



**FIRST QUARTER FINANCIAL STATEMENTS**  
**MARCH 31, 2026 (UN-AUDITED)**

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# Corporate Information

## Board of Directors

Nasir Mahmood Khan Khosa  
Chairman & Independent Director

Syed Ali Akbar  
Managing Director & CEO

Ahad Khan  
Director Finance/IT

Syed Asad Ali Shah  
Director Legal and Corporate & Regulatory  
Affairs

Wael Sabra  
Non-Executive Director

Usman Zahur  
Non-Executive Director

Faisal Saif  
Non-Executive Director

Mona Iskandarani  
Non-Executive Director

Gary Tarrant  
Non-Executive Director

Asif Jooma  
Independent Director

M. Sualeh Ahmed Faruqui  
Independent Director

Lt. Gen. (R) Najib Ullah Khan  
Independent Director

## Audit Committee

Asif Jooma (Chairman)

Faisal Saif

Lt. Gen. (R) Najib Ullah Khan

Gary Tarrant

Wael Sabra

M. Sualeh Ahmed Faruqui

Syed Nigha Ali Kazmi (Secretary)

## Company Secretary

Sami Zaman

## Registered Office

Pakistan Tobacco Company Limited Serena  
Business Complex, Khayaban-e-Suhrwardy.  
P.O. Box 2549, Islamabad-44000  
Telephone: +92 (051) 2083200, 2083201  
Fax: +92 (051) 2604516  
Web: [www.ptc.com.pk](http://www.ptc.com.pk)

## Factories

Akora Khattak Factory  
P.O. Akora Khattak  
Tehsil and District Nowshera,  
Khyber Pakhtunkhwa  
Telephone: +92 (0923) 561561-72  
Fax: +92 (0923) 561502

Jhelum Factory  
G.T. Road, Kala Gujran  
Jhelum  
Telephone: +92 (0544) 646500-7  
Fax: +92 (0544) 646524

## Bankers

MCB Bank Limited  
MCB Islamic Bank Limited  
Habib Bank Limited  
National Bank of Pakistan  
Citibank N.A.  
Standard Chartered Bank (Pakistan) Limited  
Deutsche Bank AG  
Bank Alfalah Limited  
Habib Metropolitan Bank Limited  
Soneri Bank Limited  
United Bank Limited

## Auditors

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sixth Floor, State Life Building No. 5  
Jinnah Avenue, Blue Area, Islamabad. 44000  
Telephone: +92 (051) 2823558  
Fax: +92 (051) 2822671

## Share Registrar

FAMCO Associates (Pvt.) Ltd.  
8-F, Near Hotel Faran, Nursery, Block 6,  
P.E.C.H.S, Shahrah-e-Faisal,  
Karachi  
Ph: +92 (021) 34380101-2

## Directors' Review

The Directors of Pakistan Tobacco Company Limited (the "Company" or "PTC") are pleased to present the three-month report along with the condensed interim financial statements for the period ended March 31, 2026.

During the period under review, macroeconomic conditions remained broadly stable, supported by a steady policy rate, moderate inflation, and a stable exchange rate. However, heightened geopolitical tensions arising from the conflict in the Middle East have placed upward pressure on global energy prices, increasing strain on Pakistan's fuel import bill. This has begun to weigh on consumer purchasing power through rising inflationary pressures. While the International Monetary Fund has improved its GDP growth projections for Pakistan, elevated energy prices and ongoing geopolitical uncertainty continue to pose material risks to the country's economic outlook.

Against this broader backdrop, the tobacco industry continues to face significant challenges. Illicit trade is estimated to account for approximately 50% of cigarette consumption in Pakistan, materially undermining the legitimate market. While recent months have seen encouraging enforcement actions across the country, the scale of illicit activity remains substantial. These efforts have helped arrest further erosion of volumes to illicit players, with early indications of some volumes returning to the tax-compliant industry. At the same time, rising input costs and evolving regulatory requirements have added further complexity for compliant manufacturers. Collectively, these factors continue to shape a challenging operating environment for legitimate industry participants.

Despite these conditions, PTC delivered strong commercial momentum during the first quarter of 2026. Domestic cigarette volumes increased by 37% compared to the corresponding period last year. This reflects disciplined execution of commercial and portfolio initiatives, leveraging the Company's established brand equity and loyal consumer base. Investments made in prior years to support PTC's iconic brands boosted portfolio competitiveness and reinforced the Company's market position as a leader in the duty paid sector.

The Company's multi-category strategy, with a focused presence in reduced-risk products such as VELO™, continued to contribute positively, with sales volumes increasing 35% compared to the same period last year. This performance reflects increasing adult consumer acceptance of modern oral products and remains aligned with the Company's long-term commitment to Tobacco Harm Reduction, consistent with BAT Group's purpose of creating A Better Tomorrow™.

Key financial indicators of the Company for the period ending March 31, 2026, are summarized below:

	Rs. (million)	
	Jan - Mar, 2026	Jan - Mar, 2025
Gross Turnover	102,269	79,922
FED & Sales Tax	(64,172)	(49,272)
Net Turnover	38,097	30,650
Cost of Sales	(16,703)	(16,787)
Gross Profit	21,394	13,863
Operating Profit	16,044	10,583
Profit Before Tax – PBT	15,988	10,610
Profit After Tax – PAT	9,343	6,266
Earnings Per Share – EPS (Rs)	36.57	24.53

The Company's financial results during the quarter reflect the positive impact of volume phasing and disciplined cost management. Net Turnover during the period under review, increased 24%, driven by higher volumes together with a favorable product mix. Looking ahead, in-line with evolving market dynamics, management expects growth to moderate to high single-digit levels compared with last year, reflecting a more stabilized operating environment.

