AVANCEON
Tomorrow's solutions, today.

Half Year
Ended Report

June 30, 2026

www.avanceon.ae

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Company Information

Board of Directors

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

Board Audit Committee

Faaria Rehman Salahuddin	Chairman
Amir Wain	Member
Khalid Hamid Wain	Member

Human Resource & Remuneration Committee

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

Auditors

Crowe Hussain Chaudhury
& Co Chartered Accountants

7th Floor, Gul Mohar Trade Centre, 8-F, Main Market, Gulberg ||, Lahore. +92-42-35759223-5

Legal Advisor

Chima & Ibrahim Advocates & Corporate Counsel

A,1 245 Tufail Rd, Falcon Complex, Lahore. +92-42-36681265

Web Presence

www.avanceon.ae | www.avanceon.com.au

www.avanceon.qa | www.octopusdtl.com

Bankers

Faysal Bank Limited, Pakistan

Habib Bank Limited, Pakistan & United Arab Emirates

National Bank of Fujairah, United Arab Emirates

Habib Bank AGA, Zurich, United Arab Emirates

Bank of Singapore, United Arab Emirates

MCB Bank Limited, Pakistan

United Bank Limited, Pakistan & United Arab Emirates

National Bank of Pakistan Limited, Pakistan

Standard Chartered Bank Limited, Pakistan

JS Bank Limited, Pakistan

Qatar International Islamic Bank QIIB,

Qatar Islamic Bank QIB, Qatar

Share Registrar

FAMCO Share Registration Services (Pvt) Limited

8-F, Near to Hotel Faran, Nursery, Block-6, P.E.C.H.S,
Shahra-e-Faisal, Karachi.

Phone: +92 (21) 3438 0101-5

Fax No: +92 (21) 3438 0106

www.famcosrs.com

Registered Office

The Avanceon Building, 19-KM , Main Multan Road,
Lahore 54660, Punjab, Pakistan

Phone: +92 (42) 111 940 940

Fax No: +92 (42) 375 151 28

Email: marketing@avanceon.ae

Regional Headquarters - South Asia

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54660 Punjab, Pakistan

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Email: marketing@avanceon.ae

Karachi, Sindh, Pakistan

M/S AVANCEON LIMITED

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Islamabad, Pakistan

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Regional Headquarters - Middle East

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Abu Dhabi, UAE

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Doha, Qatar

Avanceon Automation Control WLL

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

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

Lusail, Doha, Qatar.

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Email: marketing@avanceon.ae

Jeddah, Saudia Arabia

Jeddah, Saudia Arabia

Kuwait St. Faisaliyah District

P.O. Box 1298

Jeddah, KSA.

Phone: +966-12-6912204 x 127

Email: marketing@avanceon.ae

Riyadh, Saudia Arabia

Avanceon Saudi for Energy Company

3141 Anas Ibn Malik-Al Malqa Dist.

Unit no. 718, Riyadh 13521 - 8292

Kingdom of Saudi Arabia

Phone: +966-5674 16724

Email: marketing@avanceon.ae

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Interim Director's Report

Directors of Avanceon Limited (the "Company") are pleased to present the Directors' Report for the half year ended June 30, 2026.

		For the half year ended	
		June 30, 2026	June 30, 2025
		--- Rupees in Thousands ---	
OPERATING RESULTS (CONSOLIDATED)			
	Revenues	7,037,186	5,237,704
	Profit/(Loss) before tax	(201,162)	166,339
	Provision for taxation	(58,690)	1,654
	Profit/(Loss) after taxation	(259,852)	167,993
OPERATING RESULTS (STANDALONE)			
	Revenues	1,534,824	1,215,569
	Profit/(Loss) before tax	(22,871)	128,846
	Provision for taxation	(43,282)	6,933
	Profit/(Loss) after taxation	(66,153)	135,779

EARNINGS PER SHARE (CONSOLIDATED) FOR THE HALF YEAR ENDED JUNE 30, 2026

The basic earnings per share after tax is Rs. (0.62) (2025: Rs. 0.37)

EARNINGS PER SHARE (STANDALONE) FOR THE HALF YEAR ENDED JUNE 30, 2026

The basic earnings per share after tax is Rs. (0.15) (2025: Rs. 0.32)

We are pleased to report that the company's (Consolidated & Standalone) half year ending June 30, 2026 results with the shareholders.

Avanceon Limited:

For the period reported half year 2026, the company's revenues are reported at Rs. 1.535 billion, a 26% increase compared to the corresponding period of 2025, with gross margin of Rs. 419 million, a substantial increase of 53%. The increase in both revenue and margin is attributable to our retail fuel business projects being in execution on a smooth track.

Administrative expenses and selling expenses increased by 20% to Rs. 283 million, with other expenses amounting to Rs. 91 million an increase of 333% and other income squeezing to Rs. 68 million decreases of 70% compared to the corresponding period of 2025. The slight increase in admin and selling expenses are inline with annual increment and inflationary pressure, however, the other expenses include an exchange loss and ECL on trade debts. On the other hand, other income downside relates to exchange gain recorded in the prior period, which in the current period is an exchange loss.

This resulted in bottom line operating profit decreased to Rs. 113 million as compared to Rs. 247 million i.e., by 54% as compared to the corresponding reported half year 2025.

Finance cost rose slightly by Rs. 17 million which is 14%, and after a tax incidence of Rs. 43 million dented the profitability of the company to report a net loss of Rs. 66 million as compared to Rs. 135 million PAT in the corresponding reported half year 2025.

The reported loss is largely a timing effect and is expected to reverse by the year end, as back log projects and new order generation are executed.

The company's order generation stood at USD 26 million (as of August 2026), with a very strong pipeline to exceed our year-end target and drive revenue growth through December 2026 in line with the company's road to 100 plan.

Avanceon Group:

Avanceon Limited consolidated financial results present below:

Revenues reported showed a substantial upside of 34% to Rs. 7.03 billion from Rs. 5.23 billion as compared to the corresponding reported half year 2025. The top-line increase is mainly attributable to territory of Pakistan, Qatar and Octopus UAE. However, the KSA market is under pressure.

The gross margin increased by a reasonable 21% up to Rs. 1.961 billion versus Rs. 1.61 billion in the corresponding half year 2025. The major contributors are from Pakistan and Qatar. However, the UAE region showed a timing lag to catch up.

Administrative and selling expenses surged by 45% to Rs. 1.9 billion, the increase is in inline with the group corporate plan and inflationary pressure in the Middle region. This impact was further increased by other expenses mainly rise in exchange loss and ECL on trade debts. Moreover, the extinction of exchange gain reported last year. Thus, resulting a down side in operating profit reported at Rs. 22 million, as compared to Rs. 421 million to the corresponding reported half year 2025.

