Highnoon

Un-audited
Financial Statements
For the Half Year
Ended 30 June 2026

Enriching Life

CONTENTS

COMPANY INFORMATION

Board of Directors
Tariq Wajid
Chairman

Dr. Adeel Abbas Haideri
Chief Executive Officer

Tausif Ahmad Khan
Director

Tehmina Saeed Chaudhury
Director

Taufiq Ahmed Khan
Director

Tauqir Ahmed Khan
Director

Dr. Aman Ullah Khan
Director

Chief Financial Officer
Ashfaq Alidina

Senior General Counsel & Company Secretary
Baqar Hasan

Head Internal Auditor
Rizwan Shahid

Registered Office and Plant
17.5 Kilometer Multan Road,
Lahore-53700, Pakistan
UAN: +92 42 111 000 465
Fax: + 92 42 37510037
Email:
corporate.affairs@highnoon.com.pk;
investor.relations@highnoon.com.pk
Web: www.highnoon-labs.com

Corporate Office
901-9th floor, Tricon Corporate
Center 73-E, Jail Road, Lahore
UAN: + 92 304 111 0465
Ph: + 92 42 35158051-2

Legal Advisor
Raja Muhammad Akram & Co.

Tax Advisor
Yousuf Islam & Associates

Auditors
BDO Ebrahim & Co. Chartered
Accountants

Shares Registrar
Corplink (Pvt.) Ltd.
Wings Arcade,
1-K Commercial,
Model Town, Lahore.
Tel: +92 42 3591 6714, 3591 6719
Fax: + 92 42 3586 9637

Bankers
Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank Makramah Limited (formerly Summit Bank Limited)
BankIslami Pakistan Limited
Dubai Islamic Bank Limited
Faysal Bank Limited
First Habib Modaraba Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
Mobilink Microfinance Bank Limited
National Bank of Pakistan Limited
Standard Chartered Bank Limited
United Bank Limited

Board and Management Committees

Audit Committee

Dr. Aman Ullah Khan	Chairperson
Tariq Wajid	Member
Tehmina Saeed Chaudhury	Member
Tauqir Ahmed Khan	Member

Human Resources and Remuneration Committee

Tariq Wajid	Chairperson
Dr. Adeel Abbas Haideri	Member
Tehmina Saeed Chaudhury	Member
Taufiq Ahmed Khan	Member

Sustainability Committee

Tehmina Saeed Chaudhury	Chairperson
Dr. Adeel Abbas Haideri	Member
Tauqir Ahmed Khan	Member

Risk Management Committee

Tariq Wajid	Chairperson
Dr. Adeel Abbas Haideri	Member
Taufiq Ahmed Khan	Member
Dr. Aman Ullah Khan	Member

Nomination Committee

Tausif Ahmad Khan	Chairperson
Taufiq Ahmed Khan	Member
Tehmina Saeed Chaudhury	Member

Executive Committee

Dr. Adeel Abbas Haideri	Chairperson
Taufiq Ahmed Khan	Member
Aamir Zafar	Member
Ashfaq Alidina	Member
Dr. Azfar Abbas Haidrie	Member
Syed Zulfiqar Ali Zaidi	Member
Shahnawaz Baig	Member

I.T Steering Committee

Taufiq Ahmed Khan	Chairperson
Dr. Adeel Abbas Haideri	Member
Ashfaq Alidina	Member
Syed Zulfiqar Ali Zaidi	Member
Shahnawaz Baig	Member
Farhan Iftikhar Hashmi	Member

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of Highnoon Laboratories Limited (the "Company" or "Highnoon") are pleased to present their report, together with the un-audited condensed interim financial statements of your Company and the Group for the six months ended on June 30, 2026.

As one of Pakistan's established healthcare companies, your Company remains committed to enhancing lives and patient care through the manufacturing, import, sale, and marketing of pharmaceutical and related healthcare products.

FINANCIAL HIGHLIGHTS

Net sales rose by 5.5%, driven by an optimal product mix, volume expansion, and pricing gains, supported by portfolio diversification and strengthened market positioning. Gross margins improved from 55% to 56%, representing a 7.8% increase over the same period in 2025.

Despite ongoing industry headwinds, the Company leveraged operational efficiencies, regulatory pricing adjustments, and robust market intelligence to achieve economies of scale, resulting in a 3.1% increase in profit after tax year-on-year.

The Company continues to outperform expectations and maintain strong progress toward strategic milestones. To sustain this trajectory, Highnoon employs a rigorous KPI-driven performance framework, regularly benchmarking against industry peers, therapeutic class growth, and evolving domestic regulations to inform agile strategy formulation.

The financial performance of the Company during the reviewed half year ended June 30, 2026, is as follows:

	June 2026	June 2025
Key Financial Highlights	(Rupees in Millions)	
Sales	12,707	12,039
Gross Profit	7,080	6,570
Gross Profit %	56%	55%
Operating Profit	2,711	2,473
Operating Profit %	21%	21%
Finance Cost	(39)	(54)
Other Income	206	230
Profit before tax & levy	2,879	2,648
Tax & levy	(1,202)	(1,021)
Profit after tax & levy	1,677	1,627

EARNINGS PER SHARE

Based on reviewed condensed interim financial statements for the Half Year ended June 30,2026, Highnoon's Earnings Per Share (EPS) has landed at Rs. 31.66 (2025: 30.71).

GROUP PERFORMANCE

The Directors are pleased to present the unaudited Condensed Interim Consolidated Financial Statements of Highnoon Laboratories Limited the ("Holding Company") and Curexa Health (Private) Limited its wholly owned Subsidiary company ("the Subsidiary") together mentioned as ("the Group") for the six months ended June 30, 2026.

The summarized financial performance of the Group during the half year ended June 30, 2026, under review, is as follows:

	June 2026	June 2025
Key Financial Highlights	(Rupees in Millions)	
Profit before tax and levy	3,027	2,805
Tax & levy	(1,243)	(1,070)
Profit after tax and levy	1,783	1,735
Earnings Per Share (Rs.)	33.66	32.75

FUTURE OUTLOOK

Pakistan stands at a juncture, requiring decisive, multi-dimensional reforms to unlock its economic potential and build resilience. With inflation stabilizing, the macroeconomic outlook reflects cautious optimism, supported by fiscal consolidation and external sector improvements.

However, the regulatory environment remains complex and opaque, highlighting the urgent need for consistent policies and streamlined procedures to enable the healthcare sector to fully contribute to national well-being.

Against this backdrop, Highnoon remains committed to sustaining profitability through operational efficiency, strategic portfolio diversification, and market expansion, positioning itself to navigate the evolving landscape effectively.

ACKNOWLEDGMENT

The Board of Directors sincerely thanks all employees for their steadfast dedication throughout the period. We also express our appreciation to our shareholders, customers, and partners for their continued trust and collaboration, which have been instrumental in advancing our strategic goals and sustaining growth. Moving forward, we remain steadfast in upholding the highest standards of corporate governance and delivering enduring value to all stakeholders.

For, and on behalf of the Board

Dr. Adeel Abbas Haideri
Chief Executive Officer

Taufiq Ahmed Khan
Director

Lahore: August 27, 2026

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے تمام ملازمین کا دل سے شکریہ ادا کرتا ہے جنہوں نے پورے سہ ماہی کے دوران اپنی غیر متزلزل لگن اور عزم کا مظاہرہ کیا۔ ہم اپنے شیئر ہولڈرز، صارفین اور شراکت داروں کے قیمتی تعاون کا بھی شکریہ ادا کرتے ہیں جن کے اعتماد اور شراکت نے ہماری اسٹریٹجک مقاصد اور پائیدار ترقی کو آگے بڑھانے میں اہم کردار ادا کیا۔ آئندہ کی جانب، ہم کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے اور اپنے تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر فراہم کرنے کے لیے پرعزم ہیں۔

منجانب بورڈ آف ڈائریکٹرز

ڈاکٹر عدیل عباس حیدری
چیف ایگزیکٹوآفیسر
لاہور:27 اگست 2026

توفیق احمد خان
ڈائریکٹر

کارکردگی کا جائزہ
فی شیئر آمدنی

30 جون 2026 کو ختم ہونے والی ششماہی کے جائزہ شدہ مختصر عبوری مالیاتی گوشواروں کے مطابق، ہائی نون کی فی حصص آمدنی 31.66 روپے رہی، جبکہ 2025 کی اسی مدت میں یہ 30.71 روپے تھی۔

گروپ کی کارکردگی

ڈائریکٹرز کو خوشی محسوس ہو رہی ہے کہ وہ ہائی نون لیبارٹریز لمیٹڈ (''ہولڈنگ کمپنی'') اور اس کی مکمل ملکیتی ذیلی کمپنی کیوریکسا ہیلتھ (پرائیویٹ) لمیٹڈ (''ذیلی کمپنی'')، جنہیں مجموعی طور پر (''گروپ'') کہا جاتا ہے، کی غیر آڈٹ شدہ جامع عبوری مالیاتی بیانات 30 جون 2026 کو ختم ہونے والی ششماہی لیے پیش کر رہے ہیں۔

30 جون 2026 کو ختم ہونے والی ششماہی کیلئے گروپ کی مالی کارکردگی کا خلاصہ کے درج ذیل ہے۔

	30 جون 2026	30 جون 2025
	روپے (000,000)	
قبل از ٹیکس اور لیوی منافع	3,027	2,805
ٹیکس اور لیوی	(1,243)	(1,070)
بعداز ٹیکس اور لیوی منافع	1,783	1,735
فی شیئر آمدنی (روپے)	33.66	32.75

مستقبل پر ایک نظر

پاکستان ایک اہم موڑ پر کھڑا ہے جہاں اپنی معاشی صلاحیت کو بروئے کار لانے اور معیشت کو مضبوط و مستحکم بنانے کے لیے فیصلہ کن اور ہمہ جہت اصلاحات ناگزیر ہیں۔ افراطِ زر میں استحکام آنے کے باعث مجموعی معاشی منظرنامہ محتاط امید کی عکاسی کرتا ہے، جسے مالیاتی استحکام اور بیرونی شعبے میں ہونے والی بہتری سے تقویت مل رہی ہے۔

تاہم، ضابطہ جاتی ماحول بدستور پیچیدہ اور غیر واضح ہے، جو مستقل پالیسیوں اور طریقۂ کار کو سادہ اور مؤثر بنانے کی فوری ضرورت کو اجاگر کرتا ہے، تاکہ صحت کے شعبے کو قومی بہبود میں بھرپور کردار ادا کرنے کے قابل بنایا جا سکے۔

اس پس منظر میں، ہائی نون عملیاتی کارکردگی میں بہتری، مصنوعات کے متنوع اور متوازن مجموعے اور منڈی میں توسیع کے ذریعے منافع کو برقرار رکھنے کے لیے پُرعزم ہے، تاکہ بدلتے ہوئے کاروباری ماحول کا مؤثر انداز میں سامنا کیا جا سکے۔

ڈائریکٹرز رپورٹ

ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے ششماہی کے لئے کمپنی اور گروپ کی رپورٹ بمعہ شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

آپ کی کمپنی پاکستان کی معروف ہیلتھ کیئر کمپنیوں میں شامل ہے، دواسازی اور متعلقہ مصنوعات کی تیاری، درآمد، فروخت اور مارکیٹنگ کے ذریعے زندگیوں کو بہتر بنانے اور مریضوں کو سہولت فراہم کرنے پر مرکوز ہے ۔

مالی جھلکیاں

خالص فروخت میں 5.5 فیصد اضافہ ہوا، جس کی بنیادی وجوہات بہتر مصنوعات کے امتزاج، فروخت کے حجم میں اضافہ اور قیمتوں میں بہتری تھیں۔ اس کارکردگی کو مصنوعات کے دائرۂ کار میں تنوع اور مارکیٹ میں مضبوط مقام کے حصول سے مزید تقویت ملی۔ مجموعی منافع کا مارجن 55 فیصد سے بڑھ کر 56 فیصد ہو گیا، جبکہ مجموعی منافع میں 2025 کی اسی مدت کے مقابلے میں 7.8 فیصد اضافہ حاصل کیا گیا۔

صنعت کو درپیش مسلسل مشکلات کے باوجود، کمپنی نے عملیاتی کارکردگی میں بہتری، ضوابط کے مطابق قیمتوں میں مناسب ردوبدل اور مارکیٹ سے حاصل ہونے والی مؤثر معلومات سے بھرپور استفادہ کرتے ہوئے بڑے پیمانے پر پیداوار کے فوائد حاصل کیے، جس کے نتیجے میں گزشتہ سال کے مقابلے میں بعد از ٹیکس منافع میں 3.1 فیصد اضافہ ہوا۔

کمپنی مسلسل توقعات سے بہتر کارکردگی کا مظاہرہ کر رہی ہے اور اپنے اہم اہداف کے حصول کی جانب مضبوط پیش رفت برقرار رکھے ہوئے ہے۔ اس رفتار کو برقرار رکھنے کے لیے ہائی نون کارکردگی کے اہم اشاریوں پر مبنی ایک جامع نظام کار نافذ کیے ہوئے ہے۔ کمپنی باقاعدگی سے صنعت کے ہم پلہ اداروں، علاج کے مختلف شعبوں میں نمو کے رجحانات اور ملکی ضوابط میں ہونے والی تبدیلیوں کے مقابلے میں اپنی کارکردگی کا جائزہ لیتی ہے، تاکہ بروقت اور مؤثر کاروباری حکمتِ عملی مرتب کی جا سکے۔

آپریٹنگ نتائج

زیر جائزہ 30 جون 2026 کو ختم ہونے والی ششماہی کے دوران کمپنی کی مالیاتی کارکردگی درج ذیل ہے:

	30 جون 2026	30 جون 2025
	روپے (000,000)	
فروخت	12,707	12,039
گراس منافع	7,080	6,570
گراس منافع فیصد	56%	55%
آپریٹنگ منافع	2,711	2,473
آپریٹنگ منافع فیصد	21%	21%
مالی لاگت	(39)	(54)
دیگر آمدنی	206	230
ٹیکس اور لیوی سے پہلے منافع	2,879	2,648
ٹیکس اور لیوی	(1,202)	(1,021)
ٹیکس اور لیوی کے بعد منافع	1,677	1,627

Tel: +92 42 3587 5707-10
Fax: +92 42 3571 7351
www.bdo.com.pk

Office No. 4, 6th Floor,
Askari Corporate Tower,
75/76 D-1, Main Boulevard
Gulberg III, Lahore-54660
Pakistan.

