LUCKY CEMENT

August 10, 2026

LCK/CS/2026-27/031

The General Manager
Pakistan Stock Exchange
Limited
Stock Exchange Road
Off: I.I. Chundrigar Road
Karachi

The Director / HOD
Surveillance Supervision
and Endorsement Dept
Securities & Exchange
Commission of Pakistan
Islamabad

FINANCIAL RESULTS FOR THE YEAR ENDED JUNE 30, 2026 & DISCLOSURE OF MATERIAL INFORMATION

Dear Sir(s),

This is to inform that the Board of Directors of Lucky Cement Limited (the "**Company**") in their meeting held on Friday, August 7, 2026 at 4:30 p.m., at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350 has recommended the following:

(i)	**Cash Dividend**	**PKR 5.00/- per share**
(ii)	**Bonus Issue**	**Nil**
(iii)	**Right Issue**	**Nil**
(iv)	**Any other entitlement**	**Nil**

A. FINANCIAL RESULTS

The financial results of the Company consisting of (1) Consolidated and Standalone Statements of Financial Position; (2) Statement of Comprehensive income; (3) Statement of Changes in Equity; (4) Statement of Cash Flows and (5) Directors' Report are annexed.

B. MATERIAL INFORMATION

In accordance with Sections 96 and 131 of the Securities Act, 2015, and Clause 5.6.1 of the Rule Book of the PSX, the following decision made by the Board of Directors of the Company, in its meeting held on August 7, 2026, is being disclosed. In respect of the same, approval will be sought from the members in the upcoming Annual General Meeting of the Company, details of which are given below.

FURTHER INVESTMENT IN NATIONAL RESOURCES (PRIVATE) LIMITED

National Resources (Private) Limited ("**NRL**") is a joint venture company, in which the Company holds 33.33% equity, and has been established to carry out activities in the field of exploration and mining of metals (mainly gold and copper). As earlier informed, NRL has made a significant copper & gold mineralization discovery within its licensed area in Chagai, Baluchistan and is simultaneously also carrying out exploration activities in four other licensed areas.

The Board of Directors of the Company has recommended that the Company makes further equity investment, of an amount of up to PKR 1.2 billion, in its associated company, NRL. This further investment is intended to be utilized by NRL for conducting pre-feasibility studies including physical geology, drilling and mineral resource estimation.

The above investment shall be subject to obtaining necessary corporate and regulatory approvals, including the approval of the shareholders of the Company in accordance with Section 199 of the Companies Act, 2017, read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

C. ANNUAL GENERAL MEETING AND BOOK CLOSURE

The 33rd Annual General Meeting ("**AGM**") of the Company will be held on Friday, September 25, 2026 at 12:00 noon at the registered office of the Company situated at factory premises in Pezu, District Lakki Marwat, Khyber Pakhtunkhwa.

The Share Transfer Books of the Company will remain closed from Friday, September 18, 2026 to Friday, September 25, 2026 (both days inclusive). Any transfers received at our Share Registrar, M/s. CDC Share Registrar Services Limited, situated at CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahrah-e-Faisal, Karachi-74400 till close of business on Thursday, September 17, 2026 will be treated in time for the purposes of attending the Annual General Meeting and receiving the final cash dividend.

We will be transmitting the Annual Report of the Company for the year ended June 30, 2026 in electronic form through PUCARS within the specified time.

You may please inform the TREC holders of the Exchange accordingly.

Yours truly,
For Lucky Cement Limited

Ali Shahab
General Manager Legal
& Company Secretary

LUCKY CEMENT LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	2026	2025
	(PKR in '000')	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	304,895,116	305,126,058
Intangible assets	8,135,065	8,112,396
Right-of-use assets	247,418	368,211
	313,277,599	313,606,665
Long-term investments	104,252,103	92,217,941
Long-term loans, advances and deposits	2,172,351	1,683,076
Long-term trade debts	2,856,623	1,085,658
	422,558,676	408,593,340
CURRENT ASSETS		
Stores, spares and consumables	21,589,491	29,585,458
Stock-in-trade	67,184,154	61,689,309
Trade debts and contract assets	64,538,637	61,738,176
Loans and advances	3,450,253	3,703,846
Deposits and prepayments	7,896,797	7,047,694
Other receivables	24,189,599	14,552,293
Tax refunds due from the Government	538,812	538,812
Short-term investments	173,100,462	80,091,215
Cash and bank balances	8,860,131	61,685,366
	371,348,336	320,632,169
TOTAL ASSETS	793,907,012	729,225,509
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	2,930,000	2,930,000
Reserves	425,587,675	344,371,028
Attributable to the owners of the Holding Company	428,517,675	347,301,028
Non-controlling interest	45,387,171	40,740,410
Total equity	473,904,846	388,041,438
NON-CURRENT LIABILITIES		
Long-term deposits and other liabilities	9,882,222	8,623,090
Long-term financing	102,604,603	117,625,786
Lease liabilities	218,847	307,146
Deferred government grant	1,947,945	2,648,059
Deferred liabilities		
- Staff Gratuity	6,045,769	5,231,248
- Deferred tax liability	29,333,511	29,111,190
	35,379,280	34,342,438
	150,032,897	163,546,519
CURRENT LIABILITIES		
Trade and other payables	71,909,191	80,989,867
Current portion of long-term financing	15,386,443	13,181,508
Taxation - net	12,798,649	25,270,032
Accrued return	3,037,193	3,260,774
Short-term borrowings	66,680,694	54,787,977
Current portion of lease liabilities	83,012	81,649
Unclaimed dividend	74,087	65,745
	169,969,269	177,637,552
	320,002,166	341,184,071
TOTAL EQUITY AND LIABILITIES	793,907,012	729,225,509

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chairman / Director **Chief Executive Officer** **Chief Financial Officer**

LUCKY CEMENT LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(PKR in '000')	
Gross Revenue	**645,928,328**	563,634,453
Less: Sales tax and federal excise duty	**108,649,503**	94,691,953
Rebates and incentives	**20,920,014**	14,882,534
	129,569,517	109,574,487
Net revenue	**516,358,811**	454,059,966
Cost of sales	**(385,053,784)**	(326,892,051)
Gross Profit	**131,305,027**	127,167,915
Distribution costs	**(16,941,060)**	(17,254,021)
Administrative expenses	**(8,583,980)**	(7,559,413)
Finance costs	**(18,942,526)**	(25,498,349)
Other expenses	**(8,006,359)**	(4,728,985)
Gain on bargain purchase	**-**	292,555
Other income	**20,972,833**	15,890,653
	99,803,935	88,310,355
Share of profit - joint ventures and associates	**16,753,167**	17,779,995
Profit before taxation and levy	**116,557,102**	106,090,350
Levy	**(366,859)**	(343,784)
Profit before taxation	**116,190,243**	105,746,566
Taxation	**(19,734,002)**	(21,248,189)
Profit after taxation	**96,456,241**	84,498,377
Attributable to:		
Owners of the Holding Company	**89,042,169**	76,956,147
Non-controlling interest	**7,414,072**	7,542,230
	96,456,241	84,498,377
	(PKR)	
Earnings per share - basic and diluted	**60.78**	52.53

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chairman / Director **Chief Executive Officer** **Chief Financial Officer**

LUCKY CEMENT LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(PKR in '000')	
Profit after taxation	**96,456,241**	84,498,377
Other comprehensive (loss) / income:		
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income of associate	**3,719**	2,063
Deferred tax thereon	**(661)**	(387)
	3,058	1,676
Items that will not be reclassified subsequently to profit or loss		
Foreign exchange differences on translation of foreign operations	**(1,896,619)**	1,689,986
Remeasurement loss of post retirement benefit obligation	**(107,039)**	(1,009,126)
Deferred tax thereon	**20,498**	388,167
	(86,541)	(620,959)
Gain on equity instrument at fair value through other comprehensive income	**-**	27,678
Deferred tax thereon	**-**	(3,460)
	-	24,218
	(1,983,160)	1,093,245
Total comprehensive income for the year	**94,476,139**	**85,593,298**
Attributable to:		
Owners of the Holding Company	**87,076,647**	78,070,508
Non-controlling interest	**7,399,492**	7,522,790
	94,476,139	85,593,298

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chairman / Director **Chief Executive Officer** **Chief Financial Officer**

LUCKY CEMENT LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Attributable to the owners of the Holding Company									Non-controlling interest	Total equity
		Capital reserve						Revenue Reserve			
	Issued, subscribed and paid up capital	Share premium	Capital re-purchase reserve account	Foreign currency translation reserve	Capacity expansions capital reserve	Long-term investments capital reserve	Capital redemption reserve	Unappropriated profit	Total reserves		
	(PKR in '000')										
Balance as at 1st July 2024	2,930,000	7,343,422	303,750	20,456,415	40,000,000	40,000,000	23,691,206	138,900,727	270,695,520	37,005,928	310,631,448
Transactions with owners											
Final cash dividend for year ended June 30, 2024	-	-	-	-	-	-	-	(4,395,000)	(4,395,000)	-	(4,395,000)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(3,881,308)	(3,881,308)
Addition of non-controlling interest	-	-	-	-	-	-	-	-	-	93,000	93,000
Total comprehensive income											
Profit after taxation	-	-	-	-	-	-	-	76,956,147	76,956,147	7,542,230	84,498,377
Other comprehensive income	-	-	-	1,689,986	-	-	-	(575,625)	1,114,361	(19,440)	1,094,921
Total comprehensive income for the year	-	-	-	1,689,986	-	-	-	76,380,522	78,070,508	7,522,790	85,593,298
Balance as at June 30, 2025	**2,930,000**	**7,343,422**	**303,750**	**22,146,401**	**40,000,000**	**40,000,000**	**23,691,206**	**210,886,249**	**344,371,028**	**40,740,410**	**388,041,438**
Transactions with owners											
Final cash dividend for year ended June 30, 2025	-	-	-	-	-	-	-	(5,860,000)	(5,860,000)	-	(5,860,000)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(2,752,731)	(2,752,731)
Total comprehensive income											
Profit after taxation	-	-	-	-	-	-	-	89,042,169	89,042,169	7,414,072	96,456,241
Other comprehensive loss	-	-	-	(1,896,619)	-	-	-	(68,903)	(1,965,522)	(14,580)	(1,980,102)
Total comprehensive income for the year	-	-	-	(1,896,619)	-	-	-	88,973,266	87,076,647	7,399,492	94,476,139
Balance as at June 30, 2026	**2,930,000**	**7,343,422**	**303,750**	**20,249,782**	**40,000,000**	**40,000,000**	**23,691,206**	**293,999,515**	**425,587,675**	**45,387,171**	**473,904,846**

