

Quarterly Report March 31st, 2026



Table Of Content

Corporate Profile

Company Information	02
Interim Director's Report	04

Unconsolidated Financial Statements

Condensed Interim Statement of Financial Position.....	07
Condensed Interim Statement of Profit or Loss	08
Condensed Interim Statement of Comprehensive Income	09
Condensed Interim Statement of Cash Flows	10
Condensed Interim Statement of Changes in Equity	12
Notes to the Condensed Interim Financial Statements	13

Consolidated Financial Statements

Condensed Interim Statement of Financial Position	17
Condensed Interim Statement of Profit or Loss	19
Condensed Interim Statement of Comprehensive Income	20
Condensed Interim Statement of Cash Flows	21
Condensed Interim Statement of Changes in Equity	23
Notes to the Condensed Interim Financial Statements	24

Company Information

Directors

Khalid Hamid Wain	Director / Chairman
Bakhtiar Hameed Wain	Director / Chief Executive Officer
Tanveer Karamat	Director
Amir Wain	Director
Mohammad Shahid Mir	Director
Faaria Rehman Salahuddin	Director
Selina Saadia Rashid Khan	Director
Ahsan Khalil	Chief Financial Officer
Faisal Nadeem Sheikh	Company Secretary

Board Audit Committee

Faaria Rehman Salahuddin	Chairman
Amir Wain	Member
Khalid Hamid Wain	Member

Human Resource & Remuneration Committee

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

Auditors

Crowe Hussain Chaudhury
& Co Chartered Accountants
7th Floor, Gul Mohar Trade Centre, 8-F, Main
Market, Gulberg II, Lahore. +92-42-35759223-5

Corporate Council

Chima & Ibrahim Advocates &
Corporate Counsel
A, 1, 245 Tufail Rd, Falcon Complex, Lahore.
+92-42-36681265

Web Presence

www.avanceon.ae | www.avanceon.com.au
www.avanceon.qa | www.octopusdtl.com

Bankers

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

Qatar International Islamic Bank QIIB,
Qatar Islamic Bank QIB, Qatar

Share Registrar

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

Registered Office

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

Regional Headquarters – South Asia

Lahore, Punjab, Pakistan

The Avanceon Building

19-KM , Main Multan Road, Lahore,

54660 Punjab, Pakistan

Phone: +92 (42) 111 940 940

Email: marketing@avanceon.ae

Karachi, Sindh, Pakistan

M/S AVANCEON LIMITED

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NASTP Silicon Valley, Karachi Main

Shahra-e-Faisal Near PAF Museum,

Karachi- Pakistan

Phone: +92 (21) 111 940 940

Email: marketing@avanceon.ae

Islamabad, Pakistan

Manzoor Plaza (The Hive Building),

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

G-6/2, Blue Area, Islamabad 44000

Phone: +92 51 573 3031

Email: marketing@avanceon.ae

Phone: +92 51 573 3031

Regional Headquarters – Middle East

Avanceon FZE – Dubai, UAE

FZS1 BD04 JAFZA P.O. Box 18590

Dubai, United Arab Emirates

Phone: +971 4 88 60 277

Email: marketing@avanceon.ae

Abu Dhabi, UAE

In Partnership with Ali & Sons

Ali & Sons Bldg., Zayed 2nd Street

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Abu Dhabi, U.A.E.

Phone: +971 4 88 60 277

Email: marketing@avanceon.ae

Doha, Qatar

Avanceon Automation Control WLL

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

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

Lusail, Doha, Qatar.

Phone: +974 4040 9835

Email: marketing@avanceon.ae

Jeddah, Saudia Arabia

Jeddah, Saudia Arabia

Kuwait St. Faisaliyah District

P.O. Box 1298

Jeddah, KSA.

Phone: +966-12-6912204 x 127

Email: marketing@avanceon.ae

Riyadh, Saudia Arabia

Avanceon Saudi for Energy Company

3141 Anas Ibn Malik-Al Malqa Dist.

Unit no. 718, Riyadh 13521 - 8292

Kingdom of Saudi Arabia

Phone: +966-5674 16724

Email: marketing@avanceon.ae

Interim Director's Report

Directors of Avanceon Limited (the "Company") are pleased to present the Directors' Report for the three months ended March 31, 2026.

