Regional Operations Centre

The Avanceon Building
19 km Main Multan Road
Lahore 54660 Pakistan

28 August 2026 AVN/PSX/F/28082026

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

Subject: **Financial results for the 2nd Quarter / Half Year ended 30 June 2026 – Consolidated and Standalone.**

Dear Sir,

We would like to inform you that the Board of Directors of our Company in their meeting held at Friday, 28 August 2026 at 10:00 A.M. at Regional Operations Centre, The Avanceon Building, 19-Km, Main Multan Road, Lahore / online, recommended the following: -

(i)	CASH DIVIDEND	NIL
(ii)	BONUS SHARES	NIL
(iii)	RIGHT SHARES	NIL
(iv)	ANY OTHER ENTITLEMENT/CORPORATE ACTION	NIL
(v)	ANY OTHER PRICE-SENSITIVE INFORMATION	NIL

The unaudited financial results of the company (consolidated and standalone) for the half year ended 30 June 2026 are as per attachment.

The Half Yearly Report of the Company for the period ended 30 June 2026 will be transmitted through PUCARS separately, within specified time.

Yours truly,

FAISAL NADEEM SHEIKH Company Secretary AVANCEON LTD.

Faisal Nadeem Sheikh | Company Secretary

cc:
Director/HOD,
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Blue Area,
Islamabad

AVANCEON GROUP

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT JUNE 30, 2026

		Un-Audited	Audited
ASSETS	**Note**	**June 30, 2026**	Dec. 31, 2025
		(Rupees in '000)	
NON CURRENT ASSETS			
Property and equipment		**1,435,046**	1,429,372
Capital Work in Progress		**824,838**	668,059
Intellectual Property		**4,744,499**	4,800,208
Goodwill		**221,810**	221,810
Investment in JV		**403,232**	406,604
Deferred Tax Assets		**32,706**	32,805
Long term deposits		**79,116**	76,889
		7,741,246	7,635,746
CURRENT ASSETS			
Stock in trade		**916,733**	238,729
Trade debts		**7,311,295**	9,079,918
Contract Assets		**9,374,233**	7,773,616
Advances, deposits, prepayments and other receivables		**4,903,940**	4,518,985
Term deposits with banks		**17,850**	786
Investments in Stocks		**596**	577
Cash and bank balances		**1,138,699**	1,085,222
		23,663,344	22,697,833
TOTAL ASSETS		**31,404,590**	30,333,579
EQUITY AND LIABILITIES			
Authorised capital			
Authorised capital 750,000,000 (2025: 500,000,000) ordinary shares of Rs 10 each		**7,500,000**	5,000,000
Issued, Subscribed And Paid Up Capital			
429,667,346 (2025: 422,408,878) ordinary shares of Rs 10 each ordinary shares of Rs. 10 each		**4,296,673**	4,224,089
CAPITAL RESERVES			
Share premium		**1,244,035**	874,834
Employees' share compensation reserve		**207,429**	233,307
Statutory reserve		**3,227**	3,227
Exchange revaluation reserve		**2,651,322**	2,672,453
Gain on diluation of interest		**631,367**	631,367
Surplus on revaluation of property & equipment		**324,727**	325,884
		5,062,108	4,741,072
REVENUE RESERVES			
Un-appropriated Profit		**5,264,652**	5,956,929
		14,623,433	14,922,089
Non-controlling Interest		**699,158**	693,052
		15,322,592	15,615,142
NON CURRENT LIABILITIES			
Long Term Loans		**36,661**	36,229
Liabilities against assets subject to finance lease		**122,345**	122,974
Deferred Liabilities		**404,072**	374,104
Diminishing Musharaka		**100,938**	127,611
		664,015	**660,918**
CURRENT LIABILITIES			
Current portion of Long Term Loans		**24,962**	25,143
Current portion of Diminishing Musharaka		**68,258**	74,876
Current portion of lease liabilities			564
Finances under mark up arrangements and other credit facilities - secured		**2,946,695**	3,029,249
Unclaimed Dividend		**355,126**	142,541
Creditors, accrued and other liabilities		**8,304,625**	8,960,144
Contract Liabilities		**3,422,908**	1,453,399
Taxation-Net		**295,410**	371,603
		15,417,984	14,057,519
CONTINGENCIES AND COMMITMENTS	**5**		
		31,404,590	30,333,579

