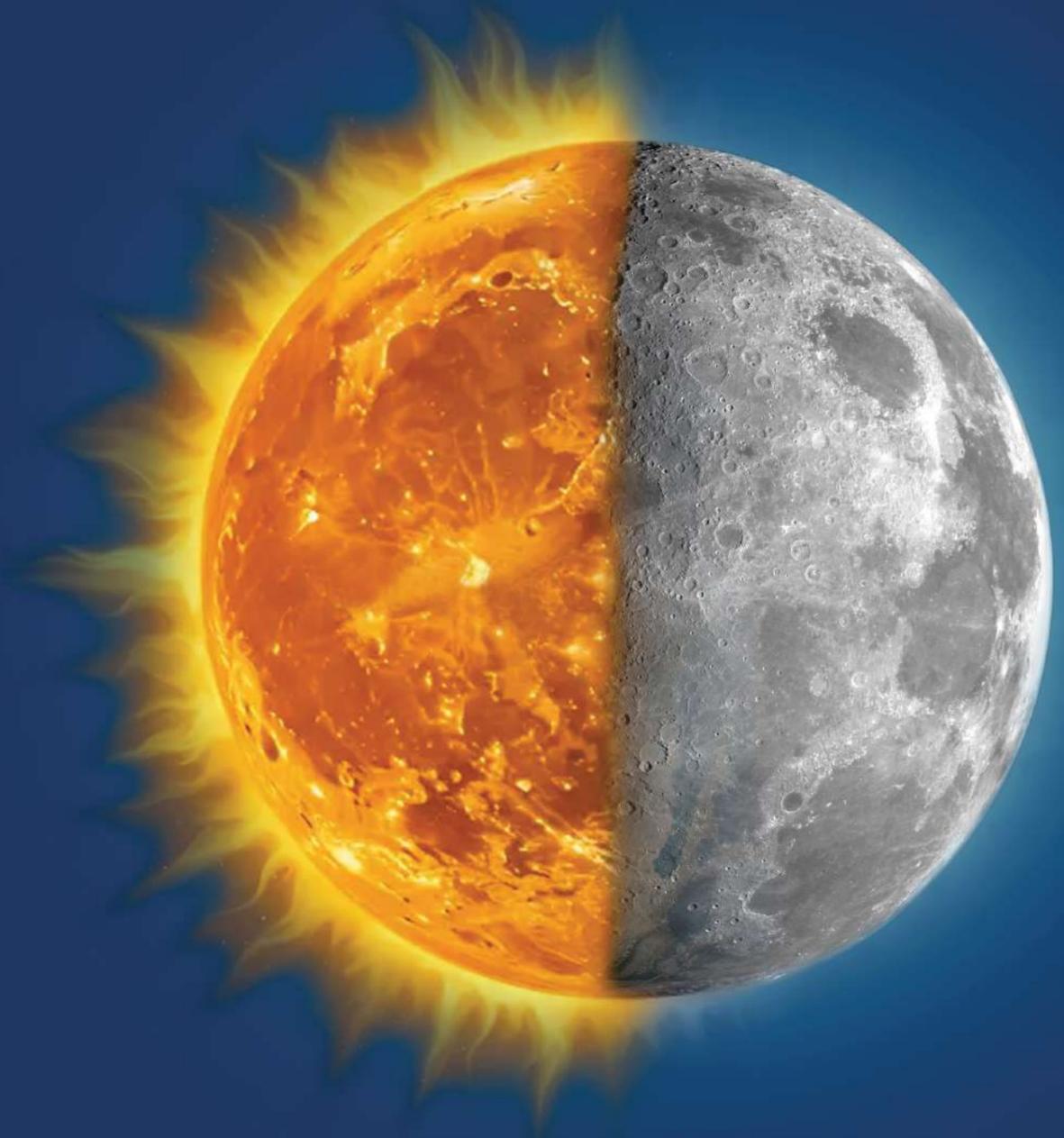


Enriching Lives Beyond Borders



National Foods Limited
12/CL-6, Claremont Road
Civil Lines, Karachi 75530, Pakistan
www.nfoods.com

Half Yearly Report 2025-26



Contents

About the Company

Our Story	05
Business Profile	06
Founders' Philosophy	07
Vision & Mission	08
Core Values	08

Stakeholders' Information

Company Information	09
---------------------	----

Business Review

Directors' Report	13
Independent Auditor's Review Report	17

Financial Report

Unconsolidated Condensed Interim Financial Statements	23
Consolidated Condensed Interim Financial Statements	43



Enriching Lives Beyond Borders

From local kitchens to global tables, National Foods continues to unite cultures through flavour, evolving beyond spices into innovative food solutions.

With every product, National Foods aims to create experiences that transcend boundaries, setting new benchmarks as a global food leader.



Progress Beyond Borders

National Foods' Drizz'l sauces to pioneer initiatives such as the Supply Chain College and recognition through global sustainability awards, every milestone reflects our promise to shape culinary culture, empower people, and enrich lives beyond borders.



Our Story

National Foods advances to Enrich Lives Beyond Borders. At the forefront of innovation, our purpose continues to blend traditional tastes and modern lifestyles with integral values.

For over fifty years, National Foods Limited (NFL) has combined heritage, innovation, and passion to enrich lives and impact millions of people. At the heart of the future, NFL's focus remains on pioneering the industry with an intentional culture of excellence and innovation.

Founded in 1970 as a spice company, it continues to evolve. Pioneering the industry as a leading multicategory food company, NFL has innovated and grown with eating, cooking and shopping habits of consumers.

With three state-of-the-art manufacturing facilities, including the largest production plant in Faisalabad, NFL offers hundreds of products across multiple categories - enabling local and international consumers to enjoy traditional dishes and tastes.

Exporting to more than 40 countries across 5 continents, NFL has subsidiaries in the UAE, UK, and Canada. The company remains committed to highest quality underpinned by innovation, taking pride in multiple international certifications to uphold the highest standard products and operations.

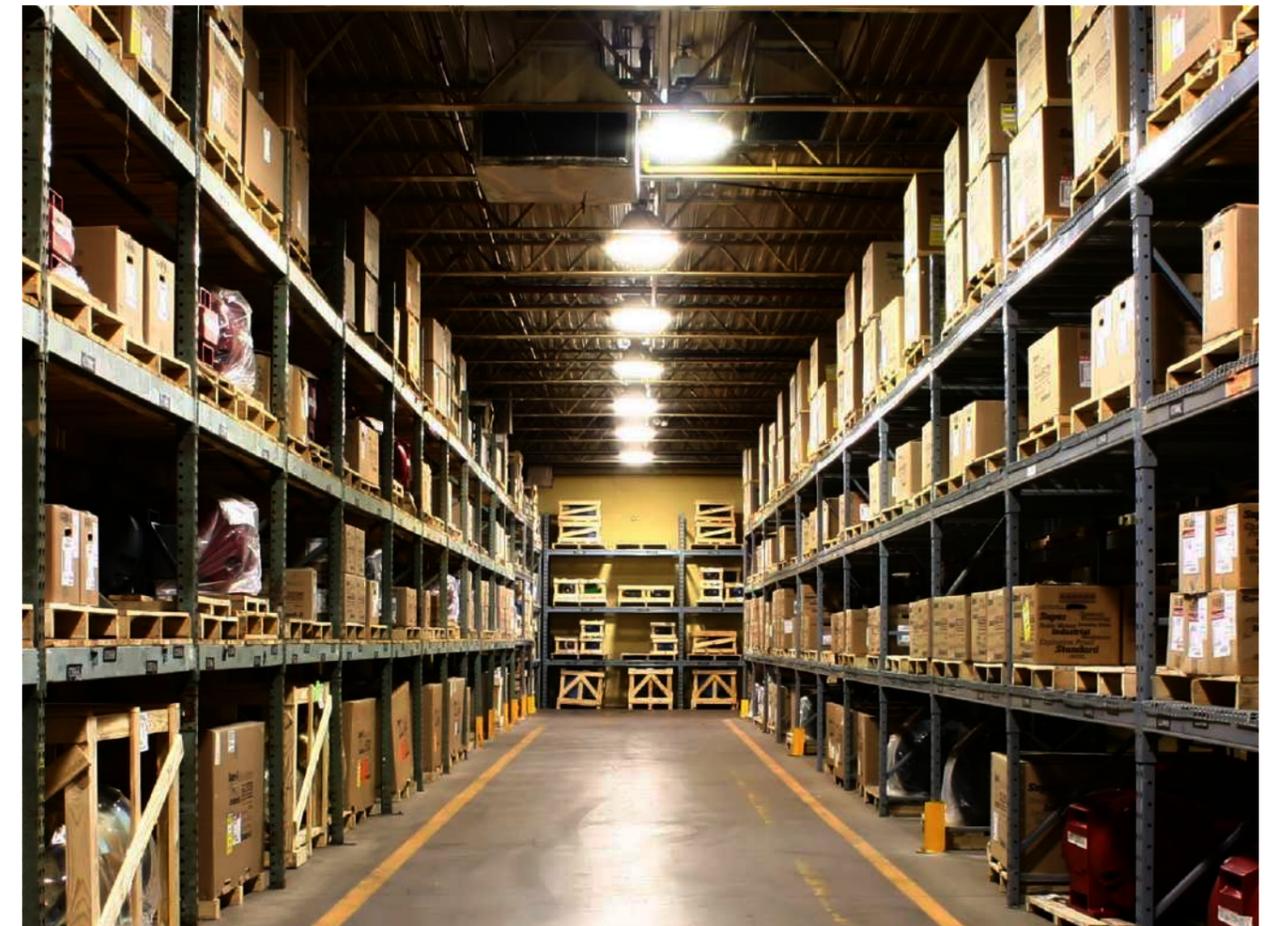


Business Profile

National Foods Limited has successfully positioned itself as a global player in the food industry, committed to enriching lives everywhere.

The structure comprises ATC Holdings as the parent company, with its subsidiary National Foods Limited, specialising in offering convenient, healthy, and delicious food choices. To enhance global presence, National Foods DMCC, a Dubai-based subsidiary formed in 2012 for the Middle East, has helped expand our global footprint.

National Epicure Inc. USA, and National Foods Pakistan UK Limited help us in strategically serving North American and European markets.



Founders' Philosophy

- Through building a reliable brand, National Foods must get itself recognised as a leader in Pakistan and abroad.
- National Foods must focus on customer needs and serve them with quality products that conform to international standards & local standards.
- We must strive to be leaders in all the brands that we produce.
- Our research must continuously produce new and well-researched, innovative products to promote health and nutrition.
- We must prove ourselves to be good corporate citizens, support charitable causes for betterment and focus on Triple Bottom Line for People, Planet and Profits.
- Projects to be identified and initiated that contribute to the economy of Pakistan positively.
- Reserves must be built, new factories created, sound profits made, and fair dividend should be paid to our stockholders.
- We must create an environment in our offices and factories where talent is groomed, and people have every opportunity to advance in their careers.
- With the help of Almighty Allah, the company can achieve its targets in times to come.



Vision

Creating food that enriches the lives of people everywhere.

Mission

We will achieve our vision by designing and manufacturing food and related products, conforming to international standards and guidelines for nutrition, health, wellness and quality, bringing joy and happiness to people everywhere.

