AVANCEON
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Third Quaterly Report

Nine months ended September 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 II, 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

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The Avanceon Building, 19-KM , Main Multan Road,
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Phone: +92 (42) 111 940 940

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Regional Headquarters - South Asia

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Email: marketing@avanceon.ae

Karachi, Sindh, Pakistan

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Shahra-e-Faisal Near PAF Museum,

Karachi- Pakistan

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Islamabad, Pakistan

Manzoor Plaza (The Hive Building),

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G-6/2, Blue Area, Islamabad 44000

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Email: marketing@avanceon.ae

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Regional Headquarters - Middle East

Avanceon FZE - Dubai, UAE

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Dubai, United Arab Emirates

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Email: marketing@avanceon.ae

Abu Dhabi, UAE

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Avanceon Automation Control WLL

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Lusail, Doha, Qatar.

Phone: +974 4040 9835

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Jeddah, Saudia Arabia

Jeddah, Saudia Arabia

Kuwait St. Faisaliyah District

P.O. Box 1298

Jeddah, KSA.

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Riyadh, Saudia Arabia

Avanceon Saudi for Energy Company

3141 Anas Ibn Malik-Al Malqa Dist.

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Kingdom of Saudi Arabia

Phone: +966-5674 16724

Email: marketing@avanceon.ae

Interim Director's Report

The Directors of Avanceon Limited ("the Company") hereby present the Directors' Report, together with the condensed interim financial statements (unaudited) of the Company, for the nine months ended September 30, 2026.

		for the nine months ended	
		Sep 30, 2026	Sep 30, 2025
		----- (Rupees in '000) -----	
OPERATING RESULTS (CONSOLIDATED)			
	Revenues	11,872,363	7,403,916
	Profit/(Loss) before tax	(996,908)	(141,107)
	Provision for taxation	(88,325)	(8,040)
	Profit/(Loss) after taxation	(1,085,233)	(149,147)
OPERATING RESULTS (STANDALONE)			
	Revenues	3,142,366	1,813,089
	Profit/(Loss) before tax	96,062	128,652
	Provision for taxation	(68,063)	4,652
	Profit/(Loss) after taxation	27,999	133,304

EARNING / (LOSS) PER SHARE (CONSOLIDATED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

The basic earnings / (loss) per share after tax is Rs. (2.53) (2025: Rs. (0.36))

EARNING / (LOSS) PER SHARE (STANDALONE) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

The basic earnings / (loss) per share after tax is Rs. 0.07 (2025: Rs. 0.32)

Avanceon Limited:

For the period reported nine months ended September 30, 2026, the company's revenues are reported at Rs. 3.142 billion, a 73% increase compared to the corresponding period of 2025, with gross margin of Rs. 775 million, an increase of 63%. This tremendous growth in both revenue and margin is mainly attributable to our retail fuel business projects and our products business being in execution on a smooth track and carrying sizeable margins.

Administrative and selling expenses increased by 22% to Rs. 418 million, with other expenses to Rs. 127 million, other income squeezing to Rs. 76 million, decreases of 55% compared to the corresponding period of 2025. The increase in admin and selling expenses mainly relates to inflationary pressure keeping up the payroll cost, foreign fee & subscriptions (based on USD) and other utilities cost. The other expenses increased mainly due to exchange loss. 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.

Finance costs rose by Rs. 63 million 43%, and after a tax incidence of Rs. 68 million dented the profitability of the company to report a marginal net profit of Rs. 28 million as compared to Rs. 133 million PAT in the corresponding reported nine months ended September 30, 2025.

The Company's management is actively pursuing initiatives to increase its top line through the execution of its existing backlog orders, along with purchase orders (POs) generated during the first half of the year, which are currently in the final stages of execution. Accordingly, the Company's profit for the year is projected to exceed the net profit reported for the corresponding previous year by a substantial margin.

The Company's order generation (Pakistan only) stood at USD 30 million as of October 2026, supported by a robust pipeline that is expected to exceed the year-end target. This strong order intake will enable the Company to enter the next financial year with substantial opening orders in hand, in line with its strategic "Road to 100" plan.