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

Chief Executive Officer	**Chief Financial Officer**	**Director**
Bakhtiar Hameed Wain	Ahsan Khalil	Shahid Mir

AVANCEON GROUP

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

FOR THE HALF YEAR ENDED JUNE 30, 2026

	Note	For the half year ended		For the quarter ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
		(Rupees in '000)		(Rupees in '000)	
Revenues		**7,037,186**	5,237,704	**3,276,354**	2,716,853
Cost of revenue		**(5,076,470)**	(3,621,015)	**(2,210,431)**	(2,078,120)
Gross Profit / (Loss)		**1,960,716**	1,616,689	**1,065,924**	638,733
Administrative and selling expenses		**(1,910,605)**	(1,317,960)	**(1,162,854)**	(757,395)
Other expenses	3	**(105,917)**	(39,668)	**(84,329)**	(37,464)
Other income	4	**77,541**	162,326	**32,470**	146,238
		(1,938,981)	(1,195,302)	**(1,214,713)**	(648,621)
Profit / (Loss) from operations		**21,736**	421,387	**(148,789)**	(9,889)
Finance costs		**(222,898)**	(255,048)	**(128,991)**	(108,358)
Profit / (Loss) before tax		**(201,162)**	166,339	**(277,781)**	(118,247)
Taxation		**(58,690)**	1,654	**(39,522)**	14,609
Profit / (Loss) for the period		**(259,852)**	167,993	**(317,302)**	(103,637)
Attributable to:					
Equity holders of the Holding Company		**(265,958)**	160,181	(320,005)	(106,637)
Non-Controlling Interest		**6,106**	7,812	2,703	2,999
		(259,852)	167,993	(317,302)	(103,637)
Combined earnings per share					
Basic		**(0.62)**	**0.38**	**(0.74)**	**(0.25)**
Diluted		**(0.62)**	**0.37**	**(0.74)**	**(0.24)**

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

Chief Executive Officer	**Chief Financial Officer**	**Director**
Bakhtiar Hameed Wain	Ahsan Khalil	Shahid Mir

AVANCEON GROUP

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

	For the half year ended		For the quarter ended	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	(Rupees in '000)		(Rupees in '000)	
Profit / (Loss) for the period	**(259,852)**	167,993	**(317,302)**	(103,637)
Other comprehensive income				
- Exchange difference on translating foreign operations	**(21,131)**	298,698	**(23,805)**	208,393
Total comprehensive income for the period	**(280,983)**	466,691	**(341,107)**	104,756
Attributable to:				
Equity holders of the Holding Company	**(287,089)**	458,879	**(343,810)**	101,757
Non-Controlling Interest	**6,106**	7,812	**2,703**	2,999
	(280,983)	466,691	**(341,107)**	104,756

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

Chief Executive Officer	**Chief Financial Officer**	**Director**
Bakhtiar Hameed Wain	Ahsan Khalil	Shahid Mir

AVANCEON GROUP

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASHFLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

