

KAPCO



2ND QUARTER REPORT

DECEMBER 31, 2025 (UN-AUDITED)



KOT ADDU POWER COMPANY LIMITED

Company Information

Board of Directors	Lt. General (Retd) Muhammad Saeed (Chairman) Mr. Shahab Qadar Khan (Chief Executive) Mr. Aqeel Ahmed Nasir Mr. Hafiz Mohammad Yousaf Mr. Saad Iqbal Mr. Naveed Asghar Chaudhry Ms. Mahwish Humayun Khan Mr. Khawaja Khalil Shah Mr. Muhammad Arfan
Audit Committee	Mr. Hafiz Mohammad Yousaf (Chairman) Mr. Saad Iqbal Mr. Naveed Asghar Chaudhry Mr. Khawaja Khalil Shah Mr. Muhammad Arfan
HR Committee	Ms. Mahwish Humayun Khan (Chairperson) Mr. Aqeel Ahmed Nasir Mr. Hafiz Mohammad Yousaf Mr. Naveed Asghar Chaudhry Mr. Muhammad Arfan
Investment Committee	Mr. Naveed Asghar Chaudhry (Chairman) Mr. Aqeel Ahmed Nasir Mr. Hafiz Mohammad Yousaf Mr. Saad Iqbal Mr. Khawaja Khalil Shah
Special Committee	Mr. Muhammad Arfan (Chairman) Mr. Aqeel Ahmed Nasir Mr. Naveed Asghar Chaudhry Mr. Saad Iqbal
GM Finance / CFO	Mr. Muhammad Masood
Company Secretary / Head Legal Counsel	Mr. A. Anthony Rath
Head of Internal Audit	Mr. Sikandar Usmani
Auditors	A.F. Ferguson & Co. Chartered Accountants
Legal Advisor	Cornelius, Lane & Mufti
Bankers	Conventional Askani Bank Limited Bank Al-Habib Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited National Bank of Pakistan Standard Chartered Bank (Pakistan) Limited United Bank Limited Islamic Al-Baraka Bank (Pakistan) Limited Askani Bank Limited-IBD Bank Al-Ialah Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Meezan Bank Limited National Bank of Pakistan-IBD The Bank of Punjab-IBD
Share Registrar	THK Associates (Private) Limited Plot No. 32-C, Jami Commercial Street 2, DHA, Phase-VII, Karachi 75500, Pakistan Tel: +92 (0)21 111 000 322, Fax: +92 (0)21 34168271
Registered Office	Office No. 309, 3rd Floor, Ewaqae Trust Complex Agha Khan Road, F-5/1, Islamabad, Pakistan
Corporate Office	5B/3, Gulberg III, Lahore 54960, Pakistan Tel: +92 (0)42 3577 2912-6, Fax: +92 (0)42 3577 2922
Power Project	Kot Addu Power Complex, Kot Addu District Muzaffargarh, Punjab, Pakistan Tel: +92 (0)66 230 1047-9 Fax: +92 (0)66 230 1025
Email	Info@kapco.com.pk
Website	www.kapco.com.pk

Directors' Report

We present the Directors' Report together with the Financial Statements (un-audited) for the Second Quarter Ended December 31, 2025.

Principle Activities of the Company

The principal activities of the Company are the ownership, operation, and maintenance of an Independent Power Plant (IPP). The initial plant capacity was 1600 MW on multi-fuel (gas /RLNG, furnace oil, and high-speed diesel). The initial Power Purchase Agreement (PPA) expired in October 2022. In June 2025, the Company signed a new Tripartite Power Purchase Agreement (TPPA) for 495MW capacity. The plant is located at Kot Addu, Punjab. The Company is also permitted under its Memorandum of Association to make investments in other businesses.

The Company is listed on the Pakistan Stock Exchange and is a KSE 100 index company.

Operational Highlights

As previously informed, the Company entered into a TPPA for 495 MW capacity with the Central Power Purchasing Agency (Guarantee) Limited (Power Purchaser) and the National Grid Company of Pakistan Limited on June 3, 2025; and the TPPA became effective for a period of three years effective from September 13, 2025 following the successful completion of capacity and heat rate tests.

Under the TPPA, the Company's 495 MW generation facility and associated switchyard operate on a hybrid Take-or-Pay basis, providing a guaranteed Take or Pay return at 25% availability, with additional returns for incremental generation. The term of the TPPA is contingent upon the Company's annual inclusion in the Integrated Generation Capacity Expansion Plan (IGCEP) and Power Acquisition Plan (PAP), as approved by the relevant authorities. In its tariff determination dated September 23, 2025, The National Electric Regulatory Authority (NEPRA) approved the tariff subject to extension based on IGCEP/PAP approval. In the absence of the approved IGCEP/PAP, the TPPA was suspended effective October 01, 2025. Aggrieved by the suspension, the Company filed a Motion for Leave for Review before NEPRA. NEPRA provisionally reinstated the applicable tariff effective from December 9, 2025, acknowledging the continued requirement of the Company's generation facility and switchyard to maintain system stability. The final tariff determination and extension of the term will be subject to IGCEP approval; upon such approval, the term will automatically extend until the expiry date specified in the IGCEP or for three years as per the TPPA, whichever is earlier.

During the reporting period, the Company generated 151,163 MWh of electricity. However, due to the suspension of the TPPA from October 1, 2025 to December 9, 2025, no electricity was generated during that period. The plant remained available in accordance with NPCC demand from December 10, 2025 to December 31, 2025

Financial Highlights

For the six-month period ended December 31, 2025, the Company recorded revenue amounting to Rs. 4,270 million. The Company reported a gross loss of Rs. 554 million as compared to a gross profit of Rs. Nil in the corresponding period last year. Operating profit was reported at Rs. 1,622 million against Rs. 2,461 million in the same period of last year. Profit before taxation stood at Rs. 1,611 million as compared to Rs. 2,227 million in the corresponding period of 2024. Consequently, the Company earned a profit after tax of Rs. 827 million for the period under review, translating into earnings per share of Rs. 0.94 (Rs. 2.21 in the corresponding period last year).

As of December 31, 2025, the receivables due from the Power Purchaser stood at Rs. 8,695 million (net). The Power Purchaser has released Rs. 6,425 million subsequent to the end of the half year.

The Company's investments in Mutual Funds are Rs. 34,805 million (market value) as on December 31, 2025, which are primarily held to meet working capital requirements and growth/diversification plans of the Company.

Update on IFRS-16

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 986(I)/2019 dated September 2, 2019 (SRO), granted an exemption from the requirements of International Financial Reporting Standard 16 (IFRS 16) – Leases to companies that executed their Power Purchase Agreements (PPAs) prior to January 1, 2019. The Company entered into a new Tri-Partite Power Purchase Agreement (TPPA) on June 3, 2025, which became effective on September 13, 2025. The Company filed a writ petition before the Honourable Lahore High Court challenging the applicability of IFRS 16 on the grounds that the SRO discriminates against Companies whose PPAs were entered into after January 1, 2019. The Lahore High Court, through its order dated February 3, 2026, has granted a stay on the application of IFRS 16 to the Company until further notice.

