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QUARTERLY REPORT
FOR THE PERIOD ENDED

SEPTEMBER
2026

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The image shows the exterior of a two-story building named 'BIAFO HOUSE'. The building features a mix of materials: a light-colored stone wall on the left, a tan-colored horizontal band above the entrance, and white walls on the right. Large glass windows are visible on the upper floor, reflecting the surrounding greenery. A set of brown stone steps leads up to the entrance, flanked by a ramp with a metal railing on the left and a simple metal handrail on the right. Two potted plants are placed near the entrance on the right. The foreground is a paved area with yellow parking lines. The name 'BIAFO HOUSE' is mounted on the tan band above the steps in large, metallic, block letters.

BIAFO HOUSE

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Matin Amjad

Ms. Shirin Safdar

Chief Executive Officer

Executive Director

NON EXECUTIVE DIRECTORS

Ehsan Mani

Ms. Ayesha Humayun Khan

Ms. Syeda Shahbano Abbas

M. Zafar Khan

Khwaja Ahmad Hosain

Chairman

Director

Director

Director

Director

INDEPENDENT DIRECTORS

Adnan Afridi

Himayat Ullah

Yawar Ikram

Mirza Rehan Baig

Director

Director

Director

Director

COMPANY SECRETARY

Rehan Ashraf

CHIEF FINANCIAL OFFICER

Muhammad Usman Qazi

AUDIT & RISK MANAGEMENT COMMITTEE

Adnan Afridi

Ehsan Mani

Himayat Ullah

Yawar Ikram

Mirza Rehan Baig

Chairman

Member

Member

Member

Member

HR & REMUNERATION COMMITTEE

Adnan Afridi

Ehsan Mani

Ms. Ayesha Humayun Khan

Ms. Syeda Shahbano Abbas

Matin Amjad (CEO)

Khwaja Ahmad Hosain

Chairman

Member

Member

Member

Member

Member

AUDITORS

Yousuf Adil Chartered Accountants

LEGAL ADVISORS

Chima & Ibrahim, Raza Khalil Abbasi Suhrawardy

BANKERS

Allied Bank Limited

National Bank of Pakistan

United Bank Limited

Bank of Khyber

REGISTERED OFFICE

BIAFO INDUSTRIES LIMITED

1st Floor, Biafo House, Plot No. 23, St No. 38-40,

I&T Centre, G-10/4, Islamabad. Pakistan

Tel: +92 51 2353450-53, 2353455-57 Fax: +92 51 2353458

Website: www.biafo.com, E-mail: management@biafo.com

FACTORY

BIAFO INDUSTRIES LIMITED

Plot No: 70, Phase III, Industrial Estate, Hattar, Distt Haripur,

Khyber Pakhtunkhwa. Pakistan

Tel: +92 995 617830 Fax: +92 995 617497

Website: www.biafo.com, E-mail: plant@biafo.com

SHARES REGISTRAR

F.D. REGISTRAR SERVICES (PVT.) LTD.

17th Floor, Saima Trade Tower-A, I.I.Chundigar Road, Karachi.

Tel: +92 21 32271905-6 Fax: +92 21 32621233

E-mail: info@fdregistrar.com | fdregistrar@yahoo.com

DIRECTORS' REPORT

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2026

Your Directors are pleased to present the unaudited financial statements for the quarter ended 30 September 2026.

Net sales revenue for the period under review amounted to Rs. 865.39 million, compared with Rs. 1,117.65 million in the corresponding quarter of the previous year, representing a decrease of 22.57%. However, sales increased by 79.42% compared with the preceding quarter ended 30 June 2026.

During the period under review, supplies to the oil and gas sector increased following the resumption of exploration activity. Supplies to the cement sector and distributors also increased. Nevertheless, overall sales declined, primarily because the large export order executed in the corresponding quarter of the previous year did not recur.

Gross profit for the period under review decreased by 39.21% to Rs. 265.66 million (30 September 2025: Rs. 436.98 million), mainly due to lower export volumes and a change in sales mix. The Company recorded profit after tax of Rs. 100.74 million (30 September 2025: Rs. 154.40 million), with earnings per share of Rs. 2.17 (30 September 2025: Rs. 3.33).