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF HIGHNOON LABORATORIES LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **HIGHNOON LABORATORIES LIMITED** ("the Company") as at June 30, 2026 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017 only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended June 30, 2026 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditors' review report is Muhammad Imran.

Lahore

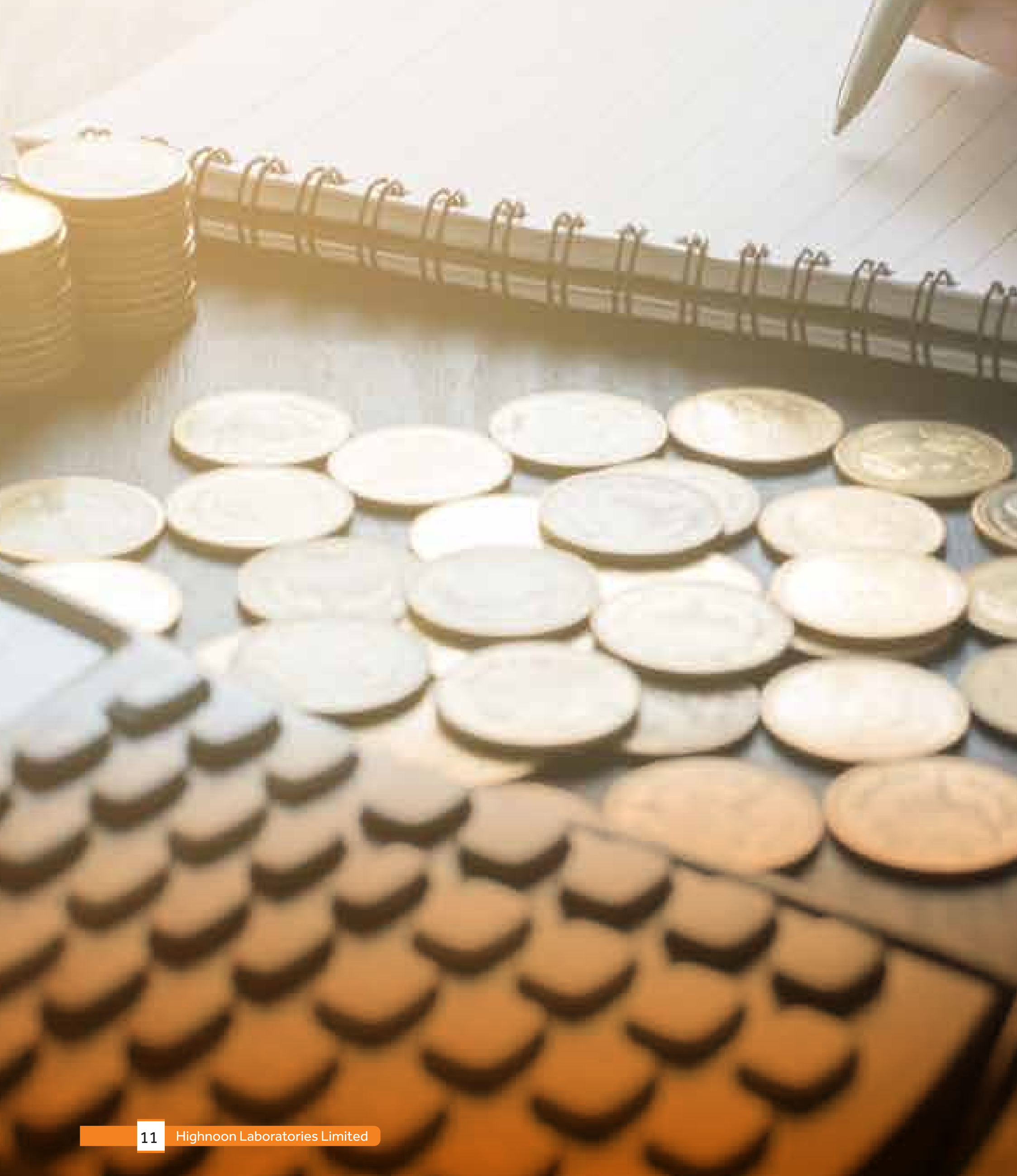
DATED: August 28, 2026

UDIN: RR202610131e6NHGXcCi

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
BDO

Un-Consolidated Condensed Interim
Financial Statements

Highnoon Laboratories Limited
for the Half Year ended 30 June 2026



Condensed Interim Un-Consolidated Statement of Financial Position As at 30 June 2026 (Un Audited)

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		-------------(Rupees)------------	
ASSETS			
Non-current assets			
Property, plant and equipment	8	3,925,129,789	3,719,579,406
Intangible assets		30,158,060	37,851,548
Long-term investment		325,000,000	325,000,000
Long-term deposits		101,676,605	81,588,597
Long-term loans and advances	9	534,055,855	437,821,751
		4,916,020,309	4,601,841,302
Current assets			
Inventories	10	4,794,837,953	5,088,463,951
Trade receivables	11	3,428,913,077	4,207,368,520
Advances, trade deposits and prepayments		479,400,955	625,622,547
Other receivables	12	431,579,440	224,606,241
Short-term investments	13	2,534,659,535	3,059,622,682
Tax refunds due from the Government		120,882,766	136,872,796
Cash and bank balances	14	448,643,385	468,796,488
		12,238,917,111	13,811,353,225
TOTAL ASSETS		17,154,937,420	18,413,194,527

Dr. Adeel Abbas Haideri
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq Alidina
Chief Financial Officer

Condensed Interim Un-Consolidated Statement of Financial Position As at 30 June 2026 (Un Audited)

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		-------------(Rupees)	-----------
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
100,000,000 (December 31, 2025: 100,000,000)			
Ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	15	529,833,630	529,833,630
Capital reserves			
Surplus on revaluation of property, plant and equipment - net of tax		831,527,550	842,005,340
Revenue reserves		10,836,934,217	11,798,168,844
		12,198,295,397	13,170,007,814
Non-current liabilities			
Lease liabilities		334,514,080	380,821,593
Long-term loan - secured	16	230,041,069	2,423,493
Deferred tax liabilities		171,470,045	204,351,890
Deferred liabilities		146,303,143	145,253,907
		882,328,337	732,850,883
Current liabilities			
Trade and other payables	17	2,791,184,177	2,983,181,105
Contract liabilities		56,437,105	227,677,836
Unclaimed dividend		418,295,410	304,559,821
Current portion of long-term liabilities		115,281,768	117,974,112
Taxation - net		693,115,226	876,942,956
		4,074,313,686	4,510,335,830
TOTAL EQUITY AND LIABILITIES		17,154,937,420	18,413,194,527
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 35 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas Haideri	Taufiq Ahmed Khan	Ashfaq Alidina
Chief Executive Officer	Director	Chief Financial Officer

Condensed Interim Un-Consolidated Statement of Profit or Loss (Un Audited)

For The Six Months Period Ended June 30, 2026

	Note	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
		2026	2025	2026	2025
		----------(Rupees) ---------		----------(Rupees) ---------	
Revenue from contracts with customers- net	19	12,706,856,934	12,039,256,675	5,892,886,472	5,491,012,674
Cost of revenue	20	(5,627,228,400)	(5,468,969,968)	(2,660,034,572)	(2,307,542,734)
Gross profit		7,079,628,534	6,570,286,707	3,232,851,900	3,183,469,940
Distribution, selling and promotional expenses		(3,334,659,747)	(3,190,818,519)	(1,681,985,525)	(1,503,687,737)
Administrative and general expenses		(700,812,005)	(726,674,126)	(386,934,464)	(418,126,933)
Other operating expenses		(332,768,664)	(179,992,408)	(175,979,199)	(65,156,906)
		(4,368,240,416)	(4,097,485,053)	(2,244,899,188)	(1,986,971,576)
Profit from operations		2,711,388,118	2,472,801,654	987,952,712	1,196,498,364
Other income	21	206,431,301	229,629,522	101,999,967	131,880,130
Finance costs		(38,694,333)	(54,124,176)	(29,104,440)	(29,365,506)
Profit before income tax and levy		2,879,125,086	2,648,307,000	1,060,848,239	1,299,012,988
Levy		-	-	-	4,838,674
Profit before income tax		2,879,125,086	2,648,307,000	1,060,848,239	1,303,851,662
Taxation	22	(1,201,669,353)	(1,020,996,047)	(339,076,953)	(592,181,875)
Profit after tax for the period		1,677,455,733	1,627,310,953	721,771,286	711,669,787
Earnings per share - basic and diluted (Rupees)	23	31.66	30.71	13.62	13.43

The annexed notes from 1 to 35 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas Haideri Chief Executive Officer	Taufiq Ahmed Khan Director	Ashfaq Alidina Chief Financial Officer

Condensed Interim Un-Consolidated Statement of Comprehensive Income (Un Audited)

For The Six Months Period Ended June 30, 2026

	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2026	2025	2026	2025
	------(Rupees) ------		------(Rupees) ------	
Profit after tax for the period	1,677,455,733	1,627,310,953	721,771,286	711,669,787
Other comprehensive income				
Items that will be reclassified subsequently to statement of profit or loss	-	-	-	-
Items that will not be reclassified subsequently to statement of profit or loss	-	-	-	-
Total comprehensive income for the period	1,677,455,733	1,627,310,953	721,771,286	711,669,787

The annexed notes from 1 to 35 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas Haideri	Taufiq Ahmed Khan	Ashfaq Alidina
Chief Executive Officer	Director	Chief Financial Officer

Condensed Interim Un-Consolidated Statement of Cash Flow (Un Audited)

For The Six Months Period Ended June 30, 2026

	Note	Six Months Period Ended 30 June 2026	2025
		----------(Rupees)	-----------
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	24	3,983,781,843	2,005,188,182
Income taxes paid		(1,418,378,928)	(664,763,926)
Workers' Welfare Fund paid		(84,067,033)	(79,968,618)
Central Research Fund paid		(71,565,722)	-
Gratuity paid		(15,835,030)	(608,283,171)
Finance cost paid		(14,534,763)	(54,124,176)
		(1,604,381,476)	(1,407,139,891)
Net cash generated from operating activities	A	2,379,400,367	598,048,291
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(422,987,289)	(203,354,327)
Purchase of intangible assets		-	(5,734,563)
(Decrease) / increase in long term advances		(4,567,437)	17,501,166
Loan to subsidiary		(187,500,000)	(125,000,000)
Short term investments - net		527,808,427	1,943,448,284
Long term deposits - net		(20,088,008)	2,588,564
Proceeds from disposal of property plant and equipment		51,759,247	67,959,445
Net cash (used in) / generated from investing activities	B	(55,575,060)	1,697,408,569
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities - net		(54,554,333)	(72,079,576)
Long term loan - net		246,008,484	(64,448,148)
Dividend paid		(2,535,432,561)	(2,024,796,835)
Net cash used in financing activities	C	(2,343,978,410)	(2,161,324,559)
Net (decrease)/ increase in cash and cash equivalents	(A+B+C)	(20,153,103)	134,132,301
Cash and cash equivalents at beginning of the period		468,796,488	709,206,965
Cash and cash equivalents at end of the period		448,643,385	843,339,266

The annexed notes from 1 to 35 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas Haideri Chief Executive Officer	Taufiq Ahmed Khan Director	Ashfaq Alidina Chief Financial Officer

Condensed Interim Un-Consolidated Statement of Changes in Equity (Un Audited)
For The Six Months Period Ended June 30, 2026

	Issued, subscribed and paid-up capital	Capital Reserves	Revenue reserves			Total
		Revaluation Surplus on operating fixed asset	General reserve	Accumulated profit	Sub total	
	----------------------------- Rupees -----------------------------					
Balance as at January 01, 2025 - (audited)	529,833,630	865,425,008	114,000,000	9,711,907,063	9,825,907,063	11,221,165,701
Transaction with owners, recorded directly in equity						
Final dividend @ Rs. 40 per share for the year ended December 31, 2024	-	-	-	(2,119,334,520)	(2,119,334,520)	(2,119,334,520)
Total comprehensive income for the period ended June 30, 2025						
Profit for the period	-	-	-	1,627,310,953	1,627,310,953	1,627,310,953
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	1,627,310,953	1,627,310,953	1,627,310,953
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(11,709,834)	-	11,709,834	11,709,834	-
Balance as at June 30, 2025 - (un-audited)	529,833,630	853,715,174	114,000,000	9,231,593,330	9,345,593,330	10,729,142,134
Balance as at January 01, 2026 - (audited)	529,833,630	842,005,340	114,000,000	11,684,168,844	11,798,168,844	13,170,007,814
Transaction with owners, recorded directly in equity						
Final dividend @ Rs. 50 per share for the year ended December 31, 2025	-	-	-	(2,649,168,150)	(2,649,168,150)	(2,649,168,150)
Total comprehensive income for the period ended June 30, 2026						
Profit for the period	-	-	-	1,677,455,733	1,677,455,733	1,677,455,733
Other comprehensive income for the period	-	-	-	-	-	-
	-	-	-	1,677,455,733	1,677,455,733	1,677,455,733
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(10,477,790)	-	10,477,790	10,477,790	-
Balance as at June 30, 2026 - (un-audited)	529,833,630	831,527,550	114,000,000	10,722,934,217	10,836,934,217	12,198,295,397

The annexed notes from 1 to 35 form an integral part of these unconsolidated condensed interim financial statements.