Mandatory Compliance with the Shariah Disclosures:

Pursuant to Part 1, Clause VII of the Fourth Schedule to the Companies Act, 2017, as amended through S.R.O. 1278(I)/2024 dated August 15, 2024, reference is hereby made to Note 20 of the Financial Statements.

Diversification of Business

The Company continues to evaluate investment opportunities for diversification of its portfolio. The Pakistan Water and Power Development Authority (WAPDA), being a major shareholder, strongly supports the diversification plans.

We are pleased to inform you that the Company jointly with Fauji Cement Company Limited (FCCL) has entered into a Share Purchase Agreement with Pharon Investment Group Limited Holding S.A.L. for the joint acquisition of 84.06% shareholding in Attock Cement Pakistan Limited (ACPL) (Transaction). The Competition Commission of Pakistan issued its No Objection/approval to the Transaction and the mandatory tender offer under the Securities Act, 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeover) Regulations, 2017 is now underway. The Company in accordance with its Articles of Association will be seeking approval of the Transaction from its shareholders in due course.

Compliance of Code of Corporate Governance

The Company has complied with the requirements of the Code of Corporate Governance in the following manner:

The total number of Directors are nine (9) as per the following detail:

- (a) Male: Eight(8)
(b) Female: One(1)

The composition of the Board of Directors is as follows:

Category	Names
Independent Directors	<ul style="list-style-type: none">• Mr. Hafiz Mohammad Yousaf• Ms. Mahwish Humayun Khan• Mr. Khawaja Khalil Shah
Executive Director	<ul style="list-style-type: none">• Mr. Shahab Qader Khan (Chief Executive)
Non-Executive Directors	<ul style="list-style-type: none">• Lt. General (Retd) Muhammad Saeed• Mr. Aqeel Ahmed Nasir• Mr. Saad Iqbal• Mr. Naveed Asghar Chaudhry• Mr. Muhammad Arfan

Committees of the Board of Directors:

Audit Committee	<ul style="list-style-type: none">• Mr. Hafiz Mohammad Yousaf (Chairman)• Mr. Naveed Asghar Chaudhry• Mr. Muhammad Arfan	<ul style="list-style-type: none">• Mr. Saad Iqbal• Mr. Khawaja Khalil Shah
HR Committee	<ul style="list-style-type: none">• Ms. Mahwish Humayun Khan (Chairperson)• Mr. Hafiz Mohammad Yousaf• Mr. Muhammad Arfan	<ul style="list-style-type: none">• Mr. Aqeel Ahmed Nasir• Mr. Naveed Asghar Chaudhry
Investment Committee	<ul style="list-style-type: none">• Mr. Naveed Asghar Chaudhry (Chairman)• Mr. Hafiz Mohammad Yousaf• Mr. Khawaja Khalil Shah	<ul style="list-style-type: none">• Mr. Aqeel Ahmed Nasir• Mr. Saad Iqbal
Special Committee (on Decommissioning of Power Plant and Fuel Disposal)	<ul style="list-style-type: none">• Mr. Muhammad Arfan (Chairman)• Mr. Naveed Asghar Chaudhry	<ul style="list-style-type: none">• Mr. Aqeel Ahmed Nasir• Mr. Saad Iqbal

On behalf of the Board



Shahab Qader Khan
Chief Executive Officer

Islamabad: February 26, 2026



Hafiz Mohammad Yousaf
Director

31 دسمبر 2025 کو ختم ہونے والی ششماہی کے باایاتی گوشواروں (تیسرا آڈٹ شدہ) کے ساتھ ڈائریکٹرز کی رپورٹ پیش خدمت ہے۔

کھپنی کی بنیادی سرگرمیاں

کھپنی کی بنیادی سرگرمیوں میں پنجاب کے حکمران اوس 1600 میگا واٹ، نجر پلٹ صلاحیت کے مال ٹی ٹی (گیس) آرائل این ٹی فرس ٹائل اور ہائی سپیڈ ڈیال سے چلنے والے پاور پلانٹ کی ملکیت، آپریشن اور دیگر بحالیوں میں سائبرائی پاور پراجیکٹ ریسنٹ (PPA) اکتوبر 2022 میں ختم ہو گیا تھا۔ بعد ازاں جون 2025 میں کھپنی نے 495- میگا واٹ ماہر شدہ استعداد کے لیے ایک نیا۔ فرنیچر پاور پراجیکٹ ریسنٹ (TPPA) سے کیا۔ کھپنی کو اپنے میٹروپولیٹن ایسوسی ایشن کے تحت دوسرے کاروباروں میں سرمایہ کاری کرنے کی اجازت ہے۔

کھپنی پاکستان سٹاک ایکسچینج میں درج ہے اور کے ایس آئی 100 انڈیکس کھپنی ہے۔

آپریٹنگ بھگتیاں

دیہا کہ پہلے بتایا گیا تھا، کھپنی نے 3 جون 2025 کو سٹارٹ اپ پاور پراجیکٹ (پاور پراجیکٹ) اور سٹارٹ اپ پاور پراجیکٹ (پاور پراجیکٹ) کے تحت 2025 میں ماہ 13 جون 2025 سے تین سال کی مدت کے لیے طرہ ہو گیا ہے۔

سرفرینچر پاور پراجیکٹ ریسنٹ (TPPA) کے تحت، کھپنی کی 495 میگا واٹ جزئیوں کی صلاحیت کو بڑھانے کے لیے ایک ایف ڈی پی کی بنیاد ہوگی، جس میں 25 ٹیڈ ریجنٹس کی کم از کم گائیڈڈ مناقشہ نتائج شامل ہے، اور اسٹیٹ پاور کے لیے انسانی مناقشہ حاصل ہوگا۔ TPPA کی مدت کھپنی کی سالانہ ریجنٹس پرمیٹرز سے جو حلقہ کار کی منظوری سے ملے گی۔ جزئیوں کو کھپنی یا ان (IGCEP) اور پاور ایکسچینج پلان (PAP) میں شامل ہے۔ 23 ستمبر 2025 کو ٹریفک کیوں کرتے ہوئے، سٹارٹ اپ پاور پراجیکٹ ریسنٹ (NEPRA) نے 495 میگا واٹ کے لیے ٹریفک کی منظوری دی جو PAP / IGCEP کی منظوری سے منسک ہے۔ منظورشہ: PAP / IGCEP کی مدد سے، کھپنی نے TPPA کو 11 اکتوبر 2025 سے طرہ شروع کر دیا گیا۔ جس کے بعد کھپنی نے NEPRA کے سامنے نظریاتی کی درخواست داری۔ NEPRA نے مارچ 2025 سے نافذ عمل ٹریفک کو بحال کیا، جس سے تسلیم کیا گیا کہ کلام کے انتظام کو برقرار رکھنے کے لیے کھپنی کی جزئیوں کی صلاحیت اور سٹارٹ اپ فرنیچر پاور پراجیکٹ ریسنٹ (TPPA) کی منظوری سے منسک ہے، اس منظوری کے بعد مدت خود بخود IGCEP میں مقرر کر دیا گیا اور ختم ہونے تک TPPA کے مطابق تین سال کے لیے باہر جانے کی، جو بھی پہلے ہو۔