The finance cost at the group level is reported at Rs. 223 million as compared to Rs. 255 million, a 13% savings to the corresponding reported half year 2025.

Lastly taxation impact of Rs. 59 million resulted in a group loss to be reported at Rs. 260 million as compared to Rs. 168 million PAT to the corresponding reported half year 2025.

The management of the company is confident to achieve its target for the year 2026, the current order generation of the group stands at USD 59 million (as of August 2026) with a promising pipeline to exceed the annual target which will translate into a strong operational and financial close to the year, contributing positively to profitability and shareholder value.

COMMUNICATION

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

BAKHTIAR HAMEED WAIN
Chief Executive Officer

August, 28, 2026
Lahore, Pakistan

Mohammad Shahid Mir
Director

Crowe

Crowe Hussain Chaudhury & Co.
7th Floor,Gul Mohar Trade Centre,
8-F, Main Market, Gulberg II,
Lahore-54660, Pakistan
Main +92-42-3575 9223-5
www.crowe.pk

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AVANCEON LIMITED

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **AVANCEON LIMITED** ("the Company") as at June 30, 2026 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated 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 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 the 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 the 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 condensed interim unconsolidated statement of profit and loss and the condensed interim unconsolidated statement of comprehensive income for the quarters ended June 30, 2026 and 2025 have not been reviewed.

The engagement partner on the audit resulting in this independent auditor's review report is Amin Ali.

Crowe Hussain Ch & Co.

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

LAHORE
Dated: August 28, 2026
UDIN: RR202610051ZB5T0rOCa

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Avanceon Limited
Unconsolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED JUNE 30, 2026

AVANCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

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

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

Bakhtiar Hameed Wain **CHIEF EXECUTIVE OFFICER**	Ahsan Khalil **CHIEF FINANCIAL OFFICER**	Mohammad Shahid Mir **Director**

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AVANCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
AS AT JUNE 30, 2026

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

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

Bakhtiar Hameed Wain
CHIEF EXECUTIVE OFFICER

Ahsan Khalil
CHIEF FINANCIAL OFFICER

Mohammad Shahid Mir
Director

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

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

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

Bakhtiar Hameed Wain
CHIEF EXECUTIVE OFFICER

Ahsan Khalil
CHIEF FINANCIAL OFFICER

Mohammad Shahid Mir
Director

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

	Note	June 30, 2026 (Un audited)	June 30, 2025 (Un audited)
		----Rupees in Thousands----	
(Loss) / Profit before Levy and Taxation		(22,871)	128,846
Adjustments for:			
Depreciation on property and equipment	5	64,586	56,891
Employees' share option compensation		22,589	42,454
Trade debts written off		-	25
Reversal of ECL provision - Contract Assets		(45,027)	-
Allowance for expected credit losses - trade debts	7	15,785	17,975
Allowance for expected credit losses - contract assets		-	(6,148)
Provision for expected credit losses - advances	8	4,624	-
Exchange loss / (gain)	15	64,914	(138,087)
Gain on disposal of property and equipment	15	(16,597)	(6,574)
Finance cost		135,903	118,551
Profit on bank deposits	15	(14)	(106)
Markup income on intercompany current account	15	(6,107)	(3,877)
		240,656	81,104
Operating profit before working capital changes		217,785	209,950
(Increase) / decrease in current assets			
Stock in trade		(34,136)	(16,773)
Trade debts	7	99,556	(272,258)
Contract assets		(68,381)	155,107
Advances, deposits, prepayments and other receivables	8	24,420	84,043
Increase / (decrease) in current liabilities			
Creditors, accrued and other liabilities	10	(233,276)	(270,260)
Contract liabilities		508,192	49,944
Increase in long term deposits and loans		(2,710)	(4,059)
Cash Generated from / (Used in) Operations		293,665	(274,256)
Finance cost paid		(68,865)	(58,542)
Final taxes / levies		(93,954)	(35,196)
Net Cash Generated from / (Used in) Operating Activities		348,631	(158,044)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	5	(108,759)	(160,542)
Proceeds from disposal of property and equipment		24,146	8,323
Profit on bank deposits		14	106
Net Cash Used in Investing Activities		(84,599)	(152,113)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	12	(214,892)	(355)
Issuance of shares	9	72,584	25,486
Short term borrowings - net	11	(187,267)	456,752
Long term diminishing musharaka - net		(29,345)	(15,503)
Net Cash (Used in) / Generated from Financing Activities		(358,920)	466,380
Net (Decrease) / Increase in Cash and Cash Equivalents		(94,888)	156,223
Cash and cash equivalents at the beginning of the period		107,512	19,351
Cash and Cash Equivalents at the End of the Period		12,624	175,574

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

Bakhtiar Hameed Wain **CHIEF EXECUTIVE OFFICER**	Ahsan Khalil **CHIEF FINANCIAL OFFICER**	Mohammad Shahid Mir **Director**

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AVNCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

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

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

Bakhtiar Hameed Wain
CHIEF EXECUTIVE OFFICER

Ahsan Khalil
CHIEF FINANCIAL OFFICER

Mohammad Shahid Mir
Director

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AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 1

Legal Status and Nature of Business

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

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

BUSINESS UNIT	**LOCATION**
Head office	The Avanceon Building, 19 KM, Multan Road, Lahore 54500.
REGIONAL OFFICES	
Karachi	Office No. 19, Building No. S-4, First Floor, National Aerospace Science and Technology Park Silicon Valley, Main Shahra-e-Faisal, near PAF Museum, Karachi
Islamabad	Manzoor Plaza (The Hive Building), First Floor, Plot 14-E Fazal-e-Haq Road, G-6/2, Blue Area, Islamabad 44000.

Note 2

Basis of Preparation

2.1 Separate financial statements

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

2.2 Statement of compliance

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

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

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

2.3 These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position (un-audited) of the Company as at June 30, 2026 and the related condensed interim unconsolidated statement of profit or loss (un-audited), the condensed interim unconsolidated statement of comprehensive income (un-audited), the condensed interim unconsolidated statement of changes in equity (un-audited) and the condensed interim unconsolidated statement of cash flows (un-audited) together with the notes forming part thereof.

2.4 These condensed interim unconsolidated financial statements (un-audited) do not include all of the information contained in full annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended December 31, 2025.

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AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 2, Basis of Prepration - Continued...

2.5 The comparative statement of financial position presented in these condensed interim unconsolidated financial statements (un-audited) has been extracted from the audited annual financial statements of the Company for the year ended December 31, 2025, whereas the comparative condensed interim unconsolidated statement of profit or loss, the condensed interim unconsolidated statement of comprehensive income, the condensed interim unconsolidated statement of changes in equity and the condensed interim unconsolidated statement of cash flows have been extracted from the un-audited condensed interim unconsolidated financial statements for the six months period ended June 30, 2025.