Expenses remained within the budget approved by the Board of Directors.

The Board of Directors has not recommended an interim cash dividend for the period under review.

The Board takes this opportunity to express its appreciation to thank all employees for their hard work and continued efforts in addressing business challenges and supporting the Company's growth. The Board also appreciates the continued cooperation of all stakeholders.

For and on behalf of the Board.



Matin Amjad
Chief Executive Officer



Ehsan Mani
Chairman

Islamabad

22 October 2026

بیافو انڈسٹریز لمیٹڈ

30 ستمبر 2026 کو ختم ہونے والی سہ ماہی کے لئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 30 ستمبر 2026 کو اختتام پذیر ہونے والی سہ ماہی کے لئے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

کمپنی کی خالص حجم فروخت زیر جائزہ مدت میں 22.57 فیصد کمی سے 865.39 ملین رہی۔ (ستمبر 2025: 1,117.65 ملین روپے)۔ تاہم، 30 جون 2026 کو ختم ہونے والی پچھلی سہ ماہی کے مقابلے فروخت میں 79.42 فیصد اضافہ ہوا۔

زیر جائزہ مدت کے دوران، تیل اور گیس کی تلاش کے شعبے میں دوبارہ سرگرمیاں شروع ہونے کی وجہ سے اس شعبے کو سپلائی میں اضافہ ہوا۔ سینٹیکلر اور ڈسٹری بیوٹرز کو سپلائی بھی بڑھ گئی۔ اس کے باوجود، مجموعی طور پر فروخت میں کمی واقع ہوئی، بنیادی طور پر اس لیے کہ پچھلے سال کی اسی سہ ماہی میں بڑے برآمدی آرڈر کی تکمیل ہوئی تھی۔

زیر جائزہ مدت میں خام منافع گزشتہ سال اسی دورانیے کے مقابلے میں 39.21 فیصد کمی سے 265.66 ملین روپے رہا (ستمبر 2025: 436.98 ملین روپے)۔ جبکہ ٹیکس کٹوتی کے بعد خالص منافع نے 100.74 ملین روپے رہا۔ (ستمبر 2025: 154.40 ملین روپے)۔ جس کے نتیجے میں فی شیئر آمدن 2.17 روپے رہی۔ (30 ستمبر 2025: 3.33 روپے)۔ بنیادی طور پر یہ کمی برآمدی حجم اور سیلر سکس میں تبدیلی کی وجہ سے ہوا۔

اخراجات بورڈ آف ڈائریکٹرز کی طرف سے منظور کردہ بجٹ کے اندر تھے۔

بورڈ آف ڈائریکٹرز نے زیر جائزہ مدت کے لیے عبوری نقد منافع کی سفارش نہیں کی ہے۔

آپ کا بورڈ اس موقع پر اپنے جملہ ملازمین کا کمپنی کی ترقی اور کاروباری چیلنجز کو پورا کرنے کے لئے ان کی سخت محنت اور مسلسل کاوشوں کی نسبت اور اپنے تمام اسٹیک ہولڈرز کے تعاون کی بابت ان کے لئے خصوصی ستائش کا اظہار کرتا ہے۔