Performance during the quarter was further supported by a sustained focus on operational efficiency, cost discipline, and scale benefits, which enabled the Company to keep Cost of Sales broadly flat year-on-year. As a result, Gross Profit increased 54%, reflecting strong operating leverage. Consequently, Net Profitability improved by 49%, underpinned by effective margin management and disciplined execution across the business.

As the Company advances through 2026, it remains committed to disciplined capital allocation and prudent cash flow management. In line with its long-standing commitment to sustainable shareholder returns, the Board of Directors has declared a second interim cash dividend of PKR 35 per share for the period, bringing the total dividend declared to date to PKR 70 per share.

Going forward, the operating environment is expected to remain challenging, reflecting ongoing macroeconomic uncertainty and industry-specific pressures. Against this backdrop, PTC remains focused on consistent execution of strategy, anchored by pillars of Quality Growth, Sustainable Future, and Dynamic Business, which collectively provide a clear framework to navigate uncertainty and support sustainable long-term success.

#### **Quality Growth:**

Quality Growth will continue to guide the Company's portfolio and commercial decisions. Reduced-risk products remain an integral part of the Company's multi-category strategy and its long-term ambition to build a Smokeless World. The Company will continue to develop the modern oral category, with VELO™ expected to remain an important contributor as adult consumer preferences evolve. At the same time, PTC will maintain its focus on the combustible cigarette portfolio, supported by continued investment in innovation, quality, and responsible consumer engagement, to address a broad range of adult consumer needs and support sustainable performance.

#### **Sustainable Future:**

Sustainability considerations will continue to underpin the Company's strategic priorities and decision-making. PTC remains committed to encouraging adult smokers who would otherwise continue to smoke to switch to smokeless alternatives such as VELO™. Supported by ongoing investment in product quality, robust science, and evidence-based innovation, while reaffirming that smoking cessation remains the best choice for adult smokers.

Engagement with regulators and external stakeholders remains a priority for the Company, recognizing that effective regulation is critical to enabling informed adult consumer choice and supporting the long-term sustainability of the category.

#### **Dynamic Business:**

To support delivery of its strategy, PTC will continue to strengthen its operational capabilities by investing in modern technologies, driving efficiency, and enhancing execution across the value chain. The Company's people remain central to this journey, supported by continued focus on capability building, leadership development, and a high-performance culture. These efforts are intended to enhance organizational agility, resilience, and competitiveness, whilst positioning the Company to respond effectively to an evolving operating environment.

On behalf of the Board,



Nasir Mahmood Khan Khosa  
Chairman



Syed Ali Akbar  
Managing Director & CEO

اس سہ ماہی کے دوران کارکردگی کو عملی افادیت، لاگت میں نظم و ضبط اور پیمانے کے فوائد پر مسلسل توجہ سے مزید تقویت ملی، جس کے باعث فروخت کی لاگت سال بہ سال تقریباً مستحکم رہی۔ نتیجتاً، مجموعی منافع میں 54 فیصد اضافہ ہوا، جو مضبوط عملی لیوریج کو ظاہر کرتا ہے۔ اسی طرح، مؤثر مارجن منجمنٹ اور کاروبار بھر میں منظم عملدرآمد کے باعث خالص منافع میں 49 فیصد بہتری آئی۔

جیسے جیسے کمپنی 2026 میں آگے بڑھ رہی ہے، وہ سرمایہ کی منظم تقسیم اور محتاط نقدی بہاؤ کے انتظام کے عزم پر قائم ہے۔ پائیدار شیئر ہولڈر منافع کے حوالے سے اپنی دیرینہ وابستگی کے مطابق، بورڈ آف ڈائریکٹرز نے اس مدت کے لیے 35.00 روپے منافع منظور کیا ہے۔ جس سے کل منافع 70.00 روپے ہو گیا ہے آئندہ، عملی ماحول کے چیلنجز کے رہنے کی توقع ہے، جس کی وجہ جاری معاشی غیر یقینی صورتحال اور صنعت سے متعلق دباؤ ہیں۔ اس پس منظر میں، پی ٹی سی اپنی حکمت عملی پر مستقل عملدرآمد پر توجہ مرکوز رکھے ہوئے ہے، جو معیار پر مبنی نمو، پائیدار مستقبل اور متحرک کاروبار کے ستونوں پر مبنی ہے۔ یہ ستون اجتماعی طور پر غیر یقینی صورتحال سے نمٹنے اور طویل مدتی پائیدار کامیابی کی حمایت کے لیے ایک واضح فریم ورک فراہم کرتے ہیں۔