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chairman / Director **Chief Executive Officer** **Chief Financial Officer**

LUCKY CEMENT LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	**100,159,109**	134,368,976
Finance cost paid	**(18,890,925)**	(26,343,120)
Taxes and levy paid	**(32,330,086)**	(11,768,602)
Income from deposits and others	**2,919,524**	2,195,461
Staff retirement benefits paid	**(609,645)**	(418,970)
Increase in long term trade debt	**(1,808,946)**	(674,046)
Long term deposits - net	**5,880,799**	(1,238,904)
Increase in long-term loans, advances and deposits	**(489,275)**	(617,485)
Net cash generated from operating activities	**54,830,555**	95,503,310
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(21,377,235)**	(20,981,028)
Dividends and other income from equity accounted investments	**4,228,818**	5,093,092
Income received on short-term investments	**11,028,227**	8,735,075
Investment made during the year - net	**(5,167,161)**	-
Payment for acquisition of business	**-**	(5,000,000)
Investment in associates	**(726,230)**	-
Proceeds on disposal of property, plant and equipment and intangibles	**1,674,114**	488,353
Net cash used in investing activities	**(10,339,467)**	(11,664,508)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term financing repaid	**(11,946,295)**	(5,692,564)
Dividend paid to owners of the Holding Company	**(5,851,658)**	(4,388,403)
Dividend paid to non-controlling interest	**(2,752,731)**	(3,788,308)
Short-term borrowings - net	**11,892,717**	(5,873,868)
Payment against lease liability	**(139,787)**	(184,529)
Net cash used in financing activities	**(8,797,754)**	(19,927,672)
Net increase in cash and cash equivalents	**35,693,334**	63,911,130
Cash and cash equivalents at the beginning of the year	**141,776,581**	77,623,341
Effect of foreign currency translation on cash and cash equivalents	**(676,483)**	242,110
Cash and cash equivalents at the end of the year	**176,793,432**	141,776,581

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Chairman / Director **Chief Executive Officer** **Chief Financial Officer**

LUCKY CEMENT LIMITED

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	2026	2025
	(PKR in '000')	
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	**114,846,947**	107,195,352
Intangible assets	**48,718**	46,229
	114,895,665	107,241,581
Long-term investments	**59,272,376**	58,555,707
Long-term loans, advances and deposits	**199,261**	189,147
	174,367,302	165,986,435
CURRENT ASSETS		
Stores and spares	**11,612,060**	19,895,130
Stock-in-trade	**5,340,155**	4,774,577
Trade debts	**6,932,669**	6,353,194
Loans and advances	**2,240,921**	1,732,814
Deposits and prepayments	**120,357**	356,771
Other receivables	**3,882,575**	3,021,922
Tax refunds due from the Government	**538,812**	538,812
Short-term investments	**94,844,435**	61,298,052
Cash and bank balances	**1,530,592**	2,790,323
	127,042,576	100,761,595
TOTAL ASSETS	**301,409,878**	266,748,030
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	**2,930,000**	2,930,000
Reserves	**213,711,607**	172,980,400
	216,641,607	175,910,400
NON-CURRENT LIABILITIES		
Long-term deposits and other payable	**1,288,810**	114,200
Long-term financing	**7,339,816**	9,184,522
Deferred Government grant	**1,025,295**	1,382,651
Deferred liabilities		
- Staff gratuity	**5,454,449**	4,693,888
- Deferred tax liability	**16,554,680**	16,820,986
	22,009,129	21,514,874
	31,663,050	32,196,247
CURRENT LIABILITIES		
Trade and other payables	**30,370,085**	27,300,919
Current maturity of long-term financing	**1,822,195**	1,866,085
Short term borrowings	**9,610,000**	6,485,000
Unclaimed dividend	**74,087**	65,745
Accrued markup	**191,827**	185,616
Taxation - net	**11,037,027**	22,738,018
	53,105,221	58,641,383
	84,768,271	90,837,630
TOTAL EQUITY AND LIABILITIES	**301,409,878**	266,748,030
CONTINGENCIES AND COMMITMENTS		

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chairman / Director	Chief Executive	Chief Financial Officer

LUCKY CEMENT LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(PKR in '000')	
Gross Revenue	192,861,184	174,302,064
Less: Sales tax and federal excise duty	53,227,737	47,513,376
Rebates and incentives	3,106,430	2,276,944
	56,334,167	49,790,320
Net Revenue	136,527,017	124,511,744
Cost of sales	(85,356,494)	(81,827,060)
Gross profit	51,170,523	42,684,684
Distribution costs	(8,987,914)	(8,972,815)
Administrative expenses	(2,593,232)	(2,427,249)
Finance costs	(989,082)	(1,370,569)
Other expenses	(5,679,377)	(3,056,913)
Other income	27,977,395	20,465,921
Profit before taxation and levy	60,898,313	47,323,059
Levy	(356,334)	(329,600)
Profit before taxation	60,541,979	46,993,459
Taxation	(13,912,612)	(13,901,297)
Profit after taxation	46,629,367	33,092,162
	(PKR)	
Earnings per share - basic and diluted	31.83	22.59

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chairman / Director **Chief Executive** **Chief Financial Officer**

LUCKY CEMENT LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(PKR in '000')	
Profit after taxation	**46,629,367**	33,092,162
Other comprehensive loss:		
Items that will not be reclassified subsequently to profit or loss		
- Remeasurement loss of post retirement benefit obligation	**(60,572)**	(938,127)
- Deferred tax thereon	**22,412**	365,870
	(38,160)	(572,257)
- Gain on equity instrument at fair value through other comprehensive income	-	27,678
- Deferred tax thereon	-	(3,460)
	-	24,218
	(38,160)	(548,039)
Total comprehensive income for the year	**46,591,207**	32,544,123

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chairman / Director **Chief Executive** **Chief Financial Officer**

LUCKY CEMENT LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Issued, subscribed and paid-up share capital	Capital reserves					Revenue reserves		Total reserves	Total equity
		Share premium	Capital re-purchase reserve account	Capacity expansions capital reserve	Long-term investments capital reserve	Capital redemption reserve	General reserve	Unappropriated Profit		
	-PKR in '000'-									
Balance as at July 1, 2024	2,930,000	7,343,422	303,750	40,000,000	40,000,000	23,691,206	-	33,492,899	144,831,277	147,761,277
Profit after taxation for the year	-	-	-	-	-	-	-	33,092,162	33,092,162	33,092,162
Other comprehensive loss for the year	-	-	-	-	-	-	-	(548,039)	(548,039)	(548,039)
Total comprehensive income for the year	-	-	-	-	-	-	-	32,544,123	32,544,123	32,544,123
Transaction with owners										
Final cash dividend for the year ended June 30, 2024	-	-	-	-	-	-	-	(4,395,000)	(4,395,000)	(4,395,000)
Balance as at June 30, 2025	2,930,000	7,343,422	303,750	40,000,000	40,000,000	23,691,206	-	61,642,022	172,980,400	175,910,400
Profit after taxation for the year	-	-	-	-	-	-	-	**46,629,367**	**46,629,367**	**46,629,367**
Other comprehensive loss for the year	-	-	-	-	-	-	-	**(38,160)**	**(38,160)**	**(38,160)**
Total comprehensive income for the year	-	-	-	-	-	-	-	**46,591,207**	**46,591,207**	**46,591,207**
Transaction with owners										
Final cash dividend for the year ended June 30, 2025	-	-	-	-	-	-	-	**(5,860,000)**	**(5,860,000)**	**(5,860,000)**
Balance as at June 30, 2026	**2,930,000**	**7,343,422**	**303,750**	**40,000,000**	**40,000,000**	**23,691,206**	-	**102,373,229**	**213,711,607**	**216,641,607**

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chairman / Director **Chief Executive** **Chief Financial Officer**

LUCKY CEMENT LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025
	(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	**54,423,114**	33,808,781
Taxes and levy paid	**(26,213,830)**	(4,520,421)
Staff gratuity paid	**(300,000)**	(300,000)
Finance costs paid	**(938,463)**	(1,527,888)
Increase / (decrease) in long-term deposits and other payable(liabilities)	**11,330**	(140,887)
Income from deposits with Islamic banks	**222,707**	276,863
Increase in long-term loans and advances	**(10,114)**	(23,881)
Net cash generated from operating activities	**27,194,744**	27,572,567
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	**(15,224,331)**	(7,086,469)
Long term investment made	**(716,669)**	(483,334)
Proceeds on disposal of property, plant and equipment	**1,049,975**	127,174
Investments (made)/ redeemed during the year-net	**(4,431,104)**	50,351
Dividends received from subsidiary companies	**15,788,474**	12,088,517
Dividends received from associate	**61,137**	611,365
Income received from short-term investments	**9,105,934**	6,407,057
Net cash generated from investing activities	**5,633,416**	11,714,661
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repaid	**(2,245,952)**	(4,192,581)
Short term borrowings obtained	**12,006,306**	10,082,804
Short term borrowings repaid	**(8,881,306)**	(9,082,804)
Dividend paid	**(5,851,658)**	(4,388,403)
Net cash used in financing activities	**(4,972,610)**	(7,580,984)
Net increase in cash and cash equivalents	**27,855,550**	31,706,244
Cash and cash equivalents at the beginning of the year	**64,088,375**	32,382,131
Cash and cash equivalents at the end of the year	**91,943,925**	64,088,375

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Chairman / Director **Chief Executive** **Chief Financial Officer**

Report of the Directors for the year ended June 30, 2026

The Directors are pleased to present this report, accompanied by the Company's audited financial statements for the fiscal year ended June 30, 2026. The information provided below encompasses the unconsolidated and consolidated performance of the Company during this year.