Avanceon Group:

Avanceon Limited consolidated financial results present below:

Revenues reported showed a substantial upside of 60% to Rs. 11.9 billion from Rs. 7.4 billion as compared to the corresponding reported nine months ended September 30, 2025. The top-line increase is mainly attributable to territories of Pakistan, Qatar and UAE. However, the KSA market is under pressure.

The gross margin increased by a reasonable 14% up to Rs. 2.25 billion versus Rs. 1.98 billion in the corresponding nine months ended September 30, 2025. The major contributors are from Pakistan and Qatar. However, the UAE region was the major hit due to geopolitical situation which slowed down the overall progress and cost escalations mainly on Government projects. The political uncertainty slowed down things two folds. Cost impact for us and delays in projects because many of the major government sites were closed.

Administrative and selling expenses increased by 51% to Rs. 2.74 billion, primarily due to cost hikes and inflationary pressures in the Middle East region due to geo pollical situation. The impact was further exacerbated by higher other expenses, mainly attributable to increased exchange losses and ECL provisions on trade debts, coupled with the absence of the exchange gain reported in the corresponding nine months ended September 30, 2025. Resultantly, the Company reported an operating loss of Rs. 561 million for the nine months ended September 30, 2026, compared to an operating profit of Rs. 210 million in the corresponding nine months period ended September 30, 2025.

The finance cost at the group level is reported at Rs. 436 million as compared to Rs. 351 million, a 24% increase to the corresponding reported nine months ended September 30, 2025.

Taxation impact of Rs. 88 million resulted in a group loss to be reported at Rs. 1.085 billion as compared to a loss of Rs. 149 million in corresponding reports for nine months ended September 30, 2025.

The Company's management is making concerted efforts to formulate and implement an effective abatements strategy to offset the reported losses. While the full benefits of these initiatives are expected to materialize in the first quarter of 2027, the prevailing uncertainties in the Middle East, particularly in Dubai, are gradually easing. The management remains focused on having the abatement strategy bear results by the end of 2026.

The most encouraging aspect is that the Group's order generation stood at USD 66 million as of October 2026, supported by a promising pipeline that is expected to exceed the annual target 2026. This is anticipated to contribute to a positive turnaround at year-end and translate into a healthy opening order backlog for the next financial year and contribute positively to future 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 Act, 2017. The Company also has a website, **www.avanceon.ae,** which contains up to date information on Company's activities and financial reports.

for and on behalf of the BOARD OF DIRECTORS

BAKHTIAR HAMEED WAIN
Chief Executive Officer

Mohammad Shahid Mir
Director

October, 29, 2026
Lahore, Pakistan

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Avanceon Limited
Unconsolidated Condensed Interim Financial Statements
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026



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AVANCEON LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2026

	Un-audited Sep 30, 2026	Audited Dec 31, 2025
	(Rupees in '000)	
ASSETS		
NON CURRENT ASSETS		
Property and equipment	**652,209**	666,184
Work in progress	**374,710**	271,467
Long term investments	**1,351,795**	1,351,795
Deposit for Long term investments	**4,188,478**	4,241,795
Long term loans and deposits	**14,314**	10,302
	6,581,506	6,541,543
CURRENT ASSETS		
Stock in trade	**183,513**	79,028
Trade debts	**3,408,216**	3,385,511
Advances, deposits, prepayments and other receivables	**2,160,346**	1,707,664
Contract Assets	**785,176**	250,994
Cash and bank balances	**130,967**	107,512
	6,668,219	5,530,709
TOTAL ASSETS	**13,249,725**	12,072,252
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
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	**4,296,673**	4,224,089
CAPITAL RESERVES		
Share Premium	**1,244,541**	875,339
Employees' share compensation reserve	**104,460**	155,438
Surplus on revaluation of property, plant & equipment	**324,148**	325,884
	1,673,149	1,356,662
REVENUE RESERVES		
Un-appropriated profit	**2,188,052**	2,585,793
	8,157,874	8,166,543
NON CURRENT LIABILITIES		
Long term diminishing musharaka	**76,324**	110,745
CURRENT LIABILITIES		
Current portion of long term diminishing musharaka	**51,136**	66,715
Short term borrowings	**1,409,202**	1,091,203
Contract Liabilities	**707,743**	236,837
Unclaimed / Unpaid Dividend	**349,988**	142,542
Creditors, accrued and other liabilities	**2,429,396**	2,179,086
Provision for taxation	**68,063**	78,581
	5,015,527	3,794,964
CONTINGENCIES AND COMMITMENTS		
	13,249,725	12,072,252