### معیار پر مبنی نمو

معیار پر مبنی نمو کمپنی کے پورٹ فولیو اور تجارتی فیصلوں کی رہنمائی کرتی رہے گی۔ کم خطرے والی مصنوعات کمپنی کی کثیر زمرہ حکمت عملی اور دھواں سے پاک دنیا کے بالغ صارفین کی بدلتی ہوئی ترجیحات کے VELO™ قیام کے طویل مدتی وزن کا ایک لازمی حصہ ہیں۔ جدید زبانی مصنوعات کے زمرے کی ترقی جاری رہے گی، جہاں ساتھ ایک اہم کردار ادا کرتا رہے گا۔ اس کے ساتھ ساتھ، پی ٹی سی آتش گیر سگریٹ پورٹ فولیو پر اپنی توجہ برقرار رکھے گی، جسے جدت، معیار اور ذمہ دار صارفین سے روابط میں مسلسل سرمایہ کاری کی حمایت حاصل رہے گی، تاکہ بالغ صارفین کی وسیع ضروریات کو پورا کیا جاسکے اور پائیدار کارکردگی کو یقینی بنایا جاسکے۔

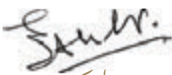
### پائیدار مستقبل

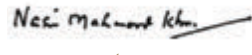
پائیداری کے تقاضے کمپنی کی حکمت عملی اور فیصلہ سازی کی بنیاد بننے لگیں۔ پی ٹی سی اس امر کے لیے عزم ہے کہ وہ ان بالغ تمباکو نوشوں کو، جو بصورت دیگر جتنی بغیر دھوئیں والی تبدلات کی جانب منتقل ہونے کی حوصلہ افزائی کرے، جبکہ اس بات کی توثیق بھی کرتی ہے کہ سگریٹ VELO™، سگریٹ نوشی جاری رکھتے نوشی ترک کرنا بالغ صارفین کے لیے بہترین انتخاب ہے۔ مصنوعات کے معیار، مضبوط سائنسی بنیاد اور شواہد پر مبنی جدت میں مسلسل سرمایہ کاری اس عزم کی حمایت کرتی رہے گی۔ ریگولیٹرز اور بیرونی اسٹیک ہولڈرز کے ساتھ روابط کو ترجیح دی جاتی رہے گی، اس امر کو تسلیم کرتے ہوئے کہ مؤثر ضابطہ کاری بالغ صارفین کے باخبر انتخاب اور اس زمرے کی طویل مدتی پائیداری کے لیے نہایت اہم ہے۔

### متحرک کاروبار

اپنی حکمت عملی کے نفاذ میں معاونت کے لیے، پی ٹی سی جدید ٹیکنالوجی میں سرمایہ کاری، افادیت میں بہتری اور ویلیو چین کے تمام حصوں میں عملدرآمد کو مضبوط بناتی رہے گی۔ کمپنی کے افراد اس سفر کا مرکزی حصہ ہیں، جنہیں صلاحیتوں کی تعمیر، قیادت کی ترقی اور اعلیٰ کارکردگی کے کلچر پر مسلسل توجہ کے ذریعے معاونت فراہم کی جاتی رہے گی۔ ان اقدامات کا مقصد تنظیمی چلک، مضبوطی اور مسابقت کو بڑھانا ہے، تاکہ کمپنی بدلنے ہوئے عملی ماحول میں مؤثر انداز میں رد عمل دے سکے۔

بورڈ کی جانب سے

  
سید علی اکبر  
ٹیچنگ ڈائریکٹر / سی ای او

  
ناصر محمود خان کھوسو  
چیئرمین

## ڈائریکٹر زکا تجزیہ۔ پہلی سہ ماہی 2026

پاکستان ٹوٹیکو کمپنی لمیٹڈ (جسے یہاں "کمپنی" یا "پی ٹی سی" کہا گیا ہے) کے ڈائریکٹر زکا یہ مسرت حاصل ہے کہ وہ 31 مارچ 2026 کو ختم ہونے والی مدت کے لیے مختصر عبوری مالی بیانات کے ساتھ تین ماہی کی رپورٹ پیش کر رہے ہیں۔

زیر جائزہ مدت کے دوران، مجموعی معاشی حالات عمومی طور پر مستحکم رہے، جس کی وجہ سے مستحکم پالیسی ریٹ، معتدل افراط زر اور مستحکم شرح مبادلہ رہی۔ تاہم، مشرق وسطیٰ میں جاری تنازع سے پیدا ہونے والی بڑھتی ہوئی جغرافیائی سیاسی کشیدگی کے باعث عالمی توانائی کی قیمتوں پر دباؤ آیا، جس سے پاکستان کے ایندھن کے درآمدی بل میں اضافہ ہوا۔ اس کے نتیجے میں افراط زر کے دباؤ میں اضافے کے باعث صارفین کی قوت خرید متاثر ہونا شروع ہو گئی ہے۔ اگرچہ بین الاقوامی مالیاتی فنڈ نے پاکستان کی شرح نمو کے تخمینوں میں بہتری کی ہے، تاہم بلند توانائی قیمتیں اور جاری جغرافیائی سیاسی غیر یقینی صورتحال ملک کے معاشی (GDP) کے لیے مجموعی قومی پیداوار منظر نامے کے لیے اہم خطرات بنی ہوئی ہیں۔