	For the half year ended	
	June 30, 2026	June 30, 2025
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax	**(201,162)**	166,339
Adjustments for:		
Depreciation on property and equipment	**102,666**	101,715
Exchange gain	**78,576**	(42,427)
Exchange revaluation reserve	**(21,131)**	298,698
Amortization	**21,698**	28,255
Provision for gratuity	**28,691**	57,750
Finance costs	**222,898**	255,048
Employees' share option expense	**343,437**	130,647
Provision for ECL - contract assets	**(45,027)**	(6,148)
Provision for ECL - trade debts	**15,785**	30,039
Gain on disposal of fixed Assets	**(16,597)**	(6,574)
Income on bank deposits	**(16)**	(401)
	730,979	846,602
	529,817	1,012,941
Profit before working capital changes		
(Increase) / decrease in current assets		
- Stock in trade	**(632,977)**	(203,638)
- Trade debts	**1,677,544**	1,793,980
- Contract Assets	**(1,600,617)**	(121,721)
- Advances, deposits, prepayments and other receivables	**(384,914)**	(573,332)
(decrease) / Increase in current liabilities		
- Creditors, accrued and other liabilities	**(590,574)**	(1,304,095)
- Contract Liabilities	**1,969,509**	(822,703)
	437,971	(1,231,509)
Cash (used in) / generated from operations	**967,788**	(218,568)
Finance costs paid	**(215,273)**	(252,244)
Gratuity paid	**1,277**	(36,478)
Taxes paid	**(134,783)**	(80,051)
Net cash (used in) / generated from operating activities	**619,009**	(587,341)

Continued......

	For the half year ended	
	June 30, 2026	June 30, 2025
	(Rupees in '000)	
Net cash (used in) / generated from operating activities	**619,009**	(587,341)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	**(116,619)**	(194,409)
Proceeds from disposal of property and equipment	**24,877**	
Additions in intangible assets - capital work in progress	**(156,779)**	(126,081)
Additions in Intellectual property	**34,011**	(101,035)
Long term investments made	**(50)**	
Decrease / (Increase) in short term investments	**(17,082)**	(965)
Profit on bank deposit	**16**	401
Increase in long term loans and deposits - net		
Net change in long term advances and deposits	**(2,228)**	6,683
Net cash (used in) / generated from investing activities	**(233,854)**	(415,406)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Dividend paid	**(214,891)**	(2,757)
Issuance of shares		25,486
Premium on issuance of shares		
Long term loan (repaid)/ received	**251**	(10,257)
Finances under mark up arrangements and other credit facilities	**(82,554)**	711,992
Repayment of diminishing mosharka	**(33,292)**	(4,052)
Repayment of lease liabilities	**(1,193)**	17,336
Net cash (used in) / generated from financing activities	**(331,679)**	737,747
Net (decrease) / increase in cash and cash equivalents	**53,476**	(265,000)
Cash and cash equivalents at the beginning of year	**1,085,222**	756,748
Cash and cash equivalents at the end of period	**1,138,699**	491,748

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

Chief Executive Officer	Chief Financial Officer	Director
Bakhtiar Hameed Wain	Ahsan Khalil	Shahid Mir

AVANCEON GROUP

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

	CAPITAL RESERVES							REVENUE RESERVES		
	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	Non-Controlling Interest	TOTAL
										(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)	
	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								(265,958)	6,106	(259,852)
Other comprehensive income						(21,131)	(1,157)	1,157		(21,131)
						(21,131)	(1,157)	(264,801)	6,106	(280,983)
Issuance of shares against ESOS	72,585	369,202		(369,202)						72,585
10% Cash dividend for the year ended December 31, 2025								(427,476)		(427,476)
Employee share option reserve				343,324						343,324
	72,585	369,202		(25,878)				(427,476)		(11,567)
Balance as on June 30, 2026	**4,296,673**	**1,244,035**	**631,367**	**207,429**	**3,227**	**2,651,322**	**324,727**	**5,264,652**	**699,158**	**15,322,592**

