

PARTNERS IN
PROGRESS



QUARTERLY REPORT

MARCH 31, 2026
(UN-AUDITED)



Descon Oxychem Limited



VISION

Winning together with our customers, our ambition is to enhance local and regional footprint while delivering sustainable value to all stakeholders.

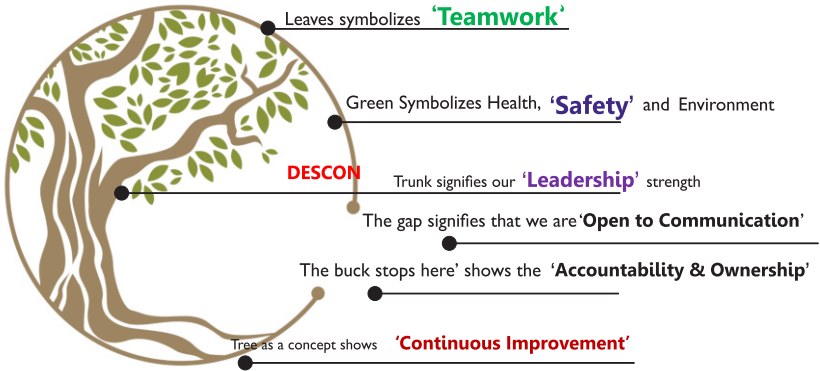


MISSION

We are determined to:

- Strengthen our domestic market leadership position
- Establish a footprint in new segments & regional markets
- Achieve success through winning together with our customers driven by best cost propositions, motivated people and effective teamwork

Our Core Values



Continuous Improvement

"We believe excellence is a commitment to improve everything we do all the time."



Leadership

"We believe leaders inspire others to learn and achieve more."



Accountability and Ownership

"We believe in taking responsibility for our decisions, actions and their results."



Team Work

"We believe in the strength of the individual, yet we accomplish more by working together."



Open Communication

"We believe open communication is the foundation of trust."



Safety

"We believe HSE is of utmost importance and we attach the highest value to the safety of our employees and stakeholders."

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Company Information

Board of Directors

Faisal Dawood
 Taimur Dawood
 Mehreen Dawood
 Farooq Nazir
 Asif Qadir
 Imran Anwer
 Muhammad Memosh Asghar Khawaja
 Yasir Siddique Sheikh

Chairman
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director
 Independent Director
 Independent Director
 Chief Executive Officer

Rabia Shoaib

Chief Financial Officer

Abdul Sohail

Company Secretary

Auditors

M/s Crowe Hussain Chaudhury & Co.
 Chartered Accountants

Internal Auditors

M/s KPMG Taseer Hadi & Co.
 Chartered Accountants

Legal Advisors

M/s Hassan & Hassan Advocates

Bankers

Allied Bank Limited
 Bank Al Habib Limited
 Bank Alfalah Limited
 Habib Metropolitan Bank Limited
 The Bank of Punjab
 Meezan Bank Limited
 National Bank of Pakistan

Share Registrar

M/s Corplink (Pvt) Limited
 Wings Arcade, 1-K Commercial Area,
 Model Town, Lahore-53000
 Tel: +92 42 35887262, 35839182
 Fax: +92 42 35869037

Registered Office

Descon Headquarter
 18-KM Ferozepur Road
 Lahore-53000 Pakistan.
 Tel: +92 42 35923721-9

Plant Site

18-KM Lahore - Sheikhupura Road,
 Lahore, Pakistan.
 Tel: +92 42 37971822-24
 Fax: +92 42 3797 1834

Web Presence

Updated Company's Information
 together with the latest Annual Report
 can be accessed at Descon's website,
www.desconoxychem.com

DIRECTORS REPORT TO THE SHAREHOLDERS

For the Nine Months Ended March 31, 2026

The Board of Directors of Descon Oxychem Limited is pleased to share the Company's condensed interim consolidated financial results for the nine-month period ended March 31, 2026, along with the following overview of performance and outlook.

The period under review remained challenging for the Company, characterized by intense pricing pressure in the domestic market, primarily due to an influx of lower-priced imported hydrogen peroxide. Domestic prices remained subdued for most of the period and only began to recover towards the end of February 2026. Subsequent geopolitical developments in the region during March created temporary supply disruptions, which allowed some price correction.

Despite these external headwinds, the Company remained focused on operational efficiency, cost containment, and financial discipline, enabling it to maintain profitability during a period of heightened competitive pressure.

Financial Performance

A summary of the Company's financial performance is presented below:

| | Quarter ended | | Nine Months Ended | |
|-----------------------|-------------------|----------------|-------------------|----------------|
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| Sales Volume (MT) | 11,018 | 9,814 | 32,175 | 32,073 |
| | Rupees in million | | Rupees in million | |
| Sales | 1,207 | 1,437 | 3,697 | 4,631 |
| Cost of Sales | (1,021) | (934) | (2,974) | (3,127) |
| Gross profit | 186 | 503 | 722 | 1,504 |
| EBITDA | 186 | 483 | 687 | 1,477 |
| Profit from operation | 65 | 399 | 332 | 1,190 |
| Profit after tax | 42 | 235 | 318 | 731 |
| EPS | 0.24 | 1.34 | 1.82 | 4.18 |

During the nine-month period ended March 31, 2026, the Company reported net sales of Rs. 3,697 million, compared to Rs. 4,631 million in the corresponding period last year. The decline was primarily attributable to lower average selling prices, despite sales volumes remaining broadly stable year on year.

Gross profit for the period amounted to Rs. 722 million (March 31, 2025: Rs. 1,504 million), reflecting margin compression due to reduced product pricing. Profit from operations stood at Rs. 332 million, compared to Rs. 1,190 million in the corresponding period last year. The Company closed the period with a profit after tax of Rs. 318 million, as against Rs. 731 million in the same period last year.

Operational Performance

During the nine months ended March 31, 2026, the Company produced 31,522 metric tons of hydrogen peroxide. The Company continued its focused drive towards energy efficiency and resource optimization, resulting in improved operational efficiency indicators. Gas and power consumption factors remained within budgeted parameters and improved compared to the same period last year. These gains are attributable to enhanced process controls and improved plant reliability.

As part of its ongoing energy optimization initiatives, the Company successfully commissioned a 2 MW solar power project during the period. This initiative is expected to bring reduction in power input costs by 8% approx. The Company also plans to further enhance its solar power capacity to up to 4 MW in the next phase.

The Company undertook its annual plant turnaround commencing March 30, 2026, which was completed in 10.5 days, ahead of the planned 12-day schedule. The turnaround was executed safely and without any lost-time injuries, reflecting the Company's strong focus on safety and operational excellence.

Export and Logistics Environment

The reporting period was also impacted by geopolitical developments in the Middle East during March 2026, which disrupted key maritime trade routes. These disruptions led to shipment delays, rerouting, and elevated freight costs, including the imposition of multiple surcharges by shipping lines and reduced schedule reliability. The impact extended beyond Middle Eastern destinations and affected the Company's broader export logistics and cost structures.

Future Outlook

On the domestic front, the Company continues to actively engage with regulators to promote fair competition and to address market distortions arising from excessive reliance on imports. These efforts, together with an increasing emphasis on domestic manufacturing and supply security, are expected to support an improved demand-supply balance over the medium term.

While the prevailing regional dynamics have supported a degree of price recovery in the domestic market, the ongoing geopolitical situation has also resulted in disruptions across the Company's key production inputs. These disruptions have led to a sharp escalation in input costs, exerting pressure on margins despite recent improvements in selling prices. The Company continues to manage this environment through prudent cost controls, optimization initiatives, and selective price adjustments, while remaining cautiously optimistic that improved pricing discipline, combined with gradual supply-side normalization, will support margin stabilization over the medium term.