اس وسیع تر پس منظر میں، تمباکو کی صنعت کو بدستور نمایاں چیلنجز کا سامنا ہے۔ اندازوں کے مطابق پاکستان میں سگریٹ کے استعمال کا تقریباً 50 فیصد غیر قانونی تجارت پر مشتمل ہے، جو جائز مارکیٹ کو نمایاں طور پر نقصان پہنچا رہا ہے۔ اگرچہ حالیہ مہینوں میں ملک بھر میں حوصلہ افزا قانونی اقدامات دیکھنے میں آئے ہیں، تاہم غیر قانونی سرگرمیوں کا حجم اب بھی نمایاں ہے۔ ان اقدامات کے نتیجے میں غیر قانونی کھلاڑیوں کی جانب سے مزید انحطاط کو روکنے میں مدد ملی ہے اور ابتدائی اشارے یہ ظاہر کرتے ہیں کہ کچھ دوبارہ ٹیکس کی ادائیگی کرنے والی صنعت کی جانب لوٹ رہا ہے۔ اس کے ساتھ ساتھ، پیداواری لاگت میں اضافہ اور بدلتے ہوئے ضابطہ جاتی تقاضے مطیع صنعت کاروں کے لیے مزید پیچیدگیوں پیدا کر رہے ہیں۔ مجموعی طور پر، یہ عوامل جائز صنعت کے شرکاء کے لیے ایک مشکل عملی ماحول تشکیل دے رہے ہیں۔

ان حالات کے باوجود، پی ٹی سی نے 2026 کی پہلی سہ ماہی کے دوران مضبوط تجارتی رفتار فراہم کی۔ ملکی سگریٹ کی فروخت کا حجم گزشتہ سال کے اسی عرصے کے مقابلے میں 37 فیصد بڑھا۔ یہ کارکردگی تجارتی اور پورٹ فولیو اقدامات پر منظم عملدرآمد، کمپنی کی مضبوط برانڈ سائیکل اور وفادار صارفین کے مؤثر استعمال کی عکاسی کرتی ہے۔ گزشتہ برس پی ٹی سی کے نمایاں برانڈز پر کی گئی سرمایہ کاری نے پورٹ فولیو کی مسابقت کو بہتر بنایا اور ڈیوٹی ادا شدہ شیٹے میں کمپنی کی قائمہ حیثیت کو مزید مستحکم کیا۔

پرتوجہ شامل ہے، مثبت انداز میں کارکردگی میں معاون رہی، جہاں فروخت کے VELLO™ کمپنی کی کثیر زمرہ کثرت عملی، جس میں کم خطرے والی مصنوعات جیسے حجم میں گزشتہ سال کے اسی عرصے کے مقابلے میں 35 فیصد اضافہ ہوا۔ یہ کارکردگی جدید زبانی مصنوعات کو بائالغ صارفین کی بڑھتی ہوئی قبولیت کی عکاسی ہے اور تمباکو کے متقدم کے مطابق "A Better Tomorrow™" گروپ کے BAT سے نقصانات میں کمی کے حوالے سے کمپنی کے طویل مدتی عزم سے ہم آہنگ ہے، جو ہے۔

مارچ 2026 کو ختم ہونے والی مدت کے لیے کمپنی کے اہم مالی اشاریے ذیل میں خلاصہ کئے گئے ہیں 31

	Rs. (million)	
	Jan - Mar, 2026	Jan - Mar, 2025
Gross Turnover	102,269	79,922
FED & Sales Tax	(64,172)	(49,272)
Net Turnover	38,097	30,650
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Earnings Per Share – EPS (Rs)	36.57	24.53

سہ ماہی کے دوران کمپنی کے مالی نتائج حجم کی مناسب ترتیب اور لاگت کے منظم انتظام کے مثبت اثرات کو ظاہر کرتے ہیں۔ نیٹ ٹران میں 24 فیصد اضافہ ہوا، جس کی بنیادی وجہ زیادہ حجم اور سازگار مصنوعات کا امتزاج رہا۔ آئندہ کے حوالے سے، اور مارکیٹ کی بدلتی ہوئی صورت حال کو مد نظر رکھتے ہوئے، انتظامیہ توقع کرتی ہے کہ گزشتہ سال کے مقابلے میں مجموعی معتدل ہو کر درمیانی واحد عددی سطح پر آجائے گی، جو ایک زیادہ مستحکم عملی ماحول کی عکاسی کرے گی۔

**Condensed Interim  
Financial Statements**  
for the three months period ended March 31, 2026

# Condensed Interim Statement of Profit or Loss (Unaudited)

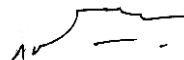
for the three months period ended March 31, 2026

	Note	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
Domestic turnover		99,587,640	73,733,678
Export turnover		2,681,230	6,188,330
<b>Gross turnover</b>		<b>102,268,870</b>	<b>79,922,008</b>
Excise duties		(48,178,482)	(37,478,534)
Sales tax		(15,993,540)	(11,793,369)
<b>Net turnover</b>		<b>38,096,848</b>	<b>30,650,105</b>
Cost of sales	7	(16,702,877)	(16,787,309)
<b>Gross profit</b>		<b>21,393,971</b>	<b>13,862,796</b>
Selling and distribution costs		(2,546,648)	(1,268,439)
Administrative expenses		(1,591,204)	(1,210,455)
Other operating expenses	8	(1,259,753)	(802,241)
Other income	9	48,070	1,786
		(5,349,535)	(3,279,349)
<b>Operating profit</b>		<b>16,044,436</b>	<b>10,583,447</b>
Finance income	10	156,835	282,736
Finance cost		(212,814)	(256,417)
Net finance income		(55,979)	26,319
<b>Profit before income tax</b>		<b>15,988,457</b>	<b>10,609,766</b>
Income tax expense - current		(6,497,457)	(4,280,985)
- deferred		(147,646)	(62,640)
		(6,645,103)	(4,343,625)
<b>Profit for the period</b>		<b>9,343,354</b>	<b>6,266,141</b>
Earnings per share - basic and diluted (Rupees)		36.57	24.53