Core Values



Passion

Go Above & Beyond



Customer Centric

Prioritise Customer Experience (Internal & External)



Teamwork

Trust Each Other & Achieve Together



Excellence in Execution

Lead, Commit & Deliver the Best



Ownership

Own It & Deliver It

Company Information

Board of Directors

Mr. Zahid Majeed	Chairman
Mr. Abrar Hasan	Global Chief Executive Officer
Ms. Aminah Zahid Zaheer	Independent Director
Mr. Ali H. Shirazi	Independent Director
Mr. Mohammed Hamza Hasan	Executive Director
Mr. Adam Fahy Majeed	Non-Executive Director
Ms. Saadia Naveed	Non-Executive Director

Audit Committee

Ms. Aminah Zahid Zaheer	Chairperson
Ms. Saadia Naveed	Member
Mr. Mohammed Hamza Hasan	Member
Mr. Adam Fahy Majeed	Member
Ms. Quratulain Mamsa	Secretary

Human Resource and Remuneration Committee

Mr. Ali H. Shirazi	Chairperson
Mr. Mohammed Hamza Hasan	Member
Ms. Saadia Naveed	Member
Ms. Aminah Zahid Zaheer	Member
Ms. Mariam Soomro	Secretary

Chief Internal Auditor

Ms. Quratulain Mamsa	EY Ford Rhodes Chartered Accountant
----------------------	-------------------------------------

Management Committee

Mr. Abrar Hasan	Global Chief Executive Officer
Mr. Hasan Sarwat	Chief Operating Officer – Pakistan Operations
Ms. Ivana Bajamic	Global Chief People & Corporate Reputation Officer
Mr. Badar Yousuf	Chief Financial Officer
Mr. Ali Rashid Khan	Senior Director Marketing
Mr. Faraz Khan	Senior Director Supply Chain
Mr. Mian Mudasser Farooq	Senior Director Data, Digital, and Technology
Mr. Naveed Zaffar	Senior Director Sales
Mr. Saleem Rafi Khilji	Senior Director Manufacturing
Mr. Kevin Wrathall	Director Innovation, Research & Development
Mr. Fazal ur Rehman Hajano	Legal Counsel

Company Secretary

Mr. Fazal ur Rehman Hajano

Chief Financial Officer

Mr. Badar Yousuf

Auditors

Messrs. KPMG Taseer Hadi & Co. Chartered Accountants

Shaikh Sultan Trust Building No. 2, Beaumont Road, Karachi-75530.

Share Registrar

CDC Share Registrar Services Limited

CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400, Pakistan.
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Company Banks

Allied Bank Limited	Habib Bank Limited (UAE)
Askari Bank Limited	Habib Metropolitan Bank Limited
Bank Al Habib Limited	MCB Bank Limited
Bank Alfalah Limited (Islamic Banking Group)	MCB Bank Limited - Dubai
Bank of Montreal	Meezan Bank Limited
Faysal Bank Limited	National Bank of Pakistan
Habib Bank AG Zurich - Dubai	Toronto Dominion Canada Trust Bank
Habib Bank Limited	United Bank Limited
Habib Bank Limited (UK)	Standard Chartered Bank (Pakistan) Limited
UBS Switzerland AG	

Web Presence:

Updated Company Information and the latest Half Yearly Report can be accessed at: www.nfoods.com

*Ms. Asma Yusuf resigned as Senior Director People & Workplace Services National Foods Limited, as of December 16, 2025.

**Ms. Aminah Zahid Zaheer was appointed as Independent Director, of the Company to fill the casual vacancy arising from the resignation of Mr. Zouhair Abdul Khaliq, with effect from October 30, 2025.

***Mr. Mohammed Hamza Hasan was appointed as Director, of the Company to fill the casual vacancy arising from the resignation of Ms. Noreen Hasan, with effect from December 17, 2025.

Virtues Beyond Borders

National Foods continues to expand its culinary footprint through innovative product launches, robust distribution networks, and strong international presence.



Directors' Report

Fellow Shareholders,

The Directors of National Foods Limited are pleased to present the unaudited condensed financial results of the Company, which include both stand-alone and consolidated financial statements, for the six months ended December 31, 2025.

Business Performance Overview

Economic Overview

Pakistan's macroeconomic trajectory continued to show cautious improvement through YTD Q2 FY26 (Jul-Dec 2025), with headline inflation staying within a more manageable range. Average CPI inflation for Jul-Dec FY26 came in at ~5.15% (vs the same period last year).

In response, monetary policy remained measured: the SBP maintained the policy rate at 11% through much of the first half, before cutting it by 50 bps

(effective Dec 16, 2025). Growth expectations remained constructive; the IMF estimates Pakistan's FY25 real GDP growth at 2.7% and projects a rebound to 3.6% in FY26.

Operating and Financial Performance

The Group achieved a strong 18% growth in net sales across both domestic and international markets, reflecting healthy demand at the trade and consumer levels. Gross margins improved because of sustained operational efficiencies at the Faisalabad plant, which has continued to deliver positive contributions since its commissioning. These efficiency gains, together with ongoing cost optimization initiatives, materially strengthened overall profitability. Overall, the core business sustained solid momentum, driven by disciplined execution and operational excellence.

Key financial figures for the six months ended December 31, 2025, are summarized below:

Amounts in PKR Million	Unconsolidated			Consolidated		
	H1 FY26	H1 FY25	Change	H1 FY26	H1 FY25	Change
Net sales	22,020	19,018	16%	22,587	19,156	18%
Gross profit	8,483	6,139	38%	9,042	6,452	40%
Operating profit ¹	3,230	1,481	>100%	3,065	1,147	>100%
Net profit after tax	2,535	682	>100%	2,643	297	>100%
Earnings from discontinued operations ²	-	-	-	20,362	1,312	>100%
Total net profit after tax	2,535	682	>100%	23,005	1,609	>100%
Earnings per share (PKR) ³	10.9	2.9		97.3	4.7	
Gross profit	39%	32%	7%	40%	34%	6%
Operating profit	15%	8%	7%	14%	6%	8%
Profit after tax	12%	4%	8%	102%	8%	94%

Footer Notes:

- Operating Profit excludes other income and other expenses.
- Includes gain on 50.5% divestment in A-1 Bags & Supplies Inc. and remeasurement gain on the retained 9.5% stake.
- Earnings per share (EPS) excludes the non-controlling interest (NCI) share of 40% in A-1 Bags & Supplies Inc. up to Q1 FY26.

Marketing and Promotion

Recipe Mixes

- Delivered double-digit volume growth in Q2, sustaining superiority across core variants and strengthening scale-led expansion.
- Launched Fish Biryani, Murgh Cholay, and White Qorma; drove high double-digit growth in Karachi through RTM expansion and the "Karachi's Best Biryani" campaign, resulting in market share gains.

Seasonings

- Entered the category with Chicken Powder, exceeding launch volume targets and establishing a strong early foothold.
- Generated trials through high-visibility platforms, accelerating awareness and early repeat intent.

Ketchup

- Sustained robust growth via nationwide price-off on pouches and expansion of "Ketchup Champs" to schools, generating sizeable engagements.
- Branded retail fascias across key metros, reinforcing visibility and retail leadership.

Drizz'l

- Delivered sizeable trials and expanded penetration through sachet sampling and high-footfall activations.
- Launched Sweet Thai Chilli and amplified digital salience through structured content and influencer partnerships.

Savory Condiments (Pickle)

- Continued trials for Crushed Pickle, strengthening penetration and versatility.
- Expanded accessibility through 180g trial pack and Mixed Pickle pouches, supported by digital campaign and e-commerce bundling.

Jams & Desserts

- Reinforced competitive momentum through the Custard Confidence Project, expanded seasonal trials, and relaunch of Banana Custard (45g & 275g), regaining traction in key markets.
- Successfully transitioned to the new 410g Jam bottle with seamless trade alignment and disciplined rollout execution.

On behalf of the Board of Directors



Global Chief Executive Officer

International Division

- During H1, the International Division focused on sustainable growth amid external challenges, including geopolitical disruptions in Afghanistan, and distributor transitions in KSA, which impacted topline momentum.
- Despite these headwinds, the Division expanded into new markets (South Africa, Bangladesh, and Portugal) and strengthened its presence across key retail channels in the UK, Benelux, and KSA, supported by portfolio harmonization initiatives.
- Profitability was safeguarded through global price adjustments, value chain recalibration, and disciplined optimization of trade, marketing, and cost structures without materially affecting consumer pricing.
- Improvements in order governance, distributor engagement, and new product introductions enhanced execution, service levels, and brand development, positioning the Division for sustainable future growth.

Dividend

The Board of Directors has recommended a cash dividend of PKR 3 per share for Q2'26, in addition to the interim dividend of PKR 18 per share declared in Q1'26. Consequently, the total standalone profit distributed through dividends amounts to PKR 4,895 million (H1'25 : PKR 466 million).

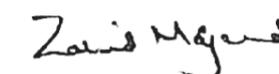
Outlook and Way Forward

With inflation moderating and monetary easing underway, improving consumer sentiment is expected to support demand recovery despite ongoing external sector pressures.

Building on strong YTD momentum, the Company will accelerate growth in scaled categories, expand innovative pipelines, and deepen distribution across general trade, modern trade, e-commerce, and foodservice. Continued focus on execution excellence, cost discipline, and brand investment will position the portfolio to capture emerging opportunities and sustain profitable growth in the second half of the year.

Acknowledgment

The Board extends its sincere appreciation to all internal and external stakeholders for their unwavering commitment and continued trust in the Company.



Director

ڈائریکٹرز رپورٹ

شیر ہولڈرز کے لیے

نیشنل فوڈز لمیٹڈ کے ڈائریکٹرز خوشی کے ساتھ کمپنی کے غیر آڈیٹڈ مختصر مالی نتائج پیش کرتے ہیں، جن میں اسٹینڈ ایون اور کنسولیڈیٹڈ مالی بیانات شامل ہیں، جو 31 دسمبر 2025 کو ختم ہونے والے چھ ماہ کے دوران ہیں۔

کاروباری کارکردگی کا جائزہ

معاشی ماحول

پاکستان کی معیشت نے سال 2025 کے دوسرے نصف حصے (جولائی–دسمبر) میں محتاط بہتری کا مظاہرہ کیا، جس میں اضراط زر زیادہ قابل انتظام سطح پر رہا۔ جولائی–دسمبر 2025 میں اوسط سی پی آئی اضراط زر ~5.15٪ رہی (گزشتہ سال کی اسی مدت کے مقابلے میں)۔

اس کے جواب میں، مانیٹری پالیسی کو محتاط رکھا گیا:

مالیاتی اہم اعداد و شمار (چھ ماہ 31 دسمبر 2025 کو ختم ہونے والے)

رقوم (ملین PKR میں)	غیر کنسولیڈیٹڈ			کنسولیڈیٹڈ		
	H1 FY26	H1 FY25	Change	H1 FY26	H1 FY25	Change
نیٹ سیلز	22,020	19,018	16%	22,587	19,156	18%
گروس منافع	8,483	6,139	38%	9,042	6,452	40%
آپریٹنگ منافع ¹	3,230	1,481	>100%	3,065	1,147	>100%
ٹیکس کے بعد نیٹ منافع	2,535	682	>100%	2,643	297	>100%
غیر متعارف کاروباری آپریشنز سے کٹائی ²	-	-	-	20,362	1,312	>100%
مجموعی نیٹ منافع بعد از ٹیکس	2,535	682	>100%	23,005	1,609	>100%