بورڈ کی جانب سے

Etman

احسان مانی
چیئر مین

Matin Ahmed

متین احمد
چیف ایگزیکٹو آفیسر

اسلام آباد

22 اکتوبر 2026

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

	Note	Un-Audited 30 Sep 2026 Rupees	Audited 30 June 2026 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	2,211,482,918	2,197,319,765
Intangibles		6,456,487	6,623,434
Investment property		64,702,027	64,861,716
Long-term deposits		1,782,900	1,782,900
		2,284,424,332	2,270,587,815
CURRENT ASSETS			
Inventories		624,140,049	595,068,898
Trade debts		809,743,340	476,527,966
Short-term advances		49,508,430	54,974,914
Trade deposits, short-term prepayments and other receivables		94,879,767	67,246,031
Short-term investments	5	282,708,849	278,932,997
Advance tax - net		65,869,272	46,315,900
Cash and bank balances		93,466,689	126,677,705
		2,020,316,396	1,645,744,411
CURRENT LIABILITIES			
Trade, other payables and accrued liabilities	6	426,499,622	278,177,150
Current portion of lease liabilities		15,372,571	6,022,252
Short-term borrowings	7	253,867,764	132,248,462
Unclaimed dividend		58,896,009	58,875,719
Unpaid dividend		24,310,634	24,600,041
		778,946,600	499,923,624
		1,241,369,796	1,145,820,787
NET CURRENT ASSETS			
NON - CURRENT LIABILITIES			
Employee benefit		40,091,921	40,487,721
Lease liabilities		20,711,839	10,170,902
Deferred tax liability - net	8	24,911,622	26,415,288
		85,715,382	77,073,911
NET ASSETS			
		3,440,078,746	3,339,334,691
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital		463,826,880	463,826,880
Revenue reserve - unappropriated profit		1,478,504,049	1,373,932,245
Capital reserve - revaluation surplus on property, plant and equipment - net of tax		1,497,747,817	1,501,575,566
		3,440,078,746	3,339,334,691
CONTINGENCIES AND COMMITMENTS			
	9		

The annexed notes 1 to 17 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

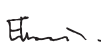
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	Quarter Ended		Quarter Ended	
		30 Sep 2026 Rupees	Period to Due Date Rupees	30 Sep 2025 Rupees	Period to Due Date Rupees
Revenue from contract with customers - net	10	865,388,556	865,388,556	1,117,653,792	1,117,653,792
Cost of sales		(599,726,747)	(599,726,747)	(680,672,190)	(680,672,190)
Gross profit		265,661,809	265,661,809	436,981,602	436,981,602
Distribution expenses		(18,117,520)	(18,117,520)	(84,346,395)	(84,346,395)
Administrative expenses		(75,230,576)	(75,230,576)	(67,820,338)	(67,820,338)
Net impairment (loss) / reversal on financial assets		4,000,000	4,000,000	(11,976,540)	(11,976,540)
Operating profit		176,313,713	176,313,713	272,838,329	272,838,329
Other income - net		4,983,895	4,983,895	4,896,841	4,896,841
Finance cost		(6,375,812)	(6,375,812)	(25,678,285)	(25,678,285)
Finance income		1,077,773	1,077,773	1,184,265	1,184,265
Net finance cost		(5,298,039)	(5,298,039)	(24,494,020)	(24,494,020)
Workers' profit participation fund		(8,799,978)	(8,799,978)	(12,662,058)	(12,662,058)
Workers' welfare fund		(7,544,817)	(7,544,817)	(9,054,217)	(9,054,217)
Profit before income tax and final taxes		159,654,774	159,654,774	231,524,876	231,524,876
Final taxes		-	-	-	-
Profit before income tax for the period		159,654,774	159,654,774	231,524,876	231,524,876
Income tax		(58,910,719)	(58,910,719)	(77,128,114)	(77,128,114)
Profit for the period		100,744,055	100,744,055	154,396,762	154,396,762
Earnings per share					
Basic and diluted		2.17	2.17	3.33	3.33

The annexed notes from 1 to 17 form an integral part of these financial statements.


Chief Financial Officer


Chief Executive Officer


Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Quarter Ended		Quarter Ended	
	Period to Due		Period to Due	
	30 Sep 2026	Date	30 Sep 2025	Date
	Rupees	Rupees	Rupees	Rupees
Profit for the period	100,744,055	100,744,055	154,396,762	154,396,762
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	100,744,055	100,744,055	154,396,762	154,396,762