This report has been prepared in accordance with Section 227 of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019, and will be submitted to the shareholders at the "33rd" Annual General Meeting of the Company to be held on September 25, 2026.

Overview of Economy and Consolidated Financial Performance

Overview of Economy

Pakistan's economy continued its transition from stabilization towards growth during the outgoing year, supported by strengthened macroeconomic fundamentals, prudent fiscal management, and a resilient external sector. GDP growth was recorded at 3.7%, the highest in four years, compared to 3.2% last year. The current account remained broadly balanced for the second consecutive year, primarily driven by record workers' remittances, which rose to USD 41.6 billion from USD 38.3 billion in FY 2025, absorbing the impact of a wider trade deficit. The Pakistani Rupee (PKR) appreciated by 2.0% against the US Dollar during the year, aided by an improved external position and a rise in the State Bank of Pakistan's (SBP) foreign exchange reserves, which increased to USD 18.4 billion from USD 14.5 billion a year earlier.

Average inflation was recorded at 7.05% during the year, compared to 4.49% last year, and remained within the target range for most of the period. However, heightened geopolitical tensions in the Middle East towards the latter part of the year led to a sharp rise in global oil prices, pushing inflation into double digits in the closing months. In response, the SBP, which had reduced the policy rate to 10.5% in December 2025, raised it by 100 basis points to 11.5% in April 2026 and maintained it at this level for the remainder of the year to keep inflation expectations anchored while supporting economic activity.

Furthermore, the continuation of IMF programs, including the Extended Fund Facility (EFF) and the Resilience and Sustainability Facility (RSF), has strengthened policy credibility and supported investor sentiment, with reviews completed during the year unlocking disbursements of approximately USD 2.5 billion. Pakistan's upgraded credit ratings during the year further validated its economic reform agenda. The government has committed to structural reforms focused on increasing tax revenue by broadening the tax base, energy pricing reforms, and privatization of state-owned enterprises, while also advancing climate action through dedicated initiatives. Collectively, these efforts will help lay a strong foundation for inclusive, resilient, and sustainable long-term economic growth.

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LUCKY CEMENT

In response to the evolving macroeconomic landscape, the Company's leadership is proactively executing strategies centered on cost optimization, effective risk management, and innovation to drive operational efficiency. We remain firmly committed to creating sustainable value for our stakeholders and are confident in the strength and resilience of our business to navigate current challenges and adapt seamlessly to any economic downturn.

Consolidated Financial Performance

On a consolidated basis, your Company reported gross revenue of PKR 645.9 billion, up 14.6% from PKR 563.6 billion last year. This increase was driven mainly by improved turnover of the Company and its subsidiary, Lucky Motor Corporation.

Furthermore, the Company's consolidated net profit was PKR 96.5 billion, of which PKR 7.4 billion was attributable to non-controlling interests. The net profit attributable to shareholders of the Company translated into an EPS of PKR 60.78 for FY 2026, compared to PKR 52.53 last year, which is a 15.7% increase. The Company's net profit for FY 2026 has shown improvement compared to last year, primarily driven by the increased profitability of local cement operations.

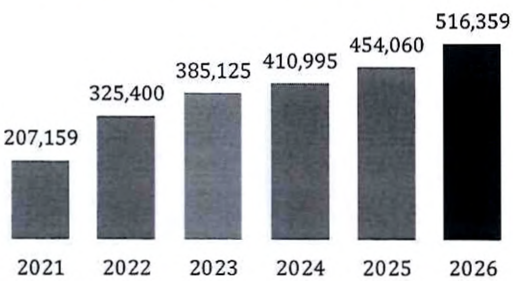
The **consolidated** financial performance of your Company for the year ended June 30, 2026, as compared to last year is as follows:

PKR million except EPS	FY2026	FY2025	Change (%)
Gross Revenue	**645,928**	563,634	14.6%
Net Revenue	**516,359**	454,060	13.7%
Gross Profit	**131,305**	127,168	3.3%
GP as % of Net Revenue	**25.4%**	28.0%	(9.2%)
Operating Profit	**105,780**	102,354	3.3%
EBITDA	**126,306**	121,196	4.2%
Net Profit	**96,456**	84,498	14.2%
NP (Attributable to Owners of the holding company)	**89,042**	76,956	15.7%
Earnings Per Share (PKR)	**60.78**	52.53	15.7%

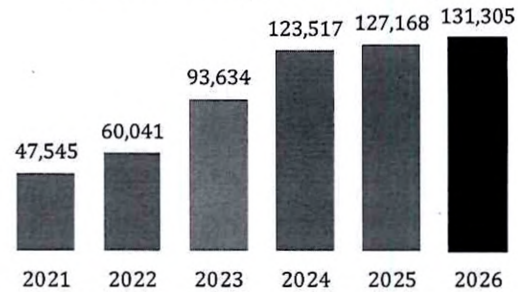
LUCKY CEMENT

Six years' financial performance - Consolidated:

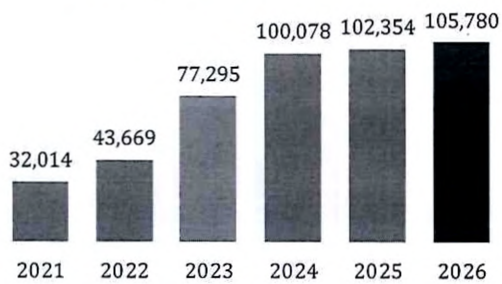
Net Revenue (PKR in Million)



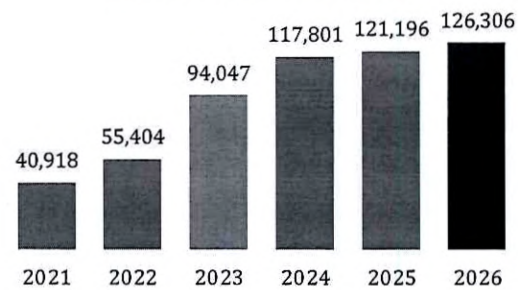
Gross Profit (PKR in Million)



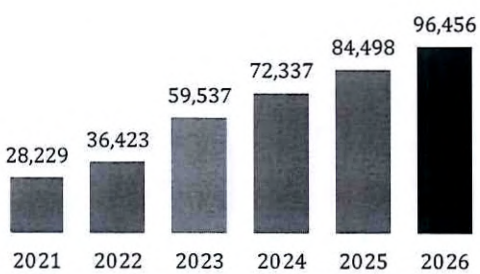
Operating Profit (PKR in Million)



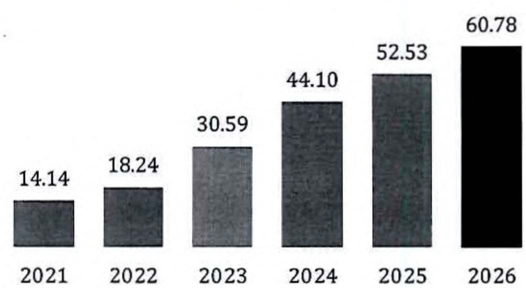
EBITDA (PKR in Million)



Net Profit (PKR in Million)



EPS (PKR)



Local Cement Operations

During FY 2026, gross domestic sales revenue increased by 12.1% compared to last year, primarily driven by a 10.1% rise in domestic cement volumes reflecting a modest recovery in demand. The improvement was underpinned by easing inflationary pressures and a relatively stable interest rate environment, which provided some impetus to construction activity. However, as highlighted earlier, emerging geopolitical tensions during the second half of the year have introduced renewed uncertainty, particularly through potential impacts on energy costs and overall economic sentiment.

It is also important to note that cement demand has remained subdued in recent years, with the sector experiencing negative growth due to macroeconomic challenges, fiscal consolidation measures, and constrained public sector development spending. Hence, the recent uptick should be viewed as gradual stabilization rather than a broad-based recovery in the sector.

Foreign Cement Operations

The Company's cement production facilities in Iraq and the Democratic Republic of Congo (DRC), being operated under joint venture arrangements, continued to be significant contributors overall to profitability during FY 2026. Operations in Congo maintained a steady growth trajectory, reflecting sustained operational performance and market demand. The cement sales in Iraq, however, exhibited a slight decline due to the prevailing geopolitical situation in the region.