The annexed notes 1 to 25 are an integral part of these condensed interim financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# Condensed Interim Statement of Comprehensive Income (Unaudited)

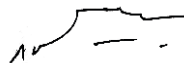
for the three months period ended March 31, 2026

	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
<b>Profit for the three months</b>	9,343,354	6,266,141
Other comprehensive income for the three months	-	-
<b>Total comprehensive income for the three months</b>	<b>9,343,354</b>	<b>6,266,141</b>

The annexed notes 1 to 25 are an integral part of these condensed interim financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# Condensed Interim Statement of Financial Position (Unaudited)

as at March 31, 2025

	Note	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
<b>Non current assets</b>			
Property, plant and equipment	11	29,228,915	28,763,826
Advance for capital expenditure		1,130,152	1,933,966
Employees' retirement benefits		582,360	583,212
Long term investment in subsidiary company	12	5,000	5,000
Long term deposits and prepayments		44,114	44,114
		<b>30,990,541</b>	<b>31,330,118</b>
<b>Current assets</b>			
Stock-in-trade		48,962,520	53,837,567
Stores and spares		751,581	673,348
Trade debts		3,062	2,650
Loans and advances	13	5,220,926	611,147
Short term prepayments		180,076	222,028
Other receivables	14	5,286,132	7,550,193
Short term investment		2,900,867	-
Cash and bank balances	15	5,085,484	1,694,868
		<b>68,390,648</b>	<b>64,591,801</b>
<b>Current liabilities</b>			
Trade and other payables	16	26,899,758	32,203,329
Other liabilities		4,041,705	4,764,532
Lease liability	17	769,921	569,898
Unpaid dividend		9,106,222	164,725
Unclaimed dividend		177,177	178,355
Current income tax liability		5,220,512	5,581,723
		<b>46,215,295</b>	<b>43,462,562</b>
<b>Net current assets</b>		<b>22,175,353</b>	<b>21,129,239</b>
<b>Non current liabilities</b>			
Lease liability	17	(3,364,928)	(3,821,691)
Deferred income tax liability		(1,699,870)	(1,673,689)
		<b>(5,064,798)</b>	<b>(5,495,380)</b>
<b>Net assets</b>		<b>48,101,096</b>	<b>46,963,977</b>
<b>Share capital and reserves</b>			
Share capital	19	2,554,938	2,554,938
Capital reserve		12,673,243	11,937,195
Revenue reserve - Unappropriated profit		32,872,915	32,471,844
<b>Shareholders' equity</b>		<b>48,101,096</b>	<b>46,963,977</b>

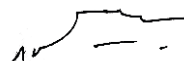
Contingencies and commitments 20

The annexed notes 1 to 25 are an integral part of these condensed interim financial statements.



Syed Ali Akbar

Managing Director & CEO



Ahad Khan

Chief Financial Officer & Director

# Condensed Interim Statement of Changes in Equity (Unaudited)

as at March 31, 2026

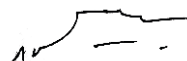
	Share capital Rs. '000	Revenue reserves Rs. '000	Capital reserve Rs. '000	Total Rs. '000
<b>Balance at January 1, 2025</b>	2,554,938	40,811,528	8,923,501	52,289,967
Total comprehensive income for the three months period	-	6,266,141	-	6,266,141
Non reciprocal capital contribution/waiver of liabilities	-	-	360,536	360,536
Transactions with owners of the Company: 1st Interim dividend for the year ended December 31, 2025	-	(7,664,814)	-	(7,664,814)
<b>Balance at March 31, 2025</b>	2,554,938	39,412,855	9,284,037	51,251,830
<b>Balance at January 1, 2026</b>	2,554,938	32,471,844	11,937,195	46,963,977
Total comprehensive income for the three months period	-	9,343,354	-	9,343,354
Non reciprocal capital contribution/waiver of liabilities	-	-	736,048	736,048
Transactions with owners of the Company: 1st Interim dividend for the year ending December 31, 2026	-	(8,942,283)	-	(8,942,283)
<b>Balance at March 31, 2026</b>	2,554,938	32,872,915	12,673,243	48,101,096

The annexed notes 1 to 25 are an integral part of these condensed interim financial statements.