Dr. Adeel Abbas Haideri
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq Alidina
Chief Financial Officer

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

Highnoon Laboratories Limited ("the Company") was incorporated in Pakistan under the repealed Companies Ordinance 1984 (now Companies Act, 2017) ("the Act") and its shares are quoted on Pakistan Stock Exchange (PSX) since November 1994. The Company is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and related consumer products.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 17.5 km, Multan Road, Lahore.

The geographical locations and addresses of the Company's business units including production facilities are as under:

Business Units	Geographical Location	Address
Manufacturing facility	Lahore	17.5 KM, Multan Road, Lahore.
Corporate Office	Lahore	Office# 901 Tricon Corporate Centre, Jail Road, Lahore.
Sales office	Karachi	202 Anam Empire, Block 7/8 KCHS,Shahrah e Faisal, Karachi.
Sales office	Lahore	14-G, Block L, Gulberg - III, Lahore.
Sales office	Rawalpindi	132 Hali Road, Westridge - I, Peshawar Road, Rawalpindi.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act , 2017; and

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

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

These unconsolidated condensed interim financial statements are un-audited but subject to the limited scope review by the auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended December 31, 2025 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended December 31, 2025, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the unaudited unconsolidated condensed interim financial statements for the half year ended June 30, 2025.

3.2 Basis of measurement

The unconsolidated condensed interim financial statements have been prepared under the historical cost convention, except for certain classes of operating fixed assets (as mentioned in unconsolidated financial statements of the Company for the year ended December 31, 2025) and certain employees' retirement benefits which are measured at revalued amounts and present value, respectively.

3.3 Separate financial statements

These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investment in the subsidiary is accounted for on the basis of cost less accumulated impairment losses, if any; consolidated financial statements are presented separately.

The Company has following investment:

Company name	Country of incorporation	Percentage of shareholding	Nature of business
The Subsidiary Curexa Health (Private) Limited	Pakistan	100%	The principal object is to carry out business as manufacturer and dealer of all kinds of pharmaceuticals.

3.4 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupee ("Rs"), which is also the functional currency of the Company.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 Amendments to published accounting and reporting standards which became effective during the period:

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2026, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2026, but are considered not to be relevant or expected to have any significant effect on the Company's operations except as follows:

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

5 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2025 except otherwise stated in these unconsolidated condensed interim financial statements.

6 TAXATION AND OTHERS

6.1 The provisions for taxation for the half year and quarter ended June 30, 2026, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate for the Tax Year 2026 is 29% plus super tax. Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year.

Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

6.2 Provisions in respect of Workers' Welfare Fund and Workers' Profit Participation Fund are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

7 USE OF ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these unconsolidated condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited financial statements of the Company for the year ended December 31, 2025.

		Note	Un Audited 30 June 2026	Audited 31 December 2025
			--------------(Rupees)	------------
8.	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	8.1	2,857,886,032	2,883,497,808
	Right of use assets	8.2	504,379,930	557,996,242
			3,362,265,962	3,441,494,050
	Capital work-in-progress	8.3	562,863,827	278,085,356
			3,925,129,789	3,719,579,406
8.1	Owned assets			
	Opening book value		2,883,497,808	3,080,711,613
	Additions during the period / year	8.1.1	138,208,818	170,918,030
			3,021,706,626	3,251,629,643
	Disposals during the period / year	8.1.2	(42,336,938)	(88,479,462)
	Depreciation for the period / year		(121,483,656)	(279,652,373)
			(163,820,594)	(368,131,835)
	Closing book value		2,857,886,032	2,883,497,808

Notes to the Condensed Interim
Un-Consolidated Financial Statements (Un Audited)
For The Six Months Period Ended June 30, 2026

			Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees)	--------
8.1.1	Additions during the period / year - cost			
	Building on freehold land		62,315,543	7,644,068
	Leasehold improvement		-	45,895,314
	Plant and machinery		11,423,618	61,247,172
	Laboratory equipment		32,154,730	18,776,979
	Furniture and fixture		3,682,740	996,510
	Electric and gas appliances		1,150,882	1,030,000
	IT and office equipment		27,481,305	27,023,411
	Vehicles		-	8,304,576
			138,208,818	170,918,030
8.1.2	Disposals during the period / year			
	Laboratory equipment		-	140,298
	IT and office equipment		186,322	1,553,533
	Vehicles		42,150,616	86,785,631
			42,336,938	88,479,462
8.2	Right of use assets			
	Opening book value		557,996,242	89,084,423
	Additions / transfer during the period / year - cost		-	590,509,302
			557,996,242	679,593,725
	Disposal / transferred to owned assets		-	(43,161,656)
	Depreciation for the period / year		(53,616,312)	(78,435,827)
			(53,616,312)	(121,597,483)
	Closing book value		504,379,930	557,996,242
8.3	Capital work-in-progress			
	Opening balance		278,085,356	177,078,595
	Addition during the period / year - cost	8.3.1	438,375,018	635,276,026
	Transfer during the period / year - cost		(153,596,547)	(534,269,265)
	Closing balance		562,863,827	278,085,356
8.3.1	Additions during the period / year - cost			
	Plant and machinery		220,288,415	55,421,092
	Others		218,086,603	579,854,934
			438,375,018	635,276,026

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees)	--------
9. LONG-TERM LOANS AND ADVANCES			
Secured - considered good			
Loan to employees - secured	9.1	67,872,570	57,841,093
Less: current portion		(12,983,382)	(7,519,342)
		54,889,188	50,321,751
Unsecured - considered good			
Loan to subsidiary	9.2 & 9.3	612,500,000	425,000,000
Less: Current maturity		(133,333,333)	(37,500,000)
		479,166,667	387,500,000
		534,055,855	437,821,751

9.1 These represent loan given to employees against the purchase of vehicles as per the Company's policy. These loans are for maximum period of 5 years. These loans are secured against the final settlement amount of employees. The loans carry an effective interest rate of 0% (2025: 0%) per annum and are repayable in cash in accordance with predefined repayment schedule. The impact of discounting to present value is assessed to be immaterial by the management

9.2 This represents loan given to the Subsidiary at a markup of 3 Months KIBOR + 0.1% per annum. The loan is for a period of 4 years including grace period of one year and is repayable in 10 equal quarterly installments starting from May 2026.

9.3 This represents loan given to the Subsidiary at a markup of 3 Months KIBOR + 0.5% per annum. The loan is for a period of 4 years including grace period of one year and is repayable in 12 equal quarterly installments starting from March 2027.

		Note	Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees)	--------
10.	INVENTORIES			
	Raw materials			
	In hand		2,639,496,648	2,771,431,365
	In transit		121,009,585	449,765,074
	With third party		132,686,321	135,911,573
			2,893,192,554	3,357,108,012
	Packing material			
	In hand		924,748,288	700,639,386
	With third party		22,389,162	25,046,346
			947,137,450	725,685,732
	Stores, spare parts and loose tools		190,216,563	163,223,850
	Work in progress		185,439,926	502,840,820
	Finished goods			
	Trading - in hand		266,978,405	108,189,203
	Manufactured		519,691,765	430,855,218
			786,670,170	539,044,421
	Provision for slow moving and obsolete items	10.1	(207,818,710)	(199,438,884)
			4,794,837,953	5,088,463,951
10.1	Provision for slow moving and obsolete items:			
	Opening balance		199,438,884	194,124,310
	Charge for the period / year	10.1.1	128,810,926	89,307,854
	Write-off for the period / year		(120,431,100)	(83,993,280)
	Closing provision		207,818,710	199,438,884

10.1.1 The Company has revised its accounting estimate relating to the provision for slow-moving raw materials. Effective during the current period, the provision rate for raw materials with a remaining shelf life of six months has been reduced from 100% to 50%, based on prevailing industry practice and management's assessment of the expected utilization of such materials.

Had there been no change in the accounting estimate, the provision for slow-moving raw materials for the current period would have been higher by Rs. 29.660 million.

		Note	Un Audited 30 June 2026	Audited 31 December 2025
11.	TRADE RECEIVABLES			
	Unsecured			
	Export sales		143,689,918	165,891,286
	Local sales	11.1	3,443,741,493	4,109,586,132
			3,587,431,411	4,275,477,418
	Less: allowance for expected credit losses	11.3	(158,518,334)	(68,108,898)
			3,428,913,077	4,207,368,520

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

		Note	Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees) --------	
11.1	Trade receivables include the following amounts due from the following related parties:			
	Curexa Health (Private) Limited		533,598,148	101,544,385
11.2	The aging of receivable from related parties at the reporting date is as follows:			
	Past due but not impaired		533,598,148	101,544,385
	Aging:			
	1-30 days		138,795,194	101,544,385
	31-60 days		124,719,705	-
	61-90 days		77,067,262	-
	Above 90 days		193,015,987	-
			533,598,148	101,544,385
11.3	Allowance for expected credit losses			
	Opening balance		68,108,898	57,645,999
	Charged during the period / year	11.3.1	90,409,436	10,462,899
			158,518,334	68,108,898

11.3.1 This includes expected credit loss amounting to Rs. 51.131 million in respect of Curexa Health (Private) Limited, a Subsidiary Company.

		Note	Un Audited 30 June 2026	Audited 31 December 2025
12.	OTHER RECEIVABLES			
	Considered good			
	The Subsidiary - unsecured	12.1	72,146,413	29,675,707
	Current portion of long-term loan to the Subsidiary	9.2	133,333,333	37,500,000
			205,479,746	67,175,707
	Interest accrued	12.3	35,209,746	4,729,050
	Sales tax recoverable		190,333,169	152,561,484
	Others		556,779	140,000
			431,579,440	224,606,241

12.1 This represents receivable from Subsidiary against expenses incurred by the Company on behalf of Subsidiary amounting to Rs. 72.146 million (2025: Rs. 29.676 million). Interest has been charged on the outstanding receivable at a markup of 3 Months KIBOR + 0.5% per annum.

Notes to the Condensed Interim
Un-Consolidated Financial Statements (Un Audited)
For The Six Months Period Ended June 30, 2026

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees) --------	

12.2 The aging of receivable from related parties at the reporting date is as follows:

Past due but not impaired	72,146,413	29,675,707
Aging:		
1-30 days	15,892,734	29,675,707
31-60 days	5,634,707	-
61-90 days	9,174,039	-
Above 90 days	41,444,933	-
	72,146,413	29,675,707

12.3 This includes mark up amounting to Rs. 24.096 million (2025: Rs. 1.183 million) receivable from the Subsidiary.

13. SHORT-TERM INVESTMENTS
Investments at fair value through profit or loss

	Note		
Mutual funds - fair value through profit or loss	13.1	2,110,619,900	2,659,250,468
Term deposit receipts - at amortization cost	13.2	424,039,635	400,372,214
		2,534,659,535	3,059,622,682

13.1 These investments are measured at fair value through profit or loss:

Balance at the beginning of the period / year	2,659,250,468	3,471,920,933
Additions during the period / year	2,000,833,884	6,133,140,049
Redemption during the period / year	(2,660,426,766)	(7,290,579,760)
Realized gain on redemption of investment during the period / year	108,950,088	168,760,287
Un-realized (loss) / gain on remeasurement of investments during the period / year	2,012,226	176,008,959
Closing fair value of short-term investments	2,110,619,900	2,659,250,468

13.2 These represent investments in term deposit receipts. They carry average profit at the rate of ranging from 9.02% to 11.25% per annum (2025: 9.02% to 16% per annum) with maturity up to October 2026.

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees) --------	
14 CASH AND BANK BALANCES			
Cash and imprest		630,283	100,000
Cash at banks:			
Current accounts			
-Local currency		196,699,698	201,119,358
-Foreign currency		247,881,531	228,704,609
Saving accounts	14.1	3,431,873	38,872,521
		448,013,102	468,696,488
		448,643,385	468,796,488

14.1 These represents savings accounts which carries average profit at the rate of ranging from 6.46% to 9.10% per annum (2025: 6.46% to 9.10% per annum).