فی شیر کٹائی ³ (PKR)	10.9	2.9	97.3	4.7	
گروس منافع	39%	32%	7%	34%	6%
آپریٹنگ منافع	15%	8%	7%	6%	8%
ٹیکس کے بعد منافع	12%	4%	8%	8%	94%

نوٹس:

۱. آپریٹنگ منافع میں دیگر آمدنی اور دیگر اخراجات شامل نہیں ہیں۔

۲. A-1 بیگس اینڈ سپلائیز انک۔ میں%50.5 divstment پر حاصل شدہ منافع اور %9.5 کی اسٹیک پر ریٹیزرمنٹ گین شامل ہے۔

۳. فی شیر کٹائی (EPS) میں A-1 بیگس اینڈ سپلائیز انک۔ میں%40 غیر کنشروولگ انویسٹر (NCI) کی حصص کی شراکت کو شامل نہیں کیا گیا

ہے، جو کہ Q1 FY26 تک ہے۔

مارکیٹنگ اور پرموشن

ریسپی کس

• دوسرے سہ ماہی میں دو ہندسوں میں والی واپوم کی ترقی حاصل کی، جو بنیادی ڈیریمینٹس میں برتری کو برقرار رکھے اور اسکیل کی توسیع کو مضبوط کرتی ہے۔

• فٹس بریانی، مسرغ چولے اور وائٹ قورمہ لانچ کیے؛ کراچی میں آر ٹی ایم توسیع اور "کراچی کی بہترین بریانی" مہم کے ذریعے دو ہندسوں میں ترقی حاصل کی، جس کے نتیجے میں مارکیٹ شیئر میں اضافہ ہوا۔

سیزننگ

• چکن پاؤڈر کے ساتھ اس زمرے میں قدم رکھا، جس نے لانچ واپوم کے اہداف کو عبور کیا اور ابتدائی طور پر مضبوط مقتام قائم کیا۔

• ہائی وزٹیبلٹی پلیٹ فارمز کے ذریعے ٹرانلز حاصل کیے، آگاہی

میں تیزی لائی اور ابتدائی بار بار حسریداری کی خواہش پیدا کی۔

کیچپ

• ملک بھر میں پاؤچپز پر قیمتوں میں کمی اور "کیچپ چیمپئنز" کو اسکولوں تک توسیع دینے کے ذریعے مضبوط ترقی حاصل کی، جس کے نتیجے میں اہم مصروفیتیں حاصل ہوئیں۔

• اہم شہروں میں برانڈڈ ریٹیل فناسیاس، جو کہ بصری قیادت اور ریٹیل برتری کو مضبوط کرتی ہیں۔

ڈریزل

• کیچٹ کیمپلنگ اور ہائی فوٹ فال ایکٹیوییشنز کے ذریعے اہم ٹرانلز حاصل کیے اور رسائی میں اضافہ کیا۔

• سویٹ بھتائی چلی لانچ کی اور ڈیجیٹل مواد اور انفلوئنسر پارٹنرشپس کے ذریعے ڈیجیٹل کی موجودگی کو بڑھایا۔

پکس

• کرشڈ پکل کے لیے ٹرانلز جاری رکھے، پینئریشن اور ورٹمیلیٹی کو مضبوط کیا۔

• 180 گرام کے ٹرائل پیک اور کھڈ پکس پاؤچپز کے ذریعے رسائی بڑھائی،

جو کہ ڈیجیٹل مہم اور ای کامرس باندھنے کی حمایت سے کی گئی۔

جز اور ڈیزنس

• کاسٹرڈ کانفیڈنس پروجیکٹ کے ذریعے مقابلے کی رفتار کو مزید تقویت دی، موسی ٹرانلز کو بڑھایا، اور کیلے کی کاسٹرڈ (45 گرام اور 275 گرام) کو دوبارہ لانچ کیا، جس سے اہم مارکیٹوں میں رجوع حاصل کیا۔

• کامیابی کے ساتھ 410 گرام حجام بوتل میں منتقلی کی، جس میں تجارت کے ساتھ ہم آہنگی اور نظم و ضبط کے ساتھ رول آؤٹ کی تکمیل کی۔

انسٹریٹل ڈویژن

• H1 کے دوران، انسٹریٹل ڈویژن نے بیرونی چینلجز جیسے افغانستان میں جغرافیائی سیاسی خلفشار اور KSA میں ڈسٹری بیوٹر کی تبدیلیوں کے باوجود پائیدار ترقی پر توجہ مرکوز کی۔

• ان مشکلات کے باوجود، ڈویژن نے نئے بازاروں (جنوبی امریقہ، بنگلہ دیش اور پرتگال) میں توسیع کی اور UK، بینیکس اور KSA میں اہم ریٹیل چینلز میں اپنی موجودگی کو مضبوط کیا، جو پورٹ فولیو ہم آہنگی کے اقدامات سے تعاون کرتی تھی۔

• منافیت کو عالمی قیمتوں کی ایڈجسٹمنٹ، واپو حسین کی ری کالیبریشن، اور تجارتی، مارکیٹنگ اور لاگت کی ساختوں کی احتیاطی اصلاح کے ذریعے محفوظ رکھا گیا، بغیر صارفین کی قیمتوں پر اس کا منفی اثر پڑے۔

• آرڈر گورنس، ڈسٹری بیوٹر کی مصروفیت، اور نئے مصنوعات کی پیشکشوں میں بہتری نے عمل درآمد، سروس کی سطح اور برانڈ کی ترقی کو بہتر بنایا۔ جس سے ڈویژن کو پائیدار مستقبل کی ترقی کے لیے تیار کیا۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے دوسری سہ ماہی کے لیے فی حصص 3 روپے ڈیویڈنڈ کی تجویز دی ہے، جو کہ پہلی سہ ماہی میں اعلان کردہ فی حصص 18 روپے کے عبوری ڈیویڈنڈ کے علاوہ ہے۔ اس طرح مجموعی طور پر 4,895 ملین روپے کا اسٹینڈالون منافع بطور ڈیویڈنڈ تقسیم کیا گیا (گزشتہ سال کی اسی مدت: 466 ملین روپے)۔

آگے کا منظر اور راستہ

اضراط زر میں کمی اور مالی نرمی کے آغاز کے ساتھ، صارفین کی رائے میں بہتری کی توقع ہے، جو مانگ کی بحالی کی حمایت کرے گی۔

مضبوط YTD رفتار پر تعمیر کرتے ہوئے، کمپنی اسکیل کھینگیز میں ترقی تیز کرے گی، جدید پائپ لائنز کو بڑھائے گی، اور جنرل ٹریڈ، ماڈرن ٹریڈ، ای کامرس، اور فوڈ سروس میں تقسیم کو گہرا کرے گی۔ عمل درآمد میں برتری، لاگت کی نظم و ضبط اور برانڈ کی سرمایہ کاری پر مسلسل توجہ مرکوز کی جائے گی تاکہ پورٹ فولیو کو بھرتی ہوئی مواقعوں کو حاصل کرنے اور سال کے دوسرے نصف میں منافع بخش ترقی کو برقرار رکھنے کی پوزیشن میں رکھا جائے۔

اظہارِ شکر

بورڈ اپنے تمام اندرونی اور بیرونی اسٹیک ہولڈرز کا شکریہ ادا کرتا ہے جنہوں نے کمپنی میں اپنی ثابت قدمی اور اعتماد کو جاری رکھا۔

فہرست منسلک

ڈائریکٹر

Independent Auditor's Review Report

To The Members of National Foods Limited

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of National Foods Limited ("the Company") as at 31 December 2025 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed interim 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 condensed 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 condensed 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.

Other Matter

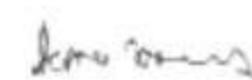
Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim unconsolidated statement of profit or loss and other comprehensive income for the three months period ended 31 December 2025 and 31 December 2024 have not been reviewed by us.

The engagement partner on the review resulting in this independent auditor's review report is Aryn Pirani.

Date: 27 February 2026

Karachi

UDIN: RR2025102010PHhtgqvB



KPMG Taseer Hadi & Co.
Chartered Accountants

Excellence Beyond Borders

National Foods' unconsolidated financial statements provide a transparent view of the parent company's standalone performance, reflecting revenues, profitability, and capital allocation that underpin sustainable growth and long-term shareholder value.



Unconsolidated Financial Statements 2025



Costing Report

CODE	Description	QTY	Actual Price	AMT	Standard Price	QTY	Variance Price	Total
101001	Boxes	178	2	356	140	872	(76)	(76)
101002	Wire	872	24	20,928	547	480	(8,125)	(8,125)
101003	Lamps	25	26	650	20	108	(120)	(120)
101004	Wiring	58	1	58	54	11	(8)	(8)
101005	Swch	4	5	20	2	490	(50)	(50)
101006	Lighting	74	7	518	2	58	(17)	(17)
101007	Site	846	9	7,614	70	36	(28)	(28)
101008	Labor	95	12	1,140	88	55	(95)	(95)
101009	Foreman	1	2	2	3	2	(40)	(40)
101010	Temp	75	1	75	10	58	(17)	(17)
101011	Project M	48	1	48	6	36	(12)	(12)
101012	system	84	3	252	2	2	(2)	(2)
101013	generator	1	2	2	1	1	(1)	(1)
101001	Total			31,284				

Unconsolidated Statement of

Financial Position

As at 31 December 2025

	Note	31 December 2025	30 June 2025
ASSETS			
Non-current assets			
Property, plant and equipment	6	11,876,742	11,745,872
Intangible assets		204,071	280,613
Long-term investments		31,719	31,719
Long-term deposits		41,647	39,417
		<u>12,154,179</u>	<u>12,097,621</u>
Current assets			
Stores and spare parts		469,883	441,909
Stock-in-trade	7	8,509,322	6,572,403
Trade receivables		1,840,932	1,908,989
Advances		283,673	246,064
Deposits and prepayments		149,526	79,554
Other receivables		309,970	606,852
Short-term investments - at fair value through profit or loss	8	4,866	1,521,717
Taxation - net		159,547	160,823
Cash and bank balances		1,838,812	2,022,377
		<u>13,566,531</u>	<u>13,560,688</u>
Assets classified as held for sale	9	125,483	166,101
		<u>25,846,193</u>	<u>25,824,410</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 1,000,000,000 (30 June 1,000,000,000 :2025) ordinary shares of Rs. 5 each		5,000,000	5,000,000
Share capital Issued, subscribed and paid-up capital		1,165,576	1,165,576
Revenue Reserve		4,518,231	7,345,103
Unappropriated profit		5,683,807	8,510,679
Non - current liabilities		5,104,138	5,620,638
Long-term finance - secured	10	42,520	56,861
Lease liabilities		816,552	761,218
Deferred taxation - net		-	163,054
Defined benefit obligation - net		5,963,210	6,601,771
Current liabilities		8,065,453	7,655,420
Trade and other payables		591,901	233,417
Contract liability	11	4,397,956	2,129,353
Short-term borrowings	12	40,688	27,243
Unclaimed dividend		933,333	521,000
Current portion of long-term finance	10	30,330	28,839
Current portion of lease liabilities		139,515	116,688
Mark-up accrued on bank borrowings		14,199,176	10,711,960
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		<u>25,846,193</u>	<u>25,824,410</u>

The annexed notes 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.