2.6 These condensed interim unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 ("the Act"); however, these are subject to limited scope review by external auditors as required by the Act and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations).

2.7 Basis of measurement

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

2.8 Functional and presentation currency

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

Note 3
Material Accounting Policy Information

The Company's accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements (un-audited) are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended December 31, 2025.

Note 4
Use of Estimates and Judgements

The preparation of condensed interim financial statements (un-audited) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended December 31, 2025.

Bakhtiar Hameed Wain **CHIEF EXECUTIVE OFFICER**	Ahsan Khalil **CHIEF FINANCIAL OFFICER**	Mohammad Shahid Mir **Director**

AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 5

Property and Equipment

	Note	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
		----Rupees in Thousands----	
Property and equipment	5.1	658,395	666,184
Advance for purchase of assets	5.2	315,880	271,467
		974,275	937,651

5.1 Property and equipment

	Note	June 30, 2026	December 31, 2025
Opening written down value		666,184	668,446
Additions during the period	5.1.1	64,346	119,511
Disposals during the period - Vehicles		(7,549)	(4,311)
		722,981	783,646
Depreciation charge for the period / year		(64,586)	(117,462)
		658,395	666,184

5.1.1 Following is the detail of additions during the period:

At cost

	June 30, 2026	December 31, 2025
Buildings on freehold land	-	1,040
Furniture and fixture	4,125	8,049
Office equipment and appliances	3,605	1,840
Leasehold improvements	8,708	-
Computers	7,232	23,252
Vehicles	40,676	85,330
	64,346	119,511

5.2 Advance for Purchase of assets

	Note	June 30, 2026	December 31, 2025
Advance for purchase of land	5.2.1	315,880	244,830
Advance for purchase of vehicles		-	26,637
		315,880	271,467

5.2.1 This represents advance payment for purchase of 7.07 kanal land situated at NSIT, Silicon IT District, Lahore. The amount will be transferred to Freehold Land once the acquisition is complete. The total purchase price of the land is Rs. 848 million, payable in 13 installments, with an average annual installment of Rs. 58.7 million each, payable latest by 2031. In addition, developmental charges of Rs. 141.4 million, payable separately in four equal quarterly installments of Rs. 35.35 million each, were fully paid by March 2026.

Bakhtiar Hameed Wain	Ahsan Khalil	Mohammad Shahid Mir
CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**Director**

AVANCEON LIMITED
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Note 6
Long Term Investments

	Note	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
		----Rupees in Thousands----	
Investment in subsidiaries - at cost			
Avanceon FZE Dubai (AVFZE)			
37 (December 31, 2025: 37) fully paid ordinary shares of AED 1 million each	6.1	1,331,043	1,331,043
Equity % held 100% (December 31, 2025: 100%)			
Long term interest free receivables	6.6	2,821,316	2,844,763
		4,152,359	4,175,806
Avanceon Automation and Control W.L.L, Qatar (AVAC)			
98 (December 31, 2025 : 98) fully paid ordinary shares of QAR 1,000 each	6.2	8,446	8,446
Equity % held 49% (December 31, 2025: 49%)			
Long term interest free receivables	6.6	1,385,517	1,397,032
		1,393,963	1,405,478
Octopus Digital Limited (ODL)			
101,632,595 (December 31, 2025: 101,632,595) fully paid ordinary shares	6.3	10,000	10,000
Equity % held 74% (December 31, 2025: 74%)			
Avanceon Saudi For Energy Company, KSA (AVSEC)			
10 (December 31, 2025 : 10) fully paid ordinary shares of SAR 10,000 each 1,000	6.4	754	754
Equity % held 100% (December 31, 2025: 100%)			
Avanceon QFZ LLC Qatar (AVQFZ)			
20 (December 31, 2025 :20) fully paid ordinary shares of QAR 20,000 each 1,000	6.5	1,552	1,552
Equity % held 100% (December 31, 2025: 100%)			
		5,558,628	5,593,590

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

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

6.3 Octopus Digital Limited (ODL) was incorporated in Pakistan on December 29, 2017 as a private limited company under the Companies Act, 2017, which was converted into a public Company on November 11, 2020. ODL is a subsidiary of the Company and is listed on Pakistan Stock Exchange Limited. The prime business of ODL is to carry out Information Technology enabled services which include but are not limited to online data/information storage, online monitoring and review of employees efficiency, online monitoring of cost and production efficiency, online monitoring and maintenance of plant and machinery, sale and trade of related softwares and equipment etc.

AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 6, Long Term Investments - Continued...

6.4 This represents the Company's investment in 100 percent shares in AVSEC amounting to Rs. 0.754 million made in 2023 AVSEC is a Single Person Mixed Limited Liability Company registered in Kingdom of Saudi Arabia and operating under Commercial Registration No. 1010676690 dated 12/05/1442 hijra, corresponding to 27/12/2021. AVSEC is engaged in repairs and maintenance of power and control stations, installation of control equipment for industrial operation, design and programming of special projects, registering for providing cloud services and management of energy efficiency projects. The registered office of AVSEC is in Riyadh, Saudi Arabia.

6.5 Avanceon QFZ L.L.C. (AVQFZ), is a Limited Liability Company registered with the Qatar Free Zone Authority under FZA License No. FZA 194 obtained on November 05, 2020. The registered office of AVQFZ is in Zone No. PA-WH-04, Area-Ras Bufontas Free Zone, Street No. PO Box: 45976, Doha-Qatar. The primary objective of AVQFZ is the manufacturing of measuring, testing, navigating and control equipment.

6.6 Long-term interest free receivables	**June 30, 2026 (Un-audited)**	**December 31, 2025 (Audited)**
	--- Rupees in Thousands ---	
Avanceon FZE - AED 43,054,315 (December 31, 2025: AED 43,054,315)	3,265,563	3,289,010
Less: Allowance for expected credit losses (ECL)	(444,247)	(444,247)
	2,821,316	2,844,763
Avanceon Automation and Control W.L.L - QAR 20,956,388 (December 31, 2025: QAR 20,956,388)	1,603,681	1,615,196
Less: Allowance for expected credit losses (ECL)	(218,164)	(218,164)
	1,385,517	1,397,032
	4,206,833	4,241,795

6.7 The Company on passing special resolution dated January 05, 2022 in the extraordinary general meeting of Avanceon Limited resolved that the amounts due from Avanceon FZE and Avanceon Automation and Control W.L.L amounting to Rs. 1,785.679 million and Rs. 475.526 million respectively be classified as long term interest free receivables, to be converted to equity as fully paid ordinary shares in the respective subsidiaries with applicable regulatory approvals with effect from December 31, 2021. The Company also intends to make further equity investments in these subsidiaries, subject to obtaining the necessary regulatory approvals, which would enable the subsidiaries to convert these amounts into equity. The Company intends to initiate the process of this share issuance by the subsidiary companies subsequent to the reporting date subject to obtaining necessary regulatory approvals.