رہنڈگ مدت کے دوران کھپنی نے 151,163 MWh کی بجلی پیدا کی۔ جنم 1 اکتوبر 2025 سے 9 دسمبر 2025 تک TPPA کی منتقلی کے بعد اس عرصے میں کوئی بھی پیدا نہیں کی گئی۔ پلانٹ 31 دسمبر 2025 سے 31 دسمبر 2025 تک NPCC کی طلب کے مطابق دستیاب رہا۔

باایاتی بھگتیاں

31 دسمبر 2025 کو ختم ہونے والی ششماہی کے دوران کھپنی نے 4,270 ملین روپے کی آمدنی حاصل کی۔ کھپنی کو 554 ملین روپے کا مجموعی تصدق ہوا، جبکہ گزشتہ سال اسی عرصے میں مجموعی مناقشہ معزز روپے تھا۔ آپریٹنگ نتائج 1,622 ملین روپے ہا، جو پچھلے سال کے اسی عرصے میں 2,461 ملین روپے تھا۔ گیس سے پہلے مناقشہ 1,611 ملین روپے ہا، جبکہ 2024 کے اسی عرصے میں یہ 2,227 ملین روپے تھا۔ اس کے نتیجے میں کھپنی نے پراجیکٹوں میں 827 ملین روپے کا نقص کے بعد مناقشہ حاصل کیا، جوئی شیڈ آئی 0.94 روپے (گزشتہ سال اسی مدت میں 2.21 روپے) بنتی ہے۔

31 دسمبر 2025 تک پاور ہاؤس سے ادب لانا رقم 8,695 ملین روپے (خامس) تھی۔ پاور پراجیکٹ نے ششماہی مدت کے اختتام کے بعد 6,425 ملین روپے چوری کر دیے ہیں۔

کھپنی کی سہ ماہی فنڈ ز میں سرمایہ کاری 31 دسمبر 2025 تک 34,805 ملین روپے (دیکھتے ہوئے) ہے، جو بنیادی طور پر ورکنگ کھپنی کی ضروریات اور ترقیاتی اخراجات کے منصوبوں کو پورا کرنے کے لیے کی گئی ہے۔

IFRS-16 کے بارے میں اپ ڈیٹ

سیکیورٹیز ڈیپارٹمنٹ کی پینشن آف پاکستان (SECP) نے (DS.R.O. 986) / 2019 تاریخ 2 ستمبر 2019 (SRO) کے ذریعے انٹرنیشنل فنانسئل رپورٹنگ سٹینڈرڈز 16 (IFRS) سے ان کی پینشن کو لیز دینے کے حوالوں سے اسٹیٹ دیپارٹمنٹوں نے یکم جنوری 2019 سے پہلے اپنے پاور پراجیکٹ ریسنٹ (PPAs) پر عمل درآمد کیا تھا۔ کھپنی نے 3 جون 2025 کو نیا سرفرینچر پاور پراجیکٹ ریسنٹ (TPPA) کیا، جو 13 ستمبر 2025 کو نافذ عمل ہوا۔ کھپنی نے معزز ہاؤس بانی کورٹ میں 16IFRS کے اطلاق کو مستثنیٰ کرنے کے لیے ایک رٹ پٹیشن داری کی جس میں 16IFRS کے اطلاق کو اس بنیاد پر چیلنج کیا گیا کہ SRO ان کی پینشن کے ساتھ امتیازی سلوک ہے جن کے PPA یکم جنوری 2019 کے بعد دئے گئے۔ لاہور ہائی کورٹ نے 3 فروری 2026 کو اپنے حکم کے ذریعے مزید کارروائی تک کھپنی کو 16IFRS کے اطلاق پر حکم امتناعی جاری کر دیا ہے۔

شریکہ اشکافات کی لازمی نقل

کمیٹی ایکٹ 2017 کے چوتھے شیڈول کے حصہ اول کی شیٹ VII کے تحت جس میں ایس۔ آر۔ او 1278 (1) / 2024 مورچہ 15 اگست 2024 کے ذریعے ترمیم کی گئی ہے۔ باایاتی بیانات کے نوٹ 20 کی طرف رجوع کیا جاتا ہے۔

کاروبار میں تنوع

کھپنی اپنے پورٹ فولیو کو متنوع بنانے کے لیے سرمایہ کاری کے مختلف اختیارات کا جائزہ لے رہی ہے۔ پاکستان وائرا اینڈ پاور ڈویلپمنٹ اتھارٹی (واپڈا) ایک اہم شیئر ہولڈر ہونے کے ناطے کھپنی کے تنوع کے منصوبوں کی بھرپور حمایت کرتی ہے۔

ہمیں یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ کھپنی نے فوجی سنٹ کھپنی لمیٹڈ (FCCL) کے ساتھ مل کر فیروز انویسٹمنٹ گروپ لمیٹڈ ہولڈنگ ایس اے ایل سے معاہدہ کیا ہے جس میں ایک سنٹ پاکستان لمیٹڈ (اے سی پی ایل) کے 84.06 فیصد شیئرز کی خریداری شامل ہے۔ مسابقتی کھپنی آف پاکستان نے اس کی منظوری دے دی ہے اور سیکورٹیز ایکٹ 2015 اور رگولیشنز (دو گنگ شیئرز کی نمایاں خریداری اور ٹیک اور) رگولیشنز، 2017 کے تحت لین دین اور ازلی ٹینڈر آفر پر مزید عمل جاری ہے۔ کھپنی اپنے آرٹیکلز آف ایسوسی ایشن کے مطابق مناسب وقت پر اپنے شیئرز ہولڈرز سے اس لین دین کی منظوری طلب کرے گی۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کھپنی نے کارپوریٹ گورننس کے مناسبتی کی شرائط اور ج ذیل طریقے سے پوری کی ہیں:

ڈائریکٹرز کی کل تعداد (9) ہے، درج ذیل تفصیلات کے مطابق:

- (a) مرد: آٹھ (8)
(b) خاتون: ایک (1)

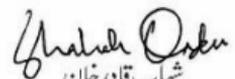
2- بورڈ آف ڈائریکٹرز کی تفصیلات درج ذیل ہے:

کھپنی	نام
آزاد ڈائریکٹرز	جناب حافظ محمد یوسف جناب خواجہ فیصل شاہ جناب شہباز قادر خان (چیف ایگزیکٹو)
ان ایگزیکٹو ڈائریکٹرز	جناب عقیل احمد ناصر جناب سعید اقبال جناب محمد عرفان

بورڈ آف ڈائریکٹرز کی کمیٹیاں:	آڈٹ کمیٹی	<ul style="list-style-type: none"> جناب حافظ محمد یوسف (چیرمین) جناب خواجہ فیصل شاہ جناب محمد عرفان
	ایچ آر کمیٹی	<ul style="list-style-type: none"> محترمہ سہیل ہمایوں خان (چیرمین) جناب حافظ محمد یوسف جناب محمد عرفان
	سرمایہ کاری کمیٹی	<ul style="list-style-type: none"> جناب خواجہ فیصل شاہ جناب حافظ محمد یوسف جناب عقیل احمد ناصر
	خصوصی کمیٹی (on Decommissioning of Power Plant and Fuel Disposal)	<ul style="list-style-type: none"> جناب محمد عرفان (چیرمین) جناب عقیل احمد ناصر جناب سعید اقبال

منجانب بورڈ


حافظ محمد یوسف
ڈائریکٹر


شہباز قادر خان
چیف ایگزیکٹو آفیسر
اسلام آباد: 26 فروری 2026ء

**Independent Auditor's Review Report
To the Members of Kot Addu Power Company Limited
Report on Review of Interim Financial Statements**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Kot Addu Power Company Limited as at December 31, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

We draw attention to Note 2.4 to the annexed interim financial statements, which describes the basis of preparation of these financial statements in relation to the non-application of IFRS 16, Leases, pursuant to an order of the Honourable Lahore High Court dated February 3, 2026. Our opinion is not modified in respect of this matter.