For the first quarter ended
Mar. 31, 2026 Mar. 31, 2025
 ----- (Rupees in '000) -----

OPERATING RESULTS (CONSOLIDATED)			
	Revenues	3,760,832	2,520,851
	Profit before tax	76,619	284,586
	Provision for taxation	(19,168)	(12,956)
	Profit after taxation	57,450	271,631
OPERATING RESULTS (UNCONSOLIDATED)			
	Revenues	686,669	423,099
	Profit before tax	76,867	55,713
	Provision for taxation	(12,321)	(11,032)
	Profit after taxation	64,546	44,681

EARNINGS PER SHARE (CONSOLIDATED) FOR THE FIRST QUARTER ENDED March 31, 2026

The basic earnings per share after tax is Rs. 0.13 (2025: Rs. 0.63 - restated)

EARNINGS PER SHARE (UNCONSOLIDATED) FOR THE FIRST QUARTER ENDED March 31, 2026

The basic earnings per share after tax is Rs. 0.15 (2025: Rs. 0.11 - restated)

We are pleased to report that the company's (Consolidated & Uconsolidated) first quarter ending March 31, 2026 results with the shareholders.

AVANCEON LIMITED:

The company's revenues locked at PKR 687 million, marking a significant increase over the same three-month period of the previous year. This increase is attributable to planned execution and relatively few projects and some products business which drifted in first quarter in 2026. However, there is a slight drop in gross margins due to comparative increase in direct cost.

Fixed costs experienced a significant increase, largely driven by inflationary pressures as a result of current geopolitical situation in Pakistan and Middle East. Plus, the first quarter annual appraisal adjustments. However, other expenses / other income and the finance cost & taxation remained within the planned target.

Further, the management is confident in the Pakistan the company anticipates closing the year 2026 with a strong bottom line and Profit After Tax (PAT), contributing to enhanced shareholder value and overall stakeholder wealth based on opening backlog of orders and new orders till to date already locked in to approximate USD 20 million.

AVANCEON GROUP:

The company's revenues at group level locked at PKR 3.8 billion, marking a 49% increase over the same three month period of the previous year, However Gross margins are decreased and recorded at 24%.

In reviewing the financial performance of the group for Q1-2026, overall revenues improved significantly expectations, primarily due to the timing of revenue recognition on certain projects within our Middle Eastern entities. The drop in gross margin is mainly in the territories of UAE and Qatar amid the current geopolitical situation in the Middle East in the first quarter 2026.

Nevertheless, we remain confident that, with the easing of regional tensions in the coming months, both margins and revenue performance will realign with expectations, supporting the achievement of our targeted revenues in the upcoming reporting periods.

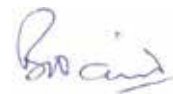
We enter 2026 with an order backlog of USD 70 million and securing approximately USD 20 million in new orders during Q1 at the Group level provides a strong foundation to achieve our year-end revenue targets in alignment with our annual corporate plan 2026.

COMMUNICATION

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

for and on behalf of the BOARD OF DIRECTORS

May, 22, 2026
Lahore, Pakistan



BAKHTIAR HAMEED WAIN
Chief Executive Officer



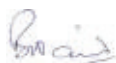
Mohammad Shahid Mir
Director

Avanceon Limited
**Unconsolidated Condensed
Interim Financial Statements**
FOR THE FIRST QUARTER ENDED MARCH 31, 2026

AVANCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	Note	Un-audited Mar. 31, 2026	Audited Dec 31, 2025
(Rupees in '000)			
ASSETS			
NON CURRENT ASSETS			
Property and equipment		636,819	666,184
Work in progress		342,517	271,467
Long term investments		1,351,795	1,351,795
Deposit for Long term investments		4,224,313	4,241,795
Long term loans and deposits		10,502	10,302
		6,565,946	6,541,543
CURRENT ASSETS			
Stock in trade		130,663	79,028
Trade debts		3,045,750	3,385,511
Advances, deposits, prepayments and other receivables		1,769,017	1,707,664
Contract Assets		320,391	250,994
Cash and bank balances		23,723	107,512
		5,289,543	5,530,709
TOTAL ASSETS		11,855,489	12,072,252
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital		5,000,000	5,000,000
500,000,000 (2025: 500,000,000) ordinary shares of Rs 10 each			
Issued, Subscribed And Paid Up Capital		4,274,755	4,224,089
427,475,456 (2025: 422,408,878) ordinary shares of Rs 10 each			
CAPITAL RESERVES			
Share Premium		875,339	875,339
Employees' share compensation reserve		155,438	155,438
Surplus on revaluation of property, plant & equipment		325,305	325,884
		1,356,083	1,356,662
REVENUE RESERVES			
Un-appropriated profit		2,650,917	2,585,793
		8,281,755	8,166,543
NON CURRENT LIABILITIES			
Long term diminishing musharaka		89,451	110,745
CURRENT LIABILITIES			
Current portion of long term diminishing musharaka		72,067	66,715
Finances under mark up arrangements and other credit facilities - secured		1,010,275	1,091,203
Contract Liabilities		251,109	236,837
Unclaimed / Unpaid Dividend		142,528	142,542
Creditors, accrued and other liabilities		1,982,820	2,179,086
Provision for taxation		25,484	78,581
		3,484,283	3,794,964
CONTINGENCIES AND COMMITMENTS	5	11,855,489	12,072,252

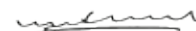
The annexed notes from 1 to 7 form an integral part of these condensed financial statements.



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil

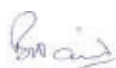


Director
Mohammad Shahid Mir

AVANCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	Note	for the first quarter ended	
		Mar. 31, 2026	Mar. 31, 2025
		(Rupees in '000)	
Revenues		686,669	423,099
Cost of revenue		(481,769)	(284,576)
Gross profit / (Loss)		204,900	138,523
		30%	
Administrative and selling expenses		(115,462)	(90,378)
Other charges	3	(18,247)	(2,167)
Other income	4	45,027	44,576
		(88,681)	(47,969)
Profit / (Loss) from operations		116,219	90,554
Finance costs		(39,351)	(34,842)
Profit / (Loss) before tax		76,867	55,713
Taxation		(12,321)	(11,032)
Profit / (Loss) for the period		64,546	44,681
			Restated
Earnings/(Loss) per share - basic		0.15	0.11
Earnings/(Loss) per share - diluted		0.15	0.10

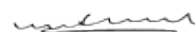
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Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil

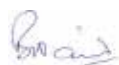


Director
Mohammad Shahid Mir

AVANCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	for the first quarter ended	
	<u>Mar. 31, 2026</u>	<u>Mar. 31, 2025</u>
	(Rupees in '000)	
Profit /(loss) for the period	64,546	44,681
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	<u><u>64,546</u></u>	<u><u>44,681</u></u>


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



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil




Director
Mohammad Shahid Mir

AVANCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	for the first quarter ended	
	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	76,867	55,713
Profit/(loss) before tax		
Adjustments for:	29,365	25,755
Depreciation on property and equipment	-	(44,209)
Unrealised exchange (gain) / loss	39,351	34,842
Finance cost	-	139
Profit on bank deposits	68,717	16,526
	145,584	72,239
Profit before working capital changes		
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets	(51,635)	(23,178)
- Stock in trade	357,242	(8,788)
- Trade debts	(69,396)	172,499
- Contract Assets	(61,353)	(64,700)
- Advances, deposits, prepayments and other receivables		
Increase / (decrease) in current liabilities	(152,813)	(193,651)
- Creditors, accrued and other liabilities	14,272	106,661
- Contract Liabilities	36,317	(11,158)
	181,901	61,081
Cash generated from operations		
Finance cost paid	(32,138)	(36,159)
Income Taxes paid	(65,419)	(7,763)
	(97,557)	(43,922)
	84,344	17,159
Net cash generated from / (used in) operating activities		

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Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil

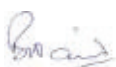


Director
Mohammad Shahid Mir

AVANCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	for the first quarter ended	
	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)	
Net cash generated from / (used in) operating activities	84,344	17,159
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(10,368)	(5,696)
Proceeds from sale of property and equipment	10,368	-
Additions in intangible assets - Capital work in progress	(71,050)	(84,840)
Profit on bank deposits	-	(139)
Net change in long term advances and deposits	(200)	(3,621)
Net cash generated from / (used in) investing activities	(71,250)	(94,296)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Finances under mark-up arrangements and other credit facility obtained	(80,928)	134,094
Dividend paid	(14)	(220)
Repayment of diminishing musharka	(15,942)	(17,045)
Net cash used in financing activities	(96,884)	116,828
Net increase/(decrease) in cash and cash equivalents	(83,790)	39,691
Cash and cash equivalents at the beginning of period	107,512	19,351
Cash and cash equivalents at the end of period	23,722	59,042