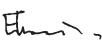
The annexed notes from 1 to 17 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Capital Reserve	Revenue Reserve		
Share capital	Revaluation surplus on property, plant and equipment – net of tax	Unappropriated profits	Total equity	
<hr/>				
(Rupees) –				
Balance at 01 July 2025 (Audited)	463,826,880	1,496,231,115	1,249,395,964	3,209,453,959
Profit for the period	-	-	154,396,762	154,396,762
Total comprehensive income for the Period	-	-	154,396,762	154,396,762
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(4,241,175)	4,241,175	-
Balance at 30 September 2025	463,826,880	1,491,989,940	1,408,033,901	3,363,850,721

Balance at 01 July 2026 (Audited)	463,826,880	1,501,575,566	1,373,932,245	3,339,334,691
Profit for the period	-	-	100,744,055	100,744,055
Total comprehensive income for the Period	-	-	-	-
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(3,827,749)	3,827,749	-
Balance at 30 September 2026	463,826,880	1,497,747,817	1,478,504,049	3,440,078,746

The annexed notes from 1 to 17 form an integral part of these financial statements.


Chief Financial Officer

Mari Ajad.
Chief Executive Officer

Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

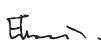
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	30 Sep 2026 Rupees	30 Sep 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		159,654,774	231,524,876
Adjustments for non-cash items:			
Depreciation on property, plant and equipment		18,798,285	19,122,081
Amortization on intangibles		166,947	185,498
Depreciation on investment property		159,689	163,784
Finance costs		5,228,338	12,131,122
Provision for Workers' profit participation fund		8,799,978	12,662,058
Provision for Workers' welfare fund		7,544,817	9,054,217
Provision for gratuity		-	5,757,896
Impairment losses on financial assets		(4,000,000)	11,976,540
Rental income		(1,593,750)	(1,593,750)
Unrealized gain on remeasurement of investment		(3,277,714)	(3,294,064)
Unrealized exchange loss		1,147,474	-
Unrealized exchange gain		112,431	8,962,552
Gain on sale of property, plant and equipment		-	(9,027)
Interest income		(1,077,773)	(1,184,265)
		32,008,722	73,934,642
		191,663,496	305,459,518
Changes in working capital:			
Decrease / (increase) in inventories		(29,071,151)	139,618,293
Decrease / (increase) in trade debts		(328,486,977)	(39,576,223)
Decrease / (increase) in advances, deposits, short term prepayments and other receivables		(22,167,252)	(82,221,334)
(Decrease) / increase in trade and other payables		164,360,007	(70,110,424)
		(215,365,373)	(52,289,688)
Cash generated from operating activities		(23,701,877)	253,169,829
Finance costs paid		(10,702,794)	(12,315,645)
Contributions to gratuity fund		(395,800)	-
Payments to workers' profit participation fund		(32,382,330)	(30,000,000)
Income taxes and levies paid		(79,967,757)	(91,770,700)
		(123,448,681)	(134,086,345)
Net cash generated from / (used in) operating activities		(147,150,558)	119,083,484
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(6,287,403)	(3,879,804)
Addition to intangible assets		-	11,072
Disposal / (purchase) of investments		2,528,490	9,995,655
Rent received		1,593,750	1,593,750
Interest received		1,077,773	1,184,265
Net cash generated from / (used in) investing activities		(1,087,390)	8,904,938
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(269,117)	-
Repayment of long term loan		-	(15,325,383)
Payments for Right of use assets		(2,551,395)	-
Payment of lease liabilities		(3,771,858)	-
Net cash used in financing activities		(6,592,370)	(15,325,383)
Net increase / (decrease) in cash and cash equivalents		(154,830,318)	112,663,039
Cash and cash equivalents at beginning of the period		(5,570,757)	(401,624,695)
Cash and cash equivalents at end of the period	11	(160,401,075)	(288,961,656)

The annexed notes from 1 to 17 form an integral part of these financial statements.


