

LEATHER UP LIMITED — Corporate Briefing Session

Period: FY ended 30 June 2026

Date: 07 NOVEMBER 2026

CEO: Khalid H. Shah | CFO: Ali Ahmar

Investor Relations contact: accounts@leatherupltd.com

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Session Agenda — FY2026

A structured overview of our performance and strategic direction.

1

Welcome & Introductions

Setting the stage for today's discussion.

2

Financial Highlights (FY2026)

Key performance indicators and financial summary.

3

4-Year Trend Analysis

Reviewing historical performance and growth trajectory.

4

Revenue Drivers & Business Update

Understanding the forces shaping our sales and operations.

5

Balance Sheet & Cash Flow

Our financial health and liquidity position.

6

Risk Factors & Mitigation

Identifying challenges and our proactive solutions.

7

Outlook & Q&A

Future prospects and addressing your questions.

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FY2026 Headline Financials

A direct comparison of key financial metrics between FY2026 and FY2025.

Sales Revenue

FY2026: Rs 27.16m

FY2025: Rs 12.09m

Profit/(Loss) Before Tax

FY2026: (Rs 4.51m)

FY2025: (Rs 4.32m)

Profit/(Loss) After Tax

FY2026: (Rs 4.75m)

FY2025: (Rs 4.51m)

EPS

FY2026: (Rs 0.79)

FY2025: (Rs 0.75)