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 statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2025 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Ahsan Nadeem.

A.F. Ferguson & Co.

A.F. Ferguson & Co.
Chartered Accountants

Lahore

Date: February 27, 2026

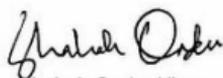
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A.F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
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Condensed Interim Statement of Financial Position
as at December 31, 2025 (Un-audited)

	Un-audited December 31, 2025	Audited June 30, 2025
Note	(Rupees in thousand)	
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorised capital 3,600,000,000 (June 30, 2025: 3,600,000,000) ordinary shares of Rs 10 each	36,000,000	36,000,000
Issued, subscribed and paid up capital 880,253,228 (June 30, 2025: 880,253,228) ordinary shares of Rs 10 each	8,802,532	8,802,532
Capital reserve	444,451	444,451
Revenue reserve: un-appropriated profit	46,477,287	47,851,102
	55,724,270	57,098,085
NON-CURRENT LIABILITIES		
Staff retirement benefits	281,593	289,656
	281,593	289,656
CURRENT LIABILITIES		
Trade and other payables	4,429,655	5,896,023
Provision for taxation - net	-	728,456
Unclaimed dividend	1,258,171	1,241,158
	5,687,826	7,865,637
CONTINGENCIES AND COMMITMENTS		
	7	
	61,693,689	65,253,378

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Shahab Qader Khan
Chief Executive Officer


Muhammad Masood
Chief Financial Officer

		Un-audited December 31, 2025	Audited June 30, 2025
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,822,943	1,818,304
Long term deposits		3,338	5,904
Deferred taxation		532,879	1,461,641
Staff retirement benefits - pension		414,954	401,902
		<u>2,774,114</u>	<u>3,687,751</u>
CURRENT ASSETS			
Stores and spares		3,892,906	3,942,262
Stock-in-trade	9	4,719,263	7,709,492
Trade debts - secured	10	8,694,734	1,881,584
Contract Asset		-	1,563,320
Investments at fair value	11	34,805,393	41,071,844
Income tax due from Government		245,605	-
Loans, advances, deposits, prepayments and other receivables		3,440,406	3,865,517
Cash and bank balances		3,121,268	1,367,410
		<u>58,919,575</u>	<u>61,401,429</u>
Assets classified as held for sale		-	164,198
		<u>61,693,689</u>	<u>65,253,378</u>



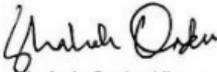
Hafiz Mohammad Yousaf
Director

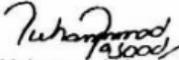
Condensed Interim Statement of Profit or Loss

for the three-month and six-month period ended December 31, 2025 (Un-audited)

	Note	Three-month ended		Six-month ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		(Rupees in thousand)		(Rupees in thousand)	
Revenue from contract with customer	12	223,734	-	4,269,863	-
Cost of sales	13	203,617	-	(4,823,867)	-
Gross profit / (loss)		427,351	-	(554,004)	-
Plant maintenance and preservation costs	14	-	(485,780)	-	(1,463,610)
Administrative expenses		(173,666)	(245,430)	(395,132)	(386,734)
Other operating expenses		(127,919)	(43,653)	(99,917)	(272,216)
Other income	15	1,376,913	1,965,896	2,670,855	4,583,197
Operating profit		1,502,679	1,191,033	1,621,802	2,460,637
Finance cost		(6,281)	(28,024)	(11,301)	(233,520)
Profit before levy and income tax		1,496,398	1,163,009	1,610,501	2,227,117
Levy - final tax		-	-	-	(4)
Profit before income tax		1,496,398	1,163,009	1,610,501	2,227,113
Income tax		(680,771)	(380,480)	(783,683)	(282,378)
Profit for the period		815,627	782,529	826,818	1,944,735
Earnings per share - basic and diluted	Rupees	0.93	0.89	0.94	2.21

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Shahab Qader Khan
Chief Executive Officer


Muhammad Masood
Chief Financial Officer

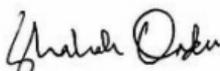

Hafiz Mohammad Yousaf
Director

Condensed Interim Statement of Comprehensive Income

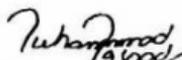
for the three-month and six-month period ended December 31, 2025 (Un-audited)

	Three-month ended		Six-month ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	815,627	782,529	826,818	1,944,735
- Items that will not be reclassified subsequently to profit or loss	-	-	-	-
- Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	-	-	-
Total comprehensive income for the period	815,627	782,529	826,818	1,944,735

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Shahab Qader Khan
Chief Executive Officer



Muhammad Masood
Chief Financial Officer



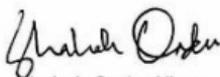
Hafiz Mohammad Yousaf
Director

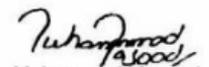
Condensed Interim Statement of Changes in Equity

for the six-month period ended December 31, 2025 (Un-audited)

	Share capital	Capital reserve	Revenue Reserve: Un-appropriated profit	Total
	(Rupees in thousand)			
Balance as at June 30, 2024				
Audited	8,802,532	444,451	52,714,448	61,961,431
Profit for the period	-	-	1,944,735	1,944,735
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,944,735	1,944,735
Transactions with owners:				
Final dividend for the year ended June 30, 2024 - Rs 4.00 per share	-	-	(3,521,013)	(3,521,013)
Balance as at December 31, 2024				
Un-audited	<u>8,802,532</u>	<u>444,451</u>	<u>51,138,170</u>	<u>60,385,153</u>
Balance as at June 30, 2025				
Audited	8,802,532	444,451	47,851,102	57,098,085
Profit for the period	-	-	826,818	826,818
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	826,818	826,818
Transactions with owners:				
Final dividend for the year ended June 30, 2025 - Rs 2.50 per share	-	-	(2,200,633)	(2,200,633)
Balance as at December 31, 2025				
Un-audited	<u>8,802,532</u>	<u>444,451</u>	<u>46,477,287</u>	<u>55,724,270</u>

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Shahab Qader Khan
Chief Executive Officer

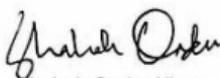

Muhammad Masood
Chief Financial Officer


Hafiz Mohammad Yousaf
Director

Condensed Interim Statement of Cash Flows
for the six-month period ended December 31, 2025 (Un-audited)

	Note	Six-month ended	
		December 31, 2025	December 31, 2024
(Rupees in thousand)			
Cash flows from operating activities			
Cash (used in) / generated from operations	17	(2,717,049)	7,605,830
Finance cost paid		(1,371,814)	(705,502)
Levy - final tax paid		(5,674)	(883,815)
Income tax paid		(828,982)	(174,494)
Workers' Profit Participation Fund recovered		-	28,040
Workers' Welfare Fund paid		(192,568)	(110,784)
Staff retirement benefits paid		(23,927)	(36,442)
Net cash (used in) / generated from operating activities		(5,140,014)	5,722,833
Cash flows from investing activities			
Fixed capital expenditure		(5,006)	(556)
Income on bank deposits received		96,232	80,979
Net decrease in long term deposits		2,566	973
Investment in mutual funds - net		8,183,700	6,220,255
Proceeds from sale of property, plant and equipment		800,000	2,431
Net cash generated from investing activities		9,077,492	6,304,082
Cash flows from financing activities			
Dividend paid		(2,183,620)	(3,481,533)
Net cash used in financing activities		(2,183,620)	(3,481,533)
Net increase in cash and cash equivalents		1,753,858	8,545,382
Cash and cash equivalents at the beginning of the period		1,367,410	(7,159,901)
Cash and cash equivalents at the end of the period	18	3,121,268	1,385,481

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.