Chief Financial Officer


Chief Executive Officer


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2026

1 THE COMPANY AND ITS OPERATIONS

Biafo Industries Limited ("the Company") was incorporated in Pakistan on 07 September 1988 as a public limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). Previously, the shares of the Company were quoted on Karachi and Islamabad Stock Exchanges of Pakistan. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange, effective 11 January 2016, the shares of the Company are now quoted on Pakistan Stock Exchange. The Company started its commercial production on 01 July 1994 and is principally engaged in the manufacturing of commercial explosives and blasting accessories including detonators and other materials. The Company's license for manufacturing and sale of explosives is required to be renewed annually. The Company's production facility is situated at Hattar Industrial Estate, Khyber Pakhtunkhwa, with its registered office located at 1st Floor, Biafo House, Plot No. 23, Street No. 38-40, I & T Centre, G-10/4, Islamabad, Pakistan.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting. The accounting and reporting standards as applicable in Pakistan for condensed 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; and
- Provisions of and directives issued under the Companies Act, 2017.

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

The disclosures in these condensed interim financial statements do not include the information that was reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2026. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of 30 June 2026, whereas comparative condensed interim statement of profit or loss, comparative condensed interim statement of comprehensive income, comparative condensed interim statement of cash flows and comparative condensed interim statement of changes in equity are extracted from unaudited interim financial statements for three months period ended 30 September 2025.

These condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

3 MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2026.

The Company's financial risk management objectives and policies are consistent with

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2026

those disclosed in the audited financial statements for the year ended 30 June 2026. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended 30 June 2026. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of 30 September 2026.

Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after 01 July 2025 which do not have any impact on the Company's financial reporting and are been detailed below.

Description

Effective Date

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Clarification on how entity accounts when there is long term lack of Exchangeability

July 01, 2025

The Securities and Exchange Commission of Pakistan (SECP) has notified IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 and introduces enhanced requirements relating to presentation, aggregation and disaggregation of information in the financial statements, including the classification of income and expenses and additional disclosure requirements. IFRS 18 is effective for annual periods beginning on or after 1 January 2027. Certain amendments in standards that are not yet effective does not have any impact on the financial reporting and as a result are not disclosed.

4 PROPERTY, PLANT AND EQUIPMENT

During three months period ended 30 Sep 2026, the Company acquired property, plant and equipment aggregating to Rs. 32,961,439 (30 Sep 2025: Rs. 2,822,804). Further details are as follows:

	Three Months Ended	
	30 Sep 2026 Rupees	30 Sep 2025 Rupees
Additions		
Vehicles	-	-
Furniture and fixtures	179,576	895,140
IT & Appliances	2,377,429	1,927,664
Plant, machinery & Equipments	628,728	-
Right of use asset	26,674,036	-
	32,961,439	2,822,804
Disposal of vehicles (net book value)		
Vehicles	-	-
Depreciation Charge		
Building on leasehold land	1,564,434	1,430,419
Plant, machinery & Equipments	12,950,946	14,355,168
Furniture and fixtures	299,274	214,912
Vehicles	1,307,042	1,032,129
Right of use asset	747,633	-
IT & Appliances	1,928,956	2,089,453
	18,798,285	19,122,081

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Note	Unaudited 30 Sep 2026 Rupees	Audited 30 June 2026 Rupees
5	SHORT - TERM INVESTMENTS		
	Equity securities – at FVTPL	129,020,497	125,742,783
	Debt securities – at amortized cost	153,688,352	153,190,214
		282,708,849	278,932,997
6	TRADE AND OTHER PAYABLES		
	Trade creditors	249,602,404	155,519,331
	Contract liability – unsecured	42,192,971	17,060,001
	Accrued liabilities	73,393,722	37,962,133
	Workers' profit participation fund payable	8,799,978	32,382,330
	Workers' welfare fund payable	22,076,410	14,531,593
	Payable to employees' provident fund	4,857,150	2,662,005
	Withholding Taxes Payable/Levies Payable	9,423,821	5,671,722
	Security Deposit Payable	1,980,790	1,980,790
	Other Payables	14,172,376	10,407,245
		426,499,622	278,177,150
7	SHORT - TERM BORROWINGS		
	Allied Bank Limited (ABL)	212,372,924	130,365,681
	United Bank Limited (UBL)	41,494,840	1,882,781
		253,867,764	132,248,462

- 7.1** The facility limits, securities offered and mark-up rates of these short term borrowings are the same as those disclosed in the annual audited financial statements for the year ended 30 June 2026, except for the enhancement of the Export Re-finance-I facility to Rs. 325 million (30 June 2026: Rs. 125 million), carrying mark-up at the rate of 4.50% per annum on the utilised amount.