Polyester, Soda Ash, Pharmaceuticals and Chemicals

Net turnover for the year stood at PKR 113.2 billion, representing a decline of 6% compared to last year. The Animal Health and Pharmaceuticals businesses delivered strong growth of 17% and 5%, respectively. However, softer market demand across the Polyester, Soda Ash, and Chemicals & Agri Sciences businesses resulted in revenue declines of 13%, 9%, and 1%, respectively, compared to the previous year.

Collectively, the Company's operating profit decreased by 18% year-on-year to PKR 14.7 billion. While the Animal Health and Pharmaceuticals Businesses delivered strong performances, recording growth in Operating Results by 20% and 16% respectively as compared to last year, the Polyester, Soda Ash and Chemicals & Agri Sciences Businesses, mainly due to continuous weak demand in the market, posted a decline in Operating Results by 74%, 33% and 5% respectively as compared to last year.

Growth in the Pharmaceuticals Business was supported by expansion of the product portfolio, cost optimization, and enhanced operational efficiencies. The Animal Health Business delivered steady growth owing to a strategic focus on its locally manufactured medicine portfolio. Higher disease incidence across key livestock regions drove increased demand for veterinary medicines, while the poultry segment remained resilient despite industry challenges.

The Polyester Business's performance remained subdued due to lower sales volumes and persistent pressure on margins, primarily driven by rising low-priced imports and higher energy costs. The Soda Ash Business was impacted by weak industry demand and a significant surge in import volumes following the reduction in import tariffs in the Federal Budget 2025-26, coupled with regional supply glut. The Chemicals & Agri Sciences Business was adversely affected by the impact of extensive flooding and subdued demand for agricultural inputs.

During the year, LCI also inaugurated its veterinary medicine manufacturing facility in Sheikhupura on March 30, 2026. The facility will support future demand, strengthen local product development, reduce reliance on imports, and contribute to long-term value creation through improved operational efficiencies and increased product availability.

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Power

Lucky Electric Power Company Ltd (LEPCL) owns and operates a 660 MW supercritical lignite coal-fired power plant located in Bin Qasim, Karachi. The plant achieved its Commercial Operations Date on March 21, 2022, and is designed to utilize indigenous Thar lignite coal.

LEPCL continues to maintain an exemplary safety record, surpassing 8.1 million safe man-hours without a Lost Workday Injury (LWI) or significant operational incident since its commissioning. This milestone reflects the company's unyielding commitment to occupational health, safety standards, and strict operational discipline.

Automobiles and Mobile Phones

The automobile sector demonstrated improved volumes during FY 2026 as compared to FY 2025 due to better pricing on the back of stable exchange rate parity. The sector observed an overall volume increase of around 43% compared to last year.

Similarly, smartphone imports also registered an increase of 10% in volume and 23% in value terms during FY 2026 as compared to FY 2025.

Cement Industry and Company's Performance – Unconsolidated

During FY 2026, Pakistan's domestic cement sales volumes recorded an increase of 9.3%, rising to 41.5 million tons from 37.9 million tons in FY 2025. However, export volumes declined by 2.2%, reaching 9.0 million tons compared to 9.2 million tons in FY 2025, primarily due to the closure of the Afghan border. Consequently, total industry sales volumes increased by 7.0%, reaching 50.5 million tons in FY 2026 compared to 47.1 million tons in FY 2025. As discussed earlier, the growth in domestic demand was supported by a combination of factors, including easing inflationary pressures and a stable interest rate environment, which contributed to increased construction activity.

Your Company delivered a strong performance in the domestic market, with local sales volumes increasing by 10.1% to 6.5 million tons in FY 2026, outperforming the industry's domestic sales growth of 9.3%. This outperformance was primarily driven by the Company's increased footprint in new markets. Export volumes declined by 8.2% to 3.1 million tons during the year, reflecting the strategic rationalization of geographic exposure in line with prevailing margin dynamics, together with pressure on exports from the northern plant following the closure of the Afghan border. This shift reflects a more balanced sales mix and supports a sustainable volume profile. As a result, total sales volumes of the Company increased by 3.5% in FY 2026 compared to last year.

Cement Production & Sales Volume Performance

The production and sales statistics of your Company for FY 2026, compared to last year are as follows:

Particulars	FY26	FY25	Growth / (Decline)
	Tons in '000'		%
Clinker Production	**8,759**	7,876	**11.2%**
Cement Production	**7,755**	7,163	**8.3%**
Cement / Clinker Sales	**9,613**	9,290	**3.5%**

A comparison of **Pakistan's Cement Industry** and your **Company's dispatches** for FY 2026, in comparison with last year, is presented below:

Particulars (Tons in '000')	FY26	FY25	Change	%
Cement Industry				
Local Sales	**41,461**	**37,940**	**3,521**	**9.3%**
Export Sales				
- Bagged	**3,002**	3,336	(334)	(10.0%)
- Clinker	**6,010**	5,874	136	2.3%
Total Exports	**9,012**	**9,210**	**(198)**	**(2.2%)**
Grand Total	**50,473**	**47,150**	**3,323**	**7.0%**
Lucky Cement				
Local Sales				
- Cement	**6,517**	**5,918**	**599**	**10.1%**
Export Sales				
- Bagged	**1,102**	1,225	(123)	(10.0%)
- Loose	**110**	-	110	-
- Clinker	**1,884**	2,147	(263)	(12.2%)
Total Exports	**3,096**	**3,372**	**(276)**	**(8.2%)**
Grand Total	**9,613**	**9,290**	**324**	**3.5%**

Market Share	FY26	FY25
Local Sales	**15.7%**	15.6%
Export Sales		
- Bagged	**36.7%**	36.7%
- Clinker	**31.4%**	36.5%
Total Export	**34.4%**	**36.6%**
Grand Total	**19.0%**	**19.7%**

LUCKY CEMENT

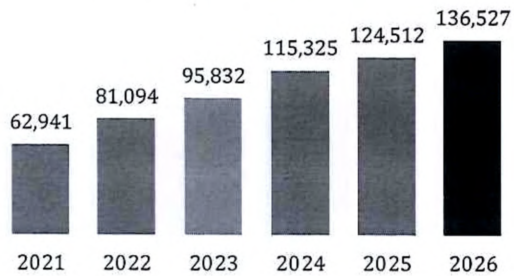
Financial Performance - Unconsolidated

The financial performance of your Company for the fiscal year ended June 30, 2026, as compared to last year is presented below:

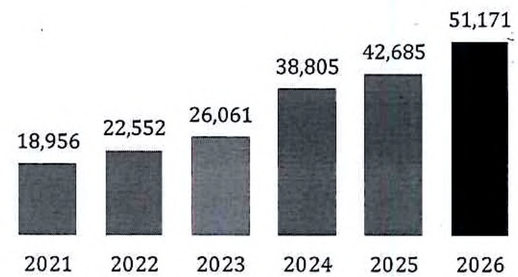
PKR million except EPS	FY2026	FY2025	Change (%)
Gross Revenue	**192,861**	174,302	10.6%
Net Revenue	**136,527**	124,512	9.6%
Cost of Sales	**85,356**	81,827	4.3%
Gross Profit	**51,171**	42,685	19.9%
GP as % of Net Revenue	**37.5%**	34.3%	9.3%
Operating Profit	**39,589**	31,285	26.5%
EBITDA	**47,129**	38,222	23.3%
Net Profit	**46,629**	33,092	40.9%
Earnings Per Share (PKR)	**31.83**	22.59	40.9%

Six years' financial performance - Unconsolidated:

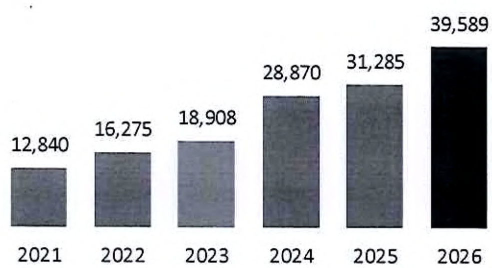
Net Revenue (PKR in Million)



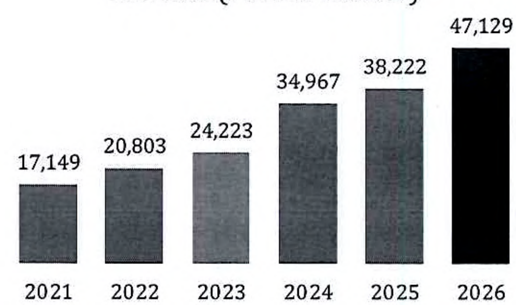
Gross Profit (PKR in Million)



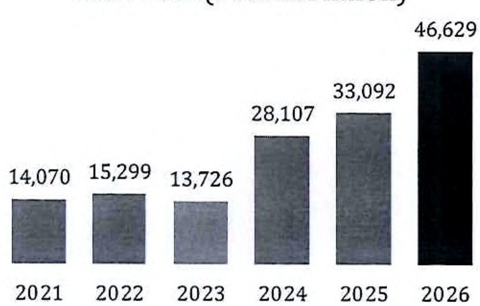
Operating Profit (PKR in Million)



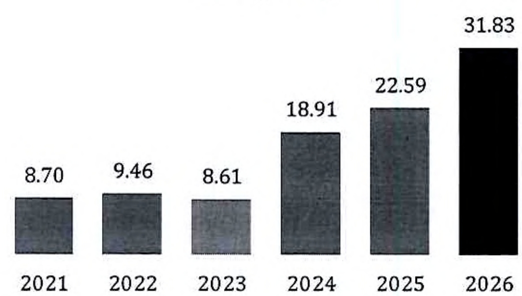
EBITDA (PKR in Million)



Net Profit (PKR in Million)



EPS (PKR)



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Revenue

During FY 2026, your Company achieved a 10.6% increase in overall gross revenue as compared to last year. Local sales revenue rose by 12.1%, reaching PKR 158.6 billion compared to PKR 141.5 billion in FY 2025, whereas export sales revenue increased by 4.3% to PKR 34.2 billion from PKR 32.8 billion in FY 2025.