Shahab Qader Khan
Chief Executive Officer


Muhammad Masood
Chief Financial Officer


Hafiz Mohammad Yousaf
Director

Notes to the Condensed Interim Financial Statements

for the six-month period ended December 31, 2025 (Un-audited)

1. Legal status and nature of business

Kot Addu Power Company Limited (the Company or KAPCO), was incorporated in Pakistan on April 25, 1996 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was listed on April 18, 2005 on Pakistan Stock Exchange Limited. The principal activities of the Company are to own, operate and maintain a multi-fuel fired power station with fifteen generating units with a nameplate capacity of 1,600 MW in Kot Addu, District Muzaffargarh, Punjab, Pakistan and to sell the electricity produced therefrom to a single customer, Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA) which was initially for a period of 25 years. WAPDA irrevocably transferred all of its rights, obligations and liabilities under the PPA to Central Power Purchasing Agency Guarantee Limited (CPPA-G) (Power Purchaser) thereunder via Novation Agreement which became effective on May 21, 2021 after approval from the relevant authorities. The PPA was extended by 16 months from June 26, 2021 pursuant to the terms of Master Agreement and the Third Amendment to the PPA, which expired on October 24, 2022. On June 3, 2025 the Company signed a new Tri-partite Power Purchase Agreement (TPPA) for 495 MW capacity with CPPA-G and National Grid Company of Pakistan Limited (NGC). The term of TPPA is 3 years from September 13, 2025 following the successful completion of the capacity and heat rate test.

The Company has a plant site at Kot Addu (Muzaffargarh), a corporate office located in Lahore and registered office located in Islamabad.

A Special Purpose Vehicle was incorporated in 2014 under the name of KAPCO Energy (Private) Limited (KEPL) for establishment of a coal power project. However, the project was called off and KEPL was put into liquidation under the Easy Exit Scheme of SECP. Subsequently, the liquidation application of KEPL was withdrawn for exploring investment opportunities. However, the share capital of KEPL has not yet been subscribed by the Company, therefore, the Company has not prepared consolidated financial statements.

2. Basis of Preparation

2.1 These condensed interim financial statements 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 provisions of and directives issued under the Companies Act, 2017 differ from IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Notes to the Condensed Interim Financial Statements

for the six-month period ended December 31, 2025 (Un-audited)

- 2.2 These condensed interim financial statements are un-audited and subject to limited scope review. These financial statements are being submitted to the members of the Company as required by Section 237 of the Companies Act, 2017.

These condensed interim financial statements do not include all the information required for annual financial statements including financial risk management information and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2025.

These condensed interim financial statements have been prepared under the historic cost convention except certain employee benefits which are recognized on present value and investments which are measured at fair value. The financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

2.3 Update on TPPA effectiveness

Under the Tri-Partite Power Purchase Agreement (TPPA), the Company's 495 MW generation facility and associated switchyard operate on a hybrid Take-or-Pay basis, providing a minimum guaranteed return at 25% availability, with additional returns for incremental generation. The term of the TPPA is contingent upon the Company's annual inclusion in the Integrated Generation Capacity Expansion Plan (IGCEP) and Power Acquisition Plan (PAP), as approved by the relevant authorities. In its tariff determination dated September 23, 2025 NEPRA approved tariff for 495 MW subject to extension based on IGCEP / PAP approval. In absence of the approved IGCEP / PAP, the TPPA was suspended effective from October 01, 2025. Aggrieved by the suspension, the Company filed a Motion for Leave for Review before NEPRA. During the period ended December 31, 2025 NEPRA provisionally reinstated the applicable tariff effective from December 9, 2025 acknowledging the continued requirement of the Company's generation facility and switchyard for system stability. The final tariff determination and extension of the term remain subject to IGCEP approval; upon such approval, the term will automatically extend until the expiry date specified in the IGCEP or for three years as per the TPPA, whichever is earlier.

During the reporting period, the Company generated 151,163 MWh of electricity as dispatched by the National Power Control Centre (NPCC).

In addition, the Company continues to:

1. Pursue diversification through renewable energy projects and strategic brownfield opportunities, some of which are at advanced stages and include, but are not limited to the following:
 - a) Sindh Solar Energy Park (SSEP) projects, with 150 MW at Deh Metha Ghar and 120 MW at Deh Halkani, where the Company was declared the lowest bidder by K-Electric, pending NEPRA approval. The NEPRA hearing was held in April 2025, and decision is awaited; and

Notes to the Condensed Interim Financial Statements

for the six-month period ended December 31, 2025 (Un-audited)

- (b) In partnership with Fauji Foundation, the Company submitted a bid to acquire 84.06% shareholding of Pharaon Investment Group in Attock Cement Pakistan Limited (ACPL). Subsequent to the year end, on 30 January 2026, a Sale and Purchase Agreement was executed among the Company, Fauji Cement Company Limited, and Pharaon Investment Group Limited Holding S.A.L. The completion of the transaction remains subject to the fulfillment of certain legal and corporate formalities, which are expected to be completed in due course.
2. Invest surplus funds in mutual funds of Rs. 34,805 million (June 30, 2025: Rs. 41,072 million) to generate sufficient income to meet expenses during periods of restricted dispatch; and
3. Ensure readiness for participation in the Competitive Trading Bilateral Contracts Market (CTBCM) under B2B or merchant plant, once it is implemented by GoP.

Based on the above, Management expects the Company to continue its operations and meet its obligations for the foreseeable future.

2.4 Implications of IFRS-16

The Securities and Exchange Commission of Pakistan (SECP), vide S.R.O. 986(I)/2019 dated September 2, 2019 (the "SRO"), granted an exemption from the requirements of International Financial Reporting Standard 16 (IFRS 16) – Leases to companies that executed their Power Purchase Agreements (PPAs) prior to January 1, 2019. The Company entered into a new Tri-Partite Power Purchase Agreement (TPPA) on June 3, 2025, which became effective on September 13, 2025 and accordingly does not fall under the ambit of the SRO. However, the Company filed a writ petition before the Honorable Lahore High Court challenging the applicability of IFRS 16 on grounds that the SRO discriminates against Companies whose PPAs were entered into after January 1, 2019. The Court, through its order dated February 3, 2026, has granted a stay on the application of IFRS 16 to the Company until further notice.