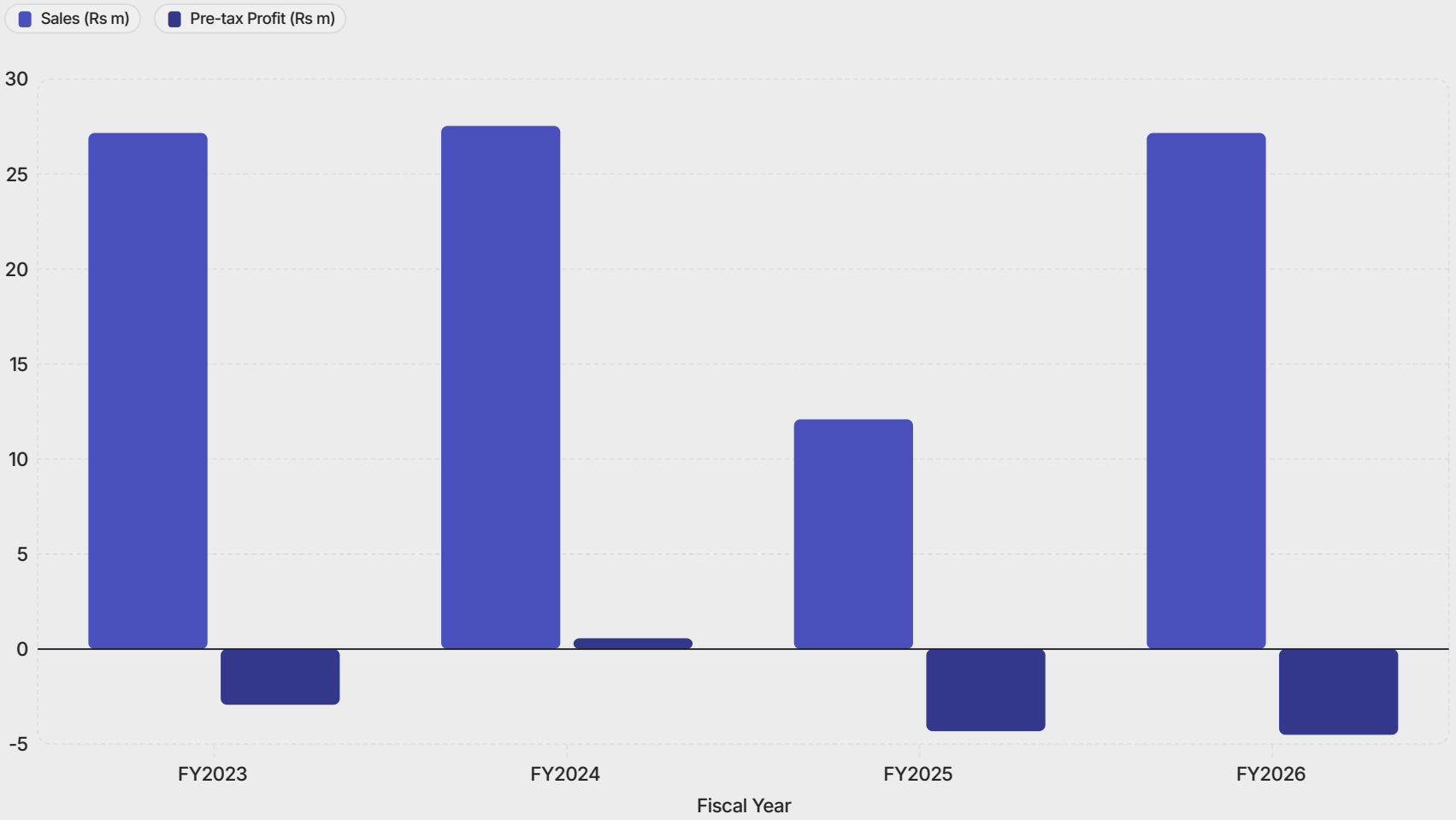
Accumulated Loss

FY2026: Rs (53.72m)

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Four-Year Trend Analysis: Sales and Profitability

Analysing our financial trajectory over the past four fiscal years.



Sales recovered in FY2026 after the FY2025 trough, while pre-tax loss deepened slightly amid price pressure and input cost inflation.

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Revenue Drivers & Market Environment

Understanding the internal and external factors influencing our revenue.

Primary Customers

Focus on export markets, predominantly Europe, where demand remains soft due to high inflation and economic uncertainty. Spain was the dominant market in FY2026.

Product Mix

Our core offerings include high-quality leather garments and allied products.

Management Action

Order book strengthened through FY2026 with exports of Rs 27.16m, led by Spain. Continued cost discipline and selective market development in Canada and the U.S. to diversify demand.

Key Drivers This Year

- Rebound in export volumes led by Spain; continued pricing pressure.
- Higher input and logistics costs compressed margins.
- FX volatility affecting realized margins.

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P&L Variance Analysis: Major Movements

A detailed breakdown of significant shifts in our profit and loss statement.

Gross Margin Movement

Gross profit was Rs 2.05m (margin ~7.5%), lower margin rate versus prior year due to material cost inflation and pricing pressure despite higher volumes.

Major Expense Changes

Administrative expenses were Rs 5.73m (flat YoY), while distribution expenses rose to Rs 0.64m. Operating loss improved to Rs 4.33m from Rs 4.99m in FY2025.

One-off / Other Income

Other (expense)/income was (Rs 0.18m), mainly exchange loss and finance-related charges, versus Rs 0.67m income last year.

Taxation

Tax expense totaled Rs 0.24m.

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Balance Sheet Highlights

A snapshot of our financial position and key balance sheet indicators.

Rs 60.0m

Paid-up Capital

Foundational equity unchanged.

1.87x

Current Ratio

Lower vs prior year (3.63x) on higher payables and director loan.

Rs 21.01m

Current Assets

Short-term assets supporting operations.

Rs 11.22m

Current Liabilities

Manageable short-term obligations.

Rs 9.79m

Net Working Capital

Current Assets - Current Liabilities.

Rs (53.72m)

Accumulated Loss

Impact on reserves and going concern considerations.

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Cash Flow & Liquidity

Our approach to managing cash and maintaining financial flexibility.

Cash Flow from Operations

Net cash used in operations of Rs 0.81m reflects margin pressure and timing of receivables/payables.

Cash Conservation

Aggressive cost reductions and expense controls have been implemented across all departments.

Banking Relationships

Strong relationships with key financial institutions including MCB, UBL, and Faysal Bank, ensuring access to necessary facilities.



Short-Term Liquidity

Year-end cash and bank balances stood at Rs 2.43m, supported by a Rs 1.31m short-term, interest-free loan from directors.

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Key Business Risks & Mitigation Strategies

Addressing potential challenges with proactive and strategic countermeasures.

Demand Risk Economic recession or high inflation in Europe leading to reduced purchasing power.	**Market Diversification** Actively exploring new export markets and securing confirmed orders (e.g., Rs 22m booked for Q1 FY2026).
Pricing & Input Costs Global inflationary pressures increasing raw material and operational costs.	**Cost Control & Negotiation** Rigorous cost control measures and strategic supplier negotiations to manage input expenses.
FX / Currency Risk Adverse fluctuations in foreign exchange rates impacting profitability.	**Hedging & Invoice Management** Implementation of hedging policies and strategic management of invoice currencies.
Operational Risks Challenges related to workforce stability and production continuity.	**HR Engagement & Training** Ongoing workforce engagement, skill development, and robust production planning.

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Thank You for Your Time

We sincerely appreciate your presence and engagement during today's corporate briefing session. Your attention and valuable questions are vital to our continued success.

For any further inquiries or to request additional information, please do not hesitate to reach out to our Investor Relations team:

Email: accounts@leatherupltd.com

We value your continued support and look forward to building a resilient and prosperous future together for Leather Up Ltd.

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