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees) --------	
15. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL			
5,905,000 (December 31, 2025: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash		59,050,000	59,050,000
95,000 (December 31, 2025: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash		950,000	950,000
46,983,363 (December 31, 2025: 46,983,363) ordinary shares of Rs. 10 each issued as bonus shares		469,833,630	469,833,630
		529,833,630	529,833,630

15.1 There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.

		Note	Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees) --------	
16.	LONG-TERM LOAN - SECURED			
	Long-term loan		233,937,365	6,319,789
	Less: Current portion shown under current liabilities		(3,896,296)	(3,896,296)
			230,041,069	2,423,493
16.1	The movement of long-term loan is as follows:			
	Opening balance as at January 01,	16.1.1	6,319,789	447,716,085
	Loan obtained during the period / year	16.1.2	229,565,724	-
	Principal payments made during the period / year		(1,948,148)	(441,396,296)
			233,937,365	6,319,789
	Current portion shown under current liabilities		(3,896,296)	(3,896,296)
	Closing balance		230,041,069	2,423,493

16.1.1 This includes loan obtained from MCB Bank Limited with maturity date of June 10, 2029 under facility for setting up solar based power project under SBP financing scheme for renewable energy having sanctioned limit of Rs. 50 million (2025: Rs. 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2025: 2% + 0.5%) whereas principal is repayable in 27 equal quarterly instalments starting from December 10, 2022. This facility is secured against lien on mutual funds up to Rs. 67 million placed in MCB Investment Management Limited. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate of 3 months KIBOR at respective draw down date.

16.1.2 The Company has obtained long-term Shariah-compliant term financing facility from Meezan Bank Limited with total limits of PKR 500 million for capital expenditure and BMR requirements. The facilities comprise SBP LTFF and commercial terms, carry markup ranging from SBP Base Rate - 3.00% per annum (with a 5% floor and 35% cap), a 5-year tenure including a 1-year grace period and eight equal semi-annual repayments. The facilities are secured by a 1st Pari Passu charge on all present and future plant and machinery of the Company with a 25% margin.

16.2 The difference between fair value of loan and loan proceeds has been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

Notes to the Condensed Interim
Un-Consolidated Financial Statements (Un Audited)
For The Six Months Period Ended June 30, 2026

		Note	Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees) --------	
17.	**TRADE AND OTHER PAYABLES**			
	Trade creditors	17.1	1,466,210,874	1,945,448,224
	Accrued expenses		486,054,887	262,132,122
	Accrued markup		29,412,272	23,634,425
	Due to employees		116,902,023	117,879,207
	Provision for leave encashment		15,233,601	49,817,547
	Payable to central research fund		26,630,914	69,114,564
	Payable to provident fund trust		16,836,604	16,903,336
	Payable to employees welfare trust		872,897	1,030,236
	Withholding tax payable		86,509,502	79,910,965
	Refund liabilities		200,750,258	200,750,257
	Workers Welfare Fund Payable		198,054,774	223,364,152
	Workers' Profit Participation Fund		147,715,571	(6,803,930)
			2,791,184,177	2,983,181,105

17.1 These include Rs. 0.811 million (2025: Rs. 27.453 million) payable to the Subsidiary on account of purchases made during the period.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There have been no significant changes in contingencies as reported in the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2025 except following:

18.1.1 The Assistant / Deputy Commissioner Inland Revenue has issued an order under sections 205 read with 137(1) of the Income Tax Ordinance, 2001, in respect of Tax Year 2023, creating a demand of Rs. 56.05 million on account of default surcharge due to failure of full discharge of liability of super tax.

Being aggrieved by the said order, the Company has preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR (A)], which is pending adjudication. No provision has been recognized by the Company, as the management, based on the opinion of its tax consultants, expects a favorable outcome.

18.1.2 In respect of the contingency reported under note 30.1.8 to the audited financial statement for the year ended December 31, 2025, the Civil Originals relating to, inter alia, the related party transactions have been clubbed with the Company's Writ Petition seeking a stay of the proceedings initiated by the SECP and are presently fixed for hearing before the Lahore High Court.

In the matter concerning the rectification of shares, the Lahore High Court dismissed the petition on grounds of limitation. The plaintiffs subsequently filed a Civil Petition for Leave to Appeal (CPLA) before the Supreme Court. Thereafter, vide its order dated April 22, 2026, a regular bench of the Supreme Court remanded the matter to Lahore High Court for reconsideration along with multiple other petitions pertaining to the same issue. The Company has since then also filed a revision petition before the Supreme Court of Pakistan. The management, based on the assessment of its concerned legal advisors, is of the view that no outflow of economic resources is expected to occur based on the aforementioned petition.

The Company is actively pursuing the above matters at respective forums. Based on the advice of the legal counsel, the Company is hopeful for the favorable outcome of the matters. Hence, no provision has been made in these financial statements.

		Note	Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees) --------	
18.2	Commitments			
	Commitments against irrevocable letters of credit include:			
	Letter of credit		947,565,818	881,124,006
	Bank contracts		222,758,641	489,730,620
	Ijarah rentals	18.2.1	597,333,662	322,126,814
	Capital work in progress		88,798,108	80,240,684
			1,856,456,229	1,773,222,124
18.2.1	Future payments under Ijarah			
	Within one year		128,411,103	80,627,044
	After one year but not more than five years		468,922,559	241,499,770
			597,333,662	322,126,814

19. REVENUE FROM CONTRACTS WITH CUSTOMERS- NET

19.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers :

	Un-audited Six Months Period Ended 30 June 2026	2025	Three Months Period Ended 30 June 2026	2025
	---------------------- (Rupees)		--------------------------------	
Manufacturing:				
Local	13,999,005,997	11,697,523,350	6,593,538,899	5,618,942,417
Export	367,495,013	855,666,554	166,621,837	259,660,162
	14,366,501,010	12,553,189 904	6,760,160,736	5,878,602,579
Trading	955,550,195	866,047,737	472,577,505	510,010,670
Toll manufacturing	380,891,683	448,112,161	202,680,423	213,686,271
Less:				
Sales tax	(129,247,582)	(127,760,627)	(58,323,721)	(62,801 523)
Trade discount	(1,867,571,835)	(1,062,811,264)	(1,002,578,971)	(533,352,751)
Sales return	(999,266,537)	(637,521,236)	(481,629,500)	(515,132,572)
	12,706,856,934	12,039,256,675	5,892,886,472	5,491,012,674

	Un-audited Six Months Period Ended 30 June 2026	2025
	----------(Rupees)	---------
19.2 Geographical information		
Pakistan	12,340,563,923	11,184,157,373
Afghanistan	-	565,571,085
Azerbaijan	5,523,310	-
Cambodia	6,866,506	12,798,868
France	89,910,636	45,324,131
Iraq	100,366,150	-
Kenya	-	6,177,926
Mauritius	1,045,210	1,052,637
Myanmar	2,314,743	-
Somalia	41,534,136	-
Sri Lanka	54,858,290	49,588,504
Sudan	39,614,121	11,778,953
Turkmenistan	19,655,584	-
United Arab Emirates	-	157,490,240
Zambia	4,604,325	5,316,958
	12,706,856,934	12,039,256,675

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

			Un-audited		
		Six Months Period Ended 30 June		Three Months Period Ended 30 June	
		2026	2025	2026	2025
		------------------ (Rupees) ------------------			
20.	COST OF REVENUE				
	Opening stock of finished goods	539,044,421	743,231,873	476,351,215	373,280,998
	Cost of goods manufactured	5,270,479,005	4,925,021,263	2,667,169,596	2,008,283,470
	Purchased finish products	604,375,144	516,331,307	303,183,931	254,362,621
	Available stock for sale	6,413,898,570	6,184,584,443	3,446,704,742	2,635,927,089
	Closing stock of finished goods	(786,670,170)	(715,614,475)	(786,670,170)	(328,384,355)
	Cost of revenue	5,627,228,400	5,468,969,968	2,660,034,572	2,307,542,734

			Un-audited	
			Six Months Period Ended 30 June	
		Note	2026	2025
			----------(Rupees) ---------	
21.	OTHER INCOME			
	Return on deposits and mark-up on interest bearing accounts		24,743,550	19,243,648
	Dividend income on short term investment		833,054	3,554,800
	Unrealized gain on re-measurement of short term investment to fair value		2,012,226	-
	Realized gain on short term investment		108,950,088	167,546,896
	Exchange gain - net		4,851,792	2,054,484
	Interest on loan to subsidiary		36,126,487	462,740
	Royalty income from subsidiary	21.1	6,424,418	2,399,678
	Royalty income from associate	21.1	3,115,365	6,482,168
	Deferred income		2,602,914	-
	Gain on disposal of operating fixed asset		9,422,309	27,693,281
	Scrap sales		139,231	191,827
	Rental income	21.2	6,231,417	-
	Others		978,450	-
			206,431,301	229,629,522

21.1 This represents royalty income from Curexa Health (Private) Limited and Route 2 Health (Private) Limited, at the rates of 0.5% and 2.5% of net sales, respectively.

21.2 This represents rental income charged to the Subsidiary Company in respect of vehicles provided.

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

		Un-audited Six Months Period Ended 30 June	
	Note	2026	2025
		----------(Rupees) ---------	
22. TAXATION			
Current tax			
-current period		1,064,190,544	916,130,691
-prior period	22.1 & 22.2	170,360,654	-
		1,234,551,198	916,130,691
Deferred tax		(32,881,845)	104,865,356
		1,201,669,353	1,020,996,047

22.1 This includes tax payments amounting to Rs. 16.896 million made against demands raised for Tax Years 2019, 2021, and 2022.

22.2 On January 27, 2026, Federal Constitutional Court upheld the legality of the Super Tax under Sections 4B and 4C of the Income Tax Ordinance 2001, ruling it constitutional and enforceable. Pursuant to passing of the order company has recognized super tax provision amounting to Rs. 153.464 million for financial year 2022 and 2023.

	Un-audited Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2026	2025	2026	2025
	---------------- (Rupees) ----------------			
23. EARNINGS PER SHARE				
Profit for the period - (Rupees)	1,677,455,733	1,627,310,953	721,771,286	711,669,787
Weighted average number of ordinary shares	52,983,363	52,983,363	52,983,363	52,983,363
Basic and diluted - (Rupees)	31.66	30.71	13.62	13.43

Notes to the Condensed Interim
Un-Consolidated Financial Statements (Un Audited)
For The Six Months Period Ended June 30, 2026

	Note	(Un-audited) Six Months Period Ended 30 June 2026	2025
		----------(Rupees)--- ------	
24. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax and levy		2,879,125,086	2,648,307,000
Adjustments for non-cash and other items:			
Depreciation of operating fixed assets	8.1	175,099,968	171,996,007
Amortization of intangible assets		7,693,488	7,056,314
Provision for defined benefit obligation		4,047,834	376,528,691
Provision for slow moving and obsolete stocks	10	8,379,826	5,955,757
Provision for Workers' Profit Participation Fund		154,519,501	142,382,097
Provision for Workers Welfare Fund		58,757,655	56,952,839
Provision for Central Research Fund		29,082,072	27,989,016
Finance cost		20,312,609	54,124,176
Exchange gain - net		(4,851,792)	(2,054,484)
Gain on disposal of property plant and equipment	21	(9,422,309)	(27,693,281)
Un-realized gain on remeasurement of investments	21	(2,012,226)	-
Dividend income on short term investment	21	(833,054)	(3,554,800)
Allowance for expected credit loss		90,409,436	14,522,586
Reversal of provision on sales tax refundable		-	(88,092,012)
		531,183,008	736,112,906
Cash flow before working capital changes		3,410,308,094	3,384,419,906
Working capital changes:			
(Increase) / decrease in current assets:			
Stock in trade		285,246,172	(317,427,743)
Trade debts		692,897,799	(1,013,241,248)
Advances, trade deposits and prepayments		146,221,592	(173,076,824)
Other receivables		(111,139,866)	(56,359,703)
Tax refunds due from the Government		15,990,030	129,055,685
Increase / (decrease) in current liabilities:			
Trade and other payables		(284,501,247)	114,637,223
Contract liabilities		(171,240,731)	(62,819,114)
		573,473,749	(1,379,231,724)
Cash generated from operations		3,983,781,843	2,005,188,182

25. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise subsidiary, associated companies, companies in which directors are interested, staff retirement funds and directors and key management personnel. The transactions with related parties are carried out under the related party transactions policy approved by the Board of Directors of the Company. Details of transactions with related parties and balances with them at period end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

25.1 Transactions during the period:

			(Un-audited) Six Months Period Ended 30 June	
			2026	2025
			-------Rupees)-------	
Name of related party	Relationship	Nature of transaction		
Curexa Health (Private) Limited	Subsidiary (100% owned subsidiary)	Sales during the period	695,572,200	334,555,959
		Purchases	811,588	42,515,432
		Royalty income	6,424,418	2,399,678
		Interest on loan to subsidiary	33,444,605	462,740
		Interest on other receivable	2,681,882	-
		Interest repayment	13,213,071	-
		Payments made by Company on behalf of the Subsidiary	36,046,288	-
		Receipts during the period	134,521,208	4,736,913
		Loan to subsidiary	200,000,000	125,000,000
		Loan repayment by subsidiary	12,500,000	-
Route 2 health (Private) Limited	Associate (Common directorship and shareholder of 0.45% (2025:0.45%)	Sales during the period - net	-	114,154,638
		Purchase	-	5,270,993
		Royalty income	3,115,365	6,482,168
		Receipts during the period	3,115,365	-
		Dividend paid	11,903,950	9,523,160

Notes to the Condensed Interim
Un-Consolidated Financial Statements (Un Audited)
For The Six Months Period Ended June 30, 2026

Name of related party	Relationship	Nature of transaction	(Un-audited) Six Months Period Ended 30 June 2026	2025
			-------Rupees)-------	
Pharmatec Investments Limited	Associate Common control and sharehold er of 8.34% (2025:8.34%)	Dividend paid	220,812,100	176,649,680
Retirement benefit plans / funds	Staff retirement funds and welfare trust	Contribution to provident fund Dividend paid	103,505,541 10,677,500	104,686,381 8,542,000
		Contribution to staff welfare trust	2,069,559	1,818,799
		Dividend paid	6,148,250	7,860,680

25.2 Balance outstanding as at reporting date:

Name of related party	Relationship	Nature of transaction	Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees) --------	
Curexa Health (Private) Limited	Subsidiary (100% owned subsidiary)	Trade receivables	533,598,148	101,544,385
		Other receivables	72,146,413	29,675,707
		Accrued markup	24,096,319	1,182,903
		Trade and other payables	811,588	128,997,228
		Loan receivable	612,500,000	425,000,000
Retirement benefit plans / funds	Staff retirement funds and welfare trust	Payable to provident fund	16,836,604	16,903,336
		Payable to staff welfare trust	872,897	1,030,236

25.3 No cost has been charged by the Company to Curexa Health (Private) Limited (a wholly owned subsidiary) for use of SAP and its maintenance services provided during the period.