	Unaudited 30 Sep 2026 Rupees	Audited 30 June 2026 Rupees
8	DEFERRED TAX LIABILITY- net	
	Taxable temporary difference	
	Property, plant and equipment	92,466,660
	Right of use assets	4,748,957
	Surplus on revaluation of property, plant and equipment	100,003,593
		197,219,210
	Deductible temporary difference	
	Employee benefits	(16,631,156)
	Trade debts	(152,025,198)
	Inventories	(3,651,234)
		(172,307,588)
		24,911,622

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2026

9 CONTINGENCIES AND COMMITMENTS

There is no material change in the contingent liabilities as reported in the annual financial statements for the year ended 30 June 2026.

Letters of credit issued by banks on behalf of the Company for the import of raw materials and Plant & Machinery amounted to Rs.10,775,280 at 30 September 2026 (30 June 2026: Rs. 12,304,947).

Letter of guarantee issued by Allied Bank Limited on behalf of the Company for the issuance of performance bond to secure the contracts with different government and private entities outstanding at 30 September 2026 amounted to Rs. 7,500,000 (30 June 2026: Rs. 7,500,000).

Letter of guarantee issued by Allied Bank Limited on behalf of the Company for the issuance of performance bond to secure the contracts with export client outstanding at 30 September 2026 amounted to USD 240,705 (30 June 2026: USD 210,705).

10 REVENUE- net

Gross local sales
Sales tax
Net local sales
Net export sales

Three Months Ended	
30 Sep 2026 Rupees	30 Sep 2025 Rupees
594,993,543	476,996,235
(90,456,557)	(72,120,637)
504,536,986	404,875,598
360,851,570	712,778,194
865,388,556	1,117,653,792

11 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement cash and cash equivalents comprise of:

Cash and bank balances
Short term borrowings - running finance (Note 7.1)

93,466,689	82,756,058
(253,867,764)	(371,717,715)
(160,401,075)	(288,961,657)

12 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of directors, key management personnel, major shareholders, entities over which the directors are able to exercise influence and employees' fund. Transactions with related parties during the period and balances at the reporting date are as follows:

Three Months Ended	
30 Sep 2026 Rupees	30 Sep 2025 Rupees
Directors and key management personnel	
Remuneration including perquisites to Chief Executive Officer	14,850,000
Remuneration including perquisites to Directors	2,385,906
Remuneration including perquisites to key management personnel	8,400,000
Other related parties	
Payment to employees' provident fund	7,457,255
Payable to employees' provident fund - unsecured	4,857,150
Payable to staff retirement gratuity fund - unsecured	38,987,899
	6,600,000
	14,091,178
	8,020,500
	7,474,350
	2,034,284
	39,559,001

13 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. 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 fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (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).