It is also pertinent to mention that ongoing energy sector challenges pose a potential risk to industrial demand, including demand for hydrogen peroxide in Pakistan. The Company remains cautious and continues to monitor market developments closely.

On the export front, despite ongoing logistical and cost challenges, the Company's market diversification strategy, focus on value-added exports, and disciplined approach to market development position it reasonably well to sustain export volumes and manage volatility over the medium term.

Acknowledgement

The Board would like to thank its customers, employees, shareholders, lenders, and business partners for their continued trust and support.

For and on behalf of the Board

Lahore
April 28, 2026


CHIEF EXECUTIVE


DIRECTOR

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

برائے اختتام ہوامی 31 مارچ، 2026ء

ڈیسکون آکسیکیم لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز 31 مارچ 2026 کو ختم ہونے والے نو ماہ کی مدت کے لئے کمپنی کے عبوری مجموعی مالیاتی نتائج کا اشتراک اور اس کے ساتھ ساتھ کارکردگی اور نقطہ نظر کے مندرجہ ذیل جائزہ کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

زیر جائزہ مدت کمپنی کے لیے چیلنجنگ رہی، جس کی خصوصیت مقامی مارکیٹ میں قیمتوں کے شدید دباؤ کی وجہ سے ہے، بنیادی طور پر کم قیمت پر درآمد شدہ ہائیڈروجن پیروآکسائیڈ کی آمد کی وجہ سے زیادہ تر مدت تک گھریلو قیمتیں کم رہیں اور فروری 2026 کے آخر تک بحال ہونا شروع ہوئیں۔ مارچ کے دوران خطے میں بعد میں ہونے والی جغرافیائی سیاسی پیش رفت نے سپلائی میں عارضی رکاوٹیں پیدا کیں، جس سے قیمتوں میں کچھ تبدیلی کی اجازت ملی۔

ان بیرونی بیڈوائسز کے باوجود، کمپنی آپریشنل کارکردگی، لاگت پر قابو پانے، اور مالیاتی نظم و ضبط پر توجہ مرکوز رکھتی رہی، جس سے اسے مسابقتی دباؤ میں اضافے کے دوران منافع کو برقرار رکھنے کے قابل بنایا گیا۔

مالی کارکردگی:

مالیاتی کارکردگی کا خلاصہ ذیل میں دیا گیا ہے:-

| نوامی کا اختتام | | سہ ماہی کا اختتام | | تفصیل |
|-----------------|---------------|-------------------|---------------|----------------------|
| 31 مارچ، 2026 | 31 مارچ، 2025 | 31 مارچ، 2026 | 31 مارچ، 2025 | |
| 32,073 | 32,175 | 9,814 | 11,018 | فروخت حجم (میٹرک ٹن) |
| روپے ملین میں | | روپے ملین میں | | |
| 4,631 | 3,697 | 1,437 | 1,207 | فروخت |
| (3,127) | (2,974) | (934) | (1,021) | لاگت فروخت |
| 1,504 | 722 | 503 | 186 | مجموعی منافع |
| 1,477 | 687 | 483 | 186 | EBITDA |
| 1,190 | 332 | 399 | 65 | منافع کارکردگی |
| 731 | 318 | 235 | 42 | منافع بعد از ٹیکس |
| 4.18 | 1.82 | 1.34 | 0.24 | آمدنی فی ٹیکس (روپے) |

31 مارچ 2026 کو ختم ہونے والی نو ماہ کی مدت کے دوران، کمپنی نے 3,697 ملین روپے کی خالص فروخت کی، جبکہ گزشتہ سال کی اسی مدت میں یہ تعداد 4,631 ملین روپے تھی۔ یہ کی بنیادی طور پر کم اوسط فروخت کی قیمتوں کی وجہ سے تھی، حالانکہ فروخت کا حجم سال بہ سال وسیع پیمانے پر مستحکم رہتا ہے۔

اس مدت کے لیے مجموعی منافع 722 ملین روپے (31 مارچ 2025: 1,504 ملین روپے) تھا، جو مصنوعات کی قیمتوں میں کمی کی وجہ سے مارجن کمپریشن کی عکاسی کرتا ہے۔ آپریشنز سے منافع 332 ملین روپے رہا، جبکہ گزشتہ سال کی اسی مدت میں یہ 1,190 ملین روپے تھا۔ کمپنی نے 318 ملین روپے کے منافع کے ساتھ مدت بندی، جو پچھلے سال کی اسی مدت میں 731 ملین روپے تھی۔

آپریشنل کارکردگی:

31 مارچ 2026 کو ختم ہونے والے نو مہینوں کے دوران، کمپنی نے 31,522 میٹرک ٹن ہائیڈروجن پیروآکسائیڈ تیار کی۔ کمپنی نے توانائی کی کارکردگی اور وسائل کی اصلاح کی طرف اپنی توجہ مرکوز کی، جس کے نتیجے میں آپریشنل کارکردگی کے اشاریے بہتر ہوئے۔ گیس اور بجلی کی کھپت کے عوامل بجٹ کے پیرامیٹرز کے اندر رہے اور پچھلے سال کی اسی مدت کے مقابلے میں بہتر ہوئے۔ یہ فوائد بہتر عمل کے کنٹرول اور پلانٹ کی بہتر کارکردگی سے منسوب ہیں۔

توانائی کی اصلاح کے اپنے جاری اقدامات کے ایک حصے کے طور پر، کمپنی نے اس عرصے کے دوران 2 میگا واٹ کا شمسی توانائی کا منصوبہ کامیابی سے شروع کیا۔ اس اقدام سے پاور ان پٹ لاگت میں تقریباً 8 فیصد کمی متوقع ہے۔ کمپنی اگلے مرحلے میں اپنی شمسی توانائی کی صلاحیت کو مزید 4 میگا واٹ تک بڑھانے کا بھی ارادہ رکھتی ہے۔

کمپنی نے 30 مارچ 2026 سے شروع ہونے والے اپنے سالانہ پلانٹ کی تبدیلی کا آغاز کیا، جو 12 دن کے منصوبہ بند شیڈول سے پہلے 10.5 دنوں میں مکمل ہوا۔ تبدیلی کو محفوظ طریقے سے اور بغیر کسی وقتی نقصان کے عمل میں لایا گیا تھا، جو حفاظت اور آپریشنل فضیلت پر کمپنی کی مضبوط توجہ کی عکاسی کرتا ہے۔

ایکسپورٹ اور لاجسٹک ماحولیات:

رپورٹنگ کا دورانیہ مارچ 2026 کے دوران مشرق وسطیٰ میں جغرافیائی سیاسی پیش رفت سے بھی متاثر ہوا، جس نے اہم سمندری تجارتی راستوں کو متاثر کیا۔ ان رکاوٹوں کی وجہ سے کھپ میں تاخیر، ری روٹنگ، بشمول شینگن ایئر لائنوں کے ذریعے متعدد سرچارجز کا نفاذ اور شیڈول کی دوبارہ ذمہ داریوں میں کمی اور مال برداری کے اخراجات میں اضافہ ہوا۔ اس کا اثر مشرق وسطیٰ کے مقامات سے باہر بڑھا اور کمپنی کے وسیع تر برآمد لاجسٹکس اور لاگت کے ڈھانچے کو متاثر کیا۔

مستقبل کا خاکہ:

گھریلو محاذ پر، کمپنی منصوبہ بندی مسابقت کو فروغ دینے اور درآمدات پر ضرورت سے زیادہ انحصار سے پیدا ہونے والی مارکیٹ کی بگاڑ کو دور کرنے کے لیے ریگولیٹرز کے ساتھ فعال طور پر مشغول رہتی ہے۔ یہ کوششیں، گھریلو بیوروکریسی اور سپلائی سیکورٹی پر بڑھتے ہوئے زور کے ساتھ، توقع کی جاتی ہے کہ درمیانی مدت کے دوران ڈیمانڈ-سپلائی کے بہتر توازن کو سہارا دیں گے۔

جبکہ موجودہ علاقائی حرکیات نے مقامی مارکیٹ میں قیمت کی وصولی کی ایک ڈگری کی حمایت کی ہے، جاری جغرافیائی سیاسی صورتحال بھی کمپنی کے اہم پیداوار میں رکاوٹوں کے نتیجے میں ہے۔ ان رکاوٹوں کی وجہ سے ان پٹ لاگت میں تیزی سے اضافہ ہوا ہے، جس سے فروخت کی قیمتوں میں حالیہ بہتری کے باوجود مارجن پر دباؤ پڑا ہے۔ کمپنی اس ماحول کو مختلط لاگت کے کنٹرول، اصلاح کے اقدامات، اور قیمتوں میں منتخب ایڈجسٹمنٹ کے ذریعے منظم کرنا جاری رکھے ہوئے ہے، جبکہ مختلط طور پر پرامید ہے کہ قیمتوں کا بہتر منظم وضبط، بتدریج سپلائی سائیز نارملائزیشن کے ساتھ مل کر، درمیانی مدت میں مارجن کے استحکام کی حمایت کرے گا۔


یہ بھی بتانا مناسب ہے کہ توانائی کے شعبے میں جاری چیلنجز صنعتی طلب کے لیے ممکنہ خطرہ ہیں، بشمول پاکستان میں ہائیڈروجن پیراڈکسائیز کی مانگ۔ کمپنی مختلط رہتی ہے اور مارکیٹ کی ترقی کی ترقی سے گمرانی کرتی رہتی ہے۔

برآمدی محاذ پر، جاری لاجسٹک اور لاگت کے چیلنجزوں کے باوجود، کمپنی کی مارکیٹ تنوع کی حکمت عملی، قیمت میں اضافہ شدہ برآمدات پر توجہ مرکوز، اور مارکیٹ کی ترقی کی پوزیشن کے لئے منظم وضبط کے نقطہ نظر کو یہ مناسب طور پر برآمد حجم کو برقرار رکھنے اور درمیانی مدت میں اتار چڑھاؤ کا انتظام کرنے کے لئے مناسب طریقے سے ہے۔

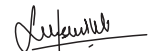
اعتراف:

بورڈ اپنے صارفین، ملازمین، شیئرز، ہولڈرز، قرض دہندگان اور کاروباری شراکت داروں کا ان کے مسلسل اعتماد و تعاون کے لیے شکریہ ادا کرنا چاہے گا۔

لاہور
31 مارچ 2026ء


ڈائریکٹر

مخائبہ/ برائے بورڈ آف ڈائریکٹرز


چیف ایگزیکٹو

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UN-AUDITED) AS AT MARCH 31, 2026**

| | Note | Un-audited March 31, 2026 (Rupees in thousand) | Audited June 30, 2025 |
|--|------|---|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| Share Capital And Reserves | | | |
| Authorized share capital 300,000,000 (2025: 300,000,000) ordinary shares of Rs 10 each | | 3,000,000 | 3,000,000 |
| Issued, subscribed and paid up share capital 175,031,084 (2025: 175,031,084) Ordinary shares of Rs 10 each | | 1,750,311 | 1,750,311 |
| Share Premium | | 3,022 | 3,022 |
| Unappropriated Profit | | 1,057,613 | 1,517,162 |
| | | 2,810,946 | 3,270,495 |
| Non-Current Liabilities | | | |
| Long term financing | 5 | 48,545 | 66,099 |
| Deferred grant | | 3,598 | 6,218 |
| Deferred tax liability | | 112,427 | 131,652 |
| | | 164,570 | 203,969 |
| Current Liabilities | | | |
| Current portion of non current liabilities | | 26,899 | 26,899 |
| Finances under mark up arrangements - secured | | 918,742 | 114,257 |
| Trade and other payables | | 745,250 | 851,614 |
| Income tax payable | | - | 83,488 |
| Dividend payable | | 21,704 | 18,966 |
| Accrued finance costs | | 21,349 | 990 |
| | | 1,733,944 | 1,096,214 |
| Contingencies and Commitments | 6 | | |
| | | 4,709,460 | 4,570,678 |

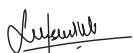
The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

| | Note | Un-audited March 31, 2026 (Rupees in thousand) | Audited June 30, 2025 |
|---|------|---|-----------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 7 | 1,837,029 | 1,758,840 |
| Intangible assets | | 461,435 | 391,722 |
| Long term investment | | 1,964 | 1,964 |
| Long term loans | | 1,239 | 2,416 |
| Long term deposits | | 15,377 | 15,377 |
| | | <u>2,317,044</u> | <u>2,170,319</u> |
| Current Assets | | | |
| Stores and spares | | 546,357 | 526,234 |
| Stock-in-trade | 8 | 760,688 | 653,599 |
| Trade debts | | 238,036 | 227,986 |
| Loans, advances, deposits, prepayments and other receivables | | 150,435 | 99,651 |
| Tax refund due from the government | | 149,636 | - |
| Short term investments | | 451,371 | 700,628 |
| Bank balances | 9 | 95,894 | 192,261 |
| | | 2,392,416 | 2,400,359 |
| | | <u>4,709,460</u> | <u>4,570,678</u> |



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2026**

| | Note | Three-month period ended | | Nine-month period ended | |
|--|------|--------------------------|-------------------|-------------------------|-------------------|
| | | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
|(Rupees in thousand)..... | | | | | |
| Sales | 10 | 1,184,712 | 1,420,797 | 3,608,367 | 4,576,179 |
| Cost of sales | 11 | (1,021,062) | (934,007) | (2,974,359) | (3,126,973) |
| Gross profit | | 163,650 | 486,790 | 634,008 | 1,449,206 |
| Administrative expenses | | (66,022) | (60,367) | (199,579) | (177,638) |
| Distribution and selling costs | | (51,343) | (43,878) | (186,109) | (135,436) |
| | | (117,365) | (104,245) | (385,688) | (313,074) |
| Operating profit | | 46,284 | 382,546 | 248,319 | 1,136,132 |
| Other income | | 21,211 | 19,595 | 119,607 | 66,532 |
| Other operating expenses | | (1,127) | (27,387) | (22,547) | (82,157) |
| Finance cost | | (22,811) | (3,396) | (41,153) | (8,630) |
| Profit before levy and taxation | | 43,557 | 371,358 | 304,225 | 1,111,877 |
| Levy | | (5,472) | - | (5,472) | - |
| Profit before taxation | | 38,085 | 371,358 | 298,753 | 1,111,877 |
| Taxation | | | | | |
| -Income tax | | (24,362) | (144,635) | (77,402) | (407,395) |
| -Deferred tax | | 10,105 | (7,417) | 19,224 | (26,235) |
| Net profit for the period | | 23,828 | 219,306 | 240,575 | 678,247 |
| Earnings per share | | | | | |
| - Basic & Diluted - Rupees | 12 | 0.14 | 1.25 | 1.37 | 3.88 |

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE

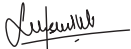

CHIEF FINANCIAL OFFICER


DIRECTOR

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)**
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Three-month period ended | | Nine-month period ended | |
|--|--------------------------|---|-------------------------|-------------------|
| | March 31, 2026 | March 31, 2025(Rupees in thousand)..... | March 31, 2026 | March 31, 2025 |
| Net profit for the period | 23,828 | 219,306 | 240,575 | 678,247 |
| Other comprehensive income | | | | |
| - Items that may be reclassified subsequently to profit or loss | - | - | - | - |
| - Items that will not be reclassified subsequently to profit or loss | - | - | - | - |
| Total comprehensive income for the period | 23,828 | 219,306 | 240,575 | 678,247 |

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.