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

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)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	Note	for the nine months ended		for the quarter ended	
		Sep 30, 2026	Sep 30, 2025	**Sep 30, 2026**	Sep 30, 2025
		(Rupees in '000)		**(Rupees in '000)**	
Revenues		**3,142,366**	1,813,089	**1,607,541**	597,520
Cost of revenue		**(2,367,401)**	(1,337,064)	**(1,252,123)**	(396,267)
Gross profit / (loss)		**774,965**	476,025	**355,418**	201,253
Administrative and selling expenses		**(417,635)**	(342,011)	**(134,100)**	(105,603)
Other expenses	3	**(127,320)**	(25,445)	**(35,937)**	(4,220)
Other income	4	**76,128**	167,458	**7,726**	(62,800)
		(468,828)	(199,998)	**(162,311)**	**(172,623)**
Profit / (loss) from operations		**306,138**	276,027	**193,107**	28,630
Finance costs		**(210,076)**	(147,376)	**(74,173)**	(28,825)
Profit / (loss) before tax		**96,062**	128,652	**118,934**	(195)
Taxation		**(68,063)**	4,652	**(24,781)**	(2,281)
Profit / (loss) for the period		**27,999**	133,304	**94,153**	(2,476)
Earnings / (loss) per share					
Basic		**0.07**	**0.32**	**0.22**	**(0.01)**
Diluted		**0.07**	**0.31**	**0.22**	**(0.01)**

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

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 NINE MONTHS ENDED SEPTEMBER 30, 2026

	for the nine months ended		for the quarter ended	
	Sep 30, 2026	Sep 30, 2025	**Sep 30, 2026**	Sep 30, 2025
	(Rupees in '000)		**(Rupees in '000)**	
Profit /(loss) for the period	**27,999**	133,304	**94,153**	(2,476)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	**27,999**	133,304	**94,153**	(2,476)

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

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 NINE MONTHS ENDED SEPTEMBER 30, 2026

	for the nine months ended	
	Sep 30, 2026	Sep 30, 2025
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	**96,062**	128,652
Adjustments for:		
Depreciation on property and equipment	**94,727**	87,270
Unrealised exchange (gain) / loss	**98,900**	(71,492)
Reversal of ECL provision - Contract Assets	**(45,027)**	-
Provision for ECL - Trade Debts	**15,785**	-
Provision for ECL - Related parties	**4,624**	-
Employee share options	**22,589**	42,454
Gain on disposal of fixed assets	**(20,485)**	(10,368)
Markup on current account	**(9,760)**	-
Finance cost	**210,076**	147,376
Profit on bank deposits	**(14)**	(106)
	371,415	195,134
Profit before working capital changes	**467,477**	323,785
Effect on cash flow due to working capital changes:		
(Increase) / Decrease in current assets		
Stock in trade	**(59,458)**	13,985
Trade debts	**(68,106)**	(443,809)
Contract assets	**(534,182)**	238,738
Advances, deposits, prepayments and other receivables	**(167,880)**	62,558
Increase / (Decrease) in current liabilities		
Creditors, accrued and other liabilities	**154,516**	(328,879)
Contract liailities	**470,906**	165,382
	(204,204)	(292,024)
Cash generated from operations	**263,272**	31,761
Finance cost paid	**(114,281)**	(92,864)
Income Taxes paid	**(78,581)**	(52,374)
	(192,863)	(145,238)
Net cash generated from / (used in) operating activities	**70,410**	(113,477)

Continued.....

