 15% [illegible] ATL [illegible] 30% [illegible] ATL [illegible]

[illegible] 2025 [illegible]

[illegible]	[illegible]	حصص کی تعداد	[illegible]		[illegible]	
			[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

۴۔ [illegible]

[illegible]

[illegible] 2025 [illegible] PUCAR [illegible]
[illegible]
[illegible] corp.affairs@agp.com.pk [illegible]

[illegible]	
[illegible]	
[illegible]	
[illegible]	
[illegible]	

[illegible]

[illegible]
[illegible] SECP [illegible]
[illegible] SECP [illegible]
[illegible]

[illegible]
(الف) [illegible] 10 [illegible] 2025 [illegible]

(ب) [illegible]

(ج) [illegible]

(د) [illegible] 14 [illegible] 2026 [illegible] 9:00 [illegible] 19 [illegible] 2026 [illegible] 5:00 [illegible]
[illegible]

[illegible]

[illegible]
[illegible] B-23-C [illegible] AGP Limited [illegible]
[illegible] 19 [illegible] 2026 [illegible] corp.affairs@agp.com.pk [illegible]
[illegible] (7) [illegible]
www.agp.com.pk [illegible]

[illegible]
[illegible] CCR [illegible]
[illegible] 11A [illegible]

[illegible]
[illegible]
[illegible] corp.affairs@agp.com.pk [illegible]
[illegible] www.agp.com.pk [illegible]
[illegible]

[illegible]
[illegible]

[illegible] (SECP) [illegible]

[illegible]
[illegible]
SMD/SE/2(20)/2021/117 [illegible]
[illegible]

[illegible] SECP [illegible]
[illegible] corp.affairs@agp.com.pk [illegible]

فولیو/سی ڈی سی اکاؤنٹ نمبر	حصص کی تعداد	شیئر ہولڈر کا نام	کمپیوٹرائزڈ قومی شناختی کارڈ	موبائل نمبر	ای میل ایڈریس

[illegible]
[illegible] 2025 [illegible]
[illegible] 17 [illegible] 2026 [illegible]

[illegible]
[illegible] SECP [illegible] SRO 389(I)/2023 [illegible] 21 [illegible] 2024 [illegible]
[illegible] QR [illegible] 2025 [illegible]
[illegible]

کمپنی کی ویب سائٹ لنک	https://agp.com.pk/financial-statements
QR کوڈ	

AGP لمیٹڈ

سالانہ اجلاس عام کا نوٹس

بذریعہ ہذا مطلع کیا جاتا ہے کہ AGP لمیٹڈ [illegible] 30 اپریل 2026 [illegible] 11:00 بجے [illegible] 1 [illegible] VIII [illegible]

عمومی امور

1. 10 اپریل 2025 [illegible]
2. 31 دسمبر 2025 [illegible]
3. 31 دسمبر 2026 [illegible]
4. [illegible] 6.00 [illegible] (60%) [illegible]
5. [illegible]

خصوصی امور

6. [illegible]

[illegible] "CAPITAL" [illegible] SA [illegible] (ESOS) [illegible]

[illegible] 2017 [illegible] 35 [illegible] AGP [illegible] "CAPITAL" [illegible] SA [illegible]

SA [illegible] (ESOS) [illegible]

[illegible] 25 [illegible]

7. [illegible] (Buy-back of Shares)

[illegible] 2017 [illegible] 88 [illegible] 2019 [illegible]

[illegible] 2017 [illegible] 88 [illegible] 2019 [illegible] AGP [illegible] 10 [illegible]

[illegible]

[illegible]

[illegible] 22 اپریل 2026 [illegible] 16 [illegible] 2026 [illegible] 180 [illegible]

[illegible]

[illegible] 38 [illegible]

8. [illegible] 3 [illegible]

[illegible] (AGPOBS) [illegible] (OBS) [illegible] 10 اپریل 2026 [illegible] 2017 [illegible] 199 [illegible] 2017 [illegible]

[illegible] (AGPOBS) [illegible] (OBS) [illegible] 51 [illegible] (12) [illegible] 800 [illegible] 1:000 [illegible]

[illegible] (1) [illegible]