Syed Ali Akbar

Managing Director & CEO



Ahad Khan

Chief Financial Officer & Director

# Condensed Interim Statement of Cash Flows (Unaudited)

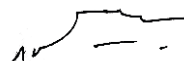
for the three months period ended March 31, 2026

	Note	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	14,132,671	4,089,708
Income tax paid		(6,980,133)	(4,272,593)
Contribution to retirement benefit funds		(188,115)	(189,941)
Net cash generated from operating activities		6,964,423	(372,826)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(1,068,648)	(998,575)
Advances for capital expenditure		803,814	375,942
Proceeds from sale of property, plant and equipment		140,299	311,912
Interest received		156,835	282,736
Net cash generated from investing activities		32,300	(27,985)
<b>Cash flows from financing activities</b>			
Dividends paid		(1,964)	(640,030)
Finance lease payments		(703,276)	(865,433)
Net cash used in financing activities		(705,240)	(1,505,463)
<b>Net increase in cash and cash equivalents</b>		6,291,483	(1,906,274)
Cash and cash equivalents at January 1		1,694,868	13,302,754
<b>Cash and cash equivalents at March 31</b>		7,986,351	11,396,480
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances	15	5,085,484	11,396,480
Short term investments		2,900,867	-
		7,986,351	11,396,480

The annexed notes 1 to 25 are an integral part of these condensed interim financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

## 1. The Company and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The Company is engaged in the manufacture and sale of cigarettes, tobacco and VELO.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad.

## 2. Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

## 3. Basis of preparation

These condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2025 ('last annual financial statements'). These condensed interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Comparative figures of condensed interim statement of financial position are extracted from the annual financial statements as of December 31, 2025 whereas comparative figures of condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the three months period ended March 31, 2025.

These condensed interim financial statements are un-audited and are being submitted to the members of the Company as required under Section 237 of the Companies Act, 2017, and the listing regulations of the Pakistan Stock Exchange.

## 4. Use of judgements and estimates

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including measurement of fair values were the same as those described in the last annual financial statements.

### Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or

# Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 5. Material accounting policies

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 financial statements as at and for the year ended December 31, 2025.

## 6. Standards issued but not effective

A number of new standards and amendments to standards are not yet effective, and earlier application is permitted; however, the Company has not early adopted the new or amended standards.

	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
<b>7. Cost of sales</b>		
Raw materials consumed		
Opening stock of raw materials and work in process	51,218,247	47,691,848
Raw material purchases and expenses	9,353,991	7,551,100
Closing stock of raw materials and work in process	(45,042,461)	(38,616,623)
	15,529,777	16,626,325
Excise duty, customs/regulatory duty and tobacco development cess	267,164	396,193
Production overheads	1,764,717	1,434,862
Cost of goods manufactured	17,561,658	18,457,380
Cost of finished goods:		
Opening stock	3,061,278	1,718,694
Closing stock	(3,920,059)	(3,388,765)
	(858,781)	(1,670,071)
	16,702,877	16,787,309
<b>8. Other operating expenses</b>		
Workers' Profit Participation Fund	902,731	578,591
Workers' Welfare Fund	357,022	223,650
	1,259,753	802,241
<b>9. Other income</b>		
Gain on disposal of property, plant and equipment	47,216	850
Others	854	936
	48,070	1,786
<b>10. Finance income</b>		

This includes profit from placement with banks in saving account and treasury bills earned under interest arrangement. The interest rates range between 7.50% and 10.56% (three months ended March 31, 2025 : 9.00% and 13.29%) per annum and is received on maturity.

# Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

(Unaudited)	March 31, 2026 (Audited) Rs. '000	December 31, 2025  Rs. '000
<b>11. Property, plant and equipment</b>		
Operating fixed assets - note 11.1	21,988,555	22,149,127
Capital work in progress - note 11.2	7,240,360	6,614,699
	<b>29,228,915</b>	<b>28,763,826</b>
<b>11.1 Operating fixed assets</b>		
Carrying amount at January 01	22,149,127	20,288,997
Additions during the three months period / year		
Owned Assets		
Buildings on free hold land	49,016	935,443
Plant and machinery	66,135	1,228,341
Office and household equipment	297,055	1,096,394
Furniture and fittings	1,666	191,897
	413,872	3,452,075
Right of use assets	47,361	747,397
Leased Assets		
Vehicles	215,476	1,225,502
	676,709	5,424,974
Disposals during the three months period / year (net book value):		
Plant and machinery	-	(404,505)
Vehicles	-	(3,322)
	-	(407,827)
Right of use assets	(31,464)	(4,603)
Leased Assets		
Vehicles	(61,619)	(267,518)
Depreciation/impairment charge for the three months period/year	(744,198)	(2,884,896)
Net book amount	<b>21,988,555</b>	<b>22,149,127</b>

**11.1.1** During the three months period ended March 31, 2026, the Company acquired assets, including transfers from capital work in progress, with a cost of Rs 676,709 thousand (three months period ended March 31, 2025: Rs 1,061,018 thousand). Operating fixed assets having net book value of Rs 93,083 thousand were disposed off during three months period ended March 31, 2026 (three months ended March 31, 2025: Rs. 311,062 thousand). Depreciation/impairment charge for three months period ended March 31, 2026 was Rs. 744,198 thousand (three months period ended March 31, 2025: Rs. 646,932 thousand).

# Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
<b>11.2 Capital work in progress</b>		
Carrying amount as at the beginning of the period / year	6,614,699	4,397,761
Additions during the three months period / year	912,555	5,329,840
	7,527,254	9,727,601
Transferred to operating fixed assets	(286,894)	(3,112,902)
Carrying amount as at end of the period / year	7,240,360	6,614,699

## 12. Long term investment in subsidiary company

This represents 500,001 (2025: 500,001) fully paid ordinary shares of Rs. 10 each in Phoenix (Private) Limited. The break up value of shares calculated by reference to net assets worked out to be Rs. 10 per share based on audited financial statements for the year ended December 31, 2025. This is a wholly owned subsidiary of the Company which has not yet commenced commercial production.