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 NINE MONTHS ENDED SEPTEMBER 30, 2026

	for the nine months ended	
	Sep 30, 2026	Sep 30, 2025
	(Rupees in '000)	
Net cash generated from / (used in) operating activities	**70,410**	(113,477)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(85,143)**	(48,466)
Proceeds from sale of property and equipment	**24,877**	10,368
Additions in intangible assets - Capital work in progress	**(103,243)**	(155,190)
Profit on bank deposits	**14**	106
Net change in long term advances and deposits	**(4,012)**	(3,038)
Net cash generated from / (used in) investing activities	**(167,507)**	(196,218)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	**317,998**	321,673
Proceed from issuance of shares against ESOS	**-**	73,860
Dividend paid	**(220,030)**	(450)
Share Issuance	**72,585**	-
Repayment of diminishing musharka	**(50,000)**	(33,771)
Net cash used in financing activities	**120,553**	361,312
Net increase/(decrease) in cash and cash equivalents	**23,455**	51,617
Cash and cash equivalents at the beginning of period	**107,512**	19,351
Cash and cash equivalents at the end of period	**130,967**	70,967

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

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 CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	CAPITAL RESERVES				REVENUE	TOTAL
	Share Capital	Share Premium	Employees' Share Compensation Reserve	Surplus on Revaluation of Property & Equipment	Un-appropriated profit / (loss)	
						(Rupees in '000)
Balance as at January 01, 2025	**4,150,228**	**508,910**	**370,740**	**328,199**	**2,523,297**	**7,881,374**
Profit for the period	-	-	-	-	60,181	60,181
Other comprehensive income	-	-	-	(2,315)	2,315	-
	-	-	-	(2,315)	62,496	60,181
Issuance of shares against ESOS	73,860	-	151,127	-	-	224,987
Employee share option reserve	-	366,428	(366,428)	-	-	-
	73,860	366,428	(215,301)	-	-	224,987
Balance as at December 31, 2025	**4,224,089**	**875,339**	**155,438**	**325,884**	**2,585,793**	**8,166,543**
Profit for the period	-	-	-	-	27,999	27,999
Transfer from revaluation surplus on account of incremental dep.	-	-	-	(1,736)	1,736	-
	-	-	-	(1,736)	29,735	27,999
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	-	-	318,223	-	-	318,223
	72,585	369,202	(50,979)	-	(427,476)	(36,668)
Balance as at September 30, 2026	**4,296,673**	**1,244,541**	**104,460**	**324,148**	**2,188,052**	**8,157,874**

The annexed notes from 1 to 7 form an integral part of these 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 UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

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 NASTP Silicon Valley, Karachi Main Shahra-e-Faisal Near PAF Museum, Karachi- Pakistan
Islamabad	Manzoor Plaza (The Hive Building), First Floor, Plot 14-E Fazal-e-Haq Road, G-6/2, Blue Area, Islamabad 44000.

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

2 Basis of Prepration

2.1 Separate financial statements

These are the unconsolidated condensed interim financial statements of the Company in which investments in subsidiaries have been carriedat cost, 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 anddirectives 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 Sepetember 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 nine months eneded September 30, 2026.

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

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, 2024, 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 nine months eneded September 30, 2026.

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 costconvention 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.

3 Other Expenses

	for the nine months ended	
	Sep 30, 2026	Sep 30, 2025
	(Rupees in '000)	
Donations	**7,812**	7,260
Exchange Loss	**98,900**	-
Provison for ECL related parties	**4,624**	-
Provison for ECL trade debts	**15,785**	17,975
Late panelty charges	**200**	210
	127,320	25,445

4 Other Income

	for the nine months ended	
	Sep 30, 2026	Sep 30, 2025
	(Rupees in '000)	
Income on bank deposits	**14**	106
Gain on disposal of property, plant and equipment	**20,485**	10,368
Exchange gain	**-**	71,492
Markup Income on Current Accounts	**9,760**	3,877
Reversal of ECL Provision	**45,027**	6,148
Others	**842**	75,466
	76,128	167,458

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

5 Contingencies and Commitments

5.1 Commitments

(i) Bank guarantees issued amounting to Rs. 1,016 million (2025: Rs. 859 million) against the performance of various contracts.