Global Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of

Profit or Loss and Other Comprehensive Income (Unaudited)

For the period ended 31 December 2025

	Note	Quarter ended		Six months ended	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
(Rupees in '000)					
Sales - net	14	11,980,978	10,238,899	22,019,756	19,018,479
Cost of sales		(7,320,160)	(6,637,009)	(13,537,100)	(12,879,868)
Gross profit		4,660,818	3,601,890	8,482,656	6,138,611
Selling and distribution costs		(2,119,975)	(1,729,530)	(3,744,541)	(3,244,386)
Administrative expenses		(730,187)	(676,186)	(1,508,276)	(1,413,442)
Operating profit		1,810,656	1,196,174	3,229,839	1,480,783
Other expenses		(160,000)	(37,230)	(250,962)	(38,028)
Other income	15	102,900	109,626	165,385	253,476
Finance costs		(247,490)	(342,054)	(464,062)	(785,479)
Profit before final taxes, minimum tax differential and income tax		1,506,066	926,516	2,680,200	910,752
Final taxes	16	-	12,800	-	(4,179)
Minimum tax	17	(18,834)	(62,025)	(59,777)	(89,242)
		(18,834)	(49,225)	(59,777)	(93,421)
Profit before income tax		1,487,232	877,291	2,620,423	817,331
Income Tax	18	754	(117,115)	(85,640)	(135,760)
Profit for the period		1,487,986	760,176	2,534,783	681,571
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		1,487,986	760,176	2,534,783	681,571
(Rupees)					
Earnings per share - basic and diluted	19	6.38	3.26	10.87	2.92

The annexed notes 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.


Global Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of

Cash Flows (Unaudited)

For the period ended 31 December 2025

Note	Six months ended	
	31 December 2025	31 December 2024
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	2,892,147	1,693,134
Income taxes paid	(88,807)	(121,166)
Defined benefit obligation - benefits paid	(179,508)	(361,345)
Long term deposits - net	(2,230)	(2,967)
Net cash flows from operating activities	2,621,602	1,207,656
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(735,865)	(585,110)
Purchase of intangible assets	(1,560)	(38,572)
Redemption of short term investment	1,567,889	1,184
Dividend received from subsidiary	-	27,862
Proceeds from disposal of operating fixed assets	2,228	8,782
Net cash flows from investing activities	832,692	(585,854)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of short term borrowings	585,000	400,000
Lease rental paid	(18,879)	(14,027)
Repayment of long term finance	(104,167)	(31,666)
Finance cost paid	(435,206)	(1,512,520)
Dividends paid	(5,348,210)	(1,154,166)
Net cash flows from financing activities	(5,321,462)	(2,312,379)
Net increase / (decrease) in cash and cash equivalents	(1,867,168)	(1,690,577)
Cash and cash equivalents at beginning of the period	1,043,024	2,228,977
Cash and cash equivalents at end of the period	(824,144)	538,400

The annexed notes 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.


Global Chief Executive Officer


Chief Financial Officer


Director

Unconsolidated Statement of

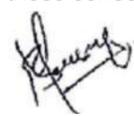
Changes in Equity (Unaudited)

For the period ended 31 December 2025

	Issued, subscribed and paid-up capital	Revenue reserve - unappropriated profit	Total
(Rupees in '000)			
Balance as at 1 July 2024	1,165,576	6,428,295	7,593,871
Total comprehensive income for the six months period ended 31 December 2024			
Profit for the period	-	681,571	681,571
Other comprehensive income for the period	-	-	-
	-	681,571	681,571
Total comprehensive income for the six month period ended 30 June 2025			
Profit for the period	-	2,499,829	2,499,829
Other comprehensive income for the period	-	(166,556)	(166,556)
	-	2,333,273	2,333,273
Transactions with the owners of the Company			
Final cash dividend for the year ended 30 June 2024 @ Rs. 5 per share	-	(1,165,576)	(1,165,576)
Interim cash dividend for the period ended 31 December 2024 @ Rs. 2 per share	-	(466,230)	(466,230)
Interim cash dividend for the period ended 31 March 2025 @ Rs. 2 per share	-	(466,230)	(466,230)
Balance as at 30 June 2025	1,165,576	7,345,103	8,510,679
Balance as at 1 July 2025	1,165,576	7,345,103	8,510,679
Total comprehensive income for the six month period ended 31 December 2025			
Profit for the period	-	2,534,783	2,534,783
Other comprehensive income for the period	-	-	-
	-	2,534,783	2,534,783
Transactions with the owners of the Company			
Final cash dividend for the year ended 30 June 2025 @ Rs. 5 per share	-	(1,165,577)	(1,165,577)
Interim cash dividend for the period ended 30 September 2025 @ Rs. 18 per share	-	(4,196,078)	(4,196,078)
Balance as at 31 December 2025	1,165,576	4,518,231	5,683,807

The annexed notes 1 to 26 form an integral part of these condensed interim unconsolidated financial statements.


Global Chief Executive Officer


Chief Financial Officer


Director

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2025

1. THE COMPANY AND ITS OPERATIONS

1.1 National Foods Limited ("the Company") was incorporated in Pakistan on 19 February 1970 as a private limited company under the Companies Act, 1913 and subsequently converted into a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) by a special resolution passed in the extra ordinary general meeting held on 30 March 1988. The Company is principally engaged in the manufacture and sale of convenience based food products. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 12 / CL - 6, Claremont Road, Civil Lines, Karachi.

1.2 The ultimate parent entity of the Company is ATC Holdings (Private) Limited based on control model as provided under IFRS 10 - 'Consolidated Financial Statements'.

These condensed interim unconsolidated financial statements are separate financial statements of the Company in which investment in a subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Condensed interim consolidated financial statements of the Company are prepared separately.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated 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 as are notified under the Companies Act, 2017; and
- Provisions of directives and notifications issued under the Companies Act, 2017.

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

These condensed interim unconsolidated financial statements of the Company do not include all of the information required for unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements of the Company as at and for the year ended 30 June 2025. However, selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Company's financial position and performance since the last annual audited financial statements.

2.2 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except as stated otherwise.

2.3 Functional and presentation currency

These condensed interim unconsolidated financial statements are presented in Pakistani Rupees which is also the Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand of rupees, unless stated otherwise.

3. ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after 1 July 2025; however, these do not have any significant impact on these condensed interim unconsolidated financial statements and, therefore, have not been detailed here.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are various standards, amendments and interpretations to the accounting and reporting standards as applicable in Pakistan which are not yet effective in the current accounting period. These are not likely to have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim unconsolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2025

5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended 30 June 2025

5.1 The significant estimates and judgements made by the management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2025.

5.2 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2025.

6. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2025 (Unaudited)	30 June 2025 (audited)
(Rupees in '000)			
Operating fixed assets	6.1 & 9.1	11,266,413	11,452,873
Capital work-in-progress	6.2	502,188	178,749
Right-of-use assets		58,042	74,009
Capital Spares		50,099	40,241
		<u>11,876,742</u>	<u>11,745,872</u>

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2025

6.1 Following are the additions and disposals of property, plant and equipment during the period:

	Six months ended	
	31 December 2025	30 June 2025
	(Unaudited)	
	(Rupees in '000)	
Additions / transfers from CWIP		
Buildings	53,941	338,649
Plant and machinery	298,540	221,254
Computer equipment	39,649	23,314
Vehicles	959	3,872
Furniture and fittings	13,350	14,462
Office, laboratory and other equipments	61,236	76,857
	467,675	678,408

Additions to operating fixed assets include transfers of Rs. 152 million (30 June 2025: Rs. 267 million) from capital work in progress.

	31 December 2025	30 June 2025
	(Unaudited)	
	(Rupees in '000)	
Furniture & Fixtures [cost Rs. Nil (31 December 2024: Rs. 7.2)]	-	3,905
Office Equipment [cost Rs. Nil (31 December 2024: Rs. 6.3 million)]	-	517
Computer Equipment [cost Rs. 16.6 million (31 December 2024: Rs. 28.9 million)]	1,789	764
Vehicles [cost Rs. Nil (30 December 2024: Rs. 3.3 million)]	-	1,329

6.2 This includes civil works of Rs. 58 million (30 June 2025: Rs.4 million) and Plant & Machinery and Other Equipments of Rs. 197 million (30 June 2025: Rs. 174 million).

7. STOCK-IN-TRADE

	Note	31 December 2025	30 June 2025
		(Unaudited)	(audited)
		(Rupees in '000)	
Raw materials		2,334,485	2,494,039
Provision for write-down of inventory to net realizable value	7.1	(17,814)	(77,036)
		2,316,671	2,417,003
Packing materials		951,148	690,154
Provision for write-down of inventory to net realizable value	7.1	(120,451)	(128,925)
		830,697	561,229

	Note	31 December 2025	30 June 2025
		(Unaudited)	(audited)
		(Rupees in '000)	
Semi finished goods		2,769,310	2,714,118
Provision for write-down of inventory to net realizable value	7.1	(98,450)	(144,108)
		2,670,860	2,570,010
Finished goods		2,728,561	1,083,475
Provision for write-down of inventory to net realizable value	7.1	(37,467)	(59,314)
		2,691,094	1,024,161
		8,509,322	6,572,403

7.1 During the period, the Company recorded reversal of provision for obsolescence of Rs. 135 million (30 June 2025: Rs. 84.11 million) and has written off stocks against provision amounting to Rs. 227.94 million (30 June 2025: Rs.525.96 million).

8. SHORT-TERM INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	31 December 2025	30 June 2025
		(Unaudited)	(audited)
		(Rupees in '000)	
Investments in mutual funds		4,866	1,521,717

9. ASSETS CLASSIFIED AS HELD FOR SALE

	Note	31 December 2025	30 June 2025
		(Unaudited)	(audited)
		(Rupees in '000)	
Leasehold Land	9.1	2,202	2,255
Buildings on leasehold land	9.1	123,281	163,846
		125,483	166,101

9.1 Movement in Non-current Assets Held for Sale is as follows:

	31 December 2025	30 June 2025
	(Unaudited)	(audited)
	(Rupees in '000)	
Opening balance	166,101	-
Transfer from Operating fixed assets	-	166,101
Transfer to Operating fixed assets	(40,618)	-
Closing balance	125,483	166,101

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2025

During the prior year, the Company committed to a plan to dispose of the leasehold land and buildings at the SITE Plant (SITE Unit 1 and SITE Unit 2) and, accordingly, classified these assets as Assets Held for Sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations

However, during the period, the Company reclassified SITE Unit 1, with a carrying amount of Rs. 40,62 million, to Property, Plant and Equipment, as the planned disposal could not be materialised. In accordance with IFRS 5, the reclassification was made prospectively, resulting in an increase in depreciation expense for the period by Rs. 7,97 million.

SITE Unit 2 continues to be classified as Assets Held for Sale as at the reporting date, as the Company has entered into a binding sale agreement for its disposal and continues to meet the criteria set out in IFRS 5.

10. LONG TERM FINANCE - SECURED

	Note	31 December 2025 (Unaudited)	30 June 2025 (audited)
(Rupees in '000)			
Secured long-term finances utilised under mark-up arrangements	10.1	6,037,471	6,141,638
Classified under current liability		(933,333)	(521,000)
		<u>5,104,138</u>	<u>5,620,638</u>

10.1 This represents ongoing long-term finance facilities of Rs. 6,300 million obtained from commercial banks. These finances carry a markup ranging from 3-month KIBOR + 0.2% to 3-month KIBOR + 0.4%. The loans are secured through hypothecation of the Company's present and future fixed assets. Loan tenures range from 6 to 10 years, with repayments being made through quarterly installments. One loan is being repaid through quarterly installments of Rs. 8.33 million until September 2029. Another loan carries varying quarterly installments of Rs. 112.5 million, Rs. 150 million, Rs. 225 million, and Rs. 262.5 million, and is repayable until October 2029. A separate long-term loan comprises of three tranches: one tranche is being repaid through quarterly installments of Rs. 87.5 million until September 2029, while the remaining two tranches are being repaid through combined quarterly installments of Rs. 100 million, fully repayable by September 2030.