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



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Mohammad Shahid Mir

AVANCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	CAPITAL RESERVES				REVENUE	TOTAL
	Share Capital	Share Premium	Employees' Share Compensation Reserve	Surplus on Revaluation of Property & Equipment	Un-appropriated profit / (loss)	
						(Rupees in '000)
Balance as on January 01, 2025	4,150,228	508,910	370,740	328,199	2,523,297	7,881,374
Profit for the period	-	-	-	-	60,181	60,181
Other comprehensive income	-	-	-	(2,315)	2,315	-
	-	-	-	(2,315)	62,496	60,181
Issuance of shares against ESOS	73,860	-	151,127	-	-	224,987
Employee share option reserve	-	366,428	(366,428)	-	-	-
	73,860	366,428	(215,301)	-	-	224,987
Balance as on December 31, 2025	4,224,089	875,339	155,438	325,884	2,585,793	8,166,543
Profit for the period	-	-	-	-	64,546	64,546
Transfer from revaluation surplus on account of incremental dep.	-	-	-	(579)	579	-
	-	-	-	(579)	65,125	64,546
Issuance of shares against ESOS	50,666	-	-	-	-	50,666
Employee share option reserve	-	-	-	-	-	-
	50,666	-	-	-	-	50,666
Balance as on March 31, 2026	4,274,755	875,339	155,438	325,305	2,650,917	8,281,755

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



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Mohammad Shahid Mir

AVANCEON LIMITED
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2026**
1 Legal Status and Nature of Business

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

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

BUSINESS UNIT	LOCATION
Head office	The Avanceon Building, 19 KM, Multan Road, Lahore 54500.
REGIONAL OFFICES	
Karachi	MA Tabba Foundation Building, First Floor, Gizri Road Block 9 Clifton Karachi, Sindh 75600.
Islamabad	Manzoor Plaza (The Hive Building), First Floor, Plot 14-E Fazal-e-Haq Road, G-6/2, Blue Area, Islamabad 44000.

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

2 Basis of Preparation
2.1 Separate financial statements

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

2.2 Statement of compliance

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

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

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

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

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

- 2.4** These condensed interim unconsolidated financial statements (un-audited) do not include all of the information contained in full annual financial statements and should be read in conjunction with the audited annual financial statements for the first quarter ended March 31, 2026.
- 2.5** The comparative statement of financial position presented in these condensed interim unconsolidated financial statements (un-audited) has been extracted from the audited annual financial statements of the Company for the first quarter ended March 31, 2026, whereas the comparative condensed interim unconsolidated statement of profit or loss, the condensed interim unconsolidated statement of comprehensive income, the condensed interim unconsolidated statement of changes in equity and the condensed interim unconsolidated statement of cash flows have been extracted from the un-audited condensed interim unconsolidated financial statements for the first quarter ended March 31, 2026.
- 2.6** These condensed interim unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act"); however, these are subject to limited scope review by external auditors as required by the Act and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations).

2.7 Basis of measurement

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

2.8 Functional and presentation currency

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

3 Other Charges

	for the first quarter ended	
	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)	
Donations	2,960	2,167
Exchange Loss	15,286	-
	<u>18,247</u>	<u>2,167</u>

4 Other Income

	for the first quarter ended	
	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)	
Exchange gain	-	44,209
Reversal of ECL Provision	45,027	-
Others	-	366
	<u>45,027</u>	<u>44,576</u>

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED MARCH 31, 2026**5 Contingencies And Commitments****5.1 Contingencies**

- (i) There are no contingencies to report as at March 31, 2026 (2025: Nil)

5.2 Commitments


- (i) Bank guarantees issued amounting to Rs. 189 million (2025: Rs. 208 million) against the performance of various contracts.
- (ii) Letters of credit includes Rs. 210 million (2025: 219 million) which relates to import acceptance bills.

6 Date Of Authorization For Issue

The condensed interim consolidated financial information was authorised for issue on __May 22, 2026__ by the Board of Directors of the Holding Company.