Accordingly, the Company has not applied the requirements of IFRS 16 in preparation of these interim financial statements.

3. Standards, amendments and interpretations to published accounting standards

3.1 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to the approved accounting standards are effective for the accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

Notes to the Condensed Interim Financial Statements

for the six-month period ended December 31, 2025 (Un-audited)

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

There are certain standards, amendments to accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2026, but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these condensed interim financial statements. Further, these standards, interpretations and the amendments are not expected to have significant impact on the Company's condensed interim financial statements other than certain disclosures.

4. Material accounting policy information, estimates, judgements and financial risk management

The preparation of these condensed interim financial statements is in conformity with the approved accounting and reporting standards as applicable in Pakistan. Interim reporting requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Accounting policies, judgements and estimates made by the management in preparation of these condensed interim financial statements are same as those applied to the audited financial statements as at and for the year ended June 30, 2025.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended June 30, 2025.

5. Trade and other payables

Trade and other payables include an amount of Rs 3,593 million (June 30, 2025: Rs 4,954 million) payable to the fuel suppliers on account of late payment surcharge on credit supplies of fuel. Further, included in it is an amount of Rs 38 million (June 30, 2025: Rs 63 million) payable to CPPA-G, which is a related party, against purchase of electricity.

6. Letters of credit and bank guarantees

Of the aggregate facility of Nil (June 30, 2025: Rs. 200 million) for opening letters of credit and Rs. 2,610 million (June 30, 2025: Rs. 2,610 million) for guarantees, the amounts utilised as at Dec 31, 2025 were Nil (June 30, 2025: Nil) and Rs. 891 million (June 30, 2025: Rs. 2,586 million) respectively.

6.1 The aggregate running finances, short term finances, letters of credit and guarantees are secured by joint pari passu charge over current assets up to a limit of Rs. 67,200 million (June 30, 2025: Rs. 67,200 million). The Company has initiated the process for revision of lien / charge in accordance with the required credit lines.

Notes to the Condensed Interim Financial Statements

for the six-month period ended December 31, 2025 (Un-audited)

7. Contingencies and commitments

7.1 Contingencies

There has been no significant change in the status of the contingent liabilities disclosed as at June 30, 2025 except the following:

- (i) The Deputy Commissioner Inland Revenue (DCIR) finalized the proceedings under section 11E of the Sales Tax Act, 1990, vide order dated June 27, 2025, received on August 5, 2025, and created a demand of Rs. 130.54 million along with a penalty of Rs. 6.53 million and default surcharge for the tax periods July 2019 to June 2020, on account of alleged non-charging of sales tax. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] on September 3, 2025, which is pending adjudication.
- (ii) The Additional Collector finalized the proceedings for the tax periods from September 2000 to June 2003 vide order dated June 29, 2006, confirming a demand of Rs. 6.10 million along with default surcharge and penalty on account of short payment of sales tax. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR), which remanded the case to the Deputy Commissioner Inland Revenue (DCIR) for fresh adjudication. Pursuant to the remand, the DCIR, vide order dated June 27, 2025, received on August 5, 2025, erroneously raised a demand of Rs. 190.73 million instead of Rs. 6.64 million along with penalty. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] on September 2, 2025, which is pending adjudication.
- (iii) The Deputy Commissioner Inland Revenue (DCIR) finalized the assessment proceedings for the tax periods from July 2010 to June 2011 vide order dated June 27, 2025, received on August 5, 2025, and created a revised demand of Rs. 1.32 million along with default surcharge on account of disallowance of input tax. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue Appeals [CIR(A)] on September 2, 2025, which is pending adjudication.
- (iv) The Deputy Commissioner Inland Revenue (DCIR) passed an ex-parte order dated April 7, 2025, for July 2022 to June 2023, creating a sales tax demand of Rs. 4.60 million on account of inadmissible input tax under section 8 of the Sales Tax Act, 1990. Being aggrieved, the company filed an appeal before Commissioner Inland Revenue Appeals [CIR(A)], who vide order dated June 27, 2025, upheld the demand. Being aggrieved, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on July 29, 2025, which is pending adjudication.
- (v) The Additional Commissioner Inland Revenue (ACIR) amended the assessment for tax year 2022 vide order dated March 20, 2024, and created a demand of Rs. 3,237 million on account of chargeability of tax on true-up income, interest on late payment from CPPA-G and inadmissibility of few expenses. Being aggrieved, the Company filed appeal before the CIR(A).

Notes to the Condensed Interim Financial Statements

for the six-month period ended December 31, 2025 (Un-audited)

However, due to tax amendments, the appeal was transferred to the ATIR who decided the case in favor of the company through its order dated September 25, 2025 except for the issue regarding the classification of interest on late payments from CPPA-G. KAPCO has filed a reference before the Lahore High Court (LHC) challenging the ATIR's order with respect to the late payment surcharge. Additionally, the tax department has also filed a separate reference before the LHC regarding the other issues that were decided in favor of KAPCO.

- (vi) Subsequent to the year ended June 30, 2025, the Company received an invoice from SNGPL amounting to PKR 4,084 million in respect of RLNG notified sales price actualization for the period April 2015 to June 2022. The Company disputed the invoice and returned it to SNGPL on the grounds that the PPA, under which the RLNG charges for the said period were governed, has expired and accordingly, the Company is not liable to pay such amount. On October 9, 2025, the Company obtained a stay order from the Honorable High Court against the aforementioned claim. In compliance with the Court's directives, the Company has issued a post dated cheque equivalent to the principal amount along with applicable interest as a guarantee, which shall only be encashed subject to the final outcome of the case.

Management is of the view that, in case of an adverse decision, the Company would be entitled to recover the same from CPPA-G as part of fuel cost reimbursement, and the Company shall only bear the differential between the invoice amount and the reimbursement recoverable from CPPA-G. Based on the legal opinion obtained and prevailing circumstances, the Company expects a favorable outcome in the matter, and therefore no provision has been recognized in these financial statements.

7.2 Commitments

- (i) Contracts for capital expenditure are Nil (June 30, 2025: Rs. 2 million).
- (ii) Contracts for car ijara are Rs. 23 million (June 30, 2025: Rs. 27 million).
- (iii) Based on Power Purchaser's forecast of electricity generation during expired PPA term, the Company placed orders to Pakistan State Oil for purchase of fuel stock in June 2022 for the delivery in July 2022. Out of these orders, around 40,000 MT of furnace oil is available with PSO. Depending upon the requirement, the fuel will be purchased from PSO and its cost will be passed on to the Power Purchaser in line with the applicable agreement.