BIAFO INDUSTRIES LIMITED

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

	Carrying amount			Fair value				
	Financial Asset	Financial liabilities		Total	Level 1	Level 2	Level 3	Total
	Amortized cost	Fair value through profit or loss	Amortized cost					
Financial assets and liabilities								
30 June 2026 (Audited)								
Non-financial assets measured at fair value								
Property, plant and equipment	-	-	-	-	-	-	-	-
Financial assets measured at fair value								
Short - term investments	-	125,742,783	-	125,742,783	125,742,783	-	-	125,742,783
	-	125,742,783	-	125,742,783	125,742,783	-	-	125,742,783
Financial assets not measured at fair value								
Trade debts	476,527,966	-	-	476,527,966	-	-	-	-
Advances to employees	1,140,352	-	-	1,140,352	-	-	-	-
Other receivables	4,168,400	-	-	4,168,400	-	-	-	-
Short - term investments	153,190,214	-	-	153,190,214	-	-	-	-
Bank balances	126,472,486	-	-	126,472,486	-	-	-	-
Trade deposits	3,809,413	-	-	3,809,413	-	-	-	-
Long - term deposits	1,782,900	-	-	1,782,900	-	-	-	-
Total financial assets	767,091,731	125,742,783	-	892,834,514	125,742,783	-	-	125,742,783
Non financial assets	-	-	-	3,023,497,712				
Total assets	-	-	-	3,916,332,226	125,742,783	-	-	125,742,783
Financial liabilities not measured at fair value								
Short-term borrowings	-	-	132,248,462	132,248,462	-	-	-	-
Unclaimed dividend	-	-	58,875,719	58,875,719	-	-	-	-
Unpaid dividend	-	-	24,600,041	24,600,041	-	-	-	-
Long term loans	-	-	-	-	-	-	-	-
Lease liabilities	-	-	16,193,154	16,193,154	-	-	-	-
Trade and other payables	-	-	205,869,499	205,869,499	-	-	-	-
Total financial liabilities	-	-	437,786,875	437,786,875	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

14 Disclosure Requirement For Shariah Compliant Companies

		Three Months Ended	
		Unaudited 30 Sep 2026 Rupees	Audited 30 June 2026 Rupees
Liabilities			
Long-term loan	Non- Shariah	-	-
Short-term borrowings	Non- Shariah	253,867,764	132,248,462
Assets			
Short-term investments- Mutual Fund	Non- Shariah	129,020,497	125,742,783
Short-term investments- Term deposit Receipt	Non- Shariah	153,688,352	153,190,214
Cash and bank balances	Non- Shariah	93,466,689	126,677,705

		Three Months Ended	
		Unaudited 30 Sep 2026 Rupees	Unaudited 30 Sep 2025 Rupees
Profit & Loss			
Revenue - net	Shariah Compliant	865,388,556	1,117,653,792
Other Income - break up			
Rental income	Shariah Compliant	1,593,750	1,593,750
Gain on sale of property, plant and equipment	Shariah Compliant	-	9,027
FINANCE INCOME			
Gain on remeasurement of investments at fair value through profit or loss	Non- Shariah	3,277,714	3,294,064
Exchange gain - Unrealized	Non- Shariah	112,431	-
Interest on investment in TDRs	Non- Shariah	1,075,638	1,182,486
Interest on saving accounts	Non- Shariah	2,135	1,779
FINANCE COSTS			
Mark up on short term borrowings	Non- Shariah	3,052,858	11,535,990
Mark up on long term loans	Non- Shariah	-	595,132
Interest on lease liabilities	Non- Shariah	1,008,114	-
Exchange Loss - Realized	Shariah	1,147,474	10,171,759
Exchange Loss - Unrealized	Non- Shariah	-	-
Bank charges	Non- Shariah	1,167,366	3,375,404

Names of the Company's Shariah Compliant financial institution	Arrangement
Faysal Bank Limited	Current Deposit
Meezan Bank Limited	Current Deposit

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

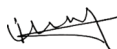
		Three Months Ended	
		30 Sep 2026	30 Sep 2025
15	EARNINGS PER SHARE		
	<i>- Basic and diluted</i>		
	Profit for the period	Rupees	
		100,744,055	154,396,762
	Weighted average number of ordinary shares	Numbers	
		46,382,688	46,382,688
	Earnings per share	Rupees	
		2.17	3.33

16 NON ADJUSTING EVENTS AFTER REPORTING DATE AND DATE OF AUTHORIZATION FOR ISSUE

- 16.1** The Board of Directors of the Company in their meeting held on 22 October 2026 has not proposed any dividend for the period under review.
- 16.2** These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 22 October 2026.

17 GENERAL

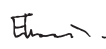
- 17.1** Figures in these condensed interim financial statements have been rounded off to the nearest rupee.



Chief Financial Officer



Chief Executive Officer



Director



**QUARTERLY REPORT
FOR THE PERIOD ENDED
30 SEPTEMBER 2026**

BIAFO INDUSTRIES LIMITED

Commercial Explosives and Blasting Accessories

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