## 13. Loans and advances

These include non interest bearing advances to employees of Rs. 57,130 thousand (December 31, 2025 : Rs. 47,720 thousand)

## 14. Other receivables

These include following balances due from related parties:

	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
Holding company / associated companies	4,641,077	5,712,561
Subsidiary company	20,021	20,021
Employees' retirement benefit plans	71,226	361

## 15. Cash and bank balances

Cash at banks		
-Deposit accounts	3,988	3,988
-Current accounts - note 15.1	5,081,496	5,098,653
-Short term running finance	-	(3,407,773)
	5,085,484	1,694,868

**15.1** These include balances of Rs 3,600,688 thousand (December 31, 2025 : Rs 4,593,626 thousand) held in foreign currency accounts.

# Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
<b>16. Trade and other payables</b>		
These include following balances due to related parties:		
Holding company / associated companies	3,026,187	873,657
Employees' retirement benefit plans	1,535	9,793

## 17. Finance lease obligation

This represents lease agreements entered into with a leasing company for vehicles and IFRS 16 leases. Total lease rentals due under various lease agreements aggregate to Rs. 4,134,849 thousand - short term Rs. 769,921 thousand and long term Rs. 3,364,928 thousand (December 31, 2025: Rs. 4,391,589 thousand - short term Rs. 569,898 thousand and long term Rs. 3,821,691 thousand) and are payable in equal monthly instalments latest by March 2031. Taxes, repairs, replacement and insurance costs are to be borne by the Company. Financing rates of 11% to 23% (December 31, 2025: 11% to 23%) per annum have been used as discounting factor.

As per IFRS 16 all rental facilities of the Company with lease terms greater than one year have been capitalised as leased assets. When measuring the lease liabilities for leases that were capitalised during the period, the Company discounted lease payments using an estimated incremental borrowing rate and recorded lease obligation of Rs. 47,361 thousand (December 31, 2025: Rs. 747,397 thousand) during the period.

## 18. Short term running finance / export refinance

Short term finance facilities available under mark-up arrangements with banks amount to Rs. 17,000 million (December 31, 2025: Rs. 17,000 million), out of which the amount unavailed at the period end was Rs 17,000 million (December 31, 2025: Rs. 13,592 million). These facilities are secured by hypothecation of stock-in-trade and plant and machinery amounting to Rs. 20,002 million (December 31, 2025: Rs. 20,002 million). The mark-up ranges between 10.83% and 12.23% (December 31, 2025: 11.27% and 13.45%) per annum and is payable quarterly. The facilities are renewable on annual basis.

## 19. Share capital

Authorised share capital of the Company is Rs. 3,000,000 thousand (December 31, 2025: Rs. 3,000,000 thousand ) divided into 300,000,000 ordinary shares of Rs. 10 each. Issued, subscribed and paid up capital of the Company is Rs. 2,554,938 thousand (December 31, 2025: Rs. 2,554,938 thousand) divided into 255,493,792 ordinary shares of Rs. 10 each.

	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
<b>20. Contingencies and commitments</b>		
<b>20.1 Contingencies</b>		
Claims and guarantees		
(i) Claims against the Company not acknowledged as debt	3,024	3,024
(ii) Guarantees issued by banks on behalf of the Company	1,439,970	1,343,000

# Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
<b>20.2 Commitments</b>		
(i) Capital expenditure commitments outstanding	914,475	-
(ii) Letters of credit outstanding	4,251,727	3,686,248
(iii) Post dated cheques to collector of customs	6,423,688	6,423,688
	<u>Three months ended</u>	
	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
<b>21. Cash generated from operations</b>		
Profit before income tax	15,988,457	10,609,766
Adjustment for non-cash items:		
- Depreciation	744,198	646,932
- (Gain)/loss on disposal of property, plant and equipment	(47,216)	(850)
- Finance cost	212,814	256,417
- Finance income	(156,835)	(282,736)
- Forex (gain)/loss	12,470	62,298
- Provision for employee benefits	180,709	149,784
- Information technology cost	736,048	360,536
	1,682,188	1,192,381
Changes in working capital:		
- Stock-in-trade	4,875,047	6,836,603
- Stores and spares	(78,233)	(105,460)
- Trade debts	(412)	(4,213)
- Loans and advances	(4,609,779)	(15,699,613)
- Short term prepayments	41,952	(53,654)
- Other receivables	2,264,061	405,126
- Trade and other payables	(5,307,783)	1,382,248
- Other liabilities	(722,827)	(473,476)
	(3,537,974)	(7,712,439)
Changes in long term deposits and prepayments	-	-
	14,132,671	4,089,708

## Selected Notes to the Condensed Interim Financial Statements (Unaudited) for the three months period ended March 31, 2026