Notes to the Condensed Interim Financial Statements
for the six-month period ended December 31, 2025 (Un-audited)

		Un-audited December 31, 2025	Audited June 30, 2025
	Note	(Rupees in thousand)	
8. Property, plant and equipment			
Opening Net Book Value (NBV)		1,818,304	1,929,046
Add: Additions during the period / year	8.1	5,006	56,752
Add: Transfer from asset held for sale		48	-
		<u>1,823,358</u>	<u>1,985,798</u>
Less: Transfer to asset held for sale		-	164,198
Depreciation charged during the period / year		415	3,296
		<u>415</u>	<u>167,494</u>
		<u>1,822,943</u>	<u>1,818,304</u>
8.1 Following is the detail of additions during the period / year			
Free hold land		-	53,456
Office equipment		5,006	3,296
		<u>5,006</u>	<u>56,752</u>
9. Stock-in-trade			
Furnace oil		4,272,551	9,007,539
Provision for net realizable value (NRV) against furnace oil	9.1	-	(1,833,950)
		<u>4,272,551</u>	<u>7,173,589</u>
Diesel		429,889	496,540
Coal		16,823	39,363
		<u>4,719,263</u>	<u>7,709,492</u>
9.1 The carrying value of inventory is stated at the Net Realizable Value (NRV). The NRV is determined based on the applicable fuel costs reimbursable under the Tripartite Power Purchase Agreement (TPPA). As at the reporting date, no further provision is required.			
		Un-audited December 31, 2025	Audited June 30, 2025
	Note	(Rupees in thousand)	
10. Trade debts - secured			
Trade debts - secured	10.1	9,312,411	2,499,261
Provision for doubtful debts		(617,677)	(617,677)
		<u>8,694,734</u>	<u>1,881,584</u>

Notes to the Condensed Interim Financial Statements

for the six-month period ended December 31, 2025 (Un-audited)

10.1 Trade debts represent an overdue amount of Rs 9,089 million (June 30, 2025: Rs 2,499 million) receivable from CPPA-G, which is a related party of the Company. Amount disputed by the Power Purchaser is Rs 2,499 million (June 30, 2025: Rs 2,499 million) under the old PPA, out of which Rs 618 million (June 30, 2025: Rs 618 million) is considered doubtful and the provision has been recorded thereagainst. The Company has not recorded provision in respect of the remaining amount of Rs 1,881 million, since as per management of the Company, there are adequate grounds to contest the disputes for such invoices.

The maximum aggregate amount outstanding during the period was Rs 9,312 million (June 30, 2025: Rs 11,484 million).

	Un-audited December 31, 2025		Audited June 30, 2025	
	Cost	Carrying Value	Cost	Carrying Value
	(Rupees in thousand)			
11. Investments at fair value				
Fair value through profit or loss				
Mutual Funds				
Fixed Rate / Return Funds	33,315,027	34,805,036	39,518,674	39,970,805
Income Funds	-	-	-	-
Money Market Funds	315	357	1,100,315	1,101,039
	<u>33,315,342</u>	<u>34,805,393</u>	<u>40,618,989</u>	<u>41,071,844</u>
	Three-month ended		Six-month ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousand)		(Rupees in thousand)	
12. Revenue from contract with customer				
Energy Purchase Price	-	-	4,860,908	-
Sales tax	-	-	(979,967)	-
Net Energy Purchase Price	-	-	3,880,941	-
Capacity Purchase price for the period under TPPA - net	223,734	-	388,922	-
	<u>223,734</u>	<u>-</u>	<u>4,269,863</u>	<u>-</u>

12.1 Sales recorded represent contracts with customer only. Furthermore, the Company's net revenue disaggregated by pattern of revenue recognition is as follows:

Notes to the Condensed Interim Financial Statements
for the six-month period ended December 31, 2025 (Un-audited)

	Three-month ended		Six-month ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousand)		(Rupees in thousand)	
Revenue recognised at a point in time - Energy Purchase Price	-	-	3,880,941	-
Revenue recognised over time - Capacity Purchase Price	223,734	-	388,922	-
	<u>223,734</u>	<u>-</u>	<u>4,269,863</u>	<u>-</u>

12.2 The Company has filed a review petition against NEPRA tariff determination dated December 9, 2025, inter alia, challenging certain matters including reimbursement of cost incurred on operating switchyard facility amounting to Rs. 1,611 million. The final determination in this regard is pending.

Note	Three-month ended		Six-month ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousand)		(Rupees in thousand)	
13. Cost of sales				
Fuel cost	2,313	-	5,596,887	-
Salaries, wages and benefits	239,192	-	565,361	-
Electricity import for self consumption	62,966	-	278,249	-
Plant maintenance	23,146	-	56,965	-
Gas Turbines Overhauls	2,511	-	2,662	-
Repair and renewals	(23,600)	-	(23,600)	-
Plant insurance	55,970	-	180,877	-
Depreciation on property, plant and equipment	328	-	415	-
Provision for net realizable value (NRV) against furnace oil	(566,443)	-	(1,833,949)	-
13.1	<u>(203,617)</u>	<u>-</u>	<u>4,823,867</u>	<u>-</u>

13.1 As disclosed in Note 2.3, the Company entered into a Tri-partite Power Purchase Agreement in June 2025, which became effective on September 13, 2025. During the period under review, the Company generated electricity at the request of the National Power Control Centre (NPCC). Accordingly, the related expenses incurred for this generation activity have been recorded under Cost of Sales, consistent with the Company's performance obligation to deliver electricity.

Notes to the Condensed Interim Financial Statements
for the six-month period ended December 31, 2025 (Un-audited)

Note	Three-month ended		Six-month ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousand)		(Rupees in thousand)	
14. Plant maintenance and preservation costs				
Salaries, wages and benefits	-	225,835	-	480,163
Electricity import for self consumption	-	98,863	-	254,033
Plant maintenance	-	3,970	-	14,542
Plant insurance	-	156,556	-	314,316
Depreciation on property, plant and equipment	-	556	-	556
Provision for net realizable value (NRV) against furnace oil	-	-	-	400,000
14.1	-	485,780	-	1,463,610

14.1 These costs were incurred in the prior period to maintain the plant in preservation mode, ensuring that it remained readily available in the event electricity offtake was required by the Power Purchaser. During the period ended December 31, 2024, there was no offtake of electricity as no agreement was in place with the Power Purchaser; accordingly, these costs were recognised under Plant Maintenance and Preservation Costs. The costs also include expenses relating to the operation of the switchyard and grid facilities, which were operated at the special request of the Ministry of Energy without any consideration.

In the current period, these costs have been reclassified to Cost of Sales, as the Company's TPPA has now become effective and the related costs are directly attributable to electricity generation activities.

	Three-month ended		Six-month ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	(Rupees in thousand)		(Rupees in thousand)	
15. Other Income				
Income from financial assets	935,915	1,860,421	1,917,249	4,428,892
Income from mutual funds	743	7,635	1,862	3,077
Exchange gain				
Interest on late payment CPPA-G	-	-	-	12,954
Income on bank deposits	75,538	94,044	96,232	121,981
Income from non-financial assets				
Scrap sales	-	1,653	-	1,653
Gain on disposal of Non-current Assets held for sale	354,857	-	635,850	2,431
Others	9,860	2,143	19,662	12,209
	1,376,913	1,965,896	2,670,855	4,583,197

Notes to the Condensed Interim Financial Statements
for the six-month period ended December 31, 2025 (Un-audited)

			Six-month ended	
			December 31, 2025	December 31, 2024
			(Rupees in thousand)	
16. Transactions with related parties				
Relationship with the Company	Percentage of shareholding	Nature of transaction		
i. Associated undertakings				
CPPA-G	-	Sale of electricity	4,269,863	-
CPPA-G	-	Purchase of electricity	288,298	265,240
CPPA-G	-	Interest income on late payment	-	12,954
WAPDA	40.25%	Purchase of service	-	2,022
CPPA-G	-	Provision for doubtful debt	-	-
WAPDA	40.25%	Dividend paid	885,778	1,417,245
KAPCO Employees Empowerment Trust	5.48%	Dividend paid	120,631	193,010
Central Depository Company	-	Purchase of services	1,612	1,969
ii. Post retirement benefit plans				
KAPCO Employees' Provident Fund Trust	-	Contributions paid	9,361	12,110
iii. Key Management Personnel (including directors)				
	-	Compensation	176,333	165,107

Sale and purchase transactions with related parties are carried out on mutually agreed terms.