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CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Share Capital | Capital Reserves | Revenue Reserves | Total |
|--|------------------|------------------|-----------------------|------------------|
| | | Share Premium | Unappropriated Profit | |
|(Rupees in thousand)..... | | | | |
| Balance as on July 1, 2024 (audited) | 1,750,311 | 3,022 | 1,427,127 | 3,180,460 |
| Net profit for the period | - | - | 678,247 | 678,247 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 678,247 | 678,247 |
| Transactions with owners | | | | |
| Final dividend for the year ended June 30, 2024 @ 20% (Rs 2 per share) | - | - | (350,062) | (350,062) |
| Interim dividend for the period ended Dec 31, 2024 @ 20% (Rs 2 per share) | - | - | (350,062) | (350,062) |
| Balance as on March 31, 2025 (un-audited) | <u>1,750,311</u> | <u>3,022</u> | <u>1,405,250</u> | <u>3,158,583</u> |
| Balance as on July 1, 2025 (audited) | 1,750,311 | 3,022 | 1,517,162 | 3,270,495 |
| Net profit for the period | - | - | 240,575 | 240,575 |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | - | - | 240,575 | 240,575 |
| Transactions with owners | | | | |
| Final dividend for the year ended June 30, 2025 @ 20% (Rs 2 per share) | - | - | (350,062) | (350,062) |
| Interim dividend for the period ended Dec 31, 2025 @ 20% (Rs 2 per share) | - | - | (350,062) | (350,062) |
| Balance as on March 31, 2026 (un-audited) | <u>1,750,311</u> | <u>3,022</u> | <u>1,057,613</u> | <u>2,810,946</u> |

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Note | Nine-month period ended | |
|--|------|---|-------------------|
| | | March 31, 2026 (Rupees in thousand) | March 31, 2025 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 14 | 230,926 | 1,546,576 |
| Finance cost paid | | (20,795) | (8,630) |
| Profit on deposits received | | 3,802 | 17,073 |
| Income tax and levy paid | | (315,998) | (204,986) |
| Net cash (used in)/generated from operating activities | | (102,065) | 1,350,033 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Property, plant and equipment purchased (including intangible) | | (381,227) | (408,419) |
| Short term investment - net | | 300,000 | (311,006) |
| Long term deposits | | - | 4,827 |
| Net cash used in investing activities | | (81,226) | (714,598) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term financing repaid | | (20,174) | (20,174) |
| Finances under markup arrangement - net | | 804,485 | - |
| Dividend Paid | | (697,386) | (689,666) |
| Net cash generated from/(used in) financing activities | | 86,924 | (709,840) |
| Net decrease in cash and cash equivalents | | (96,367) | (74,405) |
| Cash and cash equivalents at beginning of the period | | 192,261 | 275,315 |
| Cash and cash equivalents at the end of the period | | 95,894 | 200,910 |

The annexed notes 1 to 19 form an integral part of these condensed interim unconsolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026**1. The Company and its operations**

The Company was incorporated in Pakistan as a private limited company on November 12, 2004 under the Companies Ordinance, 1984 and was converted into a public limited company with effect from February 28, 2008. Subsequently, on September 15, 2008, it was listed on Karachi Stock Exchange (now Pakistan Stock Exchange). The registered office of the company is situated at 18-KM Ferozepur Road, Lahore and the factory is situated at 18-KM Lahore-Sheikhupura Road, Lahore. It is principally engaged in the manufacturing, procurement and sale of hydrogen peroxide and allied products. The Company commenced its commercial production on March 1, 2009.

2. Basis of preparation

2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017

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

2.2 These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2025. These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 The material accounting policy information and methods of computations adopted for the preparation of these unconsolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2025.

| | Un-audited March 2026 (Rupees in thousand) | Audited June 2025 |
|--|---|----------------------------------|
| 5 Long term financing | | |
| Temporary economic refinance facility (TERF) | 70,841 | 88,395 |
| Less : Current portion shown under current liabilities | (22,296) | (22,296) |
| | <u>48,545</u> | <u>66,099</u> |

6. Contingencies and commitments

6.1 Contingencies

The Honorable Supreme Court of Pakistan, in its judgment dated August 13, 2020, held that Gas Infrastructure Development Cess ("GIDC") levied under the Gas Infrastructure Development Cess Act, 2011 and the Gas Infrastructure Development Cess Ordinance, 2014 is payable to Sui Northern Gas Pipelines Limited ("SNGPL") in twenty-four equal monthly installments. Pursuant thereto, SNGPL raised demands for GIDC arrears, which the Company challenged before the Honorable Lahore High Court ("LHC"). The petition was decided in favor of the Company on June 17, 2021, against which SNGPL filed an intra court appeal in LHC which was decided against SNGPL vide order dated September 21, 2022. regular hearing and granted a stay on recovery of the RLNG tariff adjustment. The matter is sub-judice as on reporting date, and the Company is hopeful for a favorable outcome of the case.

- i The Company's legal advisor is of the view that the judgments do not apply to arrears that are not recoverable under the first proviso to section 8(2) of the Gas Infrastructure Development Cess Act, 2015. The applicability of the proviso and the payable amount are subject to determination by SNGPL's High-Level Committee, which has not yet issued a decision. Accordingly, the Company has not recognized the estimated provision of Rs. 55.32 million (June 30, 2025: Rs. 55.32 million) in these financial statements. However, the Company has provided guarantee of Rs. 55.32 million (June 30, 2025: Rs. 55.32 million) to SNGPL
- ii In September 2025, the Company filed a petition before the Lahore High Court, challenging OGRA's notifications dated March 28, 2025, through which a retrospective RLNG tariff adjustment of Rs. 119 million was imposed by SNGPL and included in the Company's gas bill for July 2025. Subsequently, during the pendency of proceedings before the Lahore High Court, OGRA issued fresh notifications on November 28, 2025, superseding the earlier notifications, as a result of which the original petition became infructuous.