Note 7

Trade Debts

	Note	**June 30, 2026 (Un-audited)**	**December 31, 2025 (Audited)**
		--- Rupees in Thousands ---	
Due from related parties			
- Considered good		2,475,154	2,267,981
- Considered doubtful		515,708	511,084
	7.1	2,990,862	2,779,065
Less: Allowance for expected credit loss	7.2	(515,708)	(511,084)
		2,475,154	2,267,981
Due from others			
- Considered good		775,455	1,117,530
- Considered doubtful		117,342	101,556
		892,797	1,219,086
Less: Allowance for expected credit loss	7.3	(117,342)	(101,556)
		775,455	1,117,530
		3,250,609	3,385,511

AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 7, Trade Debts - Continued...

		June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
		--- Rupees in Thousands ---	
7.1	**Due from related parties**		
	Avanceon FZE	309,158	405,960
	Avanceon Automation & Control WLL	251,338	-
	Octopus Digital Limited	3,662	110,573
	Octopus Digital FZE	58,994	-
	Avanceon Saudi Energy Company	922,757	818,789
	Avanceon QFZE	1,444,953	1,443,743
		2,990,862	2,779,065
7.2	**Allowance for expected credit loss - Related parties**		
	Opening balance	511,084	371,084
	Add: Allowance for the period / year	4,624	140,000
	Closing balance	515,708	511,084
7.3	**Allowance for expected credit loss - others**		
	Opening balance	101,556	21,039
	Add: Allowance during the period / year	15,786	89,235
		117,342	110,274
	Less: Written off during the year	-	(8,718)
	Closing balance	117,342	101,556

7.4 The amounts due from related parties are interest free and repayable in normal course of business.

Note 8

Advances, Deposits, Prepayments and Other Receivables

	Note	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
		--- Rupees in Thousands ---	
Advances - considered good			
- To employees against expenses		60,673	32,620
- To suppliers		240,201	49,704
		300,874	82,324
Prepayments		7,817	19,339
Margin paid against bank guarantees / letters of credit		33,918	36,828
Sales tax refundable - considered good		73,949	16,144
Retention money		2,486	2,486
Due from subsidiaries - (unsecured - considered good)			
- Dividend receivable	8.1	1,376,491	1,386,926
- Others	8.2	104,711	101,025
		1,481,202	1,487,951
Markup receivable on intercompany current account		56,568	50,461
Other receivables - considered good		14,126	12,131
		1,970,940	1,707,664

8.1 This represents dividend receivable from Avanceon FZE and Avanceon Automation and Control WLL, wholly owned subsidiaries.

AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 8, Advances, Deposits, Prepayments and Other Receivables - Continued...

		Note	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
			--- Rupees in Thousands ---	
8.1.1	**Breakup of Dividend Receivable**			
	Avanceon FZE - AED 124,136 (2025: AED 124,136)		9,415	9,483
	Avanceon Automation and Control WLL - QAR 14,984,643 (2025: QAR 14,984,643)		1,151,866	1,160,100
	Avanceon Saudi Energy - SAR 4,000,000 (2025: SAR 4,000,000)		297,120	299,253
	Total dividend receivable		1,458,401	1,468,836
	Less: Allowance for expected credit losses	8.1.2	(81,910)	(81,910)
			1,376,491	1,386,926
8.1.2	**Allowance for Expected Credit Loss**			
	Opening balance		81,910	81,910
	Add: Allowance for the period / year		-	-
	Less: Reversal for the period / year		-	-
	Closing balance		81,910	81,910

8.2 This represents amount due from following related parties in respect of expenses incurred by the Company on their behalf:

		Note	June 30, 2026	December 31, 2025
	Avanceon Saudi Energy Company		-	16,965
	Avanceon Digital (AVD)		7,439	-
	Avanceon Arabia Infotech (AAIT)		4,689	4,759
	Avanceon FZE		1,074	1,322
	Avanceon Automation and Control W.L.L.		102,987	89,457
	Less: Allowance for expected credit losses	8.2.1	(11,478)	(11,478)
			104,711	101,025
8.2.1	**Allowance for Expected Credit Loss**			
	Opening balance		11,478	11,478
	Add: Allowance for the period / year		-	-
	Less: Reversal for the period / year		-	-
	Closing balance		11,478	11,478

Note 9

Issued, Subscribed and Paid up Share Capital

June 30, 2026 (Un-audited)	December 31, 2025 (Audited)		June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
Number of Shares in Thousand			---- Rupees in Thousands ----	
57,167	57,167	Ordinary shares of Rs. 10 each fully paid in cash	571,669	571,669
343,258	343,258	Ordinary shares of Rs. 10 each fully paid bonus shares	3,432,578	3,432,578
29,242	21,984	Issued against employee's Share Option Scheme	292,426	219,842
429,667	422,409		4,296,673	4,224,089

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 10
Creditors, Accrued and Other Liabilities

	Note	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
		--- Rupees in Thousands ---	
Trade creditors		417,573	486,701
Accrued expenses		32,362	61,901
Payable to provident fund		70,861	77,396
Cash collection against employee share scheme		-	50,666
Employee share portion - vehicle		108,956	124,817
Workers welfare fund		62	51
Withholding tax payable		226,760	169,549
Accrued markup		23,788	16,190
Markup payable on intercompany current account		199,350	139,910
Payable to related parties	10.1	912,256	1,033,830
Other payable		21,849	18,075
		2,013,817	2,179,086

10.1 The balance payable to related parties and maximum amount outstanding at any time during the year calculated by reference to the month end balances is as follows:

	June 30, 2026	December 31, 2025
Innovative Travels (Private) Limited	1,320	1,320
Avanceon FZE	737,158	710,626
Octopus Digital Limited	105,971	300,917
Octopus Digital FZ-LLC	57,388	20,967
Avanceon Saudi for Energy Company.	10,419	-
	912,256	1,033,830

Note 11
Short Term Borrowings

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
	--- Rupees in Thousands ---	
Banking companies (secured) - markup bearing	582,937	705,879
Islamic mode of financing (secured)		
MCB Islamic Bank Limited	98,938	99,918
Director's interest free loan - repayable on demand	222,061	285,406
	903,936	1,091,203

Note 12
Unclaimed Dividend

	June 30, 2026 (Un-audited)	December 31, 2025 (Audited)
	--- Rupees in Thousands ---	
Opening balance	142,542	149,239
Dividend declared during the period / year	427,476	-
Dividend paid during the period / year	(214,892)	(6,697)
Closing balance	355,126	142,542

12.1 This includes dividend payable to the Chief Executive, Mr. Bakhtiar Hameed Wain amounting to Rs. 347.01 million (2025: Rs. 137.010 million).

AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 13
Contingencies and Commitments

13.1 Contingencies

There is no material change in the status of contingencies as reported in the financial statements of the Company for the year ended December 31, 2025, except for the following:

13.1.1 The Company received a notice under section 161(1A)/205 for Tax Year 2020, proposing recovery of Rs. 89,322,156 in short-deducted withholding tax together with default surcharge. The matter is pending with the Deputy Commissioner Inland Revenue and the tax consultant expects a favourable outcome.

13.1.2 A notice under section 205/147 was served proposing a default surcharge of Rs. 10,175,867 for the alleged non-payment of advance tax for October to December 2022 over a period of 517 days (1 October 2022 to 1 March 2024). The Company's reply asserts that, being a special tax year taxpayer, the surcharge period should be restricted to 92 days, giving a revised surcharge of Rs. 1,810,793. The matter is pending and a favourable resolution is expected.

13.1.3 A notice was served under section 57(2) for delayed filing of sales tax returns for January and February 2026. A reply was submitted explaining that the delay arose from the responsible personnel's health issues, and that the returns have since been filed with the liability fully discharged. The matter is pending and a favourable outcome is expected. As the delay relates to 2026 filings, the matter post-dates the 2025 financial statements.

13.2 Commitments

13.2.1 Bank guarantees have been issued amounting to Rs. 1,407 million (2025: Rs. 159.58 million) against the performance of various contracts.

13.2.2 Letters of credit outstanding at period end amount to Rs. 185.676 million (2025: Rs. 88.79 million) which relates to import acceptance bills.

AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 14

Revenue from Contracts with Customers - Net

	Half Year Ended June 30,		Quarter Ended June 30,	
	2026	**2025**	**2026**	**2025**
	(Un-audited)	**(Un-audited)**	**(Un-audited)**	**(Un-audited)**
	---- Rupees in Thousands ----			
Disaggregation of revenue from contract with customers				
Set out below is the disaggregation of the Company's revenue from contracts with customers:				
Local Sales				
- Sale of goods	402,284	327,108	352,490	262,265
- Project revenue	620,189	360,201	223,530	302,853
- Services rendered	110,412	153,787	54,106	84,047
	1,132,885	841,096	630,126	649,165
Export Sales				
- Agency commission	-	22,423	-	20,248
- Project revenue	312,648	371,809	182,000	219,192
- IT enabled back-office support	278,595	129,177	143,899	19,552
	591,243	523,409	325,899	258,992
Less: Sales tax				
Sale of goods	(72,411)	(58,879)	(63,448)	(47,208)
Services rendered	(116,893)	(90,057)	(44,422)	(68,479)
	(189,304)	(148,936)	(107,870)	(115,687)
	1,534,824	1,215,569	848,155	792,470
14.1 Timing of revenue recognition:				
- At a point in time	329,873	290,652	289,042	235,305
- Over the time	1,204,951	924,917	559,113	557,165
	1,534,824	1,215,569	848,155	792,470

Note 15

Other Income

	Note	Half Year Ended June 30,		Quarter Ended June 30,	
		2026	**2025**	**2026**	**2025**
		(Un-audited)	**(Un-audited)**	**(Un-audited)**	**(Un-audited)**
		---- Rupees in Thousands ----			
Income from financial assets					
Exchange gain - net		-	138,087	-	93,878
Markup income on current accounts		6,107	3,877	6,107	3,877
Profit on bank deposits		14	106	14	106
		6,121	142,070	6,121	97,861
Income from non-financial assets					
Gain on disposal of property and equipment		16,597	6,574	16,597	6,574
Reversal of allowance for expected credit loss		45,027	6,148	-	6,147
Others		657	75,466	657	75,100
		62,281	88,188	17,254	87,821
		68,402	230,258	23,375	185,682

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 16
Final Taxes / Levies

		Half Year Ended June 30,		Quarter Ended June 30,	
		2026 (Un-audited)	**2025 (Un-audited)**	**2026 (Un-audited)**	**2025 (Un-audited)**
		---- Rupees in Thousands ----			
Final taxes / levies		43,282	30,345	30,961	(2,276)
Current					
- for the year		-	-	-	-
- prior year	16.1	-	(37,278)	-	-
		43,282	(6,933)	30,961	(2,276)

16.1 Being prudent the Company has decided not to recognise deferred tax asset due to non availability of sufficient future taxable profit.

Note 17
Transactions and Balances with Related Parties

Related parties comprise the Holding Company, associated companies due to common directorship, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. There have been no guarantees provided or received for any related party's receivable or payable. Significant transactions with related parties are as follows:

Name of related party	**Relationship**	**Nature of transaction**	**June 30, 2026 Un-audited**	**June 30, 2025 Un-audited**
			--- Rupees in Thousands ---	
Avanceon FZE- UAE	100% Subsidiary	Agency commission charged	-	22,423
		Back office support income	71,159	88,859
		Revenue recognised on the projects based on the stage completion	74,492	58,732
		Collection / adjustment from AVFZE	318,678	165,839
		License fee	36,212	-
		Payment to suppliers by AFZE on behalf of the Company	373,305	156,929
		Payment to employees by AVL on behalf of the Company	33,555	1,742
		Payments to employees by AVFZE	318	26
		Employee share option expense charged	3,050	-
		Payment to suppliers by AVL on behalf of AVFZE	3,726	7,159

AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 17, Transactions with Related Parties - Continued...