16.1 As per Company policy, Company transport, education of children, club charges, medical facility, house loan subsidy, security and utilities are provided to the employees. Further, a company maintained vehicle is provided to the Chairman of the Board of Directors, and the directors are entitled for corporate club memberships.

	Un-audited December 31, 2025	Audited June 30, 2025
	(Rupees in thousand)	
Period end balances		
Associated Undertakings		
Receivable from related parties	8,694,734	1,881,584
Payable to related parties	38,244	63,138

They are in the normal course of business and interest free.

Notes to the Condensed Interim Financial Statements
for the six-month period ended December 31, 2025 (Un-audited)

	Six-month ended	
	December 31, 2025	December 31, 2024
	(Rupees in thousand)	
17. Cash (used in) / generated from operations		
Profit before tax	1,610,501	2,227,112
Adjustments for:		
- Depreciation on property, plant and equipment	415	556
- Gain on disposal of property, plant and equipment	-	(2,431)
- Gain on disposal of non-current assets held for sale	(635,850)	-
- Income from mutual funds	(1,917,249)	(4,428,892)
- Income on bank deposits	(96,232)	(121,981)
- Staff retirement benefits accrued	2,812	14,983
- Gain from sale of spares	(4,875)	-
- Finance cost	11,301	233,520
- Provision for net realizable value (NRV) against furnace oil	(1,833,949)	400,000
- Provision for Workers' Profit Participation Fund	84,899	117,861
- Provision for Workers' Welfare Fund	2,571	130,099
- Final tax - levy	-	4
Loss before working capital changes	(2,775,656)	(1,429,169)
Effect on cash flow due to working capital changes:		
- Decrease in stores and spares	54,230	1,675
- (Increase) / decrease in trade debts	(6,813,150)	8,984,488
- Decrease in contract assets	1,563,320	-
- Decrease in stock in trade	4,824,178	-
- Decrease in loans, advances, deposits, prepayments and other receivables	425,111	138,771
- Increase / (decrease) in trade and other payables	4,918	(89,935)
	58,607	9,034,999
	(2,717,049)	7,605,830
	December 31, 2025	December 31, 2024
	(Rupees in thousand)	
18. Cash and cash equivalents		
Cash and bank balances	3,121,268	1,385,481

Notes to the Condensed Interim Financial Statements
for the six-month period ended December 31, 2025 (Un-audited)

19. Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following is categorization of assets which are disclosed at fair value as at December 31, 2025:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets:				
Investments at fair value	<u>34,805,393</u>	<u>-</u>	<u>-</u>	<u>34,805,393</u>

The following is categorization of assets which are disclosed at fair value as at June 30, 2025:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets:				
Investments at fair value	<u>41,071,844</u>	<u>-</u>	<u>-</u>	<u>41,071,844</u>

Notes to the Condensed Interim Financial Statements

for the six-month period ended December 31, 2025 (Un-audited)

20. Disclosure requirement for companies not engaged in Shariah non-permissible business activities

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S. R. O.1278(I) / 2024 dated August 15, 2024:

Description	Explanation
Statement of Financial Position- Asset Side	
Long Term and Short Term Shariah	
Compliant Investment	
Investment in Mutual Funds	
Shariah Compliant Bank Deposits, Bank	
Balances and TDRs	Cash and bank balances
Statement of Comprehensive Income	
Revenue Earned from a Shariah	
Compliant Business Segment	
Late payments / Liquidated damages	Revenue from contract with customer
Profit earned from Shariah-compliant	Interest on late payment - CPPA-G
Bank Deposits, Bank Balances or TDRs	Income on bank deposits - conventional
Finance cost	Finances under markup arrangements
	Car Ijara
Income from financial assets	Income from mutual funds
	Exchange gain
	Unclaimed balances written back
	Gain on disposal of non-current asset
	held for sale
Income from non-financial assets	Scrap sales
	House rent recovery
	Sundry income

- 20.1 Relationship of the Company with Shariah-compliant financial institutions

Name of the Financial Institution

Banking Companies

National Bank of Pakistan's Islamic
Banking Division

Habib Bank Limited

Al Baraka Bank (Pakistan) Limited

The Bank of Punjab

Askari Bank Limited

Dubai Islamic Bank Pakistan Limited

Meezan Bank Limited

Bank Al Habib Limited

Standard Chartered Bank

(Pakistan) Limited

Faysal Bank Limited

United Bank Limited

Habib Metropolitan Bank Limited

Bank Alfalah Limited

Mutual Funds

Al Meezan Investment Management Limited

Faysal Asset Management Limited

MCB Investment Management Limited

Note	(Rupees in thousand)			
	Un-Audited December 31,2025		Audited June 30,2025	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
11	22,929,477	11,875,917	27,618,414	13,453,430
18	3,120,909	274	1,184,848	182,483
	-	4,388,379	-	1,563,320
	-	-	12,954	-
	96,232	-	177,667	-
	-	-	20,523	191,159
	-	10,188	-	34,011
	1,312,600	604,648	2,127,457	4,713,414
	-	1,711	-	-
15	-	-	-	419
15	-	635,802	-	2,431
15	-	-	-	3,617
15	-	2,471	-	5,154
15	-	17,191	-	30,322

Relationship

Bank Balance
 Bank Balance
 Bank Account
 Bank Account
 Bank Balance
 Bank Account
 Bank Balance
 Bank Balance

Funded Facility & Bank Balance
 Bank Balance
 Bank Balance
 Bank Balance
 Bank Balance

Investment in Mutual Fund
 Investment in Mutual Fund
 Investment in Mutual Fund

Notes to the Condensed Interim Financial Statements

for the six-month period ended December 31, 2025 (Un-audited)

21. Date of authorisation for issue

These condensed interim financial statements were authorised for issue on February 26, 2026 by the Board of Directors of the Company.

22. Subsequent events after the reporting date

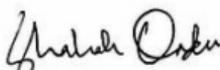
There are no other significant events that have occurred subsequent to the reporting date, other than those mentioned elsewhere in these condensed interim financial statements except for the following:

The Board of Directors of the Company has declared an interim dividend for the period ended December 31, 2025 of Rs 1.50 (December 31, 2024: Rs 4.50) per share amounting to Rs 1,320 million (December 31, 2024: Rs 3,961 million) at their meeting held on February 26, 2026. These condensed interim financial statements do not reflect this declared dividend.

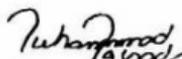
23. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.



Shahab Qader Khan
Chief Executive Officer



Muhammad Masood
Chief Financial Officer



Hafiz Mohammad Yousaf
Director