Cost of Sales

Cost of sales increased by 4.3% to PKR 85.4 billion, compared to PKR 81.8 billion in FY 2025, primarily driven by higher volumes. However, the increase remained below sales growth, supported by cost optimization initiatives including optimization of energy mix, battery storage systems and UTIS technology, which improved energy efficiency and contained overall costs.

Gross Profit

The Company's gross profit margin improved to 37.5%, compared to 34.3% in the same period last year. This improvement was primarily driven by higher domestic sales volumes, improvement in export margins, and enhanced operational efficiencies.

Dividend Income

During the year, the dividend income received by your Company from its subsidiaries and associate was PKR 15.8 billion compared to PKR 12.7 billion in FY 2025.

Subsidiary/ Associate PKR Billion	FY 2026	FY 2025	FY 2024	FY 2023
LCI	2.9	3.4	3.0	1.3
LHL	-	-	-	0.2
YEL	0.1	0.6	0.2	0.2
LEPCL	12.0	6.0	6.0	-
LMC	0.9	2.7	1.4	0.7
Total	**15.8**	**12.7**	**10.6**	**2.4**

Net Profit

Your Company achieved a profit before tax of PKR 60.9 billion during FY 2026 as compared to PKR 47.3 billion reported last year, representing a growth of 28.7%, due to stronger operating gross profit and higher dividend and other income.

Accordingly, an after-tax profit of PKR 46.6 billion was achieved during FY 2026, reflecting a growth of 40.9% as compared to PKR 33.1 billion reported last year.

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Earnings per share

The earnings per share of your Company for the year ended June 30, 2026, was PKR 31.83 in comparison to PKR 22.59 reported last year.

As per requirements of International Financial Reporting Standards (IFRS), the earnings per share of the current and all prior periods presented have been restated based on the new number of shares i.e., 1,465,000,000 as a result of stock split.

Growth and Expansion

Strategic Expansion in the Copper and Gold Mining

National Resources (Pvt.) Limited (NRL), a joint venture entity, in which your Company has a 33.33% equity stake, successfully acquired two additional leases in Balochistan, bringing its total to five. The portfolio includes two leases with copper-gold potential, one lead-zinc prospect, and two antimony leases. Following significant drilling and a subsequent discovery announcement in April 2025, NRL is now working towards a mineral resource estimate for one of its leases. The remaining four leases are currently undergoing early-stage exploration.

Cement production capacity expansion of 0.65 million tons per annum at Samawah, Iraq

The cement grinding mill, with a production capacity of 0.65 MTPA in Samawah, Iraq, commenced commercial operations in November 2025. This facility will utilize surplus clinker capacity to cater to prevailing cement demand.

Expansion of fully integrated cement manufacturing plant by 1.6 MTPA in the DRC

Keeping pace with the increasing demand for cement in the DRC due to progress in economic activity and uptick in construction projects, the joint venture company between Lucky Cement Limited and Rawji Group, through its company Nyumba Ya Akiba (NYA) has resolved to enhance the cement production capacity from existing capacity of 1.31 million tons per annum (MTPA) to 2.91 MTPA by adding a fully integrated cement manufacturing line of 1.6 MTPA.

This capacity expansion will significantly enhance the overall efficiency of NYA's business operations and play a crucial role in meeting the growing cement demand in DRC. It will further help NYA to maintain its market leadership considering the anticipated increase in demand.

Construction activities are anticipated to commence in 1Q FY 2027, with project completion within 18 months of commencement.

Renewable Energy Initiatives of Lucky Cement

The Company is further planning to enhance solar power capacity at its Karachi plant by 15 MW. Following this addition, the Company's total installed solar capacity will rise to 89.3 MW in 1Q FY 2027.

Expansion of UTIS Technology on Additional Production Lines

The Company has successfully commissioned UTIS (UC3) technology on all its four production lines at the Karachi plant. As a result, the Company's Karachi plant cement production capacity increased by 300,000 tons per annum to 5,350,000 tons per annum.

Dividend & Appropriation

Your Company remains committed to enhancing shareholder value while delivering sustainable long-term returns. Over the years, our diversification strategy, largely funded through internally generated cash flows, has reinforced this commitment and is now beginning to yield tangible results.

In view of the current strategic priorities and investment outlook, the Board has recommended a final cash dividend of PKR 5.0 per share, subject to shareholder approval at the upcoming Annual General Meeting scheduled for September 25, 2026.

Contribution to the National Exchequer

On a consolidated basis, your Company contributed PKR 175.7 billion (2025: PKR 127.1 billion) to the Government Treasury on account of income taxes, excise duty, sales tax, and other government levies. Moreover, valuable foreign exchange to the tune of USD 133 million was generated by your Company for the country from the export of cement, clinker, chemicals and automobiles during the year under review.

Health, Safety and Environment

A strong focus on HSE lies at the core of all Lucky Cement's operations. By strictly adhering to established HSE guidelines, Lucky Cement is dedicated to ensuring a safe working environment for its employees, contractors, and all stakeholders involved in its business activities. The Company upholds the highest health and safety standards, both for its on-site stakeholders and the communities in which it operates.

To enhance HSE awareness and foster a culture of continuous improvement in personal and process safety, job safety analysis and risk assessments are conducted for all critical and non-routine tasks. Additionally, the delivery of regular HSE talks and in-depth awareness sessions has further reinforced our safety culture, cultivating an environment where HSE is regarded as a collective responsibility.

Zero Loss Workday Injury

Throughout the past year, no major injuries or accidents were reported. This is a testament to our rigorous HSE follow-ups, audits, safety talks, continuous risk assessments, and the implementation of effective hazard mitigation measures. Adherence to HSE policies and procedures has been crucial in maintaining a safe work environment. These efforts underscore our commitment to ensuring the highest standards of health and safety within our operations.

Compliance with NEQ Standards

Lucky Cement remains committed to maintaining the highest standards of environmental compliance and operational sustainability. Environmental monitoring and testing are conducted regularly through EPA-approved laboratories to ensure full compliance with the National Environmental Quality (NEQ)

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Standards. Through continuous investment in advanced technologies, process optimization, and preventive maintenance, the Company's facilities consistently operate within the prescribed environmental limits.

The Company's plants are equipped with state-of-the-art bag house systems capable of controlling particulate matter emissions with an efficiency of up to 99.95%, significantly reducing dust emissions and supporting cleaner operations. In addition, Lucky Cement has implemented UC3 technology on its production lines in Karachi, enhancing process efficiency and reducing specific coal consumption. This technology contributes to lowering greenhouse gas emissions by optimizing kiln performance and reducing the carbon intensity of cement production.

Complementing these operational initiatives, Lucky Cement continues to undertake extensive tree plantation campaigns within and around its manufacturing facilities, promoting biodiversity, enhancing green cover, and contributing to carbon sequestration. Through a combination of technological innovation, resource efficiency initiatives, and environmental conservation efforts, the Company continues to strengthen its commitment to sustainable development while maintaining full compliance with applicable environmental regulations.

Management Objectives and Strategies

Throughout its history, Lucky Cement has steadfastly confronted and navigated numerous challenges, demonstrating unwavering perseverance and strength. Your Company's diverse portfolio, ever-expanding operations and exemplary strategies have fortified its foundations as not just the leading manufacturer of cement, but also as one of the most prosperous organizations in Pakistan. It has built a strong foundation to propel its growth through fiscal discipline, cost leadership and a robust distribution network. As the leading cement player, Lucky Cement focuses on achieving its goals and leverages technology by designing a strategic roadmap to reduce carbon footprints, enhance environmental measures, and identify supply chain synergies.

The management firmly believes in implementing best governance practices and upholding the true spirit of adherence. Your Company is dedicated to ensuring equitable treatment of all stakeholders, fostering trust and appreciation. Moreover, it adopts an environment of employee engagement, recognizing employees as the most valuable resource and internal stakeholders.

To accomplish the specified corporate objectives, your Company has undertaken organization-wide initiatives involving all employees in formalizing SOPs (Standard Operating Procedures) and establishing individual KPIs (Key Performance Indicators) aligned with the broader corporate goals. This approach empowers every employee as a self-assessor, with clear annual targets and transparent measurement criteria, enabling their contribution to the organizational mission. Additionally, we have optimized and strengthened our human resource strategies while creating a well-structured management trainee program in collaboration with the country's top educational institutions.

In addition, the management considers employees' health and safety protocols as a moral imperative to comply. Lucky Cement has continually promoted a healthy work environment and contributed to society during the recent floods.

Your Company's financial growth and market leadership reflect its strategic alignment.

Critical Performance Indicators

The management of your Company has highlighted the following key performance measures and indicators to support the stated objectives. These are shared across the Company at each level as "Lucky Cement Limited's 5 corporate goals" and they assist us in setting our strategic direction.

a) Sustainable growth/profitability, improving market share both in domestic and foreign markets and lower cost of production
b) Organizational development and talent management
c) Environment, Social and Governance (ESG)
d) Diversification of product portfolio
e) Upgrade IT infrastructure / Enhance automation

During the year, the management rolled out the objectives stated above with the intention of implementing these goals companywide in the form of KPIs for each department. The periodic Management Committee and project-related meetings held during the year involved reviewing and following up on these objectives.