Consequently, the Company challenged the notifications dated November 28, 2025 before the Lahore High Court, which admitted the petition for regular hearing and granted interim relief. The Company is hopeful for a favorable outcome of the case.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Un-audited March 2026 | Audited June 2025 |
|--|--------------------------------------|----------------------------------|
| 6.2 Guarantees | | |
| The Company has issued guarantees to the following parties: | | |
| Against performance of contracts: | | |
| Sui northern gas pipelines limited | 151,286 | 151,286 |
| Pakistan state oil company limited | 3,500 | 3,500 |
| Al-technique corporation of pakistan | 28,407 | 28,407 |
| | 183,193 | 183,193 |
| Post dated cheques issued in favor of National Tariff Commission of Pakistan, Sui Northern Gas Pipeline Limited and Collector of customs aggregating to Rs 57.15 million (June 30, 2025: 42.14 million). | | |
| 6.3 Commitments | | |
| The Company has the following commitments in respect of: | | |
| Letters of credits | 301,210 | 293,983 |
| | | |
| 7 Property, plant and equipment | | |
| Operating assets: | | |
| - Owned assets (Note 7.1) | 1,679,205 | 1,613,944 |
| Capital work-in-progress (Note 7.2) | 5,795 | 25,199 |
| Major spare parts, catalysts and standby equipment | 152,028 | 119,697 |
| | 1,837,029 | 1,758,840 |
| 7.1 Operating assets | | |
| Opening book value | 1,613,944 | 1,843,325 |
| Add: Additions during the period / year (Note 7.1.1) | 256,800 | 142,518 |
| Less: Disposals during the period / year (at book value) (Note 7.1.2) | - | (147) |
| Less: Write-off | - | (645) |
| Less: Depreciation charged during the period / year | (191,539) | (371,107) |
| Closing book value | 1,679,205 | 1,613,944 |
| 7.1.1 Additions during the period / year | | |
| Buildings on freehold land | 5,941 | 39,195 |
| Plant, machinery and equipment | 233,302 | 73,239 |
| Laboratory equipment | 7,840 | 515 |
| Material handling | 158 | - |
| Tools and equipment | 3,570 | 12,698 |
| Electrical equipment | - | 3,035 |
| Computers and related equipment | 2,191 | 8,819 |
| Office equipment & appliances | 2,143 | 4,369 |
| Furniture and fixture | 1,655 | 648 |
| | 256,800 | 142,518 |

| | Un-audited March 2026 (Rupees in thousand) | Audited June 30, 2025 |
|---|---|--------------------------------------|
| 7.1.2 Disposals during the period / year | | |
| Computers and related equipment | - | (147) |
| | - | (147) |
| 7.2 Capital work-in-progress | | |
| Plant and machinery | - | 18,556 |
| Others | 5,795 | 6,643 |
| | 5,795 | 25,199 |
| 8 Stock in trade | | |
| Raw material | 478,856 | 230,510 |
| Raw material in transit | 64,558 | 209,962 |
| Packing material | 13,858 | 26,372 |
| Finished goods | 203,415 | 186,755 |
| | 760,688 | 653,599 |
| 9 Bank balances | | |
| At banks on: | | |
| - Current accounts | 85,733 | 90,340 |
| - Saving accounts | 10,161 | 101,921 |
| | 95,894 | 192,261 |

| | Un-audited | | Un-audited | |
|--|--|--|--|--|
| | Three-month period ended | | Nine-month period ended | |
| | March 31, 2026 (Rupees in thousand) | March 31, 2025 (Rupees in thousand) | March 31, 2026 (Rupees in thousand) | March 31, 2025 (Rupees in thousand) |
| 10 Sales | | | | |
| Gross sales: | | | | |
| - Local | 1,354,724 | 1,669,648 | 4,082,601 | 5,330,694 |
| - Export | 62,923 | 43,077 | 232,930 | 176,675 |
| | 1,417,647 | 1,712,725 | 4,315,531 | 5,507,369 |
| Less: Commission and discount on sales | (26,079) | (35,365) | (83,606) | (116,303) |
| Less: Sales tax | (206,856) | (256,563) | (623,558) | (814,887) |
| | 1,184,712 | 1,420,797 | 3,608,367 | 4,576,179 |

12.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2026 and March 31, 2025, which would have any effect on the earnings per share if the option to convert is exercised.

13 Transactions with related parties

| | Relationship with the Company | Nature of transaction | Un-audited | |
|------|--|--|-------------------------|----------------|
| | | | Nine-month period ended | |
| | | | March 31, 2026 | March 31, 2025 |
| | | | (Rupees in thousand) | |
| i. | Related parties other than holding company | Purchase of goods and services | 21,564 | 16,078 |
| | | Sale of goods | 186,194 | 145,077 |
| | | Share of common expenses charged to the company | 72,990 | 65,969 |
| | | Share of common expenses charged by the company | 6,953 | 6,389 |
| | | Payment of ordinary dividend | 509,730 | 509,730 |
| | | Royalty charged to the company | 18,042 | 22,866 |
| ii. | Directors | Meeting fee | 625 | 750 |
| iii. | Post employment benefit plans | Expense charged in respect of retirement benefit plans | 9,945 | 8,386 |
| iv. | Key management personnel | Salaries and other employee benefits | 118,758 | 90,221 |

| | | Un-audited | | |
|-----------|--|-------------------------|----------------------|--|
| | | Nine-month period ended | | |
| | | March 31, 2026 | March 31, 2025 | |
| | | | (Rupees in thousand) | |
| 14 | Cash generated from operations | | | |
| | Profit before levy and taxation | 304,225 | 1,111,877 | |
| | Adjustments for: | | | |
| | - Depreciation on property, plant and equipment | 191,539 | 297,260 | |
| | - Amortization of Intangible Assets | 66,081 | 4,412 | |
| | - Finance cost | 41,153 | 8,630 | |
| | - Unrealized gain on short term investment | (30,846) | (1,013) | |
| | - Realized gain on disposal of short term investment | (19,898) | - | |
| | - Interest on bank deposits | (3,802) | (17,073) | |
| | - Exchange gain / (loss) | 516 | 1,188 | |
| | - (Gain) / loss on sale of property, plant and equipment | (15) | - | |
| | Operating Profit before working capital changes | 548,953 | 1,405,281 | |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Un-audited | |
|--|-------------------------|-------------------|
| | Nine-month period ended | |
| | March 31, 2026 | March 31, 2025 |
| | (Rupees in thousand) | |
| Effect on cash flow due to working capital changes | | |
| (Increase) / decrease in current assets | | |
| - Stores and spares | (52,454) | 29,799 |
| - Stock-in-trade | (107,089) | (22,475) |
| - Trade debts | (10,050) | 56,298 |
| - Advances, deposits, prepayments and other receivables | (45,781) | (65,082) |
| Increase / (decrease) in current liabilities | | |
| - Trade and other payables | (102,653) | 142,755 |
| | (318,027) | 141,295 |
| Cash generated from operations | <u>230,926</u> | <u>1,546,576</u> |

15 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

16 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk price risk), credit risk and liquidity risk.

The condensed interim unconsolidated financial information does not include all financial risk management information and disclosures required in the annual unconsolidated financial statements, and should be read in conjunction with the Company's annual unconsolidated financial statements as at June 30, 2025.

There have been no significant changes in the risk management policies since the year end.

17 Date of authorization for issue

These condensed interim unconsolidated financial statements were authorized for issue on ----- by the Board of Directors of the Company.

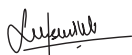
18 Subsequent events

There are no significant events after the statement of financial position date.