7 General

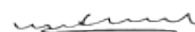
Figures have been rounded off to the nearest thousand rupees.



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Mohammad Shahid Mir

Avanceon Limited
**Condensed Consolidated
Interim Financial Statements**
FOR THE FIRST QUARTER ENDED MARCH 31, 2026

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

ASSETS	Un-Audited	Audited
	Mar. 31, 2026	Dec. 31, 2025
	(Rupees in '000)	
NON CURRENT ASSETS		
Property and equipment	1,453,658	1,429,372
Capital Work in Progress	740,891	668,059
Intellectual Property	4,772,632	4,800,208
Goodwill	221,810	221,810
Investment in JV	404,973	406,604
Deferred Tax Assets	32,777	32,805
Long term deposits	76,875	76,889
	7,703,615	7,635,746
CURRENT ASSETS		
Stock in trade	694,052	238,729
Trade debts	8,291,460	9,079,918
Contract Assets	8,085,301	7,773,616
Advances, deposits, prepayments and other receivables	4,951,994	4,518,985
Term deposits with banks	704	786
Investments in Stocks	586	577
Cash and bank balances	494,492	1,085,222
	22,518,590	22,697,833
TOTAL ASSETS	30,222,205	30,333,579

Continued.....

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

EQUITY AND LIABILITIES	Note	Un-Audited Mar. 31, 2026	Audited Dec. 31, 2025
(Rupees in '000)			
Authorised capital			
Authorised capital 500,000,000 (2025: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, Subscribed And Paid Up Capital			
422,408,878 (2025: 422,408,878) ordinary shares of Rs 10 each ordinary shares of Rs. 10 each		4,274,755	4,224,089
CAPITAL RESERVES			
Share premium		874,834	874,834
Employees' share compensation reserve		233,307	233,307
Statutory reserve		3,227	3,227
Exchange revaluation reserve		2,675,127	2,672,453
Gain on dilution of interest		631,367	631,367
Surplus on revaluation of property & equipment		325,306	325,884
		4,743,167	4,741,072
REVENUE RESERVES			
Un-appropriated Profit		6,011,554	5,956,929
		15,029,476	14,922,089
Non-controlling Interest		696,455	693,052
		15,725,932	15,615,142
NON CURRENT LIABILITIES			
Long Term Loans		41,435	36,229
Liabilities against assets subject to finance lease		123,101	122,974
Deferred Liabilities		382,760	374,104
Diminishing Musharaka		104,366	127,611
		651,662	660,918
CURRENT LIABILITIES			
Current portion of Long Term Loans		25,054	25,143
Current portion of Diminishing Musharaka		80,228	74,876
Current portion of lease liabilities		-	564
Finances under mark up arrangements and other credit facilities - secured		2,455,085	3,029,249
Unclaimed Dividend		142,528	142,541
Creditors, accrued and other liabilities		8,284,330	8,960,144
Contract Liabilities		2,532,225	1,453,399
Taxation-Net		325,164	371,603
		13,844,613	14,057,519
CONTINGENCIES AND COMMITMENTS			
	5	30,222,207	30,333,579

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



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil

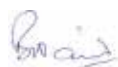


Director
Mohammad Shahid Mir

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	for the first quarter ended		
	Note	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)		
Revenues		3,760,832	2,520,851
Cost of revenue		(2,866,039)	(1,542,895)
Gross Profit / (Loss)		894,793	977,956
Administrative and selling expenses		(747,750)	(560,564)
Other expenses	3	(21,588)	(2,203)
Other income	4	45,071	16,088
		(724,268)	(546,680)
Profit / (Loss) from operations		170,525	431,276
Finance costs		(93,907)	(146,690)
Profit / (Loss) before tax		76,619	284,586
Taxation		(19,168)	(12,956)
Profit / (Loss) for the period		57,450	271,631
Attributable to:			
Equity holders of the Holding Company		54,047	266,818
Non-Controlling Interest		3,403	4,813
		57,450	271,631
Combined earnings per share			Restated
Basic		0.13	0.63
Diluted		0.13	0.62