[illegible]

[illegible]

[illegible]

کراچی

30 مارچ 2026ء

[illegible]

کمپنی سیکرٹری

نوٹس:

1. [illegible]

[illegible] 132 [illegible] 2026 [illegible] 2026 [illegible] 12 [illegible] 2026 [illegible] 33 [illegible] 8 [illegible]

PATTERN OF SHAREHOLDING

As at December 31, 2025

# Of Shareholders	Shareholdings'Slab			Total Shares Held
3071	1	to	100	94,119
1459	101	to	500	540,459
572	501	to	1000	484,805
588	1001	to	5000	1,414,784
123	5001	to	10000	934,056
50	10001	to	15000	634,615
25	15001	to	20000	501,617
24	20001	to	25000	565,852
20	25001	to	30000	557,826
14	30001	to	35000	447,287
7	35001	to	40000	265,544
3	40001	to	45000	130,851
9	45001	to	50000	446,501
6	50001	to	55000	312,021
2	55001	to	60000	113,871
2	60001	to	65000	124,815
8	70001	to	75000	585,482
3	75001	to	80000	235,980
3	85001	to	90000	264,191
7	90001	to	95000	646,535
4	95001	to	100000	395,026
1	100001	to	105000	101,748
3	105001	to	110000	320,426
1	110001	to	115000	112,500
2	115001	to	120000	239,535
2	125001	to	130000	255,638
3	130001	to	135000	401,862
1	140001	to	145000	141,477
2	145001	to	150000	295,801
1	155001	to	160000	160,000
1	160001	to	165000	162,000
2	185001	to	190000	378,500
1	195001	to	200000	198,415
2	200001	to	205000	401,887
1	220001	to	225000	221,887
1	225001	to	230000	228,978
1	235001	to	240000	239,150
1	240001	to	245000	243,834
1	265001	to	270000	268,327
1	270001	to	275000	272,073
1	295001	to	300000	298,479
1	340001	to	345000	344,074
1	345001	to	350000	345,055
1	355001	to	360000	358,573
2	360001	to	365000	726,712
1	375001	to	380000	377,179
1	380001	to	385000	382,253
1	390001	to	395000	392,389
1	395001	to	400000	400,000
1	405001	to	410000	405,328
1	410001	to	415000	411,391
1	420001	to	425000	423,880
1	430001	to	435000	433,015
1	435001	to	440000	435,479
1	450001	to	455000	454,025
1	485001	to	490000	488,504
1	555001	to	560000	557,838
1	560001	to	565000	560,810
1	580001	to	585000	583,300
1	595001	to	600000	600,000
1	730001	to	735000	731,730
2	740001	to	745000	1,485,074
2	745001	to	750000	1,499,852
1	750001	to	755000	751,000

PATTERN OF SHAREHOLDING

As at December 31, 2025

# Of Shareholders	Shareholdings'Slab			Total Shares Held
1	790001	to	795000	790,880
1	955001	to	1000000	955,830
1	1050001	to	1055000	1,054,287
1	1300001	to	1305000	1,301,000
1	1380001	to	1385000	1,383,800
2	1660001	to	1665000	3,329,840
1	1745001	to	1750000	1,749,068
1	1795001	to	1800000	1,796,424
1	2105001	to	2110000	2,108,315
1	2875001	to	2880000	2,877,410
1	3875001	to	3880000	3,875,856
1	5875001	to	5880000	5,877,700
1	7200001	to	7205000	7,200,848
1	8290001	to	8295000	8,294,560
1	12395001	to	12400000	12,400,000
1	37915001	to	37920000	37,920,000
1	158250001	to	158255000	158,250,434
5075				**280,000,000**