11. CONTRACT LIABILITY

	Note	31 December 2025 (Unaudited)	30 June 2025 (audited)
(Rupees in '000)			
Advance from customers	11.1	591,901	233,417

11.1 Revenue recognised during the year that was included in the contract liability balance at the beginning of the period is Rs. 233 million (30 June 2025: Rs. 264 million).

12. SHORT TERM BORROWINGS

	Note	31 December 2025 (Unaudited)	30 June 2025 (audited)
(Rupees in '000)			
Conventional			
Running finance under mark up arrangements	12.1	668,544	885,512
Export re-finance	12.2	1,735,000	1,150,000
Islamic			
Running finance under Musharakah	12.3	1,994,412	93,841
		<u>4,397,956</u>	<u>2,129,353</u>

- 12.1 The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 11.34% to 11.39% (June 2025: 11.38% to 20.85%) per annum. The facilities are valid upto 31 October 2026 and are generally renewable.
- 12.2 The Company has obtained short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The effective rate of mark-up on this facility is 7% (June 2025: 8.5%) per annum. The facilities offer are valid upto 31 January 2027 and are generally renewable.
- 12.3 The Company has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 11.35% (June 2025: 15.25%) per annum. This facility matures within twelve months and is renewable. The facilities offer are valid upto Dec 2025, Jan 2026, Jan 2027 and are generally renewable.
- 12.4 The facilities available from various banks amount to Rs. 10,040 million (30 June 2025: Rs. 10,040 million). The arrangements are secured by way of pari-passu charge against hypothecation of Company's current and future movable assets having aggregate charge amounting to Rs. 13,720 million.
- 12.5 As at 31 December 2025, the unavailed facilities from the above borrowings amounted to Rs. 5,849 million (June 2025: Rs. 7,900 million).

13. CONTINGENCIES AND COMMITMENTS

- 13.1 There are cases against the Company which are outstanding as at 31 December 2025. The management is confident that the decision will be in favor of the Company.
- 13.2 The facilities for opening letters of credit (LCs) amount to Rs. 4,595 million (30 June 2025: Rs. 4,400 million) and for letters of guarantee (LGs) amount to Rs. 1,045 million (30 June 2025: Rs. 1,100 million) as at 31 December 2025. The total amount unutilized at period ended is Rs. 3,727 million (30 June 2025: Rs. 4,200 million) for LCs and Rs. 637 million (30 June 2025: Rs. 641 million) for LGs. The guarantees have mainly been given to utility companies and an oil marketing company etc.
- 13.3 Aggregate commitments for capital expenditure as at 31 December 2025 amount to Rs. 627 million (30 June 2025: Rs. 207 million).
- 13.4 Aggregate commitments in respect of ujah payments for ijarah financing of motor vehicles from a Modaraba bearing profit rate at 3 months KIBOR + 0.75% (30 June 2025: 3 months KIBOR + 0.90%) and from an Islamic bank bearing profit rate at 3 months KIBOR + 1.25% (30 June 2025: 3 months KIBOR + 1.25%) per annum for rentals payable monthly as at 31 December 2025 amount to:

	31 December 2025 (Unaudited)	30 June 2025 (audited)
(Rupees in '000)		
Not later than one year	407,909	402,567
Later than one year but not later than five years	869,013	822,861
	<u>1,276,922</u>	<u>1,225,428</u>

Total sanctioned facilities amount to Rs. 1,876 million, out of which Rs. 1,277 million has been utilized by the company as of the period end.

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2025

14. SALES - NET	Note	Six months ended	
		31 December 2025	31 December 2024
		(Unaudited)	
		(Rupees in '000)	
Local sales		29,777,481	24,967,278
Export sales	14.1	1,601,980	2,136,768
		31,379,461	27,104,046
Sales tax		(4,202,658)	(3,521,942)
		27,176,803	23,582,104
Less:			
- Discount, rebates and allowances		(5,070,027)	(4,467,033)
- Sales return		(87,020)	(96,592)
		(5,157,047)	(4,563,625)
		22,019,756	19,018,479

14.1 Exports sales mainly represents sales made to National Foods DMCC - a wholly owned subsidiary of the Company.

14.2 Management reviews revenue and other financial results based on major product division. During the six months period ended 31 December 2025, revenue of the Condiments division was Rs. 13,900 million (31 December 2024: Rs. 11,610 million), and Culinary division was Rs.17,479 million (31 December 2024: Rs. 15,494 million).

14.3 Revenue is disaggregated by primary geographical market. The Company's customer base is diverse with no single customer accounting for more than 10% of net sales. Sales to domestic customers in Pakistan are 94.89% (31 December 2024: 92.12%) and to customers outside Pakistan are 5.11% (31 December 2024: 7.88%) of the revenue.

15. OTHER INCOME

This mainly includes interest income from short-term investments at FVTPL amounting to Rs. 51 million (31 December 2024: Rs. 124 million) and scrap sales amounting to Rs. 81 million (31 December 2024: Rs. 71 million).

16. FINAL TAXES

This represents final tax payable under section 150 of Income Tax Ordinance, 2001 (final tax regime).

17. MINIMUM TAX

This represents minimum tax payable under section 113 and final taxes paid under section 154 of Income Tax Ordinance, 2001.

18. INCOME TAX	Note	Six months ended	
		31 December 2025	31 December 2024
		(Unaudited)	
		(Rupees in '000)	
Current		30,306	-
Deferred	18.1	55,334	519,628
Prior year		-	(383,868)
		85,640	135,760

18.1 The Company has not recognized deferred tax asset in the condensed interim unconsolidated statement of financial position for minimum tax amounting to Rs. 73.94 million and deductible temporary differences amounting to Rs. 389.20 million. The Company has not recorded deferred tax asset on the above amounts in view of the uncertainty of its realization.

19. EARNINGS PER SHARE - BASIC AND DILUTED

	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
Profit after taxation attributable to ordinary shareholders	2,534,783	681,571
	(Number of shares) (In '000)	
Weighted average number of ordinary shares outstanding during the period	233,115	233,115
	(Rupees)	
Earnings per share - basic and diluted	10.87	2.92

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2025

20. CASH GENERATED FROM OPERATIONS

	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
Profit before taxation	2,680,200	910,752
Adjustment for non-cash charges and other items		
Depreciation	627,857	572,648
Amortisation	78,102	54,465
Depreciation - Right of use asset	15,967	23,220
(Gain) / loss on disposal of property, plant and equipment	(439)	(36,877)
Reversal of provision for write-down of inventory to net realizable value	(135,201)	(98,678)
Income from short term investments at FVTPL	(51,038)	(1,822)
Dividend income from subsidiary	-	(27,862)
Finance cost	458,033	774,205
Interest expense on lease liability	6,029	11,274
Defined benefit obligation expense	16,454	36,993
	1,015,764	1,307,566
	<u>3,695,964</u>	<u>2,218,318</u>
Working capital changes		
(Increase) / decrease in current assets		
Stores and spare parts	(27,974)	(117,510)
Stock in trade	(1,801,718)	382,735
Trade receivables	68,057	(608,833)
Advances	(37,609)	35,676
Deposits and prepayments	(69,972)	(89,073)
Other receivables	296,882	(13,713)
	(1,572,334)	(410,718)
Increase / (decrease) in current liabilities		
Trade and other payables	410,033	(418,217)
Contract liability	358,484	303,751
	768,517	(114,466)
	<u>2,892,147</u>	<u>1,693,134</u>

21. CASH AND CASH EQUIVALENTS

	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
Cash and bank balances	1,838,812	2,654,880
Short term running finance and running musharakah	(2,662,956)	(2,116,480)
	<u>(824,144)</u>	<u>538,400</u>

22. RELATED PARTY DISCLOSURE

Related parties comprise the holding company, subsidiaries (direct and indirect), staff retirement funds, directors, major shareholders and key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and Departmental Heads to be its key management personnel. Transactions with key management personnel are in accordance with their terms of employment / entitlement. Contribution charged for retirement benefit plan are in accordance with the terms of the service rules / trust deed and actuarial valuation as relevant. Other transactions are in accordance with the agreed terms.

22.1 Balances outstanding

	Six months ended	
	31 December 2025	30 June 2025
	(Unaudited)	
	(Rupees in '000)	
Receivable from the parent company	8,663	3,210
Payable to the parent company	2,125	-
Receivable from the subsidiary company	1,437,328	1,265,859
Payable to the subsidiary company	98,497	98,488
Payable to associated companies	154,318	22,570
Payable to the defined benefit obligation	-	163,054
Due to Directors	105	-

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2025

22.2 Transactions during the period

	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
Holding Company:		
Rental income	1,378	1,819
Reimbursement of expenses from Parent	4,075	8,695
Reimbursement of expenses to Parent	3,341	-
Dividend paid	1,927,340	396,812
Subsidiary company:		
Sale of goods - net	1,481,200	1,868,762
Purchase of goods - net	-	572,681
Reimbursement of expenses	-	8,373
Dividend received	-	27,862
Associated Companies / Undertakings:		
Annual subscription	2,595	2,520
Purchases	653,654	126,417
Dividend paid	160,854	167,132
Directors and their family members:		
Dividend paid	2,119,880	461,100
Meeting Fee	8,100	7,600
Salaries and other short-term employee benefits	124,759	142,537
Reimbursement of expenses	7,602	16,587
Contribution to the Provident Fund	1,799	3,863
Staff retirement funds:		
Expense charged for defined contribution plan	89,630	78,642
Payment to defined contribution plan	125,465	78,642
Charge during the period to the defined benefit plan	16,454	36,993
Payment during the period to the defined benefit plan	179,507	361,345
Key management personnel and their family members:		
Salaries and other short-term employee benefits	500,752	504,045
Contribution to the Provident Fund	18,222	17,709

23. Disclosure requirement for companies not engaged in Shariah Non-permissible business activities

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(1)12024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities. Following information is disclosed pursuant to the amendment:

Description	Explanation	31 December 2025	30 June 2025
		(Rupees in '000)	
Statement of financial Position			
Long term financing - secured	Financing obtained as per Islamic mode	2,912,500	3,000,000
Short term financing - secured	Mark-up accrued on conventional loan	25,350	25,732
Long term financing - secured	Mark-up accrued on conventional loan	83,771	89,735
Short term financing - secured	profit accrued on Islamic loan	30,396	290
Long term financing - secured	profit accrued on Islamic loan	-	931
Statement of profit or loss			
Mark up/Profit (Expense):			
Short term financing - secured	Mark up on conventional mode of financing	54,912	185,835
Long term financing - secured	Mark up on conventional mode of financing	181,332	289,602
Short term financing - secured	Profit on Islamic mode of financing	30,869	32,922
Long term financing - secured	Profit on Islamic mode of financing	169,335	248,876

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2025

Description	Explanation	31 December 2025	31 December 2024
		(Rupees in '000)	
Mark up/Profit (Payment):			
Short term financing - secured	Mark up on conventional mode of financing	55,047	125,758
Long term financing - secured	Mark up on conventional mode of financing	186,950	172,213
Short term financing - secured	Profit on Islamic mode of financing	762	29,721
Long term financing - secured	Profit on Islamic mode of financing	170,860	884,390
Other Income			
Other income earned from Shariah Compliant avenues			
	Gain on disposal of property, plant and equipment	439	36,877
	Export rebate	2,204	34,095
	Rental income	1,378	1,819
	Scrap sales	80,991	64,772
Other income earned from non Shariah Compliant avenues			
	Dividend received from subsidiary	-	27,862
	Others	12,709	-
	Realized gain on short term investments at fair value through profit or loss	51,015	1,822
	Unrealized gain on short term investments at fair value through profit or loss	23	-
	Interest income	16,626	93,906

During the period ended and as at reporting date, the Company has no relationship with Shariah compliant financial institutions other than in capacity of borrower or lender.

