

DIRECTORS' REPORT

The Board of Directors of Sitara Petroleum Service Limited (SPSL) presents its report and the Company's un-audited Condensed Interim Financial Statements for the first quarter ended September 30, 2026.

Economic and Industry Overview

Pakistan's economy faced renewed inflationary pressure during the quarter, with CPI inflation averaging higher than the last quarter amid elevated global commodity prices linked to the Middle East conflict. The State Bank of Pakistan however maintained a stable policy rate.

Financial Performance

Rs in million	Q1 FY27	Q1 FY26
Net Sales	12,250	34,887
Gross Profit	1,007	2,064
Profit Before Levy and Taxation	873	1,685
Profit After Tax	672	1,292
Earnings Per Share (Rs)	0.40	0.77

Net sales decreased to Rs 12,250 million from Rs 34,887 million, mainly due to disruption in supply from Gas and Oil Pakistan Limited (GO). Gross margin improved to 8.22% from 5.92% as carriage services contributed a higher revenue share. Other operating income increased to Rs 229 million, mainly due to income from ARAMCO branded petrol pumps and GO rental income. Finance costs decreased 49% to Rs 169 million. Profit after tax was Rs 672 million (Q1 FY26: Rs 1,292 million), net margin improved to 5.48% from 3.70%, and earnings per share were Rs 0.40 (Q1 FY26: Rs 0.77).

Equity increased to Rs 18,673 million from Rs 18,001 million at June 30, 2026. Borrowings, including leases, decreased Rs 924 million to Rs 5,167 million; the current ratio improved to 2.31 from 2.20. Operating cash flow of Rs 1,517 million funded Rs 1,087 million of investments, mainly capital work-in-progress and a land purchase advance.

Future Outlook

Inflation, high interest rates and geopolitical uncertainty may weigh on fuel demand and costs. Supported by post-IPO equity, its GO supply alliance and 359-bowser fleet, the Company will focus on restoring volumes, protecting margins, reducing borrowings and advancing infrastructure projects.

Board, Committees and Remuneration

The Board comprises seven (7) directors: six (6) male and one (1) female.

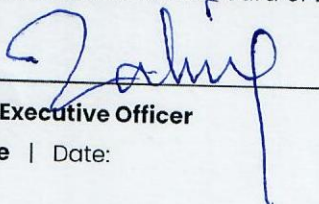
Independent Directors (3)	Fareed Agha (Chairman), Rafat Sultana (Female), Muhammad Afzal Chaudhary
Non-Executive Directors (2)	Usman Javed, Muhammad Ali
Executive Directors (2)	Zaheer Baig (Chief Executive Officer), Zain Liaquat
Audit Committee	Muhammad Afzal Chaudhary (Chairman), Usman Javed, Fareed Agha
HR and Remuneration Committee	Zaheer Baig (Chairman), Rafat Sultana, Usman Javed

Under the Directors' Remuneration Policy approved by the Board, directors are paid a fee of PKR 300,000 per Board meeting and PKR 150,000 per Committee meeting attended. The Chief Executive Officer is not entitled to any meeting fee.

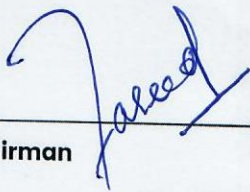
Acknowledgement

The Board thanks our shareholders, customers, bankers, partners and regulators for their support, and our employees for their dedication.

For and on behalf of the Board of Directors


Chief Executive Officer

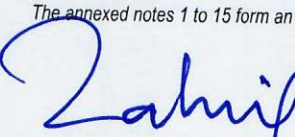
Lahore | Date:


Chairman

SITARA PETROLEUM SERVICE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

	Note	Un-Audited September 30, 2026 Rupees	Audited June 30, 2026 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	11,524,329,341	10,906,279,492
Investment in associate		457,318,348	506,609,871
Long term advances		1,004,000,000	704,000,000
		12,985,647,689	12,116,889,363
CURRENT ASSETS			
Stock in trade		3,157,671,023	4,315,393,714
Trade debts - local, unsecured and considered good		7,023,776,302	7,249,989,730
Advances, deposits and other receivables		707,774,578	561,485,318
Income tax refunds due from Government		1,546,076,047	1,379,866,155
Cash and bank balances		959,694,066	1,622,558,342
		13,394,992,016	15,129,293,259
TOTAL ASSETS		26,380,639,705	27,246,182,622
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVE			
Authorized share capital			
1,900,000,000 ordinary shares of Rs.1/- each		1,900,000,000	1,900,000,000
Issued, subscribed and paid up capital		1,679,914,000	1,679,914,000
Share Premium		4,385,298,249	4,385,298,249
Reserves			
Capital reserve:			
Surplus on revaluation of land		1,398,881,079	1,398,881,079
Revenue reserve:			
Unappropriated profit		11,208,713,497	10,537,040,496
		18,672,806,825	18,001,133,824
NON-CURRENT LIABILITIES			
Long term borrowings	6	1,095,955,717	1,488,531,604
Lease liabilities	7	744,885,865	826,787,576
Deferred liabilities			
Staff retirement gratuity		43,178,036	43,178,036
Deferred taxation		28,951,696	15,614,775
		1,912,971,314	2,374,111,991
CURRENT LIABILITIES			
Current portion of long term borrowings	6	2,468,070,178	2,845,462,723
Current portion of lease liabilities	7	517,340,771	589,264,269
Creditors, accrued and other liabilities		999,915,927	1,788,116,112
Short term bank borrowings	8	341,011,748	341,011,748
Accrued mark-up on loans		138,938,229	165,900,878
Provision for taxation		1,329,584,713	1,141,181,077
		5,794,861,566	6,870,936,807
TOTAL EQUITY AND LIABILITIES		26,380,639,705	27,246,182,622
CONTINGENCIES AND COMMITMENTS			
	9	-	-