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
TARIQ MOHIUDDIN KHAN	1	585,500	0.21
ZAFAR IQBAL SOBANI	1	500	0.00
MALEEHA MIMI BANGASH	2	15	0.00
KAMRAN NISHAT	1	1	0.00
MAHMUD YAR HIRAJ	1	1	0.00
MOHAMMAD KAMRAN NASIR	1	1,000	0.00
AMMARA TASNIM	1	1,000	0.00
MOHAMMAD KAMRAN MIRZA	1	30,300	0.01
FAIZA KAMRAN	1	5,000	0.00
Associated Companies, undertakings and related parties	3	207,570,434	74.13
Employees and their spouses	3	1,340	0.00
NIT and ICP	0	-	-
Banks, Development Finance Institutions, Non-banking Finance Institutions	3	3,498,733	1.25
Insurance Companies	11	4,535,471	1.62
Mutual Funds and Modarbas	47	13,682,399	4.89
General Public:			
a. Local	4589	11,956,919	4.27
b. Foreign	338	183,083	0.07
Foreign Companies	3	12,356,738	4.41
Others	91	25,556,407	9.14
Total	5075	280,000,000	100.00

PATTERN OF SHAREHOLDING

As of December 31, 2025

Share holders holding 10% or more	Shares Held	Percentage
AITKENSTUART PAKISTAN (PRIVATE) LIMITED	156,250,434	55.80
MULLER & PHIPPS (PAKISTAN) (PRIVATE) LIMITED	37,920,000	13.54

Details of trading in shares by Directors and Executives during the year

Name of Person	Description	Particulars	Nature	No. of Shares
Sajid Qadeer	Executive	28-01-2025	Buy	300
Sajid Qadeer	Executive	29-01-2025	Buy	180
Sajid Qadeer	Executive	28-02-2025	Sell	480

Executive means the CEO, Chief Operating Officer, CFO, HOIA, Company Secretary and employees of the Company whose annual basic salary exceeds the threshold of PKR 5 million as determined by Board of Directors.

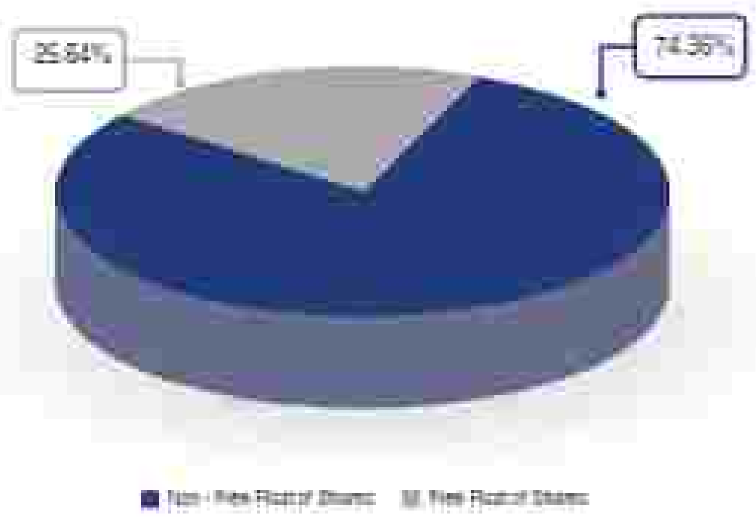
Free Float of Shares

Free Float Shares of the Company are 71,790,052 i.e. (25.64%) out of the total 280,000,000 Shares of the Company as at 31 December 2025.

Free Float of shares	25.64%
Non - Free Float	74.36%

Free Float of Shares

Free Float Shares as at 31 December, 2025



FORM OF PROXY

AGP Limited

TWELFTH ANNUAL GENERAL MEETING

I/We ______________________ of ______________________, being a Member of AGP Limited holding ______________________ ordinary shares HEREBY APPOINT ______________________ of ______________________ or failing him/her ______________________ of ______________________ as my/our proxy in my/our absence to attend and to vote and act for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, April 20, 2026 at 11:00 A.M. at Ramada Karachi Creek, Zulfiqar Street 1, DHA Phase VIII, Karachi, through in-person and video link facility to transact the following business.

As witness my/our hand(s) this ____ day of ______________ 2026

Revenue Stamps

Witness 1	Witness 2
Signature: ______________	Signature: ______________
Name: ______________	Name: ______________
CNIC No.: ______________	CNIC No.: ______________
Address: ______________	Address: ______________

Name of Shareholder: ______________

Folio No. / CDC Account No.: ______________

Signature of the Shareholder: ______________

Notes:

1. The Member is requested:
   a. to affix Revenue Stamp at the place indicated above.
   b. to sign in the same style of signature as is registered with the Company.
   c. to write down his/her Folio Number/CDC Account Number.