25.4 Transactions with key management personnel under the terms of employment are excluded from related party transactions.

26 SHARIAH COMPLIANCE DISCLOSURE

The Company is listed on the PSX-KMI All Shares Index. Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to All Shares Islamic Index:

		Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees) --------	
Unconsolidated Statement of Financial Position			
Description	Explanation		
Liabilities			
Accrued markup	Non-shariah compliant	6,602,538	694,954
Long term loan - secured	Shariah Compliant	244,925,322	-
Assets			
Short term investment	Shariah Compliant	425,319,952	598,173,475
Bank balances	Shariah Compliant	178,134,126	394,898,134
Bank deposits	Shariah Compliant	3,230,840	39,347,824

		Un Audited 30 June 2026	Un Audited 30 June 2025
		--------(Rupees) --------	
Unconsolidated Statement of Profit or Loss			
Revenue from contracts with customers- net	Shariah Compliant	12,706,856,934	12,039,256,675
Profit on deposits accounts with bank	Shariah Compliant	2,504,567	4,021,085
Profit on deposits accounts with bank	Non-shariah compliant	905,526	308,747
Income on mutual fund			
Unrealized gain	Shariah Compliant	291,371	-
Realized gain	Shariah Compliant	7,486,670	5,777,227
Exchange gain / (loss)	Shariah Compliant	2,425,896	1,027,242
Finance cost paid	Non-shariah compliant	8,110,108	4,766,693
Finance cost paid	Shariah compliant	5,714,855	31,988,549

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

		Un Audited 30 June 2026	Un Audited 30 June 2025
		--------(Rupees) --------	
Ijara rentals paid	Shariah compliant	60,805,117	11,524,532
Dividend income on short term investment	Non-shariah compliant	558,126	3,567,300
Unrealized gain on re-mea surement of short term investment to fair value	Non-shariah compliant	1,720,855	9,126,154
Realized gain on short term investment	Non-shariah compliant	101,739,176	141,660,550

		Un Audited 30 June 2026	Un Audited 30 June 2025
		--------(Rupees) --------	
Description	Explanation		
Interest on loan to subsidiary	Non-shariah compliant	33,444,605	-
Royalty income from sub sidiary	Shariah Compliant	6,424,418	7,505,495
Royalty income from asso ciate	Shariah Compliant	3,115,365	-
Deferred income	Non-shariah compliant	-	-
Gain on disposal of operating fixed asset	Shariah Compliant	9,422,309	27,693,281
Scrap sales	Shariah Compliant	139,231	197,827
Other income	Shariah Compliant	978,450	-

Relationship with Shariah compliant Banks

Bank Name	Nature of transactions
Meezan Bank Limited	Bank deposits, investments, ijarah and bank balances
First Habib Modaraba	Investments and musharakah
Faysal Bank Limited	Bank balances
Dubai Islamic Bank Limited	Bank balances
Bank Islamic Pakistan Limited	Bank balances

27 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

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

The unconsolidated condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2025.

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2025.

28 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 Fair Value Measurement requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date (Level 1)

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2)

Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

29 FINANCIAL INSTRUMENTS BY CATEGORY

	Carrying value				Fair value			
	Financial assets at amortized cost	Financial instrument through FVTPL	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	Rupees							
On-Balance sheet financial instruments								
As at June 30, 2026								
Financial assets measured at fair value								
Mutual funds	-	2,110,619,900	-	2,110,619,900	2,110,619,900	-	-	2,110,619,900
Financial assets at amortised cost								
Long-term deposits	101,676,605	-	-	101,676,605	-	-	-	-
Loan to employees	67,872,570	-	-	67,872,570	-	-	-	-
Advance to employees against salaries	28,225,168	-	-	28,225,168	-	-	-	-
Loan to subsidiary	612,500,000	-	-	612,500,000	-	-	-	-
Trade deposits	16,233,409	-	-	16,233,409	-	-	-	-
Term deposit receipts	424,039,635	-	-	424,039,635	-	-	-	-
Trade debts	3,428,913,077	-	-	3,428,913,077	-	-	-	-
Other receivables	107,912,938	-	-	107,912,938	-	-	-	-
Cash and bank balances	448,643,385	-	-	448,643,385	-	-	-	-
	5,236,016,787	2,110,619,900	-	7,346,636,687	2,110,619,900	-	-	2,110,619,900
Financial liabilities at amortised cost								
Trade and other payables	-	-	2,113,813,657	2,113,813,657	-	-	-	-
Lease liabilities	-	-	439,029,768	439,029,768	-	-	-	-
Long term loan			233,937,365	233,937,365	-	-	-	-
Unclaimed dividend	-	-	418,295,410	418,295,410	-	-	-	-
	-	-	3,205,076,200	3,205,076,200	-	-	-	-
As at December 31, 2025								
Financial assets measured at fair value								
Mutual funds	-	2,659,250,468	-	2,659,250,468	2,659,250,468	-	-	2,659,250,468
Financial assets at amortised cost								
Long-term deposits	81,588,597	-	-	81,588,597	-	-	-	-
Loan to employees	57,841,093	-	-	57,841,093	-	-	-	-
Advance to employees against salaries	30,076,383	-	-	30,076,383	-	-	-	-
Loan to subsidiary	425,000,000	-	-	425,000,000	-	-	-	-
Trade deposits	25,743,392	-	-	25,743,392	-	-	-	-
Term deposit receipts	400,372,214	-	-	400,372,214	-	-	-	-
Trade debts	4,207,368,520	-	-	4,207,368,520	-	-	-	-
Other receivables	34,544,757	-	-	34,544,757	-	-	-	-
Cash and bank balances	468,796,488	-	-	468,796,488	-	-	-	-
	5,731,331,444	2,659,250,468	-	8,390,581,912	2,659,250,468	-	-	2,659,250,468
Financial liabilities at amortised cost				-	-	-	-	-
Trade and other payables	-	-	2,398,911,525	2,398,911,525	-	-	-	-
Lease liabilities	-	-	493,584,101	493,584,101	-	-	-	-
Long term loan	-	-	6,319,789	6,319,789	-	-	-	-
Unclaimed dividend	-	-	304,559,821	304,559,821	-	-	-	-
	-	-	3,203,375,236	3,203,375,236	-	-	-	-

29.1 The Company has revalued certain fixed assets at fair value and classified under property, plant and equipment. There is no change in fair value of the assets as disclosed in the annual audited financial statements for the year ended December 31, 2025.

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

30 POTENTIAL ACQUISITION

During the period, the Board of the Company in its meeting held on February 2, 2026 approved, in principle, a potential acquisition of a company.

The proposed acquisition is expected to strengthen the Company's strategic position through potential expansion of its business footprint, enhancement of its product portfolio and capabilities, and realization of operational and commercial synergies, including broader market access and distribution efficiencies.

The transaction is currently at an evaluation stage and remains subject to completion of due diligence, negotiation and execution of definitive agreements, receipt of applicable corporate and regulatory approvals, and satisfaction of other customary conditions precedent. Accordingly, the financial impact, if any, cannot presently be determined. Further disclosures will be made as required under applicable laws and the rules of Pakistan Stock Exchange.

31 EVENTS AFTER THE REPORTING DATE

These are no significant reportable event after the unconsolidated condensed interim statement of financial position.

32 CORRESPONDING FIGURES

32.1 Corresponding figures have been re-arranged or reclassified wherever necessary, for better and fair presentation. However no significant rearrangement / reclassification has been made during the period except for the following:

Statement of profit or loss

Reclassification from	Reclassification to	Amount (Rupees)
Research and development expenses	Administrative and general expenses	49,005,540

This has been merged with administrative and general expenses as per industry practice, as there was no research and development activity.

32.2 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the unconsolidated condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended December 31, 2025 and the corresponding figures in the unconsolidated condensed interim statement of profit or loss and the unconsolidated condensed interim comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity comprise of balances of comparable period as per the unconsolidated condensed interim financial statements of the Company for the half year ended June 30, 2025.

Notes to the Condensed Interim Un-Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

33. SEGMENT REPORTING

The chief operating decision maker (i.e. the Board of Directors) considers the whole business as one operating segment.

34. DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Company authorized these unconsolidated financial statements for issuance on August 27, 2026.

35. GENERAL

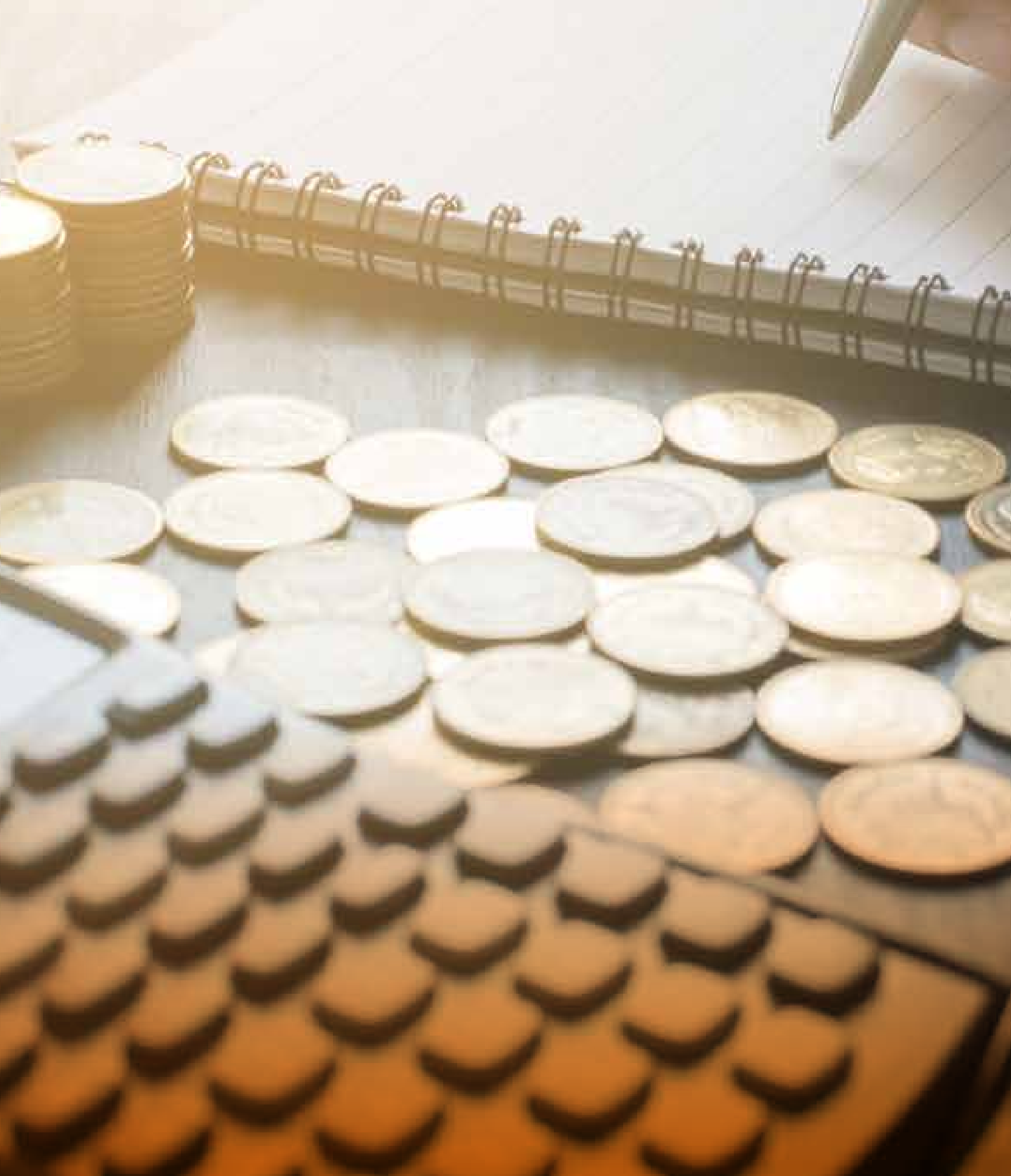
The figures in these unconsolidated financial statements are rounded off to the nearest rupee, unless otherwise stated.