24. CORRESPONDING FIGURES

Comparative figures have been re-arranged and reclassified, where necessary, for the purpose of comparison and better presentation and the effect of which is immaterial to the condensed interim unconsolidated financial statements.

25. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on 25 February 2026, has declared a cash dividend of Rs. 3 per share for the period ended 31 December 2025 (31 December 2024: Rs. 2 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

26. DATE OF AUTHORISATION

These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors in their meeting held on 25 February 2026.

Consolidated Financial Statements 2025



Consolidated Condensed Interim

Statement of Financial Position (Unaudited)

As at 31 December 2025

Note	31 December 2025 (Unaudited)	30 June 2025 (Audited)
(Rupees in '000)		
ASSETS		
Non - current assets		
Property, plant and equipment	11,932,069	19,128,186
Intangible assets and goodwill	306,796	1,552,200
Long term investments	3,820,763	-
Long-term deposit	41,647	39,417
Deferred tax assets	163,573	140,915
	16,264,848	20,860,718
Current assets		
Stores and spare parts	469,883	441,909
Stock-in-trade	8,700,877	13,696,032
Trade receivables	1,795,503	3,945,371
Advances	847,042	262,267
Deposits and prepayments	149,526	1,525,937
Other receivables	325,462	667,380
Short-term investments - at fair value through profit or loss	20,533,691	1,521,717
Taxation - net	159,547	160,822
Cash and bank balances	2,473,447	2,239,627
	35,454,977	24,461,062
Total assets classified as held for sale	125,483	166,101
	51,845,309	45,487,881
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorised share capital 1,000,000,000 (30 June 2025: 1,000,000,000) ordinary shares of Rs. 5 each	5,000,000	5,000,000
Share Capital		
Issued, subscribed and paid-up capital	1,165,576	1,165,576
Revenue Reserves		
Unappropriated profit	28,222,938	10,908,597
Foreign exchange translation reserve	470,518	1,211,184
Equity attributable to owners of the Parent Company	29,859,032	13,285,357
Non-controlling interest	-	2,736,876
Total equity	29,859,032	16,022,233
Non - current liabilities		
Long-term finance - secured	5,104,138	5,965,228
Lease liabilities	56,094	4,428,103
Deferred taxation - net	816,552	761,218
Defined benefit obligation - net	21,714	196,011
	5,998,498	11,350,560
Current liabilities		
Trade and other payables	8,502,660	12,078,441
Contract liability	1,020,996	239,473
Short-term borrowings	5,277,036	3,386,761
Current portion of long-term finance	933,333	764,633
Current portion of lease liabilities	73,549	1,282,481
Mark-up accrued on bank borrowings	139,515	116,687
Unclaimed dividend	40,689	27,243
Taxation - net	-	219,369
	15,987,779	18,115,088
Contingencies and commitments		
	15,987,779	18,115,088
TOTAL EQUITY AND LIABILITIES	51,845,309	45,487,881

The annexed notes 1 to 22 form an integral part of these consolidated financial statements.


Global Chief Executive Officer


Chief Financial Officer


Director

Consolidated Condensed Interim

Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the period ended 31 December 2025

Note	Quarter ended		Six months period ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
(Rupees in '000)				
Sales - net	12,424,544	10,246,343	22,586,905	19,155,555
Cost of sales	(7,364,119)	(6,537,713)	(13,544,996)	(12,703,173)
Gross profit	5,060,425	3,708,630	9,041,909	6,452,382
Selling and distribution costs	(2,314,576)	(1,959,685)	(4,088,180)	(3,609,706)
Administrative expenses	(863,591)	(790,002)	(1,888,606)	(1,695,445)
Operating profit	1,882,259	958,941	3,065,123	1,147,230
Other expenses	(166,398)	(39,442)	(262,090)	(43,066)
Other income	409,791	102,990	474,354	231,636
Finance costs	(266,210)	(364,759)	(508,978)	(840,563)
Profit before final taxes, minimum and income tax	1,859,441	657,731	2,768,409	495,237
Final taxes	-	12,800	-	(4,179)
Minimum Tax	(18,834)	(62,025)	(59,777)	(89,242)
	(18,834)	(49,225)	(59,777)	(93,421)
Profit before income tax	1,840,606	608,506	2,708,632	401,816
Income Tax	2,035	(94,780)	(65,266)	(104,329)
Profit for the period	1,842,642	513,726	2,643,365	297,487
Profit from discontinued operations, net of tax	19,528,930	506,613	20,361,597	1,311,949
Other comprehensive income for the period				
Items that may be reclassified subsequently to profit or loss:				
Foreign operations - Exchange differences on translation of foreign operations	145,554	(423,348)	(75,312)	(270,847)
Foreign exchange reclassification adjustment on disposal	(716,902)	-	(716,902)	-
Total comprehensive income for the period	20,800,224	596,991	22,212,749	1,338,589
Profit attributable to:				
Owners of the Holding Company	21,373,448	819,002	22,675,999	1,088,628
Non-controlling interest	(1,876)	201,336	328,964	520,808
	21,371,572	1,020,339	23,004,963	1,609,436
Other comprehensive income / (loss) attributable to:				
Owners of the Parent Company	(568,721)	(290,503)	(740,665)	(170,714)
Non-controlling interests	(2,627)	(132,845)	(51,549)	(100,133)
	(571,348)	(423,348)	(792,214)	(270,847)
Total comprehensive income attributable to:				
Owners of the Holding Company	20,804,726	528,500	21,935,333	917,914
Non-controlling interest	(4,503)	68,491	277,415	420,675
	20,800,224	596,991	22,212,749	1,338,589
Earnings per share (basic and diluted)	91.69	3.51	97.27	4.67

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.


Global Chief Executive Officer


Chief Financial Officer


Director

Consolidated Condensed Interim

Statement of Cash Flow (Unaudited)

For the period ended 31 December 2025

Note	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	3,911,264	1,392,356
Income tax paid	(408,338)	(369,959)
Retirement benefits obligations paid	185,063	(361,345)
Deferred assets	(2,230)	-
Long term deposits	-	(2,967)
Net cash generated from operating activities (discontinued operation)	1,161,085	2,660,070
Net cash generated from operating activities	4,846,843	3,318,155
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(735,865)	(857,372)
Proceeds from disposal of fixed assets	2,228	-
Purchase of intangible assets	(1,560)	(38,572)
Proceeds from disposal of subsidiary	20,872,384	8,782
Cash disposed subsidiary	(380,815)	-
(Redemption)/Purchase of short term investment - net	(19,072,577)	1,184
Net cash generated in investing activities (discontinued operation)	(153,384)	(200,141)
Net cash used in investing activities	530,411	(1,086,119)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short term borrowings - net	720,340	298,327
Repayment of long term finance - net	(104,167)	(77,814)
Lease rental paid	-	(214,220)
Finance cost paid	(556,720)	(1,754,775)
Repayment of lease liabilities	(42,798)	-
Dividend paid	(5,348,210)	(859,421)
Net cash generated in financing activities (discontinued operation)	(1,794,783)	(237,305)
Net cash from / (used in) financing activities	(7,126,338)	(2,845,208)
Net increase in cash and cash equivalents	(1,749,084)	(613,172)
Cash and cash equivalents at beginning of the year	816,087	2,123,736
Currency translation difference on cash and cash equivalents	(885)	(37,973)
Cash and cash equivalents at end of the year	(933,882)	1,472,591

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.


Global Chief Executive Officer


Chief Financial Officer


Director

Consolidated Condensed Interim

Statement of Changes in Equity (Unaudited)

For the period ended 31 December 2025

	Attributable to owners of the Parent Company				Non controlling interest	Total Equity
	Share capital	Retained earnings	Foreign currency translation reserve	Sub-total		
	(Rupees in '000)					
Balance as at 1 July 2024	1,165,576	9,711,611	956,749	11,833,936	2,222,085	14,056,021
Total comprehensive income for the year ended 30 June 2025						
Profit for the year	-	3,461,578	-	3,461,578	956,950	4,418,528
Other comprehensive income for the year	-	(166,556)	254,435	87,879	10,379	98,258
	-	3,295,022	254,435	3,549,457	967,329	4,516,786
Transactions with the owners of the Company						
Final cash dividend for the year ended 30 June 2024 @ Rs. 5 per ordinary share	-	(1,165,576)	-	(1,165,576)	-	(1,165,576)
Interim cash dividend for the period ended 31 December 2024 @ Rs. 2 per ordinary share	-	(466,230)	-	(466,230)	-	(466,230)
Interim cash dividend for the period ended 31 March 2025 @ Rs. 2 per ordinary share	-	(466,230)	-	(466,230)	-	(466,230)
Dividend paid to NCI*	-	-	-	-	(452,538)	(452,538)
Balance as at 30 June 2025	1,165,576	10,908,597	1,211,184	13,285,357	2,736,876	16,022,233
Balance as at 1 July 2025	1,165,576	10,908,597	1,211,184	13,285,357	2,736,876	16,022,233
Total comprehensive income for the period ended 31 December 2025						
Profit for the period – continuing operation	-	2,643,365	-	2,643,365		2,643,365
Profit from discontinued operations, net of tax	-	19,315,718	-	19,315,718	328,964	19,644,682
Reclassification of foreign currency translation reserve on disposal of subsidiary	-	716,902	(716,902)	-	-	-
Other comprehensive income for the period	-	-	(23,763)	(23,763)	(51,549)	(75,312)
		22,675,986	(740,666)	21,935,320	277,415	22,212,736
Transactions with the owners						
Dividend paid to NCI	-	-	-	-	(7,816)	(7,816)
Final cash dividend for the year ended 30 June 2025 @ Rs. 5 per ordinary share	-	(1,165,575)	-	(1,165,575)	-	(1,165,575)
Interim cash dividend for the period ended 30 September 2025 @ Rs. 18 per ordinary share	-	(4,196,070)	-	(4,196,070)	-	(4,196,070)
Derecognition of non-controlling interest on disposal of subsidiary	-	-	-	-	(3,006,475)	(3,006,475)
Balance as at 31 December 2025	1,165,576	28,222,938	470,518	29,859,032	-	29,859,032

The annexed notes 1 to 22 form an integral part of these consolidated financial statements.


Global Chief Executive Officer


Chief Financial Officer


Director

Notes to the Consolidated

Condensed Interim Financial Statements (Unaudited)

For the period ended 31 December 2025

1. THE GROUP AND ITS OPERATIONS

1.1 The group consists of:

- i) Parent Company - National Foods Limited
- ii) Subsidiary Company - National Foods DMCC, Dubai, United Arab Emirates.