(ii) Letters of credit includes Rs. 763 million (2025: 219 million) which relates to import acceptance bills.

6 Date of Authorization for Issue

The condensed interim unconsolidated financial information was authorised for issue on **October 29, 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
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Avanceon Limited
Consolidated Condensed Interim Financial Statements
FOR THE HALF YEAR ENDED JUNE 30, 2026



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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN - AUDITED)
AS AT SEPTEMBER 30, 2026

ASSETS	Note	Un-Audited Sep 30, 2026	Audited Dec. 31, 2025
		(Rupees in '000)	
NON CURRENT ASSETS			
Property and equipment		**1,482,050**	1,429,372
Capital Work in Progress		**821,640**	668,059
Intellectual Property		**4,816,809**	4,800,208
Goodwill		**221,810**	221,810
Investment in JV		**401,546**	406,604
Deferred Tax Assets		**32,659**	32,805
Long term deposits		**80,171**	76,889
		7,856,684	7,635,746
CURRENT ASSETS			
Stock in trade		**930,569**	238,729
Trade debts		**5,765,206**	9,079,918
Contract Assets		**9,541,239**	7,773,616
Advances, deposits, prepayments and other receivables		**5,302,741**	4,518,985
Term deposits with banks		**-**	786
Short term investments		**607**	577
Cash and bank balances		**1,621,767**	1,085,222
		23,162,128	22,697,833
TOTAL ASSETS		**31,018,812**	30,333,579

Continued.....

Bakhtiar Hameed Wain
CHIEF EXECUTIVE OFFICER

Ahsan Khalil
CHIEF FINANCIAL OFFICER

Mohammad Shahid Mir
Director

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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN - AUDITED)
AS AT SEPTEMBER 30, 2026

	Note	Un-Audited Sep 30, 2026	Audited Dec. 31, 2025
EQUITY AND LIABILITIES		(Rupees in '000)	
Authorised Capital			
Authorised capital 750,000,000 (2025: 500,000,000) ordinary shares of Rs 10 each		**7,500,000**	5,000,000
Issued, subscribed and paid-up capital			
429,667,346 (2025: 422,408,878) ordinary shares of Rs 10 each ordinary shares of Rs. 10 each		**4,296,673**	4,224,089
CAPITAL RESERVES			
Share premium		**1,244,035**	874,834
Employees' share compensation reserve		**207,429**	233,307
Statutory reserve		**3,227**	3,227
Exchange revaluation reserve		**2,640,686**	2,672,453
Gain on dilution of interest		**631,367**	631,367
Surplus on revaluation of property & equipment		**324,148**	325,884
		5,050,893	4,741,072
REVENUE RESERVES			
Un-appropriated Profit		**4,447,244**	5,956,929
		13,794,811	14,922,090
Non-controlling Interest		**691,764**	693,052
		14,486,575	15,615,142
NON CURRENT LIABILITIES			
Long term loans		**38,367**	36,229
Liabilities against assets subject to finance lease		**112,653**	122,974
Deferred liabilities		**406,577**	374,104
Diminishing musharaka		**90,824**	127,611
		648,420	**660,918**
CURRENT LIABILITIES			
Current portion of long term loans		**18,416**	25,143
Current portion of diminishing musharaka		**61,368**	74,876
Current portion of lease liabilities		**12,161**	564
Short term borrowings		**4,538,682**	3,029,249
Unclaimed dividend		**349,988**	142,541
Creditors, accrued and other liabilities		**7,142,644**	8,960,144
Contract liabilities		**3,561,447**	1,453,399
Taxation-net		**199,113**	371,603
		15,883,817	14,057,519
CONTINGENCIES AND COMMITMENTS	**5**		
		31,018,812	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