19 Corresponding figures

In order to comply with the requirements of IAS 34, the condensed interim unconsolidated statement of financial position has been compared with the balances of annual audited unconsolidated financial statements of preceding financial year, whereas, the condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



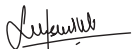
DIRECTOR

CONSOLIDATED

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2025

| | Note | March 31, 2026 (Rupees in thousand) | June 30, 2025 |
|--|------|---|------------------|
| EQUITY AND LIABILITIES | | | |
| Share Capital And Reserves | | | |
| Authorized Share capital 300,000,000 (2025: 300,000,000) ordinary shares of Rs 10 each | | 3,000,000 | 3,000,000 |
| Issued, subscribed and paid up share capital 175,031,084 (2025: 175,031,084) Ordinary shares of Rs 10 each | | 1,750,311 | 1,750,311 |
| Share Premium | | 3,022 | 3,022 |
| Unappropriated Profit | | 1,241,150 | 1,622,898 |
| Translation reserve | | (2,475) | (11) |
| | | 2,992,008 | 3,376,220 |
| Non-Current Liabilities | | | |
| Long term financing | 5 | 48,545 | 66,099 |
| Deferred grant | | 3,598 | 6,218 |
| Deferred tax liability | | 112,427 | 131,652 |
| | | 164,570 | 203,969 |
| Current Liabilities | | | |
| Current portion of non current liabilities | | 26,899 | 26,899 |
| Finances under mark up arrangements - secured | | 918,743 | 114,257 |
| Trade and other payables | | 755,037 | 852,594 |
| Income tax payable | | - | 87,405 |
| Dividend payable | | 21,704 | 18,966 |
| Accrued finance costs | | 21,349 | 990 |
| | | 1,743,731 | 1,101,111 |
| Contingencies And Commitments | | | |
| | 6 | | |
| | | 4,900,309 | 4,681,300 |

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.



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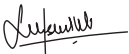


CHIEF FINANCIAL OFFICER



DIRECTOR

| | Note | March 31, 2026 (Rupees in thousand) | June 30, 2025 |
|---|------|---|------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant and equipment | 7 | 1,837,029 | 1,758,840 |
| Intangible assets | | 464,592 | 391,722 |
| Long term loans | | 1,239 | 2,416 |
| Long term deposits | | 15,377 | 15,377 |
| | | <u>2,318,237</u> | <u>2,168,355</u> |
| Current Assets | | | |
| Stores and spares | | 546,357 | 526,234 |
| Stock-in-trade | 8 | 760,688 | 653,599 |
| Trade debts | | 185,422 | 189,177 |
| Loans, advances, deposits, prepayments and other receivables | | 149,492 | 100,391 |
| Tax refund due from the government | | 144,629 | - |
| Short term investments | | 563,358 | 716,588 |
| Bank balances | 9 | 232,127 | 326,956 |
| | | 2,582,072 | 2,512,945 |
| | | <u>4,900,309</u> | <u>4,681,300</u> |



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Note | Three-month period ended | | Nine-month period ended | |
|--|------|--------------------------------|-------------------|-------------------------|-------------------|
| | | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| | |(Rupees in thousand)..... | | | |
| Sales | 10 | 1,207,696 | 1,437,193 | 3,696,798 | 4,631,181 |
| Cost of sales | 11 | (1,021,062) | (934,007) | (2,974,359) | (3,126,973) |
| Gross profit | | 186,634 | 503,186 | 722,439 | 1,504,208 |
| Administrative expenses | | (70,362) | (60,510) | (203,918) | (178,220) |
| Distribution and selling costs | | (51,343) | (43,878) | (186,109) | (135,436) |
| | | (121,705) | (104,388) | (390,027) | (313,656) |
| Operating Profit | | 64,928 | 398,799 | 332,412 | 1,190,553 |
| Other income | | 21,996 | 19,595 | 120,392 | 66,532 |
| Other operating expenses | | (1,663) | (27,485) | (24,460) | (82,157) |
| Finance cost | | (22,848) | (3,410) | (41,267) | (8,714) |
| Profit before levy and taxation | | 62,413 | 387,499 | 387,077 | 1,166,213 |
| Levy | | (5,472) | - | (5,472) | - |
| Profit before taxation | | 56,941 | 387,499 | 381,605 | 1,166,213 |
| Taxation | | | | | |
| - Income tax | | (25,024) | (144,995) | (82,453) | (408,901) |
| - Deferred tax | | 10,105 | (7,417) | 19,224 | (26,235) |
| Net profit for the period | | 42,022 | 235,087 | 318,376 | 731,077 |
| Profit attributable to: | | | | | |
| - Equity holders of the Parent Company | | 42,022 | 235,087 | 318,376 | 731,077 |
| - Non controlling interest | | - | - | - | - |
| | | 42,022 | 235,087 | 318,376 | 731,077 |
| Earnings per share | | | | | |
| - Basic & Diluted - Rupees | 12 | 0.24 | 1.34 | 1.82 | 4.18 |

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Three-month period ended | | Nine-month period ended | |
|--|--------------------------------|-------------------|-------------------------|-------------------|
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| |(Rupees in thousand)..... | | | |
| Net Profit for the period | 42,022 | 235,087 | 318,376 | 731,077 |
| Other comprehensive income | | | | |
| - Items that may be reclassified subsequently to profit or loss | - | - | - | - |
| - Items that will not be reclassified subsequently to profit or loss | - | - | - | - |
| - Exchange differences on translation of subsidiaries | (2,464) | - | (2,464) | - |
| | (2,464) | - | (2,464) | - |
| Total comprehensive income for the period | <u>39,558</u> | <u>235,087</u> | <u>315,912</u> | <u>731,077</u> |
| Other comprehensive income / (loss) for the year | | | | |
| Total comprehensive income attributable to: | | | | |
| Equity holders of Parents Company | 39,558 | 235,087 | 315,912 | 731,077 |
| Non controlling interest | - | - | - | - |
| | <u>39,558</u> | <u>235,087</u> | <u>315,912</u> | <u>731,077</u> |

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Share Capital | Capital Reserves | Revenue Reserves | Translation Reserve | Total |
|--|---------------|------------------|-----------------------|---------------------|-----------|
| | | Share Premium | Unappropriated profit | | |
|(Rupees in thousand)..... | | | | | |
| Balance as on July 1, 2024 (audited) | 1,750,311 | 3,022 | 1,462,860 | (467) | 3,215,726 |
| Net profit for the period | - | - | 731,077 | - | 731,077 |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive income for the period | - | - | 731,077 | - | 731,077 |
| Transactions with owners | | | | | |
| Final dividend for the year ended June 30, 2024 @ 20% (Rs 2 per share) | - | - | (350,062) | - | (350,062) |
| Interim dividend for the period ended Dec 31, 2024 @ 20% (Rs 2 per share) | - | - | (350,062) | - | (350,062) |
| Balance as on March 31, 2025 (un-audited) | 1,750,311 | 3,022 | 1,493,813 | (467) | 3,246,679 |
| Balance as on July 1, 2025 (audited) | 1,750,311 | 3,022 | 1,622,898 | (11) | 3,376,220 |
| Net profit for the period | - | - | 318,376 | - | 318,376 |
| Other comprehensive income for the period | - | - | - | (2,464) | (2,464) |
| Total comprehensive income for the period | - | - | 318,376 | (2,464) | 315,912 |
| Transactions with owners | | | | | |
| Final dividend for the year ended June 30, 2025 @ 20% (Rs 2 per share) | - | - | (350,062) | - | (350,062) |
| Interim dividend for the period ended Dec 31, 2025 @ 20% (Rs 2 per share) | - | - | (350,062) | - | (350,062) |
| Balance as on March 31, 2026 (un-audited) | 1,750,311 | 3,022 | 1,241,150 | (2,475) | 2,992,008 |