Dr. Adeel Abbas Haideri	Taufiq Ahmed Khan	Ashfaq Alidina
Chief Executive Officer	Director	Chief Financial Officer

Consolidated Condensed Interim
Financial Statements

Highnoon Laboratories Limited

For The Six Months Period Ended June 30, 2026



Condensed Interim Consolidated Statement of Financial Position As at 30 June 2026 (Un Audited)

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		-------------(Rupees)	------------
ASSETS			
Non-current assets			
Property, plant and equipment	8	4,749,958,451	4,400,566,790
Intangible assets		30,158,060	37,851,548
Goodwill		834,230	834,230
Long-term deposits		126,914,993	84,586,147
Long-term loans and advances	9	66,778,911	54,421,386
		4,974,644,645	4,578,260,101
Current assets			
Inventories	10	5,528,548,342	5,713,841,339
Trade receivables	11	3,574,920,414	4,400,848,568
Advances, trade deposits and prepayments		565,985,237	657,630,072
Other receivables		291,789,095	176,743,922
Short term investments	12	2,534,659,535	3,059,622,682
Tax refunds due from the Government		267,061,303	265,482,460
Cash and bank balances	13	673,395,839	584,225,906
		13,436,359,765	14,858,394,949
TOTAL ASSETS		18,411,004,410	19,436,655,050

Dr. Adeel Abbas Haideri
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq Alidina
Chief Financial Officer

Condensed Interim Consolidated Statement of Financial Position As at 30 June 2026 (Un Audited)

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------------(Rupees)	------------
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
100,000,000 (December 31, 2025: 100,000,000)			
Ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid up share capital	14	529,833,630	529,833,630
Capital reserve			
Surplus on revaluation of property, plant and equipment		1,024,914,828	1,041,210,488
Revenue reserves		11,332,233,486	12,181,933,023
Total Equity		12,886,981,944	13,752,977,141
LIABILITIES			
Non-current liabilities			
Lease liabilities		438,408,658	380,821,593
Long term loan - secured	15	230,041,069	2,423,493
Deferred tax liabilities		217,551,311	250,433,156
Deferred liabilities		146,303,143	145,253,907
		1,032,304,181	778,932,149
Current liabilities			
Trade and other payables	16	2,918,738,868	3,066,846,080
Contract liabilities		71,087,112	236,624,569
Unclaimed dividend		418,295,410	304,559,821
Current portion of long term liabilities		149,747,267	117,974,112
Short term borrowings		240,734,402	301,798,222
Taxation - net		693,115,226	876,942,956
		4,491,718,285	4,904,745,760
TOTAL EQUITY AND LIABILITIES		18,411,004,410	19,436,655,050
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 33 form an integral part of these consolidated financial statements.

Dr. Adeel Abbas Haideri Chief Executive Officer	Taufiq Ahmed Khan Director	Ashfaq Alidina Chief Financial Officer

Condensed Interim Consolidated Statement of Profit or Loss (Un Audited)

For The Six Months Period Ended June 30, 2026

		Six Months Period Ended 30 June		Three Months Period Ended 30 June	
		2026	2025	2026	2025
		----------(Rupees) ---------		----------(Rupees) ---------	
	Note				
Revenue from contracts with customers- net	18	13,983,451,969	13,185,078,595	6,463,406,061	6,159,180,393
Cost of revenue	19	(5,918,394,947)	(5,924,382,344)	(2,776,889,245)	(2,582,099,641)
Gross profit		8,065,057,022	7,260,696,251	3,686,516,816	3,577,080,752
Distribution, selling and promotional expenses		(4,038,936,686)	(3,623,706,897)	(2,070,053,280)	(1,749,079,182)
Administrative and general expenses		(816,540,423)	(811,308,443)	(449,887,018)	(463,705,367)
Other operating expenses		(290,946,938)	(190,446,041)	(128,615,370)	(70,176,676)
		(5,146,424,047)	(4,625,461,381)	(2,648,555,668)	(2,282,961,225)
Profit from operations		2,918,632,975	2,635,234,870	1,037,961,148	1,294,119,527
Other income	20	161,104,139	229,111,245	73,289,246	131,277,328
Finance costs		(53,142,712)	(59,263,186)	(33,324,405)	(31,505,942)
Profit before income tax and levy		3,026,594,402	2,805,082,929	1,077,925,989	1,393,890,913
Levy		-	-	-	4,838,674
Profit before income tax		3,026,594,402	2,805,082,929	1,077,925,989	1,398,729,587
Taxation	21	(1,243,421,449)	(1,069,693,795)	(342,837,470)	(617,904,610)
Profit after tax for the period		1,783,172,953	1,735,389,134	735,088,519	780,824,977
Earnings per share - basic and diluted	22	33.66	32.75	13.87	14.74

The annexed notes from 1 to 33 form an integral part of these consolidated financial statements.

Dr. Adeel Abbas Haideri Chief Executive Officer	Taufiq Ahmed Khan Director	Ashfaq Alidina Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Un Audited)

For The Six Months Period Ended June 30, 2026

	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2026	2025	2026	2025
	------(Rupees) ------		------(Rupees) ------	
Profit after tax for the period	1,783,172,953	1,735,389,134	735,088,519	780,824,977
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Remeasurement loss on gratuity	-	-	-	-
Related deferred tax	-	-	-	-
	-	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	-	-	-	-
Total comprehensive income for the period	1,783,172,953	1,735,389,134	735,088,519	780,824,977

The annexed notes from 1 to 33 form an integral part of these consolidated financial statements.

Dr. Adeel Abbas Haideri	Taufiq Ahmed Khan	Ashfaq Alidina
Chief Executive Officer	Director	Chief Financial Officer

Condensed Interim Consolidated Statement of Cash Flows (Un Audited)

For The Six Months Period Ended June 30, 2026

	Note	Six Months Period Ended 30 June 2026	2025
		----------(Rupees) -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	23	4,145,444,856	2,313,397,579
Income tax paid		(1,460,131,024)	(728,671,359)
Gratuity paid		(15,835,030)	(608,283,171)
Finance cost paid		(78,115,997)	(59,263,186)
Workers' Welfare Fund paid		(89,714,798)	(79,968,618)
Central Research Fund paid		(72,007,439)	-
		(1,715,804,288)	(1,476,186,334)
Net cash generated from operating activities	A	2,429,640,568	837,211,245
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(598,669,785)	(454,827,428)
Purchase of intangible assets		-	(5,734,563)
Long term deposits - net		(42,328,846)	24,156
Increase / (Decrease) in long term advances		(12,357,525)	15,589,601
Short term investments - net		527,808,427	1,943,448,284
Proceeds from disposal of operating fixed assets		51,759,247	67,959,445
Net cash flows generated from / (used in) investing activities	B	(73,788,482)	1,566,459,495
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities-net		83,805,744	(72,079,576)
Long term loan - net		246,008,484	(64,448,148)
Long term advances (payable) - net		-	180,785,253
Dividend paid		(2,535,432,561)	(2,024,796,835)
Net cash flows used in financing activities	C	(2,205,618,333)	(1,980,539,306)
Net (decrease) / increase in cash and cash equivalents	(A+B+C)	150,233,753	423,131,434
Cash and cash equivalents at beginning of the period		282,427,684	709,517,074
Cash and cash equivalents at end of the period		432,661,437	1,132,648,508

The annexed notes from 1 to 33 form an integral part of these consolidated financial statements.

Dr. Adeel Abbas Haideri Chief Executive Officer	Taufiq Ahmed Khan Director	Ashfaq Alidina Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity (Un Audited)

For The Six Months Period Ended June 30, 2026

	Share capital	Capital Reserves	Revenue reserves			Total
		Revaluation Surplus on operating fixed asset	General reserve	Unappropriated profits	Sub total	
	----------------------------	----------------------------	----------------------------	Rupees	----------------------------	----------------------------
Balance as at January 01, 2025 - (audited)	529,833,630	1,077,558,758	114,000,000	10,073,737,871	10,187,737,871	11,795,130,259
Transaction with owners, recorded directly in equity						
Final dividend @ Rs. 40 per share for the year ended December 31, 2024	-	-	-	(2,119,334,520)	(2,119,334,520)	(2,119,334,520)
Total comprehensive income for the period						
Profit for the period	-	-	-	1,735,389,134	1,735,389,134	1,735,389,134
Other comprehensive loss for the period	-	-	-	-	-	-
	-	-	-	1,735,389,134	1,735,389,134	1,735,389,134
Surplus transferred to unappropriated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(18,174,134)	-	18,174,134	18,174,134	-
Balance as at June 30, 2025 - (un-audited)	529,833,630	1,059,384,624	114,000,000	9,707,966,619	9,821,966,619	11,411,184,873
Balance as at January 01, 2026 - (audited)	529,833,630	1,041,210,488	114,000,000	12,067,933,023	12,181,933,023	13,752,977,141
Transaction with owners, recorded directly in equity						
Final dividend @ Rs. 50 per share for the year ended December 31, 2025	-	-	-	(2,649,168,150)	(2,649,168,150)	(2,649,168,150)
Total comprehensive income for the period						
Profit for the period	-	-	-	1,783,172,953	1,783,172,953	1,783,172,953
Other comprehensive loss for the period	-	-	-	-	-	-
	-	-	-	1,783,172,953	1,783,172,953	1,783,172,953
Surplus transferred to accumulated profit						
Incremental depreciation relating to surplus on revaluation - net of tax	-	(16,295,660)	-	16,295,660	16,295,660	-
Balance as at June 30, 2026 - (un-audited)	529,833,630	1,024,914,828	114,000,000	11,218,233,486	11,332,233,486	12,886,981,944

The annexed notes from 1 to 33 form an integral part of these consolidated financial statements.

Dr. Adeel Abbas Haideri
Chief Executive Officer

Taufiq Ahmed Khan
Director

Ashfaq Alidina
Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

The Highnoon Group (the Group) comprises of Highnoon Laboratories Limited (the Holding Company) and Curexa Health (Private) Limited (the Subsidiary Company).

The Holding Company was incorporated in Pakistan under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017) (the Act) and its shares are quoted on Pakistan Stock Exchange since November 1994. The Holding Company is principally engaged in the manufacture, import, sale and marketing of pharmaceutical and allied consumer products.

The Subsidiary Company was incorporated with the principal object to carry on business as manufacturer, importer and dealers of all kinds of pharmaceutical.

2. GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Group is situated at 17.5 KM , Multan Road, Lahore.

Geographical location and addresses of major business units of the Group are as under:

Business Units	Geographical Location	Address
Manufacturing facility	Lahore	17.5 KM, Multan Road, Lahore.
Subsidiary registered office / Manufacturing facility	Lahore	517- Sundar Industrial Estate, Raiwind, Lahore.
Corporate Office	Lahore	Office# 901 Tricon Corporate Centre, Jail Road, Lahore.
Sales office	Karachi	202 Anam Empire, Block 7/8 KCHS,Shahrah e Faisal, Karachi.
Sales office	Lahore	14-G, Block L, Gulberg - III, Lahore.
Sales office	Rawalpindi	132 Hali Road, Westridge - I, Peshawar Road, Rawalpindi.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act , 2017; and

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

These consolidated condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Group as at and for the year ended December 31, 2025 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these consolidated condensed interim financial statements have been extracted from the annual audited financial statements of the Group for the year ended December 31, 2025, whereas the comparative consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity are extracted from the unaudited consolidated condensed interim financial statements for the half year ended June 30, 2025.

3.2 Basis of measurement

The consolidated condensed interim financial statements have been prepared under the historical cost convention, except for certain classes of operating fixed assets (as mentioned in consolidated financial statements of the Group for the year ended December 31, 2025) and certain employees' retirement benefits which are measured at revalued amounts and present value, respectively.

These financial statements are the consolidated financial statements of the Group in which investment in subsidiary is accounted for on the basis of acquisition method. Standalone financial statements of the Holding Company and its Subsidiary are presented separately.

3.3 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pak rupee (Rupee), which is also the functional currency of the Group.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 Amendments to published accounting and reporting standards which became effective during the period:

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2026, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2026, but are considered not to be relevant or expected to have any significant effect on the Group's operations except as follows:

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

5 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2025 except otherwise stated in these consolidated condensed interim financial statements.

6 TAXATION AND OTHERS

6.1 The provisions for taxation for the half year and quarter ended June 30, 2026, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate for the Tax Year 2026 is 29% plus super tax. Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year.

Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Provisions in respect of Workers' Welfare Fund and Workers' Profit Participation Fund are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

7 USE OF ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements, in conformity with accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these consolidated condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the audited financial statements of the Group for the year ended December 31, 2025.