Performance of Financial and Non-Financial Measures

Sustainable and Profitable Growth

Market Share:

Your Company's market share strengthened to 15.7% in FY2026 from 15.6% in FY2025. This was driven by sales growth that outpaced the industry average, reflecting the continued trust of our customers, the strength of the Lucky Cement brand, and the consistent quality of our products.

Lowest-Cost Producer:

Lucky Cement successfully retained its position as the lowest-cost producer in FY 2026. This achievement was driven by a substantial increase in renewable energy utilization, strategic cost optimization initiatives, and proactive, data-driven decision-making ensuring continued operational efficiency and effective cost control.

Cost Reduction Initiatives:

During the year, the Company further strengthened its coal procurement strategy by diversifying its supplier base through a blend of imported and locally sourced coal, while also onboarding new

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international suppliers to enhance supply chain resilience and efficiency. In line with its commitment to sustainability and operational excellence, Lucky Cement continues to maintain one of the largest renewable energy portfolios in the industry, comprising Waste Heat Recovery (WHR), solar, and wind power generation facilities.

The Company also expanded the implementation of UC3 technology across all four production lines at its Karachi plant. This initiative is expected to improve operational efficiency through reduced coal consumption, enhanced productivity, and lower carbon emissions. Furthermore, the Company announced the addition of a 15 MW solar power facility at its Karachi plant, which is expected to commence operations during the first quarter of FY 2027. Upon completion, the Company's total installed solar capacity will increase to 89.3 MW.

Following the planned solar expansion, renewable energy sources are expected to meet approximately 55% of the Company's total electricity requirements. These investments reflect the Company's continued focus on energy efficiency, cost optimization, and environmental stewardship, while supporting its long-term sustainability and carbon reduction objectives.

Corporate and Brand Image

During the year under review, the Company's practices and initiatives continued to be recognized and appreciated by leading professional bodies. The Company received the following awards during the year:

- **Won the Best Corporate & Sustainability Report Awards 2024** by ICAP & ICMAP
- **Won the 22nd Annual Environment Excellence Awards 2025** organized by the National Forum of Environment and Health (NFEH)
- **Won the CFA Society Award in Best ESG reporting 2024**
- **Won the CFA Society Award in Best Investor Relations 2024 Listed Companies**
- **Won the SAFA joint silver in Infrastructure and Construction Category**
- **Won the 15th Fire Safety Award at NFEH**
- **Won the top exporter award in cement sector FY 2025, Presented by the PM of Pakistan**
- **Won the PSX top 25 Company Awards**
- **Won the 40th Corporate Excellence Award by Management Association of Pakistan** in the Industrial sector category

Human Resources

At Lucky Cement Limited, our people remain our greatest strength and the driving force behind our sustained growth and operational excellence. As we continue expanding our footprint locally and internationally, we remain committed to building a high-performing, agile, and future-ready workforce. Our people strategy is closely aligned with business objectives, ensuring we attract, develop, engage, and retain the talent needed to support long-term organizational success.

Strengthening a High-Performance Culture

We continued to strengthen performance-driven culture through SMART goal setting, regular performance reviews, and continuous feedback. During the year, our integrated Competency Framework, encompassing Core, Functional, and IT Competencies, was further embedded across recruitment, performance management, learning, career development, and succession planning. Annual goal setting follows the SMART framework, cascaded from corporate objectives to individual KPIs through SAP. The performance appraisal cycle covers all employees and is complemented by merit-based

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rewards linked directly to performance ratings. This provides employees with clear expectations for current roles while creating transparent development pathways for future career progression.

Talent Acquisition and Strategic Workforce Planning

Our people's strategy supports Lucky Cement's ongoing growth by proactively identifying future workforce requirements and strengthening leadership continuity. Recruitment continued to follow a competency-based approach supported by structured onboarding, enabling the organization to reduce the average time-to-hire and accelerate deployment of business-critical talent. Workforce planning is conducted through an annual rolling plan, while critical positions are supported through structured succession planning and proactive external talent mapping to ensure business continuity.

Diversity, Equity and Inclusion

We continued to foster an inclusive workplace where every employee is respected, valued, and provided equal opportunities to contribute and grow. Particular emphasis remained on strengthening gender diversity within our traditionally male-dominated industry, while employee engagement initiatives, leadership interactions, and open communication continued to build collaboration, trust, belonging, and psychological safety across the organization. Talent priorities focus on attracting, developing and retaining top talent, accelerating leadership development and strengthening gender diversity.

Employee Engagement and Retention

Employee engagement remained a strategic priority through recognition initiatives, wellness programs, town halls, skip-level meetings, engagement surveys, grievance mechanisms, and team-building activities that strengthened organizational culture and employee morale. These initiatives, together with career development opportunities and competitive reward practices, contributed to maintaining overall employee turnover at satisfactory levels. To remain competitive on reward and retention, we benchmark compensation against an identified peer group, supported by a defined strategy and action plan already in motion.

Learning, Development and Capability Building

Continuous learning remained central to our people's strategy. Guided by our 70:20:10 Learning Philosophy—70% experiential learning, 20% coaching and mentoring, and 10% formal training—we continued investing in building technical, functional, behavioral, leadership, HSE, and digital capabilities. Competency gap assessments enabled individualized learning plans, while our expanding network of internal Subject Matter Experts promoted knowledge sharing and organizational capability building. During the year, a significant number of training sessions were conducted across our locations, reinforcing our culture of continuous learning and development. Over the next three to five years, our focus is on building an agile, digitally enabled and future-ready workforce through strategic investments in AI and digital upskilling, leadership development to support our expanding local and international operations, gender diversity, ESG-linked people capability initiatives, and completion of our reward-benchmarking roadmap. Together, these priorities reinforce Lucky Cement's human capital strategy as a durable source of competitive advantage.

Leadership Development and Succession Planning

Developing future leaders remained a strategic priority. Through mentoring, coaching, competency-based development, psychometric assessments, and structured succession planning, we continued strengthening leadership readiness across critical positions. Leadership continuity is driven by a "build-from-within" philosophy, under which critical positions are filled through internal promotions wherever possible, and each critical role is mapped to a ready-now successor, a ready-in-one-to-three-years successor and a ready-in-more-than-three-years successor. Employees' potential is assessed through a rigorous, transparent process including multiple psychometric assessments to identify High Potentials (HiPos) and confirm succession candidates for critical positions. Additionally, we proactively identify, engage and select external successors through the same structured recruitment assessment process, ensuring no critical role is left exposed.

Financial Management

The Company's unconsolidated balance sheet as on June 30, 2026, remains on a strong asset footing of PKR 301.4 billion (2025: PKR 266.8 billion), with a current ratio of 2.39 (2025: 1.72) and a quick ratio of 2.07 (2025: 1.30).

Cash Flow Strategy

Your Company has an efficient cash flow management system in place that regularly projects and monitors cash inflows and outflows. Our philosophy is to maintain sufficient cash flow to support capital expenditures, strategic investments, working capital requirements, efficiency and modernization initiatives, and contingencies—based on the business environment and macroeconomic outlook.

During the year under review, major allocations included capital expenditure of PKR 15.2 billion, income tax payments of approximately PKR 26.2 billion, repayment of long-term debt amounting to PKR 2.2 billion, and dividend distribution to shareholders amounting to PKR 5.9 billion.

Capital Structure and Financial Position

While your Company is mostly equity-financed, it also utilizes SBP's financing schemes mainly obtained in previous years, for its long-term requirements. Your Company's biggest strength is its self-generated liquidity. This helps management smoothly execute further cost-saving ventures and boost stakeholders' confidence in doing business with the company. Reserves increased by 23.5% to PKR 213.7 billion. This strong capital base positions the Company to pursue investments across its existing businesses and new ventures.

Credit Rating

VIS Credit Rating Company Limited maintained your Company's "investment grade" credit ratings, assigning a medium-to-long-term rating of AA+ (Double A Plus) and a short-term rating of A-1+ (A-One Plus). While the short-term credit rating of A-1+ assures that the Company has adequate short-term liquidity and can make timely payments, the medium to long term rating of AA+ symbolizes high credit quality and strong protection factors. The high credit rating of your Company attests to its high creditworthiness, thus evidencing the fact that your Company has an efficient cash flow strategy in place to meet its financial obligations.

Segmental Review and Business Performance

Building on an established footprint in the cement manufacturing industry in Pakistan and through its international operations in the Middle East and Africa, Lucky Cement has evolved into a conglomerate with strategic investments across diversified industries. The Company's acquisitions and investments in the chemicals, power generation and automotive sectors were undertaken pursuant to a deliberate strategy to diversify its business base and create sustainable value for shareholders. While the year under review was marked by a demanding economic environment, the Company's subsidiaries sustained their operations and maintained financial discipline.

Risk Management

Effective risk management is fundamental to sustainable business growth. At Lucky Cement, the Board retains overall responsibility for overseeing the Company's risk management processes. These processes are documented, reviewed periodically and intended to safeguard the Company's assets and to address risks that may affect the Company, including any potential impact on business continuity. Risks identified as capable of affecting the achievement of strategic, operational, financial or compliance objectives are reported to the Board and Senior Management for timely consideration.