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



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil




Director
Mohammad Shahid Mir

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	for the first quarter ended	
	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)	
Profit / (Loss) for the period	57,450	271,631
Other comprehensive income		
- Exchange difference on translating foreign operations	2,673	(32,751)
Total comprehensive income for the period	<u>60,123</u>	<u>238,880</u>
Attributable to:		
Equity holders of the Holding Company	56,720	234,066
Non-Controlling Interest	3,403	4,813
	<u>60,123</u>	<u>238,880</u>

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



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Mohammad Shahid Mir

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026


CASH FLOW FROM OPERATING ACTIVITIES	for the first quarter ended	
	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)	
Profit/ (loss) before tax		
Adjustments for:		
Depreciation on property and equipment	76,618	284,586
Exchange gain		
Exchange revaluation reserve	45,876	46,453
Amortization	18,628	(15,609)
Provision for gratuity	(2,674)	-
Finance costs	10,864	14,518
Employees' share option expense	28,743	57,423
Provision for ECL - contract assets	93,907	146,690
Income on bank deposits	-	2,937
	(45,027)	-
	(1)	124
Profit before working capital changes	150,316	252,536
(Increase) / decrease in current assets	226,935	537,122
- Stock in trade		
- Trade debts		
- Contract Assets	(455,323)	(263,264)
- Advances, deposits, prepayments and other receivables	767,635	1,578,630
(decrease) / Increase in current liabilities	(266,658)	(205,207)
- Creditors, accrued and other liabilities	(430,815)	(554,988)
- Contract Liabilities	(617,664)	(598,326)
Cash (used in) / generated from operations	1,078,826	(264,849)
	76,000	(308,004)
Finance costs paid	302,935	229,118
Gratuity paid		
Taxes paid	(92,783)	(152,277)
Net cash (used in) / generated from operating activities	(20,086)	(51,272)
	(65,579)	(6,491)
	124,487	19,078

Continued.....

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	for the first quarter ended	
	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)	
Net cash (used in) / generated from operating activities	124,487	19,078
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(70,162)	(100,306)
Additions in intangible assets - capital work in progress	(72,832)	(65,824)
Additions in Intellectual property	16,712	(39,603)
Long term investments made	(1,631)	3,379
Decrease / (Increase) in short term investments	73	(992)
Profit on bank deposit	1	(124)
Net change in long term advances and deposits	13	(4,254)
Net cash (used in) / generated from investing activities	(127,827)	(207,724)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Dividend paid	(13)	(1,157)
Long term loan (repaid)/ received	5,117	(5,326)
Finances under mark up arrangements and other credit facilities	(574,164)	(25,475)
Repayment of diminishing mosharka	(17,893)	(18,381)
Repayment of lease liabilities	(437)	6,066
Net cash (used in) / generated from financing activities	(587,390)	(44,274)
Net (decrease) / increase in cash and cash equivalents	(590,730)	(232,920)
Cash and cash equivalents at the beginning of year	1,085,222	756,748
Cash and cash equivalents at the end of period	494,492	523,828

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



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil

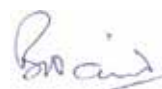


Director
Mohammad Shahid Mir

AVANCEON GROUP
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

	CAPITAL RESERVES						REVENUE RESERVES	Non-Controlling Interest	TOTAL	
	Share capital	Share premium reserve	Gain on dilution of interest	Employee share compensation reserve	Statutory Reserve	Exchange revaluation reserve	Surplus on Revaluation of Property, Plant and Equipment			Un-appropriated (loss) / profit
	(Rupees in '000)									
Balance as on January 01, 2025	4,150,228	508,405	631,367	408,223	3,227	2,639,098	328,199	5,306,198	686,608	14,661,553
Profit for the period	-	-	-	-	-	-	-	647,440	7,420	654,860
Other comprehensive income	-	-	-	-	-	33,355	(2,315)	2,315	-	33,355
	-	-	-	-	-	33,355	(2,315)	649,755	7,420	688,215
Issuance of shares against ESOS	73,860	-	-	191,513	-	-	-	-	-	265,373
Employee share option reserve	-	366,429	-	(366,429)	-	-	-	-	-	-
Adjustment of NCI	-	-	-	-	-	-	-	976	(976,000.00)	-
	73,860	366,429	-	(174,916)	-	-	-	976	(976)	265,373
Balance as on December 31, 2025	4,224,089	874,834	631,367	233,307	3,227	2,672,453	325,884	5,956,929	693,052	15,615,141
Profit for the period	-	-	-	-	-	-	-	54,047	3,403	57,450
Other comprehensive income	-	-	-	-	-	2,674	(579)	579	-	2,674
	-	-	-	-	-	2,674	(579)	54,626	3,403	60,124
Issuance of shares against ESOS	50,666	-	-	-	-	-	-	-	-	50,666
Employee share option reserve	-	-	-	-	-	-	-	-	-	-
	50,666	-	-	-	-	-	-	-	-	50,666
Balance as on March 31, 2026	4,274,755	874,834	631,367	233,307	3,227	2,675,127	325,306	6,011,554	696,455	15,725,932