2. For the appointment of the above Proxy to be valid, this instrument of proxy must be received at the registered office of the Company, AGP Limited, B-23-C, S.I.T.E., Karachi-75700, Pakistan, at least 48 hours before the time fixed for the Meeting.

3. Any alteration made in this instrument of proxy should be initialed by the person who signs it.
   In addition to the above, the following requirements have to be met for CDC Account Holders / Corporate Entities:
   i. Attested copies of CNIC or the passport of the beneficial owners and of the Proxy must be furnished with the proxy form.
   ii. The Proxy must produce his original CNIC or original passport at the time of the Meeting.
   iii. In case of corporate entities, the Board of Directors' resolution/power of attorney and specimen signature must be submitted (unless it has been provided earlier) along with proxy form to the Company.

پراکسی کا فارم

AGP لمیٹڈ

[illegible]

میں/ہم ________ ساکن ________

AGP لمیٹڈ کے ممبر ہونے کے ناطے ________ [illegible] ________

ساکن ________ [illegible] ________

ساکن ________ [illegible]

[illegible]

[illegible]

[illegible] ________ [illegible] ________ [illegible]

ریونیو اسٹیمپ

گواہ ۱

نام ________

دستخط ________

قومی شناختی کارڈ نمبر ________

پتہ ________

____

گواہ ۲

نام ________

دستخط ________

قومی شناختی کارڈ نمبر ________

پتہ ________

____

شیئر ہولڈر کا نام ________

فولیو / سی ڈی سی اکاؤنٹ نمبر ________

شیئر ہولڈر کے دستخط ________

نوٹ:

۱۔ [illegible]

الف۔ [illegible]

ب۔ [illegible]

ج۔ [illegible]

۲۔ [illegible]

۳۔ [illegible]

۴۔ [illegible]

الف۔ [illegible]

ب۔ [illegible]

[illegible]

STANDARD REQUEST FORM CIRCULATION OF ANNUAL AUDITED ACCOUNTS

The Company Secretary,
AGP Limited,
B-23-C, S.I.T.E.,
Karachi 75700,
Pakistan

Subject: Circulation of Annual Audited Accounts via Email or Any Other Media

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(I)/2014 dated September 8, 2014 and SRO 470(I)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members/shareholders, along with the Notice of the Annual General Meeting (AGM) through Email/CD/DVD/USB or any other Electronic Media at their registered Addresses.

Shareholders who wish to receive the hard copy of Audited Annual Financial Statements along with a Notice of the AGM via e-mail, shall have to fill the below form and send us to Company address.

I/We hereby consent Option 1 or Option 2 to the above said SROs for Audited Financial Statements and Notice of General Meeting(s) delivered to me in hard copy instead of Email or any others Electronic Media.

OPTION 1 – VIA EMAIL

Shareholder's Detail	
Name of the Members/ Shareholders	
CNIC /SNIC #:	
Folio / CDC Account Number	
Valid Email Address (to receive Financial Statements along with Notice of General Meeting(s) instead of hard copy, CD/DVD/USB.)	

OPTION 2 – HARD COPY

Shareholder's Detail	
Name of the Members/ Shareholders	
CNIC /SNIC #:	
Folio / CDC Account Number:	
Address (to receive Financial Statements along with Notice of General Meeting(s) instead of CD/DVD/ USB.)	

I/We hereby confirm that the above – mentioned information is correct and in case of any change therein, I/we will immediately intimate to the Company's Share Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Act, 2017.

____
SHAREHOLDER SIGNATURE

E - DIVIDEND MANDATE FORM

I hereby communicate to receive my future dividends directly in my bank account as detailed below:

Shareholder's Detail	
Name of Company	AGP Limited
Name of Shareholder	
Folio No./CDC Participants ID A/c No.	
CNIC No. (for individual shareholders)	
NTN (for corporate shareholders)	
(please attach a photocopy)	
Passport No. (for foreign shareholders)	
Cell Number & Land Line Number	
Email Address	

Shareholder's Bank Detail	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch Name and Address	

It is stated that the above-mentioned information is correct and in case of any change therein, I will immediately intimate Participant / Share Registrar accordingly.