The Company maintains an organizational structure with a defined chain of authority. Senior Management is responsible for implementing approved procedures, monitoring risk exposures and reviewing the effectiveness of controls, with independent assurance provided to the Audit Committee by the Internal Audit function.

The Company continues to operate an Enterprise Risk Management framework that is integrated within the organization to support the identification, evaluation and assessment of risks. Identified risks are prioritized by reference to their likelihood and potential impact, and mitigating actions are devised accordingly.

As risk management is a continuing requirement, this annual process is supplemented by interim updates on the risk profile and on the status of remedial and corrective actions.

Strategic Risks

Lucky Cement operates in a dynamic business environment that exposes it to strategic risks while also presenting emerging opportunities that may influence the achievement of its strategic objectives. Senior Management focuses on aligning corporate strategy with evolving market trends, seeking to strengthen the Company's market position and to expand manufacturing capacity in line with the needs of the construction industry. Inflationary pressure, adverse exchange rate parity and increases in the prices of key inputs such as coal and other fuels may elevate production costs. These exposures are monitored and recorded in the risk register. The Company also considers risks arising from broader macroeconomic conditions and changes in policy settings.

Operational Risks

With a continuing focus on operational efficiency, Senior Management monitors operational risks and maintains controls intended to reduce the potential impact of disruptive events affecting production and sales. Raw material sourcing arrangements, segregation of duties, cybersecurity controls, in-house power generation at the plants and the Company's in-house and outsourced supply chain and logistics arrangements support the mitigation of operational risk.

Financial Risks
To address risks arising from movements in foreign exchange rates, interest rates and commodity prices, the Company has established policies that are reviewed periodically and aligned with applicable market regulation and prevailing practice.

Compliance Risks
Any omission or failure to meet regulatory compliance may expose the Company to reputational risks. Changes in laws and regulations may result in disruptions. Due to appropriate and diligent adherence to all applicable rules and regulations, the Company's compliance risk is low. Professional law firms manage litigation risks involving serious litigation against the Company.

Corporate Social Responsibility

Education & Skill Empowerment
During the year, Lucky Cement Limited (LCL) further strengthened its commitment to promoting higher education and skill development through strategic partnerships with leading educational institutions across Pakistan.
As part of its educational support initiatives, the Company finalized the selection framework for funded scholarships for deserving students at the University of Lakki Marwat (ULM). An MoU was finalized during the quarter, with the formal signing scheduled at the beginning of the next quarter. The scholarship program is designed to provide financial assistance to talented students from District Lakki Marwat, enabling them to pursue undergraduate studies across multiple academic disciplines while contributing towards the long-term socio-economic development of the region.

Continuing its commitment towards quality education in various sectors, Lucky Cement Limited continued financial assistance to various deserving students at the Institute of Business Management under the Spring Semester 2025 scholarship program.

Recognizing the importance of technical and vocational education, the Company continued supporting NLC Batch V through sponsorship of vocational training for 17 trainees. This initiative contributes towards developing employable technical skills among youth and improving future livelihood opportunities near business operations.

The Company reaffirmed its commitment towards early education by continuing educational outreach to Primary and Secondary School near its business operations in collaboration with a renowned non-profit organization of the country.

As part of its long-term commitment towards educational excellence for girls, Lucky Cement Limited continued its partnership with Zindagi Trust, supporting its efforts to transform public education through innovative teaching methodologies and improved learning environments.

The Company also continued its support for early education progression in remote areas of the country in collaboration with a renowned NGO actively working for education and community development initiatives aimed at improving opportunities for underserved communities.

Further strengthening its commitment towards religious and community education, Lucky Cement Limited contributed generously to support the provision of modern studies in conjunction with religious education and associated educational activities.

Community Welfare & Humanitarian Support

During the quarter, Lucky Cement Limited continued its commitment to supporting reputable welfare organizations working towards community development and humanitarian assistance across Pakistan.

The Company continued to actively support the Citizens Police Liaison Committee (CPLC), contributing towards initiatives that promote community safety and public welfare.

To support social welfare and humanitarian services, the Company donated a generous amount to a well-known Trust, Aitamad Trust, working for the deserving communities of the country.

Lucky Cement Limited also collaborated with Saylani in their flagship program of Saylani Mass IT Training (SMIT) – Batch I. This initiative reflects the Company's continued commitment towards empowering youth from District Lakki Marwat through market-oriented digital and information technology training, equipping them with employable skills and improving future livelihood opportunities.

Health & Social Inclusion

Lucky Cement Limited remained committed to strengthening healthcare services and improving the well-being of communities through strategic partnerships with reputable healthcare institutions. During the quarter, the Company continued its contribution to the Aziz Tabba Foundation (ATF) in support of its healthcare initiatives. Through this contribution, LCL continues to support the Foundation's mission of providing quality and accessible medical care through its renowned healthcare institutions, including Tabba Heart Institute and Tabba Kidney Institute, benefiting patients from across Pakistan.

The Company's continued investment in healthcare reflects its commitment to promoting social inclusion, improving access to quality medical services, and contributing towards the overall health and well-being of underserved communities as part of its long-term CSR strategy.

Code of Corporate Governance

The Directors of your Company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rulebook of the Pakistan Stock Exchange. Your Company has taken all necessary steps to ensure good corporate governance and full compliance with the Code, and we confirm the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flow, and changes in equity.
- Proper books of accounts of the Company have been maintained.
- The Chief Executive and Chief Financial Officer duly endorsed the financial statements before the approval of the Board.

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- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departure therefrom has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- The statement of the pattern of shareholding has been included as part of this Annual Report; and
- The statement of shares held by associated undertakings and related parties have also been disclosed separately.

Composition of the Board of Directors

The diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders, and it consists of:

Total number of directors		
a)	Male	7
b)	Female	1

Composition		
a)	Independent Directors	3
b)	Other Non-Executive Directors	4
c)	Executive Director	1

Meetings of the Board of Directors

Board of Directors - 7 Meetings		
S.No.	**Name of Directors**	**No. of Meetings Attended**
1	Mr. Muhammad Sohail Tabba (Chairman) Non-Executive Director	6
2	Mr. Muhammad Ali Tabba (CEO) Executive Director	7
3	Mr. Jawed Yunus Tabba Non-Executive Director	6
4	Mrs. Mariam Tabba Khan Non-Executive Director	4
5	Mr. Muhammad Hassan Tabba Non-Executive Director	6

6	Mr. Masood Karim Shaikh	Independent Director	6
7	Mr. Khawaja Iqbal Hassan	Independent Director	7
8	Mr. Shabbir Hamza Khandwala	Independent Director	7

Leave of absence was granted to the Directors who could not attend the meeting due to their preoccupation.

Training of the Board

The Company takes a keen interest in the professional development of its Board members and regularly updates its Board members with any changes in corporate laws or the Code of Corporate Governance. It ensures that all the Directors of the Board comply with the requirements of Directors Training Certification.

Evaluation Criteria for the Board

Apart from their mandatory job requirements, the performance of the Board of our Company is evaluated regularly along the following parameters, both at individual and team levels.

1. Effectiveness in bringing in a mix of gender, talents, skills and philosophical perspectives.
2. Integrity, credibility, trustworthiness and active participation of members.
3. Follow-up and review of annual targets set by the management.
4. Ability to provide guidance and direction to the Company.
5. Ability to identify aspects of the organization's performance requiring action.
6. Review of succession planning of management.
7. Ability to assess and understand the risk exposures ofthe Company.
8. Contribution and interest in improving health, safety and environment, employment and other policies and practices in the Company.
9. Safeguarding the Company against unnecessary litigationand reputational risk.

Performance Evaluation of the Board

The overall performance of the Board measured based on the above-mentioned parameters for the year was satisfactory. A separate report by the Chairman on Board's overall performance, as required under Section 192 of the Companies Act, 2017, is attached to this Annual Report.

Directors' Remuneration

The Board of Directors has approved a 'Remuneration Policy for Directors and Members of Senior Management', the salient features of which are:

- The Company will not pay any remuneration to its non-executive directors except for a meeting fee for attending the Board and its Committee meetings. As per the policy, Directors are paid a remuneration of PKR 125,000 to attend each meeting of the Board or its sub-committees.

- The remuneration of Directors for attending meetings of the Board of Directors or its Committees is determined and approved by the Board of Directors.

- The Directors are also entitled to reimbursement of reasonable expenses on account of travel, boarding, lodging and other expenses incurred by them for attending meetings of the Board, its committees and/or General Meetings of the Company.

Board Committees and Meetings

Audit Committee

Audit Committee - 6 Meetings		
S.No.	**Name of Directors**	**No. of Meetings Attended**
1	Mr. Masood Karim Shaikh (Chairman) Independent Director	6
2	Mr. Jawed Yunus Tabba Non-Executive Director	6
3	Mrs. Mariam Tabba Khan Non-Executive Director	5
4	Mr. Muhammad Hassan Tabba Non-Executive Director	2
5	Mr. Khawaja Iqbal Hassan Independent Director	6
6	Mr. Shabbir Hamza Khandwala Independent Director	6

HR and Remuneration Committee

HR and Remuneration Committee - 2 Meetings		
S.No.	**Name of Directors**	**No. of Meetings Attended**
1	Mr. Khawaja Iqbal Hassan (Chairman) Independent Director	2
2	Mr. Muhammad Ali Tabba (CEO) Executive Director	2
3	Mr. Jawed Yunus Tabba Non-Executive Director	2
4	Mrs. Mariam Tabba Khan Non-Executive Director	2

5	Mr. Muhammad Hassan Tabba	Non-Executive Director	1
6	Mr. Masood Karim Shaikh	Independent Director	2
7	Mr. Shabbir Hamza Khandwala	Independent Director	2

CEO Performance Review

The Board of Directors maintains a robust and structured process for evaluating the CEO's performance, anchored in a comprehensive framework of financial, operational, and strategic KPIs established at the beginning of the year. For the year under review, the Board has thoroughly assessed the CEO's leadership and execution against these benchmarks and expresses its strong appreciation for his continued commitment, resilience, and results-driven approach. The Board remains fully confident in his ability to steer the Company effectively in a challenging business environment. In addition to overseeing overall performance, the CEO is instrumental in shaping corporate strategy, setting clear objectives for the senior management team, and ensuring their alignment with the Company's long-term vision. Regular performance updates are provided to the Board, ensuring accountability and strategic cohesion across the organization.