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Note | Nine-month period ended | |
|--|------|--------------------------------|---------------------------|
| | | March 31, 2026 | March 31, 2025 |
| | | (Rupees in thousand) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 14 | 332,558 | 1,495,576 |
| Finance cost paid | | (20,909) | (8,714) |
| Profit on deposits received | | 3,802 | 17,073 |
| Income tax and levy paid | | (319,959) | (204,995) |
| Net cash (used in)/generated from operating activities | | (4,508) | 1,298,941 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Property, plant and equipment purchased (including intangible) | | (381,221) | (408,419) |
| Short term investment - net | | 203,974 | (311,006) |
| Long term deposits | | - | 4,827 |
| Net cash used in investing activities | | (177,247) | (714,598) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term financing repaid | | (20,174) | (20,174) |
| Finances under markup arrangement - net | | 804,486 | - |
| Dividend paid | | (697,386) | (689,666) |
| Net cash generated from/(used in) financing activities | | 86,925 | (709,840) |
| Net decrease in cash and cash equivalents | | (94,829) | (125,497) |
| Cash and cash equivalents at beginning of the period | | 326,956 | 461,760 |
| Cash and cash equivalents at the end of the period | | 232,127 | 336,263 |

The annexed notes 1 to 19 form an integral part of these condensed interim consolidated financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026**1. THE GROUP AND ITS OPERATIONS****1.1 Holding Company**

Descon Oxychem Limited ("the Holding Company / the Parent Company") was incorporated in Pakistan as a private limited Company on November 12, 2004 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and was converted into a public limited company with effect from February 28, 2008 as approved by the Securities and Exchange Commission of Pakistan (SECP) vide letter no. ARL 16222 dated March 14, 2008. Subsequently, on September 15, 2008, it was listed on Pakistan Stock Exchange. The registered office of the Company is situated at 18-KM Ferozpur Road, Lahore and the Company's business unit and factory is situated at 18-KM Lahore-Sheikhupura Road, Lahore. The Company is principally engaged in manufacture, procurement and sale of hydrogen peroxide and allied products. The Company commenced its trial production on December 1, 2008 and commercial production on March 1, 2009.

1.2 Subsidiary Company

Descon Oxychem FZE, a limited liability company incorporated in Hamriyah Free Zone, Sharjah UAE on April 26, 2023. The principal line of business of subsidiary is import, export and trading of chemicals & related products, detergents & disinfectants, water treatment & purification chemicals and raw materials.

2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017

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

2.2 These consolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2025.

3. MATERIAL ACCOUNTING POLICY INFORMATION

- 3.1 The material accounting policy information and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Group for the year ended 30 June 2025.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published consolidated financial statements of the Group for the year ended 30 June 2025.

5. LONG TERM FINANCING

| | Un-audited March 2026 (Rupees in thousand) | Audited June 2025 |
|--|---|-------------------------|
| Temporary economic refinance facility (TERF) | 70,841 | 88,395 |
| Less : Current portion shown under current liabilities | (22,296) | (22,296) |
| | 48,545 | 66,099 |

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

The Honorable Supreme Court of Pakistan, in its judgment dated August 13, 2020, held that Gas Infrastructure Development Cess ("GIDC") levied under the Gas Infrastructure Development Cess Act, 2011 and the Gas Infrastructure Development Cess Ordinance, 2014 is payable to Sui Northern Gas Pipelines Limited ("SNGPL") in twenty-four equal monthly installments. Pursuant thereto, SNGPL raised demands for GIDC arrears, which the Holding Company challenged before the Honorable Lahore High Court ("LHC"). The petition was decided in favor of the Holding Company on June 17, 2021, against which SNGPL filed an intra court appeal in LHC which was decided against SNGPL vide order dated September 21, 2022.

- i The Holding Company's legal advisor is of the view that the judgments do not apply to arrears that are not recoverable under the first proviso to section 8(2) of the Gas Infrastructure Development Cess Act, 2015. The applicability of the proviso and the payable amount are subject to determination by SNGPL's High-Level Committee, which has not yet issued a decision. Accordingly, the Holding Company has not recognized the estimated provision of Rs. 55.32 million (June 30, 2025: Rs. 55.32 million) in these consolidated condensed interim financial statements. However, the Holding Company has provided guarantee of Rs. 55.32 million (June 30, 2025: Rs. 55.32 million) to SNGPL

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

- ii In September 2025, the Holding Company filed a petition before the Lahore High Court, challenging OGRA's notifications dated March 28, 2025, through which a retrospective RLNG tariff adjustment of Rs. 119 million was imposed by SNGPL and included in the Holding Company's gas bill for July 2025. Subsequently, during the pendency of proceedings before the Lahore High Court, OGRA issued fresh notifications on November 28, 2025, superseding the earlier notifications, as a result of which the original petition became infructuous. Consequently, the Holding Company challenged the notifications dated November 28, 2025 before the Lahore High Court, which admitted the petition for regular hearing and granted interim relief. The Holding Company is hopeful for a favorable outcome of the case.

6.2 Guarantees

The Holding Company has issued guarantees to the following parties:

Against performance of contracts:

| | Un-audited March 2026 (Rupees in thousand) | Audited June 2025 |
|--------------------------------------|---|----------------------------------|
| Sui northern gas pipelines limited | 151,286 | 151,286 |
| Pakistan state oil company limited | 3,500 | 3,500 |
| Al-technique corporation of pakistan | 28,407 | 28,407 |
| | <u>183,193</u> | <u>183,193</u> |

Post dated cheques issued in favor of National Tariff Commission of Pakistan, Sui Northern Gas Pipeline Limited and Collector of customs aggregating to Rs 57.15 million (June 30, 2025: 42.14 million).

6.3 Commitments

The Holding Company has the following commitments in respect of:

| | | |
|--------------------|---------|---------|
| Letters of credits | 301,210 | 293,983 |
|--------------------|---------|---------|

7 Property, plant and equipment

Operating assets:

| | | Un-audited March 31, 2026 (Rupees in thousand) | Audited June 30, 2025 |
|--|------------|---|--------------------------------------|
| - Owned assets | (Note 7.1) | 1,679,206 | 1,613,944 |
| Capital work-in-progress | (Note 7.2) | 5,795 | 25,199 |
| Major spare parts, catalysts and standby equipment | | 152,028 | 119,697 |
| | | <u>1,837,029</u> | <u>1,758,840</u> |

| | Un-audited March 31, 2026 (Rupees in thousand) | Audited June 30, 2025 |
|---|---|--------------------------------------|
| 7.1 Operating assets | | |
| Opening book value | 1,613,944 | 1,843,325 |
| Add: Additions during the period / year (Note 7.1.1) | 256,801 | 142,518 |
| Less: Disposals during the period / year (at book value) (Note 7.1.2) | - | (147) |
| Less: Write-off | - | (645) |
| Less: Depreciation charged during the period / year | (191,539) | (371,107) |
| Closing book value | <u>1,679,206</u> | <u>1,613,944</u> |
| 7.1.1 Additions during the period / year | | |
| Buildings on freehold land | 5,941 | 39,195 |
| Plant, machinery and equipment | 233,302 | 73,239 |
| Laboratory equipment | 7,840 | 515 |
| Material handling | 158 | - |
| Tools and equipment | 3,570 | 12,698 |
| Electrical equipment | - | 3,035 |
| Computers and related Equipment | 2,191 | 8,819 |
| Office equipment & appliances | 2,143 | 4,369 |
| Furniture and fixture | 1,655 | 648 |
| | <u>256,801</u> | <u>142,518</u> |
| 7.1.2 Disposals during the period / year | | |
| Computers and related equipment | - | (147) |
| | <u>-</u> | <u>(147)</u> |