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
Shahid Mir

AVANCEON LIMITED

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT JUNE 30, 2026

	Note	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
		--- Rupees in Thousands ---	
ASSETS			
Non Current Assets			
Property and equipment	5	974,275	937,651
Long term investments	6	5,558,628	5,593,590
Long term deposits		13,012	10,302
		6,545,915	6,541,543
Current Assets			
Stock in trade		158,191	79,028
Trade debts	7	3,250,609	3,385,511
Contract assets		319,375	250,994
Advances, deposits, prepayments and other receivables	8	1,970,940	1,707,664
Cash and bank balances		12,624	107,512
		5,711,739	5,530,709
Total Assets		12,257,654	12,072,252
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital: 750,000,000 (December 31, 2025: 500,000,000) ordinary shares of Rs. 10 each		7,500,000	5,000,000
Issued, subscribed and paid up share capital	9	4,296,673	4,224,089
Share premium		1,244,541	875,339
Revenue reserves - unappropriated profits		2,093,321	2,585,793
Employees' share compensation reserve		104,460	155,438
Surplus on revaluation of property		324,727	325,884
Shareholders' equity		8,063,722	8,166,543
Non Current Liabilities			
Long term diminishing musharaka		88,574	110,745
Deferred taxation		-	-
		88,574	110,745
Current Liabilities			
Creditors, accrued and other liabilities	10	2,013,817	2,179,086
Contract liabilities		745,029	236,837
Current portion of long term diminishing musharaka		59,541	66,715
Short term borrowings	11	903,936	1,091,203
Unclaimed dividend	12	355,126	142,542
Provision for taxation - net		27,909	78,581
		4,105,358	3,794,964
Contingencies and Commitments	13	-	-
		12,257,654	12,072,252

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER	DIRECTOR

AVANCEON LIMITED

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2026

	Note	Half Year Ended June 30, 2026	Half Year Ended June 30, 2025	Quarter Ended June 30, 2026	Quarter Ended June 30, 2025
		(Un-audited)			
		---- Rupees in Thousands ----			
Revenue from contracts with customers - net	14	1,534,824	1,215,569	848,155	792,470
Cost of revenue		(1,115,275)	(940,797)	(633,506)	(656,221)
Gross Profit		419,549	274,772	214,649	136,249
Administrative and selling expenses		(283,535)	(236,408)	(168,073)	(146,030)
Other operating expenses		(91,384)	(21,225)	(73,137)	(19,058)
Other operating income	15	68,402	230,258	23,375	185,682
		(306,517)	(27,375)	(217,835)	20,594
Operating loss		113,032	247,397	(3,186)	156,843
Finance cost		(135,903)	(118,551)	(96,552)	(83,709)
(Loss) / Profit before Levy and Taxation		(22,871)	128,846	(99,738)	73,134
Final tax / levies	16	(43,282)	6,933	(30,961)	2,276
(Loss) / Profit before Taxation		(66,153)	135,779	(130,699)	75,410
Taxation	16	-	-	-	-
Net (Loss) / Profit for the Period		(66,153)	135,779	(130,699)	75,410
(Loss) / Earnings per share - in Rupees					
- Basic		(0.15)	0.32	(0.30)	0.18
- Diluted		(0.15)	0.32	(0.30)	0.18

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

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

AVANCEON LIMITED

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2026

	Half Year Ended June 30,		Quarter Ended June 30,	
	2026	**2025**	**2026**	**2025**
	(Un-audited)			
	---- Rupees in Thousands ----			
Net (Loss) / Profit for the Period	(66,153)	135,779	(130,699)	75,410
Other Comprehensive Income for the period				
Items that may be re-classified subsequently to profit or loss	-	-	-	-
Items that will not be re-classified subsequently to profit or loss	-	-	-	-
	-	-	-	-
Total Comprehensive (Loss) / Income for the Period	(66,153)	135,779	(130,699)	75,410