Name of related party	Relationship	Nature of transaction	June 30, 2026 Un-audited	June 30, 2025 Un-audited
			--- Rupees in Thousands ---	
Avanceon Automation and Control - AVAC	49% Subsidiary	Back office support income	74,325	22,386
		Revenue recognised on the projects based	179,914	224,838
		Payment to suppliers by AVAC on behalf of the Company	-	6,013
		Payment to employees by AVL on behalf of AVAC	2,226	2,256
		Payments to employees by AVAC	623	222
		Payment to suppliers by AVL on behalf of AVAC	22,731	1,939
		Employee share option expense charged	34,563	38,206
		Payments made to AVAC	754	-
Avanceon Saudi Energy Company- KSA	100% Subsidiary	Payment to suppliers by AVL on behalf of the AVSEC	353	364
		Payment to suppliers by AVSEC	26,983	13,876
		Revenue recognised on the projects	51,722	88,287
		Back office support charged	59,421	17,931
		Employee share option expense charged	19,298	12,524
		Payment to the Company's employees by AVSEC	157	121
Octopus Digital Limited- ODL	74% Subsidiary	Reimbursement of expenses	111,463	22,433
		Salaries payment to employees by AVL	212	501
		Back office support income	14,750	56,702
		Subcontracting charges incurred	24,010	25,161
		Payments to employees by AVL	-	178
		AMS business services rendered	19,104	48,000
		Payments received or made to suppliers by ODL on behalf of AVL	1,236	1,652
		Repayment of advances to ODL	325,118	82,068
		Markup on current Account - AVL	6,347	4,270
		Payment to suppliers by AVL	11,241	1,623
		Employee share option expense charged	31,178	9,811
		Payment of salaries by ODL	1,334	6,759
		Payment to employees by ODL	-	345
Octopus Digital FZ LLC	74% Subsidiary	Back Office Support	73,689	-
		Payments made to suppliers by ODFZ on behalf of Co	51,116	-
		Payments / Adjustements Made to ODFZ	14,695	-
		Octopus Digital FZ LLC	58,994	-
Avanceon Arabia Infotech	60% Joint venture	Payment made by AVL on behalf of AVSEC	-	112
		Payment to Employees by AVL	-	1,144

AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

Note 17, Transactions with Related Parties - Continued...

Outstanding Balance as at the period / year end

Name of related party	Relationship	Nature of transaction	June 30, 2026 Un-audited	December 31, 2025 Un-audited
			--- Rupees in Thousands ---	
Bakhtiar Hameed Wain	Key management	Loan received	222,061	285,406
Contribution to staff provident fund	Provident fund	Expense charged in respect of retirements benefit plans	42,532	19,629
Avanceon FZE- UAE	100% Subsidiary	Trade debts	309,158	405,960
		Long-term interest free receivables	3,265,563	3,289,010
		Accounts payable	737,158	710,626
Avanceon Automation and Control - AVAC	49% Subsidiary	Trade debts	251,338	-
		Long-term interest free receivables	1,603,681	1,615,196
		Accounts receivable	102,987	89,457
Avanceon Saudi Energy Company- KSA	100% Subsidiary	Trade debts	922,757	818,789
		Accounts receivable	-	16,965
		Accounts Payable	10,419	-
Octopus Digital Limited- ODL	74% Subsidiary	Trade debts	3,662	110,573
		Creditors, accrued and other liabilities	105,971	300,917
Avanceon Arabia Infotech	60% Joint venture	Accounts receivable	4,689	4,170
Inovative Travels (Private) Limited		Creditors, accrued and other liabilities	1,320	1,320
Avanceon QFZ	100% Subsidiary	Trade debts	1,444,953	1,443,743

17.1 There were no transactions with key management personnel other than those undertaken as per terms of their employment.

Note 18

Shariah Screening Disclosures

	2026	2025
	--- Rupees in Thousands ---	
Balance as at the reporting date		
Loans / advances obtained as per Islamic mode	469,114	343,186
Interest or mark up accrued on any conventional loan or advances	23,788	19,269
Shariah compliant bank deposits / bank balances		8,930
Long term and short term shariah compliant investments	5,558,628	5,563,873
Revenue earned from a shariah compliant business segment	1,534,824	1,215,569
Late payments and any liquidated charges	-	-
Gain / loss or dividend earned from shariah compliant investments	-	-
Profit earned from shariah compliant bank deposits / bank balances	14	106
Exchange (loss) / gain from actual currency	(64,915)	138,087
Profit paid on Islamic mode of financing	68,865	(58,542)
Interest earned on any conventional loan or advance	-	-
Shariah compliant miscellaneous income	68,388	230,152

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

Notes to and forming part of these condensed interim unconsolidated financial statements (Un-audited)

Note 18, Shariah Screening Disclosures- Contd…

Names of the Company's shariah compliant financial institutions	Relationship
Faysal Bank Limited	Cash and bank balances
United Bank Limited	Diminishing Musharaka
Dubai Islamic bank Limited	Cash and bank balances
Meezan Bank Limited	Cash and bank balances
MCB Islamic Limited	Short Term Borrowings & Diminishing Musharaka
First Habib Modaraba	Diminishing Musharaka

Note 19
Financial Risk Management

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

Note 20
Authorization of Financial Statements

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on ___**August 28, 2026**___.

Note 21
General

Comparative figures are rearranged / reclassified, whereever necessary to facilitate comparison. No material rearrangements / reclassifications have been made in these financial statements.

Bakhtiar Hameed Wain	Ahsan Khalil	Mohammad Shahid Mir
CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**Director**

AVANCEON
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Avanceon Limited
Consolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED JUNE 30, 2026

AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

ASSETS	Note	Un-Audited June 30, 2026	Audited Dec. 31, 2025
		--- Rupees in Thousands ---	
NON CURRENT ASSETS			
Property and equipment		**1,435,046**	1,429,372
Capital Work in Progress		**824,838**	668,059
Intellectual Property		**4,744,499**	4,800,208
Goodwill		**221,810**	221,810
Investment in JV		**403,232**	406,604
Deferred Tax Assets		**32,706**	32,805
Long term deposits		**79,116**	76,889
		7,741,246	7,635,746
CURRENT ASSETS			
Stock in trade		**916,733**	238,729
Trade debts		**7,311,295**	9,079,918
Contract Assets		**9,374,233**	7,773,616
Advances, deposits, prepayments and other receivables		**4,903,940**	4,518,985
Term deposits with banks		**17,850**	786
Investments in Stocks		**596**	577
Cash and bank balances		**1,138,699**	1,085,222
		23,663,344	22,697,833
TOTAL ASSETS		**31,404,590**	30,333,579
EQUITY AND LIABILITIES			
Authorised capital			
Authorised capital 750,000,000 (2025: 500,000,000) ordinary shares of Rs 10 each		**7,500,000**	5,000,000
Issued, Subscribed And Paid Up Capital			
429,667,346 (2025: 422,408,878) ordinary shares of Rs 10 each ordinary shares of Rs. 10 each		**4,296,673**	4,224,089

Continued...