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

| | Un-audited March 31, 2026 (Rupees in thousand) | Audited June 30, 2025 (Rupees in thousand) |
|-------------------------------------|---|---|
| 7.2 Capital work-in-progress | | |
| Plant and machinery | - | 18,556 |
| Others | 5,795 | 6,643 |
| | 5,795 | 25,199 |
| 8 Stock in trade | | |
| Raw material | 478,856 | 230,510 |
| Raw material in transit | 64,558 | 209,962 |
| Packing material | 13,858 | 26,372 |
| Finished goods | 203,415 | 186,755 |
| | 760,688 | 653,599 |
| 9 Bank balances | | |
| At banks on: | | |
| - Current accounts | 221,966 | 176,301 |
| - Saving accounts | 10,161 | 150,655 |
| | 232,127 | 326,956 |

| | Un-audited | | Un-audited | |
|--|---|---|---|---|
| | Three-month period ended | | Nine-month period ended | |
| | March 31, 2026 (Rupees in thousand) | March 31, 2025 (Rupees in thousand) | March 31, 2026 (Rupees in thousand) | March 31, 2025 (Rupees in thousand) |
| 10 Sales | | | | |
| Gross sales: | | | | |
| - Local | 1,354,724 | 1,669,648 | 4,082,601 | 5,330,695 |
| - Export | 85,907 | 59,474 | 324,519 | 231,676 |
| | 1,440,631 | 1,729,122 | 4,407,120 | 5,562,371 |
| Less: Commission and discount on sales | (26,079) | (35,366) | (86,764) | (116,303) |
| Less: Sales tax | (206,856) | (256,563) | (623,558) | (814,887) |
| | 1,207,696 | 1,437,193 | 3,696,798 | 4,631,181 |

| | Un-audited | | Un-audited | | |
|---|--------------------------|-------------------|-------------------------|-------------------|---------|
| | Three-month period ended | | Nine-month period ended | | |
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 | |
| | (Rupees in thousand) | | (Rupees in thousand) | | |
| 11 Cost of sales | | | | | |
| Raw material and packing consumed | 527,109 | 559,235 | 1,628,613 | 1,752,654 | |
| Salaries, wages and other benefits | 71,134 | 74,534 | 216,616 | 231,849 | |
| Repair and maintenance | 27,051 | 28,768 | 69,835 | 66,577 | |
| Annual shutdown expenses | 8,422 | - | 9,398 | - | |
| Fuel and power | 185,724 | 202,922 | 611,221 | 708,937 | |
| Quality assurance | 1,068 | 657 | 3,233 | 1,895 | |
| Services through contractors | 32,668 | 22,567 | 114,058 | 69,425 | |
| Travelling | 3,454 | 4,351 | 15,685 | 11,899 | |
| Communication | 407 | 578 | 1,581 | 1,715 | |
| Rent & rates | 14,829 | 18,300 | 47,169 | 24,064 | |
| Depreciation on property, plant and equipment | 60,840 | 79,022 | 187,983 | 293,980 | |
| Amortization of intangible assets | 25,235 | 5,937 | 50,428 | 17,823 | |
| Insurance | 5,860 | 215 | 17,744 | 861 | |
| Safety items consumed | 1,143 | 1,160 | 3,567 | 3,413 | |
| Miscellaneous | 746 | 341 | 1,376 | 1,077 | |
| | 965,691 | 998,588 | 2,978,506 | 3,186,170 | |
| Add: Opening work in process | 22,455 | 27,119 | 26,372 | 17,994 | |
| Less: Closing work in process | (13,858) | (23,308) | (13,858) | (23,308) | |
| | 8,597 | 3,811 | 12,514 | (5,314) | |
| Cost of goods produced | 974,288 | 1,002,399 | 2,991,019 | 3,180,856 | |
| Add: Opening finished goods | 250,190 | 103,715 | 186,755 | 118,224 | |
| Less: Closing finished goods | (203,415) | (172,107) | (203,415) | (172,107) | |
| | 46,774 | (68,392) | (16,660) | (53,883) | |
| | 1,021,062 | 934,007 | 2,974,359 | 3,126,973 | |
| 12 Earnings per share | | | | | |
| 12.1 Basic earnings per share | | | | | |
| Net profit for the period | Rupees in thousand | 42,022 | 235,087 | 318,376 | 731,077 |
| Weighted average number of ordinary shares | Number in thousand | 175,031 | 175,031 | 175,031 | 175,031 |
| Earnings per share | Rupees | 0.24 | 1.34 | 1.82 | 4.18 |
| 12.2 Diluted earnings per share | | | | | |

Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at March 31, 2026 and March 31, 2025, which would have any effect on the earnings per share if the option to convert is exercised.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2026

| 13 Transactions with related parties | | Un-audited | |
|---|---|--|------------------|
| | | Nine-month period ended | |
| Relationship | Nature of transaction | March 31, 2026 (Rupees in thousand) | March 31, 2025 |
| i. Associates | Purchase of goods and services | 21,564 | 16,078 |
| | Share of common expenses charged to the Holding Company | 72,990 | 65,969 |
| | Share of common expenses charged by the Holding Company | 6,953 | 6,389 |
| | Payment of ordinary dividend | 509,730 | 509,730 |
| | Royalty charged to the Holding Company | 18,042 | 22,866 |
| ii. Directors | Meeting fee | 625 | 750 |
| iii. Post employment benefit plans | Expense charged in respect of retirement benefit plans | 9,945 | 8,386 |
| iv. Key management personnel | Salaries and other employee benefits | 118,758 | 90,221 |
| 14 Cash generated from operations | | | |
| Profit before levy and taxation | | 387,077 | 1,166,213 |
| Adjustments for: | | | |
| - Depreciation on property, plant and equipment | | 191,539 | 297,260 |
| - Amortization of Intangible Assets | | 67,142 | 4,412 |
| - Finance cost | | 41,267 | 8,714 |
| - Foreign operation translation reserve | | (2,464) | - |
| - Unrealized gain on short term investment | | (30,846) | (1,013) |
| - Realized gain on disposal of short term investment | | (19,898) | - |
| - Interest on bank deposits | | (3,802) | (17,073) |
| - Exchange gain / (loss) | | 516 | 1,188 |
| - (Gain)/loss on sale of property, plant and equipment | | (15) | - |
| Operating Profit before working capital changes | | 630,516 | 1,459,701 |
| Effect on cash flow due to working capital changes | | | |
| (Increase) / decrease in current assets | | | |
| - Stores and spares | | (52,454) | 29,799 |
| - Stock-in-trade | | (107,089) | (22,475) |
| - Trade debts | | 3,755 | (47,935) |
| - Advances, deposits, prepayments and other receivables | | (44,098) | (66,384) |
| Increase / (decrease) in current liabilities | | | |
| - Trade and other payables | | (98,073) | 142,871 |
| | | (297,958) | 35,876 |
| Cash generated from operations | | 332,558 | 1,495,576 |

18 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

16 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk price risk), credit risk and liquidity risk.

The condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at June 30, 2025.

There have been no significant changes in the risk management policies since the year end.

17 Date of authorization for issue

These condensed interim consolidated financial statements were authorized for issue on ----- by the Board of Directors of the Holding Company.

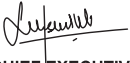
18 Subsequent events

There are no significant events after the statement of financial position date.

19 Corresponding figures

In order to comply with the requirements of IAS 34, the condensed interim consolidated statement of financial position has been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework.

**CHIEF EXECUTIVE****CHIEF FINANCIAL OFFICER****DIRECTOR**

BOOK POST



Descon Oxychem Limited

Descon Headquarters, 18 km Ferozepur Road,
Lahore - 54760, Pakistan
T: +92 42 3 7971822-24
F: +92 42 3 7971834
W: www.desconoxychem.com
E: dol@descon.com