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



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Mohammad Shahid Mir

AVANCEON LIMITED

NOTES TO THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 31, 2026

1 Legal Status and Nature of Business

1.1 Legal status and operations

The Group comprises:	Note	Status within the Group
- Avanceon limited (AVL)	1.2	Holding Company
- Avanceon Free Zone Establishment, UAE (AFZE)	1.3	Subsidiary of AVL
- Avanceon Automation and Control W.L.L (AVAC)	1.4	Subsidiary of AVL
- Avanceon Saudi Energy Company (AVSEC)	1.5	Subsidiary of AVL
- Octopus Digital limited (ODL)	1.6	Subsidiary of AVL
- Avanceon QFZ LLC (AVQFZ)	1.7	Subsidiary of AVL
- Empiric AI (Private) Limited (EAL)	1.8	Subsidiary of ODL
- Octopus Digital FZ (ODFZ)	1.9	Subsidiary of ODL

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

BUSINESS UNIT	LOCATION
Head office	The Avanceon Building, 19 km, Multan Road, Lahore 54500.
REGIONAL OFFICES	
Karachi	MA Tabba Foundation Building, First Floor, Gizri Road Block 9 Clifton Karachi, Sindh 75600.
Islamabad	Manzoor Plaza (The Hive Building), First Floor, Plot 14-E Fazal-e-Haq Road, G-6/2, Blue Area, Islamabad 44000.

1.3 AFZE is a Free Zone Establishment with limited liability formed pursuant to Law No. 9 of 1992 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and Implementing Regulations issued thereunder by the Jebel Ali Free Zone Authority and was registered with the Jebel Ali Free Zone Authority under Registration No. 816 on February 28, 2004. Its registered office is situated in the Jebel Ali Free Zone, Dubai, United Arab Emirates. The principal activities of AFZE are to provide industrial automation, process control and systems integration solutions, to trade in products of automation and control equipment and provide related technical services. The Establishment is wholly owned subsidiary of the Group.

1.4 AVAC is an Establishment with limited liability registered under the Ministry of Commerce and Industry, state of Qatar on May 22, 2017 with Registration No. 99027. Its registered office is situated in Al Jaber Engg. HO Building, PO Box: 15976, Fox Hills, Lusail, Doha - Qatar. The principal activities of AVAC are to provide industrial automation, process control and systems integration solutions, to trade in products of automation and control equipment and provide related technical services. The Group owns 49% equity shares of AVAC. However, based on an agreement signed between the holding Company and other shareholders, the Group has control over its financials and operating decision making of AVAC.

AVANCEON LIMITED
NOTES TO THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2026