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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	Note	For the nine months ended		For the quarter ended	
		Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
		(Rupees in '000)		(Rupees in '000)	
Revenues		**11,872,363**	7,403,916	**4,835,177**	2,166,212
Cost of revenue		**(9,619,846)**	(5,423,590)	**(4,543,376)**	(1,802,575)
Gross Profit / (loss)		**2,252,518**	1,980,326	**291,801**	363,637
Administrative and selling expenses		**(2,739,964)**	(1,811,169)	**(829,360)**	(493,209)
Other expenses	3	**(156,103)**	(83,947)	**(50,186)**	(44,279)
Other income	4	**83,022**	124,405	**5,481**	(37,921)
		(2,813,046)	(1,770,711)	**(874,065)**	(575,410)
Profit / (loss) from operations		**(560,529)**	209,615	**(582,264)**	(211,773)
Finance costs		**(436,379)**	(350,722)	**(213,482)**	(95,674)
Profit / (loss) before tax		**(996,908)**	(141,107)	**(795,746)**	(307,446)
Taxation		**(88,325)**	(8,040)	**(29,635)**	(9,694)
Profit / (loss) for the period		**(1,085,233)**	(149,147)	**(825,381)**	(317,140)
Attributable to:					
Equity holders of the Holding Company		**(1,083,945)**	(150,447)	(817,987)	(310,628)
Non-Controlling Interest		**(1,288)**	1,300	(7,394)	(6,512)
		(1,085,233)	(149,147)	(825,381)	(317,140)
Combined earnings / (loss) per share					
Basic		**(2.53)**	**(0.36)**	**(1.93)**	**(0.75)**
Diluted		**(2.53)**	**(0.35)**	**(1.93)**	**(0.74)**

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

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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN - AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	For the nine months ended		For the quarter ended	
	Sep 30, 2026	Sep 30, 2025	**Sep 30, 2026**	Sep 30, 2025
	(Rupees in '000)		**(Rupees in '000)**	
Profit / (Loss) for the period	**(1,085,233)**	(149,147)	**(825,381)**	(317,140)
Other comprehensive income				
Exchange difference on translating foreign operations	**(31,767)**	207,468	**(10,636)**	(91,229)
Total comprehensive income for the period	**(1,117,000)**	58,321	**(836,017)**	(408,370)
Attributable to:				
Equity holders of the Holding Company	**(1,115,711)**	57,021	**(828,623)**	(401,858)
Non-Controlling Interest	**(1,288)**	1,300	**(7,394)**	(6,512)
	(1,117,000)	58,321	**(836,017)**	(408,370)

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

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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN - AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	for the nine months ended	
	Sep 30, 2026	Sep 30, 2025
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax	**(996,908)**	(141,107)
Adjustments for:		
Depreciation on property and equipment	**148,039**	153,055
Exchange gain	**112,608**	51,075
Exchange revaluation reserve	**(31,767)**	207,468
Amortization	**38,459**	42,397
Provision for gratuity	**28,638**	59,655
Finance costs	**436,379**	350,722
Employees' share option expense	**342,949**	130,784
Reversal of ECL provision - contract assets	**(45,027)**	(6,148)
Provision for ECL - trade debts	**29,753**	18,583
Gain on disposal of fixed assets	**(20,485)**	(10,475)
Profit on bank deposits	**(17)**	(415)
	1,039,530	996,700
	42,622	855,593
Profit before working capital changes		
(Increase) / Decrease in current assets		
Stock in trade	**(646,813)**	(781,336)
Trade debts	**3,177,358**	1,158,341
Contract assets	**(1,767,623)**	291,592
Advances, deposits, prepayments and other receivables	**(783,330)**	(956,748)
Increase / (Decrease) in current liabilities		
Creditors, accrued and other liabilities	**(1,825,779)**	(1,110,209)
Contract liabilities	**2,108,049**	748,601
	261,861	(649,759)
Cash (used in) / generated from operations	**304,483**	205,834
Finance costs paid	**(428,102)**	(353,336)
Gratuity paid	**3,834**	(54,654)
Taxes paid	**(260,668)**	(96,692)
Net cash (used in) / generated from operating activities	**(380,453)**	(298,848)

Continued.....