Date ______________

____
(Signature of Shareholder)

Notes:

1. Please provide complete IBAN Number (24 digits), after checking with your concerned branch to enable electronic credit directly into your bank account.

2. Signature must match with specimen signature registered with the Company.

3. The Shareholder who hold shares in physical form are requested to submit the above-mentioned information to the Share Registrar. The Shareholders who hold shares in Central Depository Company are requested to submit the above-mentioned information to their Broker (Participant) with a copy of E-Dividend Mandate Form to the Share Registrar.

4. The name and address of the Share Registrar of the Company is as follows:
CDC Share Registrar Service Limited
CDC House 99-B, Block B, S.M.C.H.S.
Main Shahra-e-Faisal Karachi 74400 Pakistan

ANNEXURES

FRAMEWORK FOR ANNUAL REPORTING

BEST CORPORATE REPORT AWARDS 2025

1	ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT	Pg No.
1.01	Mission, vision, code of conduct, ethical, principal and core values.	3-4, 7-8
1.02	Profile of the company including principal business activities, markets (local and international), key brands, products and services.	12-13, 29-30
1.03	Geographical location and address of all business units including sales units and plants.	6, 27
1.04	The legislative and regulatory environment in which the company operates.	28
1.05	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates.	17
1.06	Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	281
1.07	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	15
1.08	Organization chart indicating functional and administrative reporting, presented with legends.	16
1.09	A general review of the performance of the company, including its subsidiaries, associated, divisions etc., for the year and major improvements from last year.	27-29
1.10	Description of the performance of the various activities / products / services / segment(s) of the entity and its group entities during the period under review.	27-29
1.11	Position of the reporting organization within the value chain showing connection with other business as in the upstream and downstream value chain.	78
1.12	a) Explanation of significant factors affecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response. b) The effect of seasonality on business in terms of production and sales.	19-20, 25
1.13	The legitimate needs, interests of key stakeholders and industry trends.	124, 125, 130
1.14	SWOT Analysis of the company.	21-22
1.15	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	23-24
1.16	History of major events.	9-10
1.17	Details of significant events occurred during the year and after the reporting period.	2

2	STRATEGY AND RESOURCE ALLOCATION	Pg No.
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve objectives.	61-64
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	61-64
2.03	The capabilities and resources of the company that provide sustainable competitive advantage resulting in value creation by the company.	61-64
2.04	Company's strategy on market development, product and service development.	27-28
2.05	The effects of the given factors on the company strategy and resource allocation: a) Technological Changes; b) Sustainability reporting and challenges; c) Initiatives taken by the company in promoting and enabling innovation; and d) Resource shortages (if any).	61-64
2.06	Key Performance Indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	61-64
2.07	The linkage of strategic objectives with company's overall mission, vision and objectives.	47-58
2.08	Board's statement on the internal controls including IT controls of the company.	114, 127-128
2.09	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	85
2.10	a) Information about defaults in payment of any debt with reasons and its repayment plan. b) Board strategy to overcome liquidity problems and plans to meet operational losses.	87

3	RISKS AND OPPORTUNITIES	Pg No.
3.01	Key risks and opportunities (internal and external), including Sustainability-related risks and opportunities affecting availability, quality and affordability of Capitals.	67-80
3.02	A statement from the Board for determining the following: a) Company's level of risk tolerance by establishing risk management policies. b) Company's robust assessment of the principal risks being faced, including those that would threaten the business model, future performance and solvency or liquidity.	67-130
3.03	Risk Management Framework covering principal risks and uncertainties facing by the company, risk methodology, risk appetite and risk reporting.	67-80
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	67-80
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (if any).	45-59