Vision, Mission, and Overall Corporate Strategy Approval by the Board

The Board of Directors has carefully reviewed and approved the vision, mission, and overall corporate strategy of your Company and believes that it comprehensively states the ideology with which Lucky Cement was incorporated. We ensure that our vision and mission set the direction for our overall corporate strategy and our future journey in everything we do at all levels. The entire organization is connected and driven by this purpose and it serves as the main decision-making criterion in our day-to-day business.

Adequacy of Internal Financial Controls

The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations, and reliable financial reporting. The independent Internal Audit function of Lucky Cement regularly appraises and monitors the implementation of financial controls, while the Audit Committee reviews the effectiveness of the internal control framework and financial statements quarterly.

Statement of Unreserved Compliance with IFRS Issued by IASB

The Board of Directors of your Company has reviewed the Financial Reporting process. The financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting standards consist of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and the provisions of and directives issued under the Act.

Qualifications of CFO and Head of Internal Audit

The Chief Financial Officer and Head of Internal Audit possess the requisite qualifications and experience as prescribed in the Code of Corporate Governance.

Pattern of Shareholding

The pattern of shareholding of the Company in accordance with Section 227(2)(f) of the Companies Act, 2017 and rule 5.19.11 of the PSX Rule Book as at June 30, 2026, is annexed to this report.

Auditors

The financial statements of the Company for the current year 2025-26 were audited by M/s A.F. Ferguson & Co. Chartered Accountants. The auditors will retire at the end of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the appointment of M/s A.F. Ferguson & Co. Chartered Accountants as auditors for the forthcoming year, as recommended by the Audit Committee, subject to the approval of the members at the upcoming Annual General Meeting.

Subsequent Events

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

Outlook

Pakistan's economic outlook for FY 2027 remains cautiously optimistic, supported by sustained macroeconomic stability and ongoing reform efforts. The government has targeted GDP growth of 4.0% with average inflation of 8.2% for the year. A broadly balanced current account, stable exchange rate, record remittances, and strengthening foreign exchange reserves enhance overall economic resilience. While inflation is expected to remain elevated in the near term before gradually easing, a return to the target range should create room for monetary easing, which could stimulate private sector activity and reduce borrowing costs.

The federal budget for FY 2027, with a total outlay of PKR 18.8 trillion, reflects a continued focus on structural reforms, particularly in broadening the tax base, curbing non-filer activity, and addressing fiscal leakages, with an FBR revenue target of PKR 15.3 trillion and a primary balance surplus target of 2.0% of GDP. However, the country continues to face deep-rooted challenges, including a persistently low tax-to-GDP ratio, loss-making State-Owned Enterprises (SOEs), and the need to integrate the undocumented economy into the formal tax net. Privatization and energy pricing reforms remain central to the government's medium-term strategy. The Federal PSDP allocation has been maintained at PKR 1,000 billion, with priority accorded to water infrastructure, transport connectivity, energy transmission, digital transformation and climate resilience.

The USD 7 billion Extended Fund Facility (EFF) with the IMF remains a critical pillar of the economic reform agenda, and timely execution of reform commitments will be essential to maintain program continuity and ensure access to external financing. The principal risk to the outlook remains geopolitical: a re-escalation of the conflict in the Middle East and a renewed spike in oil and coal prices would place

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pressure on inflation, the import bill and the fiscal accounts. Conversely, sustained de-escalation and the associated softening in global commodity prices would support a faster return to the growth trajectory the economy was on before the conflict. Domestic stability, both political and institutional, will also play a crucial role in unlocking productivity, restoring investor confidence, and paving the way for inclusive and sustained economic growth.

Local Cement Operations

Domestic cement demand is expected to build on the recovery achieved during FY 2026. Measures announced in the FY 2027 federal budget are expected to provide impetus through PSDP spending, property-related tax relief, and the expansion of the Prime Minister's Apna Ghar housing scheme, with the inclusion of Non-Banking Finance Companies (NBFCs) widening access to subsidized housing finance. A lower financing rate environment, once inflation moderates following the de-escalation of Middle East tensions, should support offtake. Achieving long-term growth will nevertheless depend on the consistent revival of domestic economic activity, including the revitalization of key sectors such as manufacturing and services and the reactivation of large-scale infrastructure and development projects.

The Company expects to remain selective in its approach to export markets, continuing to prioritize margin over volume in allocating capacity between domestic and export channels. Energy costs remain the key variable: a re-ignition of the US-Iran conflict and a renewed spike in oil and coal prices remain the principal risks to the margin outlook.

Foreign Cement Operations

The second fully integrated cement manufacturing plant in the DRC, which is expected to commence operations during 2Q FY 2028, will mark a significant milestone in enhancing the Company's operational efficiency and strengthening its long-term profitability.

With its expanded production capacity, the Company will be well-positioned to optimize utilization of its manufacturing assets, improve operational synergies and reinforce its competitive advantage. This strategic investment will also enhance the Company's ability to meet growing market demand and capitalize on future growth opportunities in the region.

Polyester, Soda Ash and Chemicals

The operating environment is expected to remain challenging, as subdued domestic demand, weak consumption, and a slow industrial recovery limit volume growth. The implementation of tariff rationalization measures has further intensified competitive pressure through increased low-cost imports, adversely affecting domestic capacity utilization.

Structural challenges, including elevated energy costs, tax rates, and interest rates, are expected to weigh on pricing, capacity utilization, and margins across value-added segments. While the National Tariff Policy 2025-2030 seeks to enhance competitiveness through lower input tariffs, the absence of complementary trade defense measures, together with elevated energy and tax costs and limited targeted policy support, has increased pressure on the sustainability of domestic manufacturing and investment. These challenges are expected to weigh on overall industry performance in the year ahead.

Against this backdrop, LCI remains well positioned to navigate the prevailing operating environment, supported by its strong balance sheet, diversified product portfolio, operational efficiencies, and disciplined capital allocation. LCI will continue to focus on prudent risk management and operational excellence to deliver sustainable long-term value for its stakeholders.

Power

The power sector continues to face evolving structural challenges, primarily driven by transmission constraints and a shifting demand landscape. In particular, the rapid and unprecedented acceleration of private and industrial solarization has emerged as the most critical operational hurdle for the industry and the System Operator. This mass shift to off-grid and distributed solar generation has deeply hollowed out daytime baseload demand from the national grid, compounding the country's capacity payment burden and exacerbating the "duck curve" effect on grid stability.

To counteract these distortions and stabilize grid utilization, proactive regulatory interventions, dynamic tariff rationalization packages to incentivize off-peak/daytime commercial consumption, and grid modernization remain critical. Within this challenging operational landscape, LEPCL's ongoing transition to 100% indigenous Thar coal, progressing alongside the Sindh Engro Coal Mining Company (SECMC) Phase-III mine expansion, and the structural shift of its fuel logistics to the upcoming Thar Rail Link network are vital. These strategic milestones will substantially secure the plant's position at the top tier of the national economic merit order, insulate the company against imported fuel volatility, lower the overall generation cost supplied to the grid, and enhance sustained value for the group. LEPCL remains dedicated to maintaining robust health, safety, and environmental (HSE) protocols, ensuring that its operations remain resilient, safe, and sustainably integrated into the evolving power market.

Automobiles and Mobile Phones

Although the outlook for the automobile sector is still positive, competition is intensifying with the entry and expansion of new Chinese brands in the market. With the introduction of our new models under the Kia brand, our latest partnership with Guangzhou Automobile Group Company (GAC Group) for the introduction of New Energy Vehicles (NEV), leveraging operational optimization and localization strategies, Lucky Motor Corporation (LMC) is positioned to benefit by safeguarding profit margins and enhancing competitiveness in a recovering market.

On the smartphone front, we see a positive outlook, as there remains a strategic opportunity, particularly in the low-cost smartphone segment, which is expected to capture a larger market share. In response, LMC has shifted its focus toward producing and promoting affordable smartphones, aiming to strengthen its market position by aligning with the increasing demand for cost-effective mobile phones.

Your Company's strong financial position and free cash flow generating ability are anticipated to further support its vision to improve operational efficiencies, make new investments and enhance shareholder value.

Acknowledgment

The Board would like to thank all our stakeholders, employees, customers, suppliers, shareholders, and bankers for their support. The confidence and goodwill of the stakeholders have allowed the Company to sustain and grow over the years.

We continue to pray to Allah for the success of the Company and the benefit of all stakeholders and the country in general.

On behalf of the Board

MUHAMMAD SOHAIL TABBA
Chairman / Director

MUHAMMAD ALI TABBA
Chief Executive

Karachi: August 7, 2026

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