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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN - AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	for the nine months ended	
	Sep 30, 2026	Sep 30, 2025
	(Rupees in '000)	
Net cash (used in) / generated from operating activities	**(380,453)**	(298,848)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(205,109)**	(263,962)
Proceeds from disposal of property and equipment	**24,877**	10,475
Additions in intangible assets - capital work in progress	**(153,581)**	(188,383)
Additions in Intellectual property	**(55,060)**	(28,001)
Long term investments made	**-**	5,018
Decrease / (Increase) in short term investments	**757**	692
Profit on bank deposit	**17**	415
Net change in long term advances and deposits	**(3,282)**	8,801
Net cash (used in) / generated from investing activities	**(391,381)**	(454,944)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**(220,030)**	(8,136)
Issuance of shares	**72,585**	73,860
Long term loan (repaid)/ received	**(4,588)**	(18,238)
Finances under mark up arrangements and other credit facilities	**1,509,432**	637,973
Repayment of diminishing musharaka	**(50,296)**	(24,136)
Repayment of lease liabilities	**1,276**	(15,444)
Net cash (used in) / generated from financing activities	**1,308,379**	645,879
Net (decrease) / increase in cash and cash equivalents	**536,545**	(107,913)
Cash and cash equivalents at the beginning of year	**1,085,222**	756,748
Cash and cash equivalents at the end of period	**1,621,767**	648,835

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

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AVANCEON LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

	CAPITAL RESERVES							REVENUE RESERVES		
	Share capital	Share premium reserve	Gain on dilution of interest	Employee share compensation reserve	Statutory Reserve	Exchange revaluation reserve	Surplus on Revaluation of Property, Plant and Equipment	Un-appropriated profit / (loss)	Non-Controlling Interest	TOTAL
										(Rupees in '000)
Balance as at 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 at 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	-	-	-	-	-	-	-	(1,083,945)	(1,288)	(1,085,233)
Other comprehensive income	-	-	-	-	-	(31,767)	(1,736)	1,736	-	(31,767)
	-	-	-	-	-	(31,767)	(1,736)	(1,082,208)	(1,288)	(1,117,000)
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 at September 30, 2026	**4,296,673**	**1,244,035**	**631,367**	**207,429**	**3,227**	**2,640,686**	**324,148**	**4,447,244**	**691,764**	**14,486,575**

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 CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 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 March31, 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	Office No 19 Building No S-4 First Floor NASTP Silicon Valley, Karachi Main Shahra-e-Faisal Near PAF Museum, Karachi- Pakistan
Islamabad	Manzoor Plaza (The Hive Building), First Floor, Plot 14-E Fazal-e-Haq Road, G-6/2, Blue Area, Islamabad 44000.

1.3 AVFZE isa FreeZone 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 AFZE 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.

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, POBox: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.

AVANCEON LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

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 AVQFZ 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.

1.7 EAL 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.

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.

Continued.....

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

3 Other Expenses

	For the nine months ended	
	Sep 30, 2026	Sep 30, 2025
	(Rupees in '000)	
Donations	7,812	7,700
Exchange Loss	112,608	51,075
Provision for expected credit losses - contract assets	-	534
Provision for expected credit losses - trade debts	29,753	18,583
Balances written off	5,531	3,428
Penalty Charges	400	2,142
Zakat	-	50
Other exp.	-	436
	156,103	83,947

4 Other Income

	For the nine months ended	
	Sep 30, 2026	Sep 30, 2025
	(Rupees in '000)	
Profit on bank deposits	17	415
Gain on disposal of property, plant and equipment	20,485	10,475
Reversal of provisions for ECL	45,027	6,148
Other Income	17,493	107,366
	83,022	124,405

5 Contingencies and Commitments

5.1 Commitments

(i) Bank guarantees issued amounting to Rs. 4,567 million (2025: Rs. 2,929 million) against the performance of various contracts.

(ii) Letters of credit includes Rs. 1,067 million (2025: 218.997 million) which relates to import acceptance bills.

6 Date Of Authorization For Issue

The condensed interim consolidated financial information was authorised for issue on **October 29, 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

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Unit: 718 Riyadh 13521-8292

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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