		Note	Un Audited 30 June 2026	Audited 31 December 2025
			----------(Rupees)	----------
8.	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	8.1	3,534,274,474	3,563,700,192
	Right of use assets	8.2	645,617,492	557,996,242
			4,179,891,966	4,121,696,434
	Capital work-in-progress		562,863,827	278,085,356
	Advances against capital assets		7,202,658	785,000
			4,749,958,451	4,400,566,790
8.1	Owned assets			
	Opening book value		3,563,700,192	3,624,780,882
	Additions during the period / year	8.1.1	161,365,833	328,424,502
			3,725,066,025	3,953,205,384
	Disposals during the period / year	8.1.2	(42,336,938)	(50,158,263)
	Depreciation for the period / year		(148,454,613)	(339,346,929)
			(190,791,551)	(389,505,192)
	Closing book value		3,534,274,474	3,563,700,192

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

			Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees) --------	
8.1.1	Additions during the period / year - cost			
	Building on freehold land		62,315,543	38,116,607
	Leasehold improvement		-	45,895,314
	Plant and machinery		25,124,774	142,014,471
	Laboratory equipment		38,104,249	21,407,059
	Furniture and fixture		3,682,740	9,168,367
	Electric and gas appliances		1,793,032	4,163,431
	Office equipment		30,345,495	34,096,875
	Vehicles		-	33,562,378
			161,365,833	328,424,502
8.1.2	Disposals during the period / year			
	Laboratory equipment		-	140,298
	Office equipment		186,322	1,553,533
	Vehicles		42,150,616	48,464,432
			42,336,938	50,158,263
8.2	Right of use assets			
	Opening book value		557,996,242	89,084,423
	Additions / transfer during the period / year - cost		146,107,823	590,509,302
			704,104,065	679,593,725
	Disposal / transferred to owned assets		-	(43,161,656)
	Depreciation for the period / year		(58,486,573)	(78,435,827)
			(58,486,573)	(121,597,483)
	Closing book value		645,617,492	557,996,242
9.	LONG-TERM LOANS AND ADVANCES			
	Secured - considered good			
	Loan to employees - secured	9.1	85,791,583	66,815,744
	Less: current portion		(19,012,672)	(12,394,358)
			66,778,911	54,421,386

9.1 These represent loan given to employees against the purchase of vehicles as per the Group's policy. These loans are for maximum period of 5 years. These loans are secured against the final settlement amount of employees. The loans carry an effective interest rate of 0% (2025: 0%) per annum and are repayable in cash in accordance with predefined repayment schedule. The impact of discounting to present value is assessed to be immaterial by the management.

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees)	--------
10. INVENTORIES			
Raw materials			
In hand		2,787,026,834	2,895,773,291
In transit		121,009,585	453,265,870
With third party		132,686,321	135,911,573
		3,040,722,740	3,484,950,734
Packing material			
In hand		1,004,089,264	786,072,374
With third party		22,389,162	25,046,346
		1,026,478,426	811,118,720
Stores, spare parts and loose tools		223,791,931	183,851,002
Work in progress		230,630,455	555,862,103
Finished goods			
Trading - in hand		698,821,441	246,760,736
Manufactured		519,691,765	634,506,634
		1,218,513,206	881,267,370
Provision for slow moving and obsolete items	10.1	(211,588,416)	(203,208,590)
		5,528,548,342	5,713,841,339

10.1 Provision for slow moving and obsolete items:

	Un Audited 30 June 2026	Audited 31 December 2025
Opening balance	203,208,590	212,150,560
Charge for the period / year	128,810,926	75,051,310
Write-off for the period / year	(120,431,100)	(83,993,280)
Closing provision	211,588,416	203,208,590

10.1.1 The Group has revised its accounting estimate relating to the provision for slow-moving raw materials. Effective during the current period, the provision rate for raw materials with a remaining shelf life of six months has been reduced from 100% to 50%, based on prevailing industry practice and management's assessment of the expected utilization of such materials.

Had there been no change in the accounting estimate, the provision for slow-moving raw materials for the current period would have been higher by Rs. 29.660 million.

11. TRADE RECEIVABLES

	Note		
Export sales		143,689,918	165,891,286
Local sales		3,600,466,386	4,364,914,736
		3,744,156,304	4,530,806,022
Less: allowance for expected credit losses	11.1	(169,235,890)	(129,957,454)
		3,574,920,414	4,400,848,568

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees)	--------
11.1 Allowance for expected credit losses:			
Opening balance		129,957,454	57,651,504
Charge during the period / year		39,278,436	72,305,950
		169,235,890	129,957,454

12. SHORT-TERM INVESTMENTS

Investments at fair value through profit or loss

	Note		
Mutual funds - fair value through profit or loss	12.1	2,110,619,900	2,659,250,468
Term deposit receipts - at amortization cost	12.2	424,039,635	400,372,214
		2,534,659,535	3,059,622,682

12.1 These investments are measured at fair value through profit or loss:

Balance at the beginning of the period / year	2,659,250,468	3,471,920,933
Additions during the period / year	2,000,833,884	6,133,140,049
Redemption during the period / year	(2,660,426,766)	(7,290,579,760)
Realized gain on redemption of investment during the period / year	108,950,088	168,760,287
Un-realized (loss) / gain on remeasurement of investments during the period / year	2,012,226	176,008,959
Closing fair value of short-term investments	2,110,619,900	2,659,250,468

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

12.2 These represent investments in term deposit receipts. They carry average profit at the rate of ranging from 9.02% to 11.25% per annum (2025: 9.02% to 16% per annum) with maturity up to October 2026.

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees)	--------
13. CASH AND BANK BALANCES			
Cash in hand		936,030	399,622
Balance with banks			
Current accounts			
-Local currency		205,110,425	203,826,885
-Foreign currency		247,881,531	228,704,609
Saving accounts	13.1	219,467,853	151,294,790
		672,459,809	583,826,284
		673,395,839	584,225,906

13.1 These represents savings accounts which carries average profit at the rate of ranging from 6.46% to 9.10% per annum (2025: 6.46% to 9.10% per annum).

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees)	--------
13.2 Cash and cash equivalent			
cash and bank balances		673,395,839	584,225,906
short term borrowings		(240,734,402)	(301,798,222)
		432,661,437	282,427,684

14. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
5,905,000 (December 31, 2025: 5,905,000) ordinary shares of Rs. 10 each fully paid in cash	59,050,000	59,050,000
95,000 (December 31, 2025: 95,000) ordinary shares of Rs.10 each issued for consideration other than cash	950,000	950,000
46,983,363 (December 31, 2025: 46,983,363) ordinary shares of Rs. 10 each issued as bonus shares	469,833,630	469,833,630
	529,833,630	529,833,630

		Note	Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees) --------	
15.	LONG-TERM LOAN - SECURED			
	Long-term loan		233,937,365	6,319,789
	Less: Current portion shown under current liabilities		(3,896,296)	(3,896,296)
			230,041,069	2,423,493
15.1	The movement of long-term loan is as follows:			
	Opening balance as at January 01,	15.1.1 & 15.1.2	6,319,789	447,716,085
	Loan obtained during the period / year		229,565,724	-
	Principal payments made during the period / year		(1,948,148)	(441,396,296)
			233,937,365	6,319,789
	Current portion shown under current liabilities		(3,896,296)	(3,896,296)
	Closing balance		230,041,069	2,423,493

15.1.1 This includes loan obtained from MCB Bank Limited with maturity date of June 10, 2029 under facility for setting up solar based power project under SBP financing scheme for renewable energy having sanctioned limit of Rs. 50 million (2025: Rs. 50 million) and carries markup at the rate of 2% + 0.5% per annum payable quarterly (2025: 2% + 0.5%) whereas principal is repayable in 27 equal quarterly instalments starting from December 10, 2022. This facility is secured against lien on mutual funds up to Rs. 67 million placed in MCB Investment Management Limited. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate of 3 months KIBOR at respective draw down date.

15.1.2 The Group has obtained long-term Shariah-compliant term financing facility from Meezan Bank Limited with total limits of PKR 500 million for capital expenditure and BMR requirements. The facilities comprise SBP LTFF and commercial terms, carry markup ranging from SBP Base Rate - 3.00% per annum (with a 5% floor and 35% cap), a 5-year tenure including a 1-year grace period and eight equal semi-annual repayments. The facilities are secured by a 1st Pari Passu charge on all present and future plant and machinery of the Group with a 25% margin.

15.2 The difference between fair value of loan and loan proceeds has been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

	Note	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees) --------	
16. TRADE AND OTHER PAYABLES			
Trade creditors		1,448,978,957	1,974,078,037
Accrued expenses		593,040,661	290,558,131
Accrued markup		32,541,591	27,114,278
Due to employees		116,902,023	117,879,207
Provision for leave encashment		15,233,601	49,817,547
Payable to central research fund		27,787,325	69,556,281
Payable to provident fund trust		19,959,382	19,974,618
Payable to employees welfare trust		872,897	1,030,236
Withholding tax payable		96,005,032	85,571,432
Refund liabilities		203,818,091	203,818,090
Workers welfare fund payable		200,367,595	229,011,917
Workers' profit participation fund		155,684,125	(4,617,429)
Sales tax payable		1,529,244	1,232,377
Other payables		6,018,344	1,821,358
		2,918,738,868	3,066,846,080

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There have been no significant changes in contingencies as reported in the annual audited consolidated financial statements of the Group for the year ended December 31, 2025 except following:

17.1.1 The Assistant / Deputy Commissioner Inland Revenue has issued an order under sections 205 read with 137(1) of the Income Tax Ordinance, 2001, in respect of Tax Year 2023, creating a demand of Rs. 56.05 million on account of default surcharge due to failure of full discharge of liability of super tax.

Being aggrieved by the said order, the Group has preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR (A)], which is pending adjudication. No provision has been recognized by the Group, as the management, based on the opinion of its tax consultants, expects a favorable outcome.

17.1.2 In respect of the contingency reported under note 30.1.8 to the audited financial statement for the year ended December 31, 2025, the Civil Originals relating to, inter alia, the related party transactions have been clubbed with the Group's Writ Petition seeking a stay of the proceedings initiated by the SECP and are presently fixed for hearing before the Lahore High Court.

In the matter concerning the rectification of shares, the Lahore High Court dismissed the petition on grounds of limitation. The plaintiffs subsequently filed a Civil Petition for Leave to Appeal (CPLA) before the Supreme Court. Thereafter, vide its order dated April 22, 2026, a regular bench of the Supreme Court remanded the matter to Lahore High Court for reconsideration along with multiple other petitions pertaining to the same issue. The Group has since then also filed a revision petition before the Supreme Court of Pakistan. The management, based on the assessment of its concerned legal advisors, is of the view that no outflow of economic resources is expected to occur based on the aforementioned petition.

The Group is actively pursuing the above matters at respective forums. Based on the advice of the legal counsel, the Group is hopeful for the favorable outcome of the matters. Hence, no provision has been made in these financial statements.

		Note	Un Audited 30 June 2026	Audited 31 December 2025
			--------(Rupees) --------	
17.2	Commitments			
	Commitments against irrevocable letters of credit include:			
	Letter of credit		983,057,342	956,401,169
	Bank contracts		222,758,641	489,730,620
	Ijarah rentals	17.2.1	597,333,662	350,131,549
	Capital work in progress		88,798,108	80,240,684
			1,891,947,753	1,876,504,022
17.2.1	Future payments under Ijarah			
	Within one year		128,411,103	87,634,402
	After one year but not more than five years		468,922,559	262,497,147
			597,333,662	350,131,549

18. REVENUE FROM CONTRACTS WITH CUSTOMERS- NET

18.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers :

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

	Un-audited			
	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2026	2025	2026	2025
	(Rupees)			
Manufacturing:				
Local	13,982,026,503	12,596,443,156	6,591,645,210	6,118,734,393
Export	369,166,913	860,101,991	168,293,737	259,660,162
	14,351,193,416	13,456,545,147	6,759,938,947	6,378,394,555
Trading	2,393,691,843	1,539,386,523	1,134,679,993	923,599,386
Toll manufacturing	380,891,683	448,112,161	202,680,423	213,686,271
Less:				
Sales tax	(135,785,497)	(141,081,114)	(61,866,453)	(70,189,150)
Trade discount	(1,990,513,787)	(1,480,362,886)	(1,076,429,105)	(771,178,098)
Sales return	(1,016,025,689)	(637,521,236)	(495,597,744)	(515,132,572)
	13,983,451,969	13,185,078,595	6,463,406,061	6,159,180,393

	Un-audited	
	Six Months Period Ended 30 June	
	2026	2025
	(Rupees)	
18.2 Geographical information		
Pakistan	13,615,487,058	12,325,543,857
Afghanistan	-	565,571,085
Azerbaijan	5,523,310	-
Cambodia	6,866,506	12,798,868
France	89,910,636	45,324,131
Iraq	100,366,150	-
Kenya	-	6,177,926
Mauritius	1,045,210	1,052,637
Myanmar	2,314,743	-
Somalia	43,206,036	4,435,437
Sri Lanka	54,858,290	49,588,503
Sudan	39,614,121	11,778,953
Turkmenistan	19,655,584	-
United Arab Emirates	-	157,490,240
Zambia	4,604,325	5,316,958
	13,983,451,969	13,185,078,595

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

	Un-audited			
	Six Months Period Ended 30 June		Three Months Period Ended 30 June	
	2026	2025	2026	2025
	(Rupees)			
19. COST OF REVENUE				
Opening stock of finished goods	881,267,370	876,576,503	869,196,463	563,731,499
Cost of goods manufactured	4,901,379,101	5,441,745,629	2,073,135,519	2,666,670,551
Purchased finish products	1,354,261,682	516,331,307	1,053,070,469	261,968,686
Available stock for sale	7,136,908,153	6,834,653,439	3,995,402,451	3,492,370,736
Closing stock of finished goods	(1,218,513,206)	(910,271,095)	(1,218,513,206)	(910,271,095)
Cost of revenue	5,918,394,947	5,924,382,344	2,776,889,245	2,582,099,641

	Note	Un-audited Six Months Period Ended 30 June	
		2026	2025
		(Rupees)	
20. OTHER INCOME			
Return on deposits and mark-up on interest bearing accounts		27,412,210	20,813,789
Dividend income on short term investment		833,054	3,554,800
Unrealized gain on re-measurement of short term investment to fair value		2,012,226	-
Realized gain on short term investment		108,950,088	167,546,896
Exchange gain - net		4,851,792	2,054,484
Royalty income from associate	20.1	3,115,365	6,482,168
Deferred income		2,602,914	-
Gain on disposal of operating fixed asset		9,422,309	27,693,281
Scrap sales		925,731	965,827
Other income		978,450	-
		161,104,139	229,111,245

20.1 This represents royalty income from Route 2 Health (Private) Limited, at the rates of 2.5% of net sales.

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

			Un-audited Six Months Period Ended 30 June	
		Note	2026	2025
			----------(Rupees) ---------	
21.	TAXATION			
	Current tax			
	-current period		1,105,942,640	964,158,249
	-prior period	21.1 & 21.2	170,360,654	670,190
			1,276,303,294	964,828,439
	Deferred tax		(32,881,845)	104,865,356
			1,243,421,449	1,069,693,795

21.1 This includes tax payments amounting to Rs. 16.896 million made against demands raised for Tax Years 2019, 2021, and 2022.