4	SUSTAINABILITY DISCLOSURES & CORPORATE SOCIAL RESPONSIBILITY (CSR)	Pg No.
4.01	Disclosure of the role of the Board to address the company's sustainability risks and opportunities, as required under the recent amendments of the SECP Listed Companies (Code of Corporate Governance) Regulations, 2019, SECP SRO 920/2024 dated June 12, 2024 for the following: a) Disclosures of company specific sustainability related risks and opportunities (climate-related risks and opportunities) and their impact on the financial performance in the short, medium and long term and how these are managed or mitigated. b) Disclosures about foundation core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrics designed by the company to demonstrate the performance and progress of the company. c) Disclosure of company's sustainability and DE&I related strategies, priorities and targets, the measures taken to promote in the company as well as performance against these targets are periodically reviewed and monitored. d) Boards are encouraged to adopt of the SECP's ESG Disclosure Guidelines (https://www.secp.gov.pk/document/esg-disclosure-guidelines-for-listed-companies/)	157-221
4.02	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability: - Social initiatives – financial inclusion, research and development, employment generation, community health and education, and health and safety of staff etc. - Environmental initiatives – climate change mitigation etc. by focusing on 3Rs (Reduce, Reuse & Recycle), how does the company reduce pollution, depletion and degradation of natural resources, and instead use investment/financing in green sustainable project. - Technological innovation – use of advanced technology, innovative ideas relating to sustainability practices like energy-efficient processes or eco-friendly product designs. - Information on consumption and management of materials, energy, water, emissions and waste.	67-74, 133-134, 157-221
4.03	a) Has the board established a dedicated sustainability committee, having at least one female director, or assign additional responsibilities to an existing board committee. b) Has the committee submitted to the board a report, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.	128, 119 136, 116 157-201
4.04	Board's statement for the adoption of CSR best practices, including Board's commitment to promote CSR and how the company's sustainable practices can affect the financial performance of the company.	117, 119, 133-134, 157-221
4.05	Highlights of the company's performance, policies, initiatives for CSR.	67-74

5	GOVERNANCE	Pg No.
5.01	Board composition: a) Leadership structure of those charged with governance. b) Name of independent directors indicating justification for their independence. c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience. d) Profile of each director including education, experience and engagement in other entities as CEO, Director, CFO or Trustee etc. e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	96-104, 225-228
5.02	A brief description about role of the Chairman and the CEO.	112-113
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	111-122
5.04	Chairman's Review Report on the overall performance of the board including: a) Effectiveness of the role played by the board in achieving the company's objectives. b) Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year. c) Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	100-106
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.	111-112, 135-138
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.	121, 136-137
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.	121, 136-137
5.08	Details of formal orientation courses for directors.	122
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.	121
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	122
5.11	Disclosure about related party transactions: a) Approved policy for related party transactions. b) Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding. c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement. d) Disclosure of director's interest in related party transactions. e) In case of conflict, disclosure of how conflicts are managed and monitored by the board.	117, 204, 205-207
5.12	Disclosure of Board's Policy on the following significant matters: a) Risk Management and internal control policies. b) Disclosure of director's interest in significant contracts and arrangements. c) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. d) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. e) Security clearance of foreign directors. f) Board meetings held outside Pakistan. g) Human resource management including: - Preparation of succession plan; - Merit based recruitment; - Performance based appraisal system; - Promotion, reward and motivation; - Training and development; - Diversity, Equity & Inclusion (DE&I) policy; and - Employee engagement feedback. h) Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions. i) Communication with stakeholders. j) Dividend policy. k) Investors' relationship and grievances. l) Employees' health, safety and protection. m) Whistle blowing policy. n) Anti-harassment policy to safeguard the rights and well-being of employees. o) Safety of records of the company.	111-122
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	127-128
5.14	Compliance with the Best Practices of Code of Corporate Governance (tip mark in case of any non-compliance).	225-228

5.15	Disclosure about: a) Shares held by Sponsors / Directors / Executives. b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or inside family member of Directors / Executives etc.) or foreign shareholding (if any).	250 - 251
5.16	Details about Board meetings and its attendance.	106
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	118-120
5.18	**Timely Communication:** Date of authorization of financial statements by the board of directors: Within 40 days - 8 marks Within 50 days - 8 marks (in case of holding company who has listed subsidiary / subsidiaries) Within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	N/A
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as "financially literate" and all members are non-executive / independent directors including the Chairman of the Audit Committee. b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed. c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of internal Audit in risk management and internal control, and the approach to internal Audit to have direct access to Audit Committee and evaluation of internal Auditor's performance. e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance. j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	222-227
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	122
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system. b) Management support in the effective implementation and continuous updation. c) Details about user training of ERP software. d) How the company manages risks or control risk factors on ERP projects. e) How the company assesses system security, access to sensitive data and segregation of duties.	127-128
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	132-136
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	129