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

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

AVANCEON LIMITED

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	Note	June 30, 2026	June 30, 2025
		(Un audited)	(Un audited)
		----Rupees in Thousands----	
(Loss) / Profit before Levy and Taxation			(22,871)
Adjustments for:			
Depreciation on property and equipment	5	64,586	56,891
Employees' share option compensation		22,589	42,454
Trade debts written off		-	25
Reversal of ECL provision - Contract Assets		(45,027)	-
Allowance for expected credit losses - trade debts	7	15,785	17,975
Allowance for expected credit losses - contract assets		-	(6,148)
Provision for expected credit losses - advances	8	4,624	-
Exchange loss / (gain)	15	64,914	(138,087)
Gain on disposal of property and equipment	15	(16,597)	(6,574)
Finance cost		135,903	118,551
Profit on bank deposits	15	(14)	(106)
Markup income on intercompany current account	15	(6,107)	(3,877)
		240,656	81,104
Operating profit before working capital changes		217,785	209,950
(Increase) / decrease in current assets			
Stock in trade		(34,136)	(16,773)
Trade debts	7	99,556	(272,258)
Contract assets		(68,381)	155,107
Advances, deposits, prepayments and other receivables	8	24,420	84,043
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities	10	(233,276)	(270,260)
Contract liabilities		508,192	49,944
Increase in long term deposits and loans		(2,710)	(4,059)
Cash Generated from / (Used in) Operations		293,665	(274,256)
Finance cost paid		(68,865)	(58,542)
Final taxes / levies		(93,954)	(35,196)
Net Cash Generated from / (Used in) Operating Activities		348,631	(158,044)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	5	(108,759)	(160,542)
Proceeds from disposal of property and equipment		24,146	8,323
Profit on bank deposits		14	106
Net Cash Used in Investing Activities		(84,599)	(152,113)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	12	(214,892)	(355)
Issuance of shares	9	72,584	25,486
Short term borrowings - net	11	(187,267)	456,752
Long term diminishing musharaka - net		(29,345)	(15,503)
Net Cash (Used in) / Generated from Financing Activities		(358,920)	466,380
Net (Decrease) / Increase in Cash and Cash Equivalents		(94,888)	156,223
Cash and cash equivalents at the beginning of the period		107,512	19,351
Cash and Cash Equivalents at the End of the Period		12,624	175,574

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audi

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

AVANCEON LIMITED

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Particulars	Issued, Subscribed and Paid up Share Capital	Capital Reserve	Revenue Reserve	Employees' Share Compensation Reserve	Surplus on Revaluation of Property	Total
		Share Premium	Unappropriated Profits			
	---------- Rupees in Thousands ----------					
Balance as at December 31, 2024 (audited)	4,150,228	508,910	2,523,297	370,740	328,199	7,881,374
Net profit for the period	-	-	135,779	-	-	135,779
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	135,779	-	-	135,779
Transfer from revaluation surplus on account of incremental depreciation	-	-	1,157	-	(1,157)	-
Transaction with Owners						
Issuance of shares against employee share option scheme	25,486	126,325	-	(126,325)	-	25,486
Employee share option reserve	-	-	-	106,866	-	106,866
Balance as at June 30, 2025 (unaudited)	4,175,714	635,235	2,660,233	351,281	327,042	8,149,505
Balance as at December 31, 2025 (audited)	4,224,089	875,339	2,585,793	155,438	325,884	8,166,543
Net loss for the period	-	-	(66,153)	-	-	(66,153)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(66,153)	-	-	(66,153)
Transfer from revaluation surplus on account of incremental depreciation	-	-	1,157	-	(1,157)	-
Transaction with Owners						
Issuance of shares against employee share option scheme	72,584	369,202	-	(369,202)	-	72,584
10% Cash dividend for the year ended December 31, 2025	-	-	(427,476)	-	-	(427,476)
Employee share option reserve	-	-	-	318,224	-	318,224
Balance as at June 30, 2026 (unaudited)	4,296,673	1,244,541	2,093,321	104,460	324,727	8,063,722

The annexed notes from 1 to 21 form an integral part of these condensed interim unconsolidated financial statements (un-audited).

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