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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	Note	Un-Audited June 30, 2026	Audited Dec. 31, 2025
		--- Rupees in Thousands ---	
CAPITAL RESERVES			
Share premium		**1,244,035**	874,834
Employees' share compensation reserve		**207,429**	233,307
Statutory reserve		**3,227**	3,227
Exchange revaluation reserve		**2,651,322**	2,672,453
Gain on diluation of interest		**631,367**	631,367
Surplus on revaluation of property & equipment		**324,727**	325,884
		5,062,108	4,741,072
REVENUE RESERVES			
Un-appropriated Profit		**5,264,652**	5,956,929
		14,623,433	14,922,089
Non-controlling Interest		**699,158**	693,052
		15,322,592	15,615,142
NON CURRENT LIABILITIES			
Long Term Loans		**36,661**	36,229
Liabilities against assets subject to finance lease		**122,345**	122,974
Deferred Liabilities		**404,072**	374,104
Diminishing Musharaka		**100,938**	127,611
		664,015	**660,918**
CURRENT LIABILITIES			
Current portion of Long Term Loans		**24,962**	25,143
Current portion of Diminishing Musharaka		**68,258**	74,876
Current portion of lease liabilities		**–**	564
Finances under mark up arrangements and other credit facilities - secured		**2,946,695**	3,029,249
Unclaimed Dividend		**355,126**	142,541
Creditors, accrued and other liabilities		**8,304,625**	8,960,144
Contract Liabilities		**3,422,908**	1,453,399
Taxation-Net		**295,410**	371,603
		15,417,984	14,057,519
CONTINGENCIES AND COMMITMENTS	5		
		31,404,590	30,333,579

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

Bakhtiar Hameed Wain
CHIEF EXECUTIVE OFFICER

Ahsan Khalil
CHIEF FINANCIAL OFFICER

Mohammad Shahid Mir
Director

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

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

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

Bakhtiar Hameed Wain	Ahsan Khalil	Mohammad Shahid Mir
CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**Director**

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

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

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

Bakhtiar Hameed Wain
CHIEF EXECUTIVE OFFICER

Ahsan Khalil
CHIEF FINANCIAL OFFICER

Mohammad Shahid Mir
Director

AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN - AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	For the half year ended	
	June 30, 2026	June 30, 2025
	--- Rupees in Thousands ---	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax	**(201,162)**	166,339
Adjustments for:		
Depreciation on property and equipment	**102,666**	101,715
Exchange gain	**78,576**	(42,427)
Exchange revaluation reserve	**(21,131)**	298,698
Amortization	**21,698**	28,255
Provision for gratuity	**28,691**	57,750
Finance costs	**222,898**	255,048
Employees' share option expense	**343,437**	130,647
Provision for ECL - contract assets	**(45,027)**	(6,148)
Provision for ECL - trade debts	**15,785**	30,039
Gain on disposal of fixed Assets	**(16,597)**	(6,574)
Income on bank deposits	**(16)**	(401)
	730,979	846,602
	529,817	1,012,941
Profit before working capital changes		
(Increase) / Decrease in current assets		
- Stock in trade	**(632,977)**	(203,638)
- Trade debts	**1,677,544**	1,793,980
- Contract Assets	**(1,600,617)**	(121,721)
- Advances, deposits, prepayments and other receivables	**(384,914)**	(573,332)
(Decrease) / Increase in current liabilities		
- Creditors, accrued and other liabilities	**(663,159)**	(1,304,095)
- Contract Liabilities	**1,969,509**	(822,703)
	365,386	(1,231,509)
Cash (used in) / generated from operations	**895,203**	(218,568)
Finance costs paid	**(215,273)**	(252,244)
Gratuity paid	**1,277**	(36,478)
Taxes paid	**(134,783)**	(80,051)
Net cash (used in) / generated from operating activities	**546,424**	(587,341)

Continued……

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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN - AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	For the half year ended	
	June 30, 2026	June 30, 2025
	--- Rupees in Thousands ---	
Net cash (used in) / generated from operating activities	**546,424**	(587,341)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(116,619)**	(194,409)
Proceeds from disposal of property and equipment	**24,877**	-
Additions in intangible assets - capital work in progress	**(156,779)**	(126,081)
Additions in Intellectual property	**34,011**	(101,035)
Long term investments made	**(50)**	-
Decrease / (Increase) in short term investments	**(17,082)**	(965)
Profit on bank deposit	**16**	401
Increase in long term loans and deposits - net	**-**	-
Net change in long term advances and deposits	**(2,228)**	6,683
Net cash (used in) / generated from investing activities	**(233,854)**	(415,406)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**(214,891)**	(2,757)
Issuance of shares	**72585**	25,486
Premium on issuance of shares	**-**	-
Long term loan (repaid)/ received	**251**	(10,257)
Finances under mark up arrangements and other credit facilities	**(82,554)**	711,992
Repayment of diminishing mosharka	**(33,292)**	(4,052)
Repayment of lease liabilities	**(1,193)**	17,336
Net cash (used in) / generated from financing activities	**(259,094)**	737,747
Net (decrease) / increase in cash and cash equivalents	**53,476**	(265,000)
Cash and cash equivalents at the beginning of year	**1,085,222**	756,748
Cash and cash equivalents at the end of period	**1,138,699**	491,748

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

Bakhtiar Hameed Wain	Ahsan Khalil	Mohammad Shahid Mir
CHIEF EXECUTIVE OFFICER	**CHIEF FINANCIAL OFFICER**	**Director**

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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

	CAPITAL RESERVES							REVENUE RESERVES		
	Share capital	Share premium reserve	Gain on diluation of interest	Employee share compensation reserve	Statutory Reserve	Exchange revaluation reserve	Surplus on Revaluation of Property, Plant and Equipment	Un-appropriated (loss) / profit	Non-Controlling Interest	TOTAL
										(Rupees in '000)
Balance as on January 01, 2025	**4,150,228**	**508,405**	**631,367**	**408,223**	**3,227**	**2,639,098**	**328,199**	**5,306,198**	**686,608**	**14,661,553**
Profit for the period	-	-	-	-	-	-	-	647,440	7,420	654,860
Other comprehensive income	-	-	-	-	-	33,355	(2,315)	2,315	-	33,355
						33,355	(2,315)	649,755	7,420	688,215
Issuance of shares against ESOS	73,860	-	-	191,513	-	-	-	-	-	265,373
Employee share option reserve	-	366,429	-	(366,429)	-	-	-	-	-	-
Adjustment of NCI	-	-	-	-	-	-	-	976	(976)	-
	73,860	366,429		(174,916)				976	(976)	265,373
Balance as on December 31, 2025	**4,224,089**	**874,834**	**631,367**	**233,307**	**3,227**	**2,672,453**	**325,884**	**5,956,929**	**693,052**	**15,615,142**
Profit for the period	-	-	-	-	-	-	-	(265,958)	6,106	(259,852)
Other comprehensive income	-	-	-	-	-	(21,131)	(1,157)	1,157	-	(21,131)
						(21,131)	(1,157)	(264,801)	6,106	(280,983)
Issuance of shares against ESOS	72,585	369,202	-	(369,202)	-	-	-	-	-	72,585
10% Cash dividend for the year ended December 31, 2025	-	-	-	-	-	-	-	(427,476)	-	(427,476)
Employee share option reserve	-	-	-	343,324	-	-	-	-	-	343,324
	72,585	369,202		(25,878)				(427,476)		(11,567)
Balance as on June 30, 2026	**4,296,673**	**1,244,035**	**631,367**	**207,429**	**3,227**	**2,651,322**	**324,727**	**5,264,652**	**699,158**	**15,322,592**