National Foods Limited

National Foods Limited ("Parent Company") was incorporated in Pakistan on February 19, 1970 as a private limited company under the Companies Act, 1913 and subsequently converted into a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) by special resolution passed in the extra ordinary general meeting held on 30 March 1988. The Holding Company is principally engaged in the manufacture and sale of convenience based food products. The Company is listed on Pakistan Stock Exchange. The registered office of the Parent Company is situated at 12 / CL - 6, Claremont Road, Civil Lines, Karachi.

- 1.2 The ultimate parent entity of the National Foods Limited is ATC Holdings (Private) Limited based on control model as provided under IFRS10 - 'Consolidated Financial Statements'.

1.3 Details of the subsidiary companies are as follows:

National Foods DMCC

"The Parent Company has a wholly owned (100%) subsidiary which was set up in United Arab Emirates in 2012 and is carried at cost. The subsidiary was formed as a limited liability company and commenced operations from March 2013. National Foods DMCC (NF DMCC) was registered on 7 November 2012 in Dubai Multi Commodities Centre ("DMCC") pursuant to Dubai (DMCC) Law No. 4 of 2001 and operates in the United Arab Emirates ("UAE") under a trade license issued by DMCC. The registered address of the Company is Unit No. 2404-19, Reef Tower, Plot No. JLT-Ph 2-01A, Jumeirah Lake Towers, Dubai, United Arab Emirates."

The primary objective of NF DMCC is to boost export sales of its parent company through trading in food stuff and other services. NF DMCC also has following two wholly owned direct subsidiaries and one new established subsidiary, two indirect subsidiaries of the group Company as follows:

National Foods Pakistan (UK) Limited

National Foods Pakistan (UK) Limited was incorporated in United Kingdom on 29 May 2013 as a private company under the UK Companies Act, 2006. The company is a wholly owned subsidiary of National Foods DMCC and will be principally engaged in the trading of food products, although currently it is not operational.

National Epicure Limited

National Epicure Limited (NEL) was incorporated in Canada on 19 December 2024 under the Canada Business Corporations Act. NEL is a wholly owned subsidiary of National Foods DMCC. NEL is principally engaged in the trading of food products. The registered office of NEL is situated at 100 King Street West, 1 First Canadian Place, Suite 3400, Toronto, Ontario, M5X 1A4, Canada. NEL is the holding company of National Epicure USA Inc.

National Epicure USA Inc.

National Epicure USA Inc. was incorporated in USA on 1 December 2021 under the General Corporation Law of the State of Delaware, USA with an authorized share capital of 500 shares with a par value of \$0.0001 per share. Shares have not yet been issued by this entity and has not commenced its operations. The company is a subsidiary of National Epicure Limited - Canada.

National Epicure Inc.

National Epicure Inc. was incorporated in Canada on 16 October 2013 under the Canada Business Corporations Act. NEI was a wholly owned subsidiary of National Foods DMCC and was principally engaged in the trading of food products. NEI was the holding company of A-1 Bags & Supplies Inc.. Following a strategic review, management resolved to dispose of its investment in NEI. The disposal transaction was completed on 10 October 2025, resulting in loss of control over NEI and its subsidiaries.

A-1 Bags & Supplies Inc.

A-1 Bags & Supplies Inc. was incorporated under the Business Corporations Act (Ontario) on 14 March 2001. NEI acquired a 60% controlling interest in A-1 Bags & Supplies Inc. in the year 2017. The company was principally engaged in the distribution and wholesale of food products, disposables, janitorial and sanitation products. Following a strategic review, management resolved to dispose of its investment in A-1 Bags & Supplies Inc. The disposal was completed on 10 October 2025 as part of the overall divestment of the NEI group

Ontario Ltd.

Ontario Ltd. was incorporated under the Business Corporations Act (Ontario) on 16 January 2025 and is domiciled in Canada. The company is engaged in the manufacturing of aluminium steam table pans and catering aluminium foil rolls. The registered office of the company is located at Unit No. 6, 6540 Kestrel Road, Mississauga, Ontario, L5T 1Z9, Canada. Following a strategic review, management resolved to dispose of Ontario Ltd. The disposal was completed on 10 October 2025 as part of the divestment of the NEI group.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated 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 as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2 These consolidated condensed interim financial statements do not include all the informations and disclosures required for annual consolidated financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Group as at and for the year ended 30 June 2025. However, selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Company's financial position and performance since the last annual audited financial statements.

Notes to the Consolidated

Condensed Interim Financial Statements (Unaudited)

For the period ended 31 December 2025

2.3 Basis of Consolidation

2.3.1 The condensed interim financial statements of the subsidiary company has been consolidated on line by line basis. The carrying value of investments held by the holding company is eliminated against the subsidiary's share capital and pre-acquisition reserve.

2.3.2 Non-controlling interest has been presented as a separate line item in these consolidated condensed interim financial statements. All material intercompany transactions/ balances have been eliminated.

2.4 Functional and presentation currency

These consolidated condensed interim financial statements are presented in Pakistani Rupees which is Group's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand of rupees, unless stated otherwise.

3. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these consolidated condensed interim financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 30 June 2025.

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the audited annual consolidated financial statements as at and for the year ended 30 June 2025.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Group for the year ended 30 June 2025. However the company has adopted the following:

4.2 The Group has adopted the certain amendments and improvements to approved accounting and reporting standards as applicable in Pakistan which became effective for the current period. The said amendments did not have any material impact on these consolidated condensed interim financial statements.

Management has reviewed the accounting policies and assessed that information given in Note 4 of material accounting policies as disclosed in the audited annual consolidated financial statements as at and for the year ended 30 June 2025 are in line with the amendments. The amendments had no impact on these consolidated condensed interim financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

		31 December 2025	30 June 2025
	Note	(Unaudited)	(Audited)
(Rupees in '000)			
Operating fixed assets	5.1	11,268,670	13,557,594
Capital work-in-progress		502,188	178,749
Right-of-use assets		111,112	5,351,602
Capital Spares		50,099	40,241
		<u>11,932,069</u>	<u>19,128,186</u>

5.1 Following are the additions and disposals of property, plant and equipment during the period:

		Six months ended 31 December 2025	31 December 2024
		(Unaudited)	
(Rupees in '000)			
Additions/ transfer from CWIP			
Buildings		53,941	684,106
Plant and machinery		298,540	221,254
Computer equipment		39,649	50,067
Vehicles		959	22,298
Furniture and fittings		13,350	56,617
Office, laboratory and other equipments		61,236	109,446
		<u>467,675</u>	<u>1,143,788</u>

Additions to operating fixed assets include transfers of Rs. 152 million (30 June 2025: Rs. 267 million) from capital work in progress.

		Six months ended 31 December 2025	31 December 2024
		(Unaudited)	
(Rupees in '000)			
Disposals - Net book value			
Furniture & Fixtures [cost Rs. Nil (31 December 2024: Rs. 7.2 million)]		-	3,905
Office Equipment [cost Rs. Nil (31 December 2024: Rs. 6.3 million)]		-	517
Computer Equipment [cost Rs. 16.6 million (31 December 2024: Rs. 28.9 million)]		1,789	257
Vehicles [cost Rs. Nil (30 December 2024: Rs. 3.3 million)]		-	1,329
		<u>-</u>	<u>6,008</u>

Notes to the Consolidated

Condensed Interim Financial Statements (Unaudited)

For the period ended 31 December 2025

6. STOCK IN TRADE

		31 December 2025	30 June 2025
	Note	(Unaudited)	(Audited)
(Rupees in '000)			
Raw materials		2,334,485	2,494,039
Provision for obsolescence	6.1	(17,814)	(77,036)
		2,316,671	2,417,003
Packing materials		951,148	690,154
Provision for obsolescence	6.1	(120,451)	(128,925)
		830,697	561,229
Work-in-process		2,769,310	2,714,118
Provision for obsolescence	6.1	(98,450)	(144,108)
		2,670,860	2,570,010
Finished goods		2,926,584	8,390,837
Provision for obsolescence	6.1	(43,935)	(243,047)
		2,882,649	8,147,790
		8,700,877	13,696,032

6.1 During the period, the Company recorded reversal (30 June 2025: reversal) of provision for obsolescence of Rs. NIL (30 June 2025: Rs. 99.20 million) and has written off stocks against provision amounting to Rs. 163.63 million (30 June 2025: Rs.525.96 million).

7. LONG TERM FINANCE

		31 December 2025	30 June 2025
	7.1	(Unaudited)	(Audited)
(Rupees in '000)			
Local currency		6,037,471	6,141,638
Foreign currency		-	588,223
		6,037,471	6,729,861
Classified under current liability		(933,333)	(764,633)
		5,104,138	5,965,228

7.1 This represents ongoing long-term finance facilities of Rs. 6,300 million obtained from commercial banks. These finances carry a markup ranging from 3-month KIBOR + 0.2% to 3-month KIBOR + 0.4%. The loans are secured through hypothecation of the Company's present and future fixed assets. Loan tenures range from 6 to 10 years, with repayments being made through quarterly installments. One loan is being repaid through quarterly installments of Rs. 8.33 million until September 2029. Another loan carries varying quarterly installments of Rs. 112.5 million, Rs. 150 million, Rs. 225 million, and Rs. 262.5 million, and is repayable until October 2029. A separate long-term loan comprises of three tranches: one tranche is being repaid through quarterly installments of Rs. 87.5 million until September 2029, while the remaining two tranches are being repaid through combined quarterly installments of Rs. 100 million, fully repayable by September 2030.

8. SHORT TERM BORROWINGS

		31 December 2025	30 June 2025
	Note	(Unaudited)	(Audited)
(Rupees in '000)			
Conventional - local currency			
Running finance under mark up arrangements	8.1	668,544	885,512
Export re-finance	8.2	1,735,000	1,150,000
Conventional - foreign currency			
Demand operating loan		1,994,412	813,121
Running finance		744,373	444,187
Short term loan		134,707	100
Islamic			
Running finance under Musharakah	8.3	-	93,841
		5,277,036	3,386,761

8.1 The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 11.34% to 11.39% (June 2025: 11.38% to 20.85%) per annum. The facilities are valid upto 31 October 2026 and are generally renewable.

8.2 The Company has obtained short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The effective rate of mark-up on this facility is 7% (June 2025: 8.5%) per annum. The facilities offer are valid upto 31 January 2027 and are generally renewable.

8.3 The Company has obtained facilities for short-term finance under Running Musharakah. The effective rate of profit is 11.35% (June 2025: 15.25%) per annum. This facility matures within twelve months and is renewable. The facilities offer are valid upto Dec 2025, Jan 2026, Jan 2027 and are generally renewable.

8.4 The facilities available from various banks amount to Rs. 10,040 million (30 June 2025: Rs. 10,040 million). The arrangements are secured by way of pari-passu charge against hypothecation of Company's current and future movable assets having aggregate charge amounting to Rs. 13,720 million.

