

Directors' Report

The Board of Directors of ISE Towers REIT Management Company Limited (the Company) are pleased to present its six-monthly interim report, highlighting financial results and operational performance for the six months period ended December 31, 2025.

Financial Overview:

The financial results for the period reflect a strong improvement in the Company's overall performance compared to 2024. Operating income increased from Rs. 197.59 million to Rs. 232.27 million, registering a growth of Rs. 34.68 million (17.6%), primarily driven by improved rentals. Despite a 13.8% decline in other income, this was offset by a near-doubling of share of profit from associates, up 99.8% to Rs. 180.42 from Rs. 90.32 in 2024.

Administrative expenses rose 40.0% to Rs. 78.26 million from Rs. 55.67 million. Levy and taxation increased 13.3% to Rs. 104.19 million from Rs. 91.95 million. Despite higher expenses, profit after tax grew 29.2% to Rs. 329.23 from Rs. 254.72 million, showing strong profitability growth.

Earnings per share improved from 0.69 to 0.90, reflecting a 30.4% increase and demonstrating enhanced value creation for shareholders. Overall, the financial performance for the year under review indicates strengthened profitability and a positive growth trajectory.

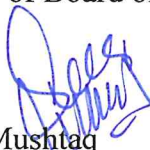
Business Overview:

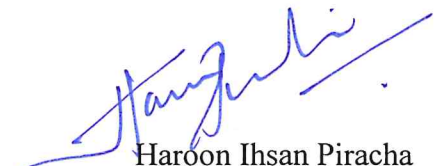
The Company is poised to launch its inaugural REIT, ISE Towers REIT Scheme, following Board approval and a petition filed with the Islamabad High Court (IHC) on November 21, 2025, seeking sanction for the Scheme of Arrangements. As per the IHC's directive, an Extraordinary General Meeting (EOGM) of ISERCL was convened on December 16, 2025, under the supervision of the IHC-appointed Chairman. The general body unanimously endorsed the Scheme, and the Chairman's report was submitted to the IHC. Subsequent to the reporting period, IHC has sanctioned the Scheme of Arrangement and now implementation will commence shortly, transforming the Company into a Special Purpose Vehicle (SPV) under a new name. This restructuring enables regulatory compliance by segregating SPV and REIT assets, facilitates launching the ISE Towers REIT Scheme without requiring property transfer to the Trustee, and lists REIT units on the Pakistan Stock Exchange (PSX), thereby unlocking value for shareholders.

Meanwhile, the Company is also directing its efforts towards obtaining the completion certificate for ISE Towers from the Capital Development Authority, with the goal of adding value to the property and driving long-term growth. The Company has also placed strong emphasis on strengthening its building operations, where sustained efforts were made to enhance operational efficiency, streamline processes, and optimize costs.

The Board of Directors wishes to express its deepest gratitude to all stakeholders, including the Government of Pakistan and the Securities & Exchange Commission of Pakistan, for their unwavering support and expert guidance throughout the year. Furthermore, the Board would like to acknowledge and commend the relentless efforts, hard work, and dedication of the Company's staff, whose commitment has been instrumental in driving the Company's progress and success.

On behalf of Board of Directors


Sagheer Mushtaq
Chief Executive


Haroon Ihsan Piracha
Chairman

Islamabad, March 10, 2026