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

Bakhtiar Hameed Wain
CHIEF EXECUTIVE OFFICER

Ahsan Khalil
CHIEF FINANCIAL OFFICER

Mohammad Shahid Mir
Director

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

1 Legal Status and Nature of Business

1.1 Legal status and operations

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

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

BUSINESS UNIT	LOCATION
Head office	The Avanceon Building, 19 km, Multan Road, Lahore 54500.
REGIONAL OFFICES	
Karachi	M/S AVANCEON LIMITED Office No 19 Building No S-4 First Floor NASTP Silicon Valley, Karachi Main Shahra-e-Faisal Near PAF Museum, Karachi- Pakistan
Islamabad	Avanceon Office, The Hive, 6th Floor, Islamabad Stock Exchange Tower, Block JF 7/1 Blue Area, Islamabad. Pakistan

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

AVANCEON LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2026

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

1.5 AVSEC is a Single Person Mixed Limited Liability Company registered in Kingdom of Saudi Arabia and operating under Commercial Registration No. 1010676690 dated 12/05/1442 hijra, corresponding to 27/12/2021. AVSEC is engaged in repairs and maintenance of power and control stations, installation of control equipment for industrial operation, design and programming of special projects, registering for providing cloud services and management of energy efficiency projects. The registered office of AVSEC is in Riyadh, Saudi Arabia. AVSEC is the wholly owned subsidiary of the Group.

1.6 ODL was incorporated in Pakistan on December 29, 2017 as a private limited company under the Companies Act, 2017, which was converted into a public Company on November 11, 2020. ODL is a subsidiary of the Group and is listed on Pakistan Stock Exchange Limited. The prime business of ODL is to carry out Information Technology enabled services which include but are not limited to online data / information storage, online monitoring and review of employees efficiency, online monitoring of cost and production efficiency, online monitoring and maintenance of plant and machinery, sale and trade of related softwares and equipment etc. The Group owns 74.32% equity shares of ODL.

1.7 AQFZ is incorporated as a limited liability Company under the Companies regulations of Qatar Free Zone Authority under FZA License No. FZA 194 obtained on November 05, 2020. The registered office of the Company is at Zone No. PA-WH-04, Area-Ras Bufontas Free Zone, Street No. PO Box: 45976, Doha-Qatar. The primary objective is to manufacturing of measuring, testing, navigating and control equipment. AVQFZ is the wholly owned subsidiary of the Group.
1.8 EAI is incorporated as a private limited company under the Companies Act, 2017 of Pakistan on May 19, 2020. The registered office of the Company is located in Pakistan. The primary objective of the Company is to analyze potential opportunities and to provide digital and technology services and products both within Pakistan and internationally. EAI is the wholly owned subsidiary of ODL. The Group owns 74.32% equity shares of ODL.

1.8 EAI is incorporated as a private limited company under the Companies Act, 2017 of Pakistan on May 19, 2020. The registered office of the Company is located in Pakistan. The primary objective of the Company is to analyze potential opportunities and to provide digital and technology services and products both within Pakistan and internationally. EAI is the wholly owned subsidiary of ODL. The Group owns 74.32% equity shares of ODL.

1.8 ODFZ is a Limited Liability Company incorporated pursuant to the regulations of the Dubai Development Authority, Government of Dubai, United Arab Emirates, and was issued Commercial License No. 103074 on June 16, 2023. Its registered office is located at DMC-BLD05-VD-G00-792, Ground Floor, DMC5 Building, Dubai Media City, Dubai, United Arab Emirates. The principal activities of the Entity are to provide software consultancy, software customer service, software development, software solutions, and software support services. The management of the Entity is vested with its Director, Mr. Bakhtiar Hameed Wain, a Pakistani national. ODFZ is the wholly owned subsidiary of ODL. The Group owns 74.32% equity shares of ODL.

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

2 Basis of Preparation

2.1 Statement of compliance

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

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

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

3 Other Expenses

	For the half year ended	
	June 30, 2026	**June 30, 2025**
	--- Rupees in Thousands ---	
Donations	5,860	3,040
Exchange Loss	78,576	-
Provision for expected credit losses - contract assets	-	534
Provision for expected credit losses - trade debts	15,785	30,039
Balances written off	5,297	3,428
Penalty Charges	400	2,141
Zakat	-	50
Other exp.	-	436
	105,917	39,668

Continued...

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENCED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2026

4 Other Income

	For the half year ended	
	June 30, 2026	June 30, 2025
	--- Rupees in Thousands ---	
Profit on bank deposits	16	401
Gain on disposal of property, plant and equipment	16,597	6,574
Reversal of provisions for ECL	45,027	6,148
Exchange gain	-	42,427
Other Income	15,901	106,776
	77,541	162,326

5 Contingencies and Commitments

5.1 Commitments

(i) Bank guarantees issued amounting to Rs. 1,594 million (2025: Rs. 2,519 million) against the performance of various contracts.

(ii) Letters of credit includes Rs. 263 million (2025: 426 millions) which relates to import acceptance bills.

6 Date Of Authorization For Issue

The condensed interim consolidated financial information was authorised for issue on __**August 28, 2026**__ by the Board of Directors of the Holding Company.

7 General

Figures have been rounded off to the nearest thousand rupees.

Bakhtiar Hameed Wain
CHIEF EXECUTIVE OFFICER

Ahsan Khalil
CHIEF FINANCIAL OFFICER

Mohammad Shahid Mir
Director

AVANCEON

Tomorrow's solutions, today.

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Bankers

Faysal Bank Limited, Pakistan
Habib Bank Limited, Pakistan & United Arab Emirates
National Bank of Fujairah, United Arab Emirates
Habib Bank AG, Zurich, United Arab Emirates
National Penn Bank, United States of America
Bank of Singapore, United Arab Emirates
MCB Bank Limited, Pakistan
United Bank Limited, Pakistan, Qatar & United Arab Emirates
National Bank of Pakistan Limited, Pakistan
Standard Chartered Bank Limited, Pakistan
JS Bank Limited, Pakistan
Qatar International Islamic Bank QIIB, Qatar
Qatar Islamic Bank QIB, Qatar

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