Notes to the Consolidated

Condensed Interim Financial Statements (Unaudited)

For the period ended 31 December 2025

9. ASSETS CLASSIFIED AS HELD FOR SALE

	31 December 2025	30 June 2025
	(Unaudited)	(Audited)
	(Rupees in '000)	
Leasehold Land	2,202	2,255
Buildings on leasehold land	123,281	163,846
	125,483	166,101
9.1 Movement in Non-current Assets Held for Sale is as follows:		
Opening balance	166,101	-
Transfer from Operating fixed assets	-	166,101
Transfer to Operating fixed assets	(40,618)	-
Closing balance	125,483	166,101

During the prior year, the Company committed to a plan to dispose of the leasehold land and buildings at the SITE Plant (SITE Unit 1 and SITE Unit 2) and, accordingly, classified these assets as Assets Held for Sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

However, during the period, the Company reclassified SITE Unit 1, with a carrying amount of Rs. 40.62 million, to Property, Plant and Equipment, as the planned disposal could not be materialised. In accordance with IFRS 5, the reclassification was made prospectively, resulting in an increase in depreciation expense for the period by Rs. 7.97 million.

SITE Unit 2 continues to be classified as Assets Held for Sale as at the reporting date, as the Company has entered into a binding sale agreement for its disposal and continues to meet the criteria set out in IFRS 5.

10 Disposal of Subsidiaries

During the period, National Foods DMCC (NFD MCC), subsidiary of National Foods Limited (NFL), finalized the sale & restructuring of its subsidiaries in Canada namely, National Epicure Inc. (NEI), A-1 Bags & Supplies Inc. (A1) and Ontario Ltd (OL) on 10th October 2025. Consequent to the above, DMCC has lost control of its subsidiaries and now holds shareholding of 9.5% in A1.

Cashflow statement for the period includes the net consideration received from the transaction. The carrying amount of the net assets derecognized at the date of loss of control was PKR 8,300 million (note 10.1), of which PKR 3,006 million related to non-controlling interest as of the derecognition date.

The PL recognizes the gain on the disposal of the transaction, recognized under discontinued operation and includes fair value remeasurement gain of PKR 3,841 million on the retained interest in A1 and PKR 717 million reclassification of foreign currency reserve from comprehensive income to profit or loss statement. The movement has been disclosed in the Statement of Comprehensive Income as well.

10.1 Net Assets derecognized at the date of disposal

Current Assets

Total Assets
Total Liabilities

Net Assets derecognized

(Rupees in '000)

18,665,080
10,365,108

8,299,972

11. CONTINGENCIES AND COMMITMENTS

11.1 There are cases against the Company which are outstanding as at 31 December 2025. The management is confident that the decision will be in favor of the Company.

11.2 The facilities for opening letters of credit (LCs) amount to Rs. 4,595 million (30 June 2025: Rs. 4,400 million) and for letters of guarantee (LGs) amount to Rs. 1,045 million (30 June 2025: Rs. 1,100 million) as at 31 December 2025. The total amount unutilized at period ended is Rs. 3,727 million (30 June 2025: Rs. 4,200 million) for LCs and Rs. 637 million (30 June 2025: Rs. 641 million) for LGs. The guarantees have mainly been given to utility companies and an oil marketing company etc.

11.3 Aggregate commitments for capital expenditure as at 31 December 2025 amount to Rs. 627 million (30 June 2025: Rs. 207 million).

11.4 Aggregate commitments in respect of ujarah payments for ijarah financing of motor vehicles from a Modaraba bearing profit rate at 3 months KIBOR + 0.75% (30 June 2025: 3 months KIBOR + 0.90%) and from a Islamic bank bearing profit rate at 3 months KIBOR + 1.25% (30 June 2025: 3 months KIBOR + 1.25%) per annum for rentals payable monthly as at 31 December 2025 amount to:

	31 December 2025	30 June 2025
	(Unaudited)	(Audited)
	(Rupees in '000)	
Not later than one year	407,909	402,567
Later than one year but not later than five years	869,013	822,861
	1,276,922	1,225,428

Total sanctioned facilities amount to Rs. 1,876 million, out of which Rs. 1,277 million has been utilized by the company as of the period end.

Notes to the Consolidated

Condensed Interim Financial Statements (Unaudited)

For the period ended 31 December 2025

12. SALES - NET

	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
Gross sales		
Local sales	29,777,481	24,967,278
Export sales	2,352,660	2,536,980
	32,130,141	27,504,258
Sales tax	(4,202,658)	(3,521,942)
	27,927,483	23,982,316
Less:		
Discount rebates and allowances	(5,237,405)	(4,699,023)
Sales return	(103,173)	(127,738)
	(5,340,578)	(4,826,761)
	22,586,905	19,155,555

12.1 Revenue is disaggregated by primary geographical market.

12.2 Management reviews revenue and other financial results based on major product division. During the six months period ended 31 December 2025, revenue of the Condiments division was Rs. 14,003 million (31 December 2024: Rs.11,876 million), and Culinary division was Rs. 18,128 million (31 December 2024: Rs. 15,628 million).

13. FINAL TAXES

This represents Final Taxes payable under sections 150 and 154 of Income Tax Ordinance, 2001 (final tax regimes).

14. MINIMUM TAX

This represents Final Taxes payable under sections 150 and 154 of Income Tax Ordinance, 2001 (final tax regimes).

15. INCOME TAX

	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
Current	9,932	(31,431)
Deferred	55,334	519,628
Prior year	-	(383,868)
	65,266	104,329

16. EARNINGS PER SHARE

Profit after taxation attributable to owners of the Parent Company

Weighted average number of ordinary shares during the period outstanding

Earning per share - basic and diluted

	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
	22,675,999	1,088,628
	(Number of shares) (In '000')	
	233,115	233,115
	Rupees	
	97.27	4.67

17. CASH GENERATED FROM OPERATIONS

Profit before taxation

Adjustments for non-cash charges and other items

	31 December 2025	31 December 2024
Profit before taxation	3,883,028	(152,272)
Depreciation	628,235	572,648
Amortisation	85,705	65,392
Depreciation - right of use asset	37,310	61,713
Gain on disposal of fixed assets	(439)	(41,167)
Reversal of provision for slow moving stock	(135,201)	(98,678)
Impairment on long term investment		
Income from short term investments at FVTPL	(51,038)	(1,822)
Finance cost	500,325	821,752
Interest expense - right of use asset	8,653	18,812
Provision for doubtful debts	-	-
Retirement benefits expense	24,203	27,732
	1,097,754	1,426,382
	4,980,783	1,274,110

Working capital changes

(Increase)/ Decrease in current assets

Stores and spare parts	(27,974)	(117,510)
Stock-in-trade	(1,809,785)	422,444
Trade debts	1,158,020	668,508
Advances	(535,814)	(97,410)
Deposits and prepayments	96,672	(89,073)
Other receivables	286,776	(13,713)
	(832,105)	773,246

(Decrease) / Increase in current liabilities

Trade and other payables	(595,272)	(958,751)
Contract Liability	357,858	303,751
	(237,414)	(655,000)
	3,911,264	1,392,356

Notes to the Consolidated

Condensed Interim Financial Statements (Unaudited)

For the period ended 31 December 2025

18. CASH AND CASH EQUIVALENTS

	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
Cash and bank balances	2,473,447	4,015,864
Running finance	(3,407,329)	(2,543,273)
	<u>(933,882)</u>	<u>1,472,591</u>

19. RELATED PARTY DISCLOSURE

Related parties comprise the holding company, subsidiaries (direct and indirect), staff retirement funds, directors, major shareholders and key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and Departmental Heads to be its key management personnel. Transactions with key management personnel are in accordance with their terms of employment / entitlement. Contribution charged for retirement benefit plan are in accordance with the terms of the service rules / trust deed and actuarial valuation as relevant. Other transactions are in accordance with the agreed terms.

19.1 Balance outstanding

	31 December 2025	30 June 2025
	(Unaudited)	(Audited)
	(Rupees in '000)	
Receivable from the parent company	8,663	3,210
Payable to the parent company	2,125	-
Payable to associated companies - net	154,318	22,570
Payable to the defined contribution plan	-	36,231
Due to Directors	105	-

19.2 Transactions during the period

Parent company

	Six months ended	
	31 December 2025	31 December 2024
	(Unaudited)	
	(Rupees in '000)	
Rental income	1,378	1,819
Reimbursement of expenses from Parent Company	4,075	6,146
Reimbursement of expenses to Parent	3,341	8,695
Dividend paid	1,927,340	396,812

Associated companies / Undertakings

Annual Subscription	2,595	2,520
Purchases	653,654	126,417
Dividend paid	160,854	167,132

Directors and their family members:

Dividend paid	2,119,880	461,100
Meeting Fee	8,100	7,600
Salaries and other short-term employee benefits	124,759	142,537
Reimbursement of expenses	7,602	16,587
Contribution to the Provident Fund	1,799	3,863

Staff retirement funds

Expense charged for defined contribution plan	89,630	78,642
Payment to defined contribution plan	125,465	78,642
Charge during the period to the defined benefit plan	16,454	36,993
Payment during the period to the defined benefit plan	179,507	361,345

Key management personnel:

Salaries and other short-term employee benefits	776,758	504,045
Contribution to the Provident Fund	18,222	17,709

Notes to the Consolidated

Condensed Interim Financial Statements (Unaudited)

For the period ended 31 December 2025

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

Securities Exchange Commission of Pakistan (SECP) vide its S.R.O. 1278(1)12024 dated August 15, 2024 has notified an amendment in the Fourth Schedule of Companies Act, 2017 requiring listed companies and their subsidiaries to disclose certain information if they are not engaged in Shariah non-permissible business activities. Following information is disclosed pursuant to the amendment:

Description	Explanation	31 December 2025	30 June 2025
Statement of financial Position		(Rupees in '000)	
Long term financing - secured	Financing obtained as per Islamic mode	2,912,500	3,000,000
Short term financing - secured	Mark-up accrued on conventional loan	33,424	25,732
Long term financing - secured	Mark-up accrued on conventional loan	83,771	89,735
Short term financing - secured	profit accrued on Islamic loan	30,396	290
Long term financing - secured	profit accrued on Islamic loan	-	931
Statement of profit or loss		(Rupees in '000)	
Mark up/Profit (Expense):			
Short term financing - secured	Mark up on conventional mode of financing	72,807	217,173
Long term financing - secured	Mark up on conventional mode of financing	181,332	289,602
Short term financing - secured	Profit on Islamic mode of financing	30,869	32,922
Long term financing - secured	Profit on Islamic mode of financing	169,335	248,876
Mark up/Profit (Payment):			
Short term financing - secured	Mark up on conventional mode of financing	97,014	212,924
Long term financing - secured	Mark up on conventional mode of financing	186,950	172,213
Short term financing - secured	Profit on Islamic mode of financing	762	29,721
Long term financing - secured	Profit on Islamic mode of financing	170,860	884,390
Other Income			
Other income earned from Shariah Compliant avenues			
Gain on disposal of property, plant and equipment		439	36,877
Export rebate		2,204	34,095
Rental income		1,378	1,819
Scrap sales		80,991	64,772
Other income earned from non Shariah Compliant avenues			
Others		321,348	-
Realized gain on short term investments at fair value through profit or loss		51,015	1,822
Unrealized gain on short term investments at fair value through profit or loss		23	-
Interest income		16,956	93,906

During the period ended and as at reporting date, the Company has no relationship with Shariah compliant financial institutions other than in capacity of borrower or lender.

21. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company in their meeting held on 25 February 2026, has declared a cash dividend of Rs. 3 per share for the period ended 31 December 2025 (31 December 2024: Rs. 2 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

22. DATE OF AUTHORISATION

These condensed interim consolidated financial statements were authorised for issue by the Board of Directors in their meeting held on 25 February 2026.