6	ANALYSIS OF THE FINANCIAL INFORMATION	Pg No.
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance; b) Performance against targets / budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	235-239
6.02	a) Analysis of financial ratios (**Annexure I**) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b) Explanation of negative change in the performance as compared to last year.	237-251
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	240-249, 250-251
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat)	256
6.05	a) Information about business segment and non-business segment; and b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	258
6.06	Disclosure of market share of the company and share price sensitivity analysis.	256-257
6.07	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	129
6.08	Statement of Economic value added (EVA). *(EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital)*	251
6.09	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	256

7	BUSINESS MODEL	Pg No.
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per internationally applicable framework.	75-78
7.02	Explanation of any material changes in the entity's business model during the year.	75-78

8.	DISCLOSURES ON IT GOVERNANCE AND CYBERSECURITY	Pg No.
8.01	The Board responsibility statement on the IT system, controls and AI strategy of the company including compliance of legal and regulatory requirements regarding data privacy and cyber security and how the board is engaging with management in case of any breaches.	127-128
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures, and industry specific requirements for cybersecurity and strategy in place.	127-128
8.03	Disclosure that at least one board level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	127-128
8.04	Disclosure about company's controls and procedures about an 'early warning system' that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	127-128
8.05	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	127-128
8.06	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	127-128
8.07	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 industrial revolution (Artificial Intelligence (AI), RPA, Data Analytics, Block Chain, Cloud Computing etc.) to improve transparency and governance, value creation and reporting.	127-128
8.08	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	127-128

9	FUTURE OUTLOOK	Pg No.
9.01	Forward looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	231-232
9.02	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year and whether the performance of the company is aligned with the forward-looking statement.	231-232
9.03	Disclosures about the company's future plans for AI adoption and its potential impact on the company's long-term strategy.	231-232, 127-128
9.04	Disclosure about company's future Research & Development initiatives.	267
9.05	Sources of information and assumptions used for projections / forecasts in the forward-looking statement and any assistance taken by any external consultant.	231-232

10	STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT	Pg No.
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	124-125
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors, b) Customers & suppliers, c) Banks and other lenders, d) Media, e) Regulators, f) Local committees, and g) Analysts	124-125
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	121
10.04	Investors' Relations section on the corporate website with all relevant information including audited annual reports are available in the section.	115-118
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	121-122
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Corporate Analyst briefing conducted during the year.	128
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	130
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	114,128,130, 249,253-254
10.09	Disclosure of whistle blowing mechanism to receive and handle complaints in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in the Audit Committee's report.	114,223-224

11	STRIVING FOR EXCELLENCE IN CORPORATE REPORTING	Pg No.
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	1
11.02	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website)	399 - 407

12.	SPECIFIC DISCLOSURES OF THE FINANCIAL STATEMENTS	Pg No.
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs. **(Annexure II)**	407

13	INDUSTRY SPECIFIC DISCLOSURES (IF APPLICABLE)	Pg No.
a) b) c) d)	Disclosures required for Banking Company **(Annexure III)** Disclosures required for Insurance Company **(Annexure IV)** Disclosures required for Exploration and Production (E&P) Company **(Annexure V)** Disclosures required for State-Owned Entities (SOEs) as per State-Owned Enterprises (Governance and Operations) Act, 2023 **(Annexure VI)**	N/A

	Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)	Pg No.
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2	Particulars of significant / material assets and immovable property including location and area of land	291
3	Capacity of an industrial unit, actual production and the reasons for shortfall	304
4	Specific disclosures required for shariah compliant companies / companies listed on the islamic indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017	311, 361
5	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP through SECP S.R.O. 53(I)/2022 dated January 12, 2022	291 - 292, 324 - 325
6	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets)	N/A
7	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed	N/A

	DISCLOSURES BEYOND BCR CRITERIA	Pg No.
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