The annexed notes 1 to 15 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

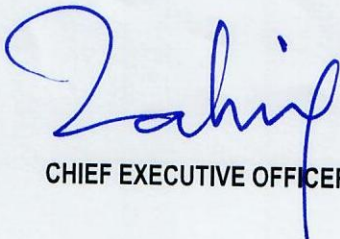

DIRECTOR


CHIEF FINANCIAL OFFICER

SITARA PETROLEUM SERVICE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Note	Un-Audited September 30, 2026 Rupees	Un-Audited September 30, 2025 Rupees
Sales	10	12,249,864,880	34,886,990,503
Cost of sales		(11,242,588,151)	(32,822,768,428)
Gross profit		1,007,276,729	2,064,222,075
Other operating income	11	229,027,567	22,954,897
		1,236,304,296	2,087,176,972
Administrative and general expenses		(79,077,314)	(55,820,145)
Finance cost		(169,176,946)	(331,953,187)
Other expense		(65,344,955)	(14,833,351)
Share of loss from associate		(49,291,523)	-
		(362,890,738)	(402,606,683)
Profit before income tax and levy		873,413,558	1,684,570,289
Final tax on revenue		(88,257,018)	(302,318,483)
Profit for the period before income tax		785,156,540	1,382,251,806
Provision for taxation		(113,483,539)	(90,591,160)
Profit for the period		671,673,001	1,291,660,646
Earnings per share - basic and diluted (Rupees per share)		0.40	0.77

The annexed notes 1 to 15 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER

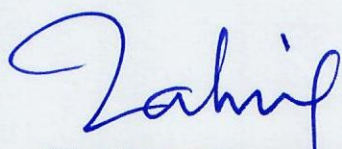

DIRECTOR


CHIEF FINANCIAL OFFICER

SITARA PETROLEUM SERVICE LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Un-Audited September 30, 2026 Rupees	Un-Audited September 30, 2025 Rupees
Profit for the year	671,673,001	1,291,660,646
Total comprehensive income for the year	<u>671,673,001</u>	<u>1,291,660,646</u>

The annexed notes 1 to 15 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

SITARA PETROLEUM SERVICE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Issued, subscribed and paid up capital	Share Premium	Surplus on revaluation of land	Unappropriated Profit	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2025 (Audited)	1,400,000,000	-	1,461,614,079	5,502,191,768	8,363,805,847
Total comprehensive income for the period	-	-	-	1,291,660,646	1,291,660,646
Balance as at September 30, 2025 (Un-audited)	1,400,000,000	-	1,461,614,079	6,793,852,414	9,655,466,493
Share issued during the period	279,914,000	-	-	-	279,914,000
Share Premium	-	4,548,778,158	-	-	4,548,778,158
Transaction cost incurred on the issuance of shares through initial public offer	-	(163,479,909)	-	-	(163,479,909)
Profit for the period	-	-	-	-	-
Other comprehensive income	-	-	-	3,684,032,748	3,684,032,748
Total comprehensive income for the period	-	-	-	(3,577,666)	(3,577,666)
Surplus on revaluation of land	-	-	-	3,680,455,082	3,680,455,082
Balance as at June 30, 2026 (Audited)	1,679,914,000	4,385,298,249	1,398,881,079	62,733,000	-
Total comprehensive income for the period	-	-	-	10,537,040,496	18,001,133,824
Balance as at September 30, 2026 (Un-audited)	1,679,914,000	4,385,298,249	1,398,881,079	671,673,001	671,673,001
				11,208,713,497	18,672,806,825

The annexed notes 1 to 15 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

SITARA PETROLEUM SERVICE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED SEPTEMBER 30, 2026

	Note	Un-Audited September 30, 2026 Rupees	Un-Audited September 30, 2025 Rupees
A) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax and levy		873,413,558	1,684,570,289
Adjustment for non cash items:			
Depreciation on property, plant and equipment	5	139,071,377	71,677,768
Share of loss from associate		49,291,523	-
Finance cost		142,106,756	331,953,187
		330,469,656	403,630,955
Cash flows before working capital changes		1,203,883,214	2,088,201,244
Working capital changes:			
Decrease / (Increase) in current assets:			
Stock in trade		1,157,722,691	(52,120,077)
Trade debts		226,213,428	(637,245,813)
Advances, deposits and other receivables		(116,289,260)	96,096,916
Increase / (decrease) in current liabilities:			
Creditors, accrued and other liabilities		(788,200,185)	1,005,922,842
		479,446,674	412,653,868
Cash flow from operations		1,683,329,888	2,500,855,112
Income taxes paid		(166,209,892)	-
Net cash flow from operating activities		1,517,119,996	2,500,855,112
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(6,995,976)	(514,000,411)
Investment in associate		(30,000,000)	-
Advance against Purchase of Land		(300,000,000)	-
Additions to capital work in progress		(750,125,250)	-
Net cash flow used in investing activities		(1,087,121,226)	(514,000,411)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of:			
Long term loans		(769,968,432)	(609,809,216)
Lease liabilities		(126,755,019)	(119,350,765)
Finance cost paid		(196,139,595)	(346,934,678)
Decrease in short term bank borrowings - net		-	(969,999,950)
Net cash flow used in financing activities		(1,092,863,046)	(2,046,094,609)
Net (decrease) in cash and cash equivalents (A+B+C)		(662,864,276)	(59,239,908)
Cash and cash equivalents at the beginning of the period		1,622,558,342	633,236,273
Cash and cash equivalents at the end of the period		959,694,066	573,996,365

The annexed notes 1 to 15 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

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