- 1.5** AVSEC is a Single Person Mixed Limited Liability Company registered in Kingdom of Saudi Arabia and operating under Commercial Registration No. 1010676690 dated 12/05/1442 hijra, corresponding to 27/12/2021. AVSEC is engaged in repairs and maintenance of power and control stations, installation of control equipment for industrial operation, design and programming of special projects, registering for providing cloud services and management of energy efficiency projects. The registered office of AVSEC is in Riyadh, Saudi Arabia. AVSEC is the wholly owned subsidiary of the Group.
- 1.6** ODL was incorporated in Pakistan on December 29, 2017 as a private limited company under the Companies Act, 2017, which was converted into a public Company on November 11, 2020. ODL is a subsidiary of the Group and is listed on Pakistan Stock Exchange Limited. The prime business of ODL is to carry out Information Technology enabled services which include but are not limited to online data / information storage, online monitoring and review of employees efficiency, online monitoring of cost and production efficiency, online monitoring and maintenance of plant and machinery, sale and trade of related softwares and equipment etc. The Group owns 74.32% equity shares of ODL.
- 1.7** AQFZ is incorporated as a limited liability Company under the Companies regulations of Qatar Free Zone Authority under FZA License No. FZA 194 obtained on November 05, 2020. The registered office of the Company is at Zone No. PA-WH-04, Area-Ras Bufontas Free Zone, Street No. PO Box: 45976, Doha-Qatar. The primary objective is to manufacturing of measuring, testing, navigating and control equipment. AVQFZ is the wholly owned subsidiary of the Group.
- 1.8** EAI is incorporated as a private limited company under the Companies Act, 2017 of Pakistan on May 19, 2020. The registered office of the Company is located in Pakistan. The primary objective of the Company is to analyze potential opportunities and to provide digital and technology services and products both within Pakistan and internationally. EAI is the wholly owned subsidiary of ODL. The Group owns 74.32% equity shares of ODL.
- 1.9** ODFZ is a Limited Liability Company incorporated pursuant to the regulations of the Dubai Development Authority, Government of Dubai, United Arab Emirates, and was issued Commercial License No. 103074 on June 16, 2023. Its registered office is located at DMC-BLD05-VD-G00-792, Ground Floor, DMCS Building, Dubai Media City, Dubai, United Arab Emirates. The principal activities of the Entity are to provide software consultancy, software customer service, software development, software solutions, and software support services. The management of the Entity is vested with its Director, Mr. Bakhtiar Hameed Wain, a Pakistani national. ODFZ is the wholly owned subsidiary of ODL. The Group owns 74.32% equity shares of ODL.

2 Basis of Preparation

2.1 Statement of compliance

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

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

AVANCEON LIMITED
NOTES TO THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS
 FOR THE FIRST QUARTER ENDED MARCH 31, 2026

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

3 Other Expenses

	for the first quarter ended	
	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)	
Donations	2,960	2,029
Exchange Loss	18,628	
Loss on Current Accounts		124
Zakat		50
	21,588	2,203

4 Other Income

	for the first quarter ended	
	Mar. 31, 2026	Mar. 31, 2025
	(Rupees in '000)	
Profit on bank deposits	1	
Reversal of provisions for ECL	45,027	
Other Income	44	478
	45,071	16,088

5 Contingencies And Commitments

5.1 Commitments

- (i) Bank guarantees issued amounting to Rs. 1,867 million (2025: Rs. 2,519 million) against the performance of various contracts.
- (ii) Letters of credit includes Rs. 298 million (2025: 426 millions) which relates to import acceptance bills.

6 Date Of Authorization For Issue

The condensed interim consolidated financial information was authorised for issue on ___ May 22, 2026 ___ by the Board of Directors of the Holding Company.

7 General

Figures have been rounded off to the nearest thousand rupees.



Chief Executive Officer
Bakhtiar Hameed Wain



Chief Financial Officer
Ahsan Khalil



Director
Mohammad Shahid Mir

AVANCEON

Tomorrow's solutions, today.

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Museum, Karachi, Pakistan
Tel: +92 21 111 940

Islamabad, Pakistan

Avanceon Office, The Hive, 6th
Floor, Islamabad Stock Exchange
Tower, Block JF 7/1 Blue Area,
Islamabad Pakistan.

Dubai, UAE

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(North), JAFZA, PO Box: 18590,
Dubai, United Arab Emirates.
+971 4 886 0277

Doha, Qatar

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Qatar Free Zone, Doha, Qatar-
PO Box 15976
+974 41417300

Saudi Arabia

3141 Anas Ibn Malik-Al Malqa Dist,
Unit: 718 Riyadh 13521-8292

Bankers

Faysal Bank Limited, Pakistan
Habib Bank Limited, Pakistan & United Arab Emirates
National Bank of Fujairah, United Arab Emirates
Habib Bank AG, Zurich, United Arab Emirates
National Penn Bank, United States of America
Bank of Singapore, United Arab Emirates
MCB Bank Limited, Pakistan

United Bank Limited, Pakistan, Qatar & United Arab Emirates
National Bank of Pakistan Limited, Pakistan
Standard Chartered Bank Limited, Pakistan
JS Bank Limited, Pakistan
Qatar International Islamic Bank QIIB, Qatar
Qatar Islamic Bank QIB, Qatar