21.2 On January 27, 2026, Federal Constitutional Court upheld the legality of the Super Tax under Sections 4B and 4C of the Income Tax Ordinance 2001, ruling it constitutional and enforceable. Pursuant to passing of the order company has recognized super tax provision amounting to Rs. 153.464 million for financial year 2022 and 2023:

		Un-audited Six Months Period Ended 30 June		Three Months Period Ended 30 June	
		2026	2025	2026	2025
		---------------- (Rupees) ----------------			
22.	EARNINGS PER SHARE				
	Profit for the period - (Rupees)	1,783,172,953	1,735,389,134	735,088,519	780,824,977
	Weighted average number of ordinary shares	52,983,363	52,983,363	52,983,363	52,983,363
	Basic and diluted - (Rupees)	33.66	32.75	13.87	14.74

	Note	(Un-audited) Six Months Period Ended 30 June 2026	2025
		----------(Rupees)--- ------	
23. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax and levy		3,026,594,402	2,805,082,929
Adjustments for non-cash and other items:			
Depreciation of operating fixed assets	8.1	206,941,186	194,773,898
Amortization of intangible assets		7,693,488	7,056,313
Provision / reversal for defined benefit obligation		4,047,834	376,528,691
Provision for slow moving and obsolete stocks	10	8,379,826	5,955,757
Provision for Workers' Profit Participation Fund		160,301,554	150,481,965
Provision for Workers Welfare Fund		61,070,476	60,192,786
Provision for Central Research Fund		30,238,483	27,989,016
Finance cost		83,543,310	59,263,186
Exchange gain - net		(4,851,792)	(2,054,484)
Gain on disposal of property plant and equipment	20	(9,422,309)	(27,693,281)
Un-realized gain on remeasurement of investments	20	(2,012,226)	-
Dividend income on short term investment	20	(833,054)	(3,554,800)
Allowance for expected credit loss		39,278,436	14,522,586
Reversal of provision on sales tax refundable		-	-
		584,375,212	863,461,633
Cash flow before working capital changes		3,610,969,614	3,668,544,562
Working capital changes:			
(Increase) / decrease in current assets:			
Inventories		176,913,171	(229,992,194)
Trade debts		791,501,510	(667,305,802)
Advances, trade deposits and prepayments		91,644,835	(222,505,920)
Other receivables		(115,045,173)	(66,296,619)
Tax refunds due from the Government		(1,578,843)	25,472,823
Increase / (decrease) in current liabilities:			
Trade and other payables		(243,422,801)	(127,875,336)
Contract liabilities		(165,537,457)	(66,643,935)
		534,475,242	(1,355,146,983)
Cash generated from operations		4,145,444,856	2,313,397,579

24. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The related parties of the Group comprise associated companies, companies in which directors are interested, staff retirement funds and directors and key management personnel. The transactions with related parties are carried out under the related party transactions policy approved by the Board of Directors of the Group. Details of transactions with related parties and balances with them at period end, other than those which have been disclosed elsewhere in these financial statements, are as follows:

24.1 Transactions during the period:

Name of related party	Relationship	Nature of transaction	(Un-audited) Six Months Period Ended 30 June 2026	2025
			-------Rupees)-------	
Route 2 health (Private) Limited	Associate (Common directorship and shareholder of 0.45% (2025:0.45%)	Sales during the period - net	-	114,154,638
		Purchase	-	5,270,993
		Royalty Income	3,115,365	6,482,168
		Receipts during the period	3,115,365	-
		Dividend paid	11,903,950	9,523,160
Pharmatec Investments Limited	Associate (Common control and shareholder of 8.34% (2025:8.34%)	Dividend paid	220,812,100	176,649,680
Retirement benefit plans / funds	Staff retirement funds and welfare trust	Contribution to provident fund	115,240,493	111,867,074
		Dividend paid	10,677,500	8,542,000
		Contribution to staff welfare trust	2,069,559	1,818,799
		Dividend paid	6,148,250	7,860,680

24.2 Balance outstanding as at reporting date:

Name of related party	Relationship	Nature of transaction	(Un-audited) Six Months Period Ended 30 June 2026	2025
			------(Rupees)-----	
Retirement benefit plans / funds	Staff retirement funds and welfare trust	Payable to provident fund	19,959,382	19,974,618
		Payable to staff welfare trust	872,897	1,030,236

24.3 Transactions with key management personnel under the terms of employment are excluded from related party transactions.

25. SHARIAH COMPLIANCE DISCLOSURE

The Company is listed on the PSX-KMI All Shares Index. Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to All Shares Islamic Index:

Description	Explanation	Un Audited 30 June 2026	Audited 31 December 2025
		--------(Rupees)	--------
Liabilities			
Accrued markup	Non-shariah compliant	6,602,538	1,877,857
Long term loan - secured	Shariah Compliant	244,925,322	-
Short term borrowings	Shariah Compliant	240,734,402	301,798,222
Assets			
Short term investment	Shariah Compliant	425,319,952	598,173,475
Bank balances	Shariah Compliant	186,544,853	508,317,729
Bank deposits	Shariah Compliant	219,266,820	41,695,374

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

		Un Audited 30 June 2026	Un Audited 30 June 2025
		--------(Rupees) --------	
Consolidated Statement of Profit or Loss			
Revenue from contracts with customers- net	Shariah Compliant	13,983,451,969	13,185,078,595
Profit on deposits accounts with bank	Shariah Compliant	5,173,227	5,591,226
Profit on deposits accounts with bank	Non-shariah compliant	905,526	308,747
Income on mutual fund			
Unrealized gain	Shariah Compliant	291,371	-
Realized gain	Shariah Compliant	7,486,670	5,777,227
Exchange gain / (loss)	Shariah Compliant	2,483,885	1,383,505
Finance cost paid	Non-shariah compliant	12,388,543	6,786,782
Finance cost paid	Shariah compliant	13,395,918	34,644,730
Dividend income on short term investment	Non-shariah compliant	558,126	3,567,300
Unrealized gain on re-measurement of short term investment to fair value	Non-shariah compliant	1,720,855	9,126,154
Realized gain on short term investment	Non-shariah compliant	101,739,176	141,660,550
Royalty income from associate	Shariah Compliant	3,115,365	6,428,168
Gain on disposal of operating fixed asset	Shariah Compliant	9,422,309	27,693,281
Scrap sales	Shariah Compliant	925,731	965,827
Other income	Shariah Compliant	978,450	-

Relationship with Shariah compliant Banks

Bank Name	Nature of transactions
Meezan Bank Limited	Bank deposits, investments and bank balances
First Habib Modaraba	Investments
Faysal Bank Limited	Bank balances
Dubai Islamic Bank Limited	Bank balances
Bank Islamic Pakistan Limited	Bank balances

26 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

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

The consolidated condensed interim financial statements does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited annual financial statements for the year ended December 31, 2025.

The Group's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended December 31, 2025.

27 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Underlying the definition of fair value is the presumption that the Group is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 Fair Value Measurement, requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date (Level 1)

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2)

Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the period.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

28. FINANCIAL INSTRUMENTS BY CATEGORY

	Carrying value				Fair value			
	Financial assets at amortized cost	Financial instrument through FVTPL	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	Rupees							
On-Balance sheet financial instruments								
As at June 30, 2026								
Financial assets measured at fair value								
Mutual funds	-	2,110,619,900	-	2,110,619,900	2,110,619,900	-	-	2,110,619,900
Financial assets at amortised cost								
Long-term deposits	126,914,993	-	-	126,914,993	-	-	-	-
Loan to employees	85,791,583	-	-	85,791,583	-	-	-	-
Advance to employees against salaries	28,691,226	-	-	28,691,226	-	-	-	-
Trade deposits	16,242,783	-	-	16,242,783	-	-	-	-
Term deposit receipts	424,039,635	-	-	424,039,635	-	-	-	-
Trade debts	3,574,920,414	-	-	3,574,920,414	-	-	-	-
Other receivables	101,455,926	-	-	101,455,926	-	-	-	-
Cash and bank balances	673,395,839	-	-	673,395,839	-	-	-	-
	5,031,452,399	2,110,619,900	-	7,142,072,299	2,110,619,900	-	-	2,110,619,900
Financial liabilities at amortised cost								
Trade and other payables	-	-	2,206,696,833	2,206,696,833	-	-	-	-
Lease liabilities	-	-	542,924,346	542,924,346	-	-	-	-
Long term loan	-	-	233,937,365	233,937,365	-	-	-	-
Short term borrowings	-	-	240,734,402	240,734,402	-	-	-	-
Unclaimed dividend	-	-	418,295,410	418,295,410	-	-	-	-
	-	-	3,642,588,356	3,642,588,356	-	-	-	-
As at December 31, 2025								
Financial assets measured at fair value								
Mutual funds	-	2,659,250,468	-	2,659,250,468	2,659,250,468	-	-	2,659,250,468
Financial assets at amortised cost								
Long-term deposits	84,586,147	-	-	84,586,147	-	-	-	-
Loan to employees	66,815,744	-	-	66,815,744	-	-	-	-
Advance to employees against salaries	30,076,384	-	-	30,076,384	-	-	-	-
Trade deposits	27,868,905	-	-	27,868,905	-	-	-	-
Term deposit receipts	400,372,214	-	-	400,372,214	-	-	-	-
Trade debts	4,400,848,568	-	-	4,400,848,568	-	-	-	-
Other receivables	176,743,922	-	-	176,743,922	-	-	-	-
Cash and bank balances	584,225,906	-	-	584,225,906	-	-	-	-
	5,771,537,790	2,659,250,468	-	8,430,788,258	2,659,250,468	-	-	2,659,250,468
Financial liabilities at amortised cost				-	-	-	-	-
Trade and other payables	-	-	2,291,750,446	2,291,750,446	-	-	-	-
Lease liabilities	-	-	493,584,101	493,584,101	-	-	-	-
Long term loan	-	-	6,319,789	6,319,789	-	-	-	-
Short term borrowings	-	-	301,798,222	301,798,222	-	-	-	-
Unclaimed dividend	-	-	304,559,821	304,559,821	-	-	-	-
	-	-	3,398,012,379	3,398,012,379	-	-	-	-

28.1 The Group has revalued certain fixed assets at fair value and classified under property, plant and equipment. There is no change in fair value of the assets as disclosed in the annual audited financial statements for the year ended December 31, 2025.

Notes to the Condensed Interim Consolidated Financial Statements (Un Audited)

For The Six Months Period Ended June 30, 2026

29 EVENTS AFTER THE REPORTING DATE

These are no significant reportable event after the consolidated condensed interim statement of financial position.

30 CORRESPONDING FIGURES

30.1 Corresponding figures have been re-arranged or reclassified wherever necessary, for better and fair presentation. However no significant rearrangement / reclassification has been made during the period except for the following:

Statement of profit or loss

Reclassification from	Reclassification to	Amount (Rupees)
Research and development expenses	Administrative and general expenses	49,005,540

This has been merged with administrative and general expenses as per industry practice, as there was no research and development activity.

30.2 In order to comply with the requirements of International Accounting Standard 34 - Interim Financial Reporting, corresponding figures in the consolidated condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Group for year ended December 31, 2025 and the corresponding figures in the consolidated condensed interim statement of profit or loss and the consolidated condensed interim comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity comprise of balances of comparable period as per the consolidated condensed interim financial statements of the Group for the half year ended June 30, 2025.

31 SEGMENT REPORTING

The chief operating decision maker (i.e. the Board of Directors) considers the whole business as one operating segment.

32 DATE OF AUTHORIZATION OF ISSUE

The Board of Directors of the Group authorized these consolidated financial statements for issuance on August 27, 2026.

33 GENERAL

The figures in these consolidated financial statements are rounded off to the nearest rupee, unless otherwise stated.

Dr. Adeel Abbas Haideri Chief Executive Officer	Taufiq Ahmed Khan Director	Ashfaq Alidina Chief Financial Officer

Enriching Life

Highnoon

Address : 17.5 KM, Multan Road,
Lahore - 53700, Pakistan.
UAN : +92 (42) 111-000-465
Phone : +92 (42) 37510023-27
Fax : +92 (42) 37510037
Email : info@highnoon.com.pk
Web : www.highnoon-labs.com