### 22. Financial instruments

#### 22.1 Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)		
		Loans and receivables	Other financial liabilities	Total	Loans and receivables	Other financial liabilities
		Rs. '000		Rs. '000		
<b>Financial assets measured at fair value</b>						
Short term investments		2,900,867	-	2,900,867	-	-
<b>Financial assets not measured at fair value</b>						
Deposits		44,114	-	44,114	44,114	44,114
Trade debts		3,062	-	3,062	2,650	2,650
Other receivables	14	5,214,906	-	5,214,906	5,306,523	5,306,523
Cash and bank balances	15	5,085,484	-	5,085,484	1,694,868	1,694,868
		13,248,433	-	13,248,433	7,048,155	7,048,155
<b>Financial liabilities measured at fair value</b>						
Financial liabilities not measured at fair value		-	-	-	-	-
Trade and other payables	16	-	(20,641,173)	(20,641,173)	-	(19,997,308)
Other liabilities		-	(4,041,705)	(4,041,705)	-	(4,764,532)
Lease liability		-	(4,134,849)	(4,134,849)	-	(4,391,589)
Unpaid dividend	17	-	(9,106,222)	(9,106,222)	-	(164,725)
Unclaimed dividend		-	(177,177)	(177,177)	-	(178,355)
		-	(38,101,126)	(38,101,126)	-	(29,496,509)

The Company has not disclosed the fair values of financial assets and financial liabilities as these are for short-term or reprice over short-term. Therefore, the carrying amounts are reasonable approximation of their values.

#### 22.2 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended December 31, 2025.

# Selected notes to the Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

## 23. Transactions with related parties

	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
<b>Purchase of goods and services</b>		
Holding company	3,558	-
Associated companies	3,136,896	132,933
<b>Sale of goods and services</b>		
Holding company	37,721	-
Associated companies	3,308,978	2,103,299
<b>Dividend declared</b>		
Holding company	8,436,930	7,231,655
Associated companies	27,940	23,948
<b>Contribution to retirement benefit plans by the Company</b>		
Staff defined contribution pension fund	92,387	70,952
Employee gratuity fund	49,059	41,055
Management provident fund	40,880	31,576
Employee provident fund	5,789	6,201

**23.1** The transactions with related parties as mentioned above are exclusive of the information technology services related costs of Rs. 736,048 thousand waived off by the Holding Company, which has been recognised in equity as capital reserve.

## 24. Events after the reporting date

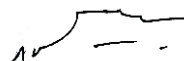
The Board of Directors in its meeting held on 28th April, 2026 has declared second interim dividend of Rs. 35.00 (2025: Rs. nil) per share. The interim dividend of Rs. 8,942,283 thousand (2025: Rs. nil) will be recorded as liability in the interim financial statements for the next quarter as required by the IAS 10 "Events after the Reporting Period". These condensed interim financial statements do not reflect this dividend.

## 25. Date of authorisation for issue

This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on April 28, 2026.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

**Consolidated Condensed  
Interim Financial Statements**  
for the three months period ended March 31, 2026

# Consolidated Condensed Interim Statement of Profit or Loss (Unaudited)

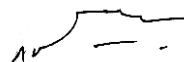
for the three months period ended March 31, 2026

	Note	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
Domestic turnover		99,587,640	73,733,678
Export turnover		2,681,230	6,188,330
<b>Gross turnover</b>		<b>102,268,870</b>	<b>79,922,008</b>
Excise duties		(48,178,482)	(37,478,534)
Sales tax		(15,993,540)	(11,793,369)
<b>Net turnover</b>		<b>38,096,848</b>	<b>30,650,105</b>
Cost of sales	7	(16,702,877)	(16,787,309)
<b>Gross profit</b>		<b>21,393,971</b>	<b>13,862,796</b>
Selling and distribution costs		(2,546,648)	(1,268,439)
Administrative expenses		(1,591,204)	(1,210,455)
Other operating expenses	8	(1,259,753)	(802,241)
Other income	9	48,070	1,786
		(5,349,535)	(3,279,349)
<b>Operating profit</b>		<b>16,044,436</b>	<b>10,583,447</b>
Finance income	10	156,835	282,736
Finance cost		(212,814)	(256,417)
Net finance income		(55,979)	26,319
<b>Profit before income tax</b>		<b>15,988,457</b>	<b>10,609,766</b>
Income tax expense - current		(6,497,457)	(4,280,985)
- deferred		(147,646)	(62,640)
		(6,645,103)	(4,343,625)
<b>Profit for the period</b>		<b>9,343,354</b>	<b>6,266,141</b>
Earnings per share - basic and diluted (Rupees)		36.57	24.53

The annexed notes 1 to 24 are an integral part of these consolidated condensed interim financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

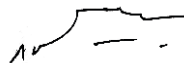
for the three months period ended March 31, 2026

	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
<b>Profit for the three months</b>	9,343,354	6,266,141
Other comprehensive income for the three months	-	-
<b>Total comprehensive income for the three months</b>	<b>9,343,354</b>	<b>6,266,141</b>

The annexed notes 1 to 24 are an integral part of these consolidated condensed interim financial statements.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# Consolidated Condensed Interim Statement of Financial Position (Unaudited)

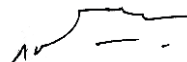
as at March 31, 2025<sup>6</sup>

	Note	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
<b>Non current assets</b>			
Property, plant and equipment	11	29,253,963	28,788,874
Advance for capital expenditure		1,130,152	1,933,966
Employees' retirement benefits		582,360	583,212
Long term deposits and prepayments		44,114	44,114
		31,010,589	31,350,166
<b>Current assets</b>			
Stock-in-trade		48,962,520	53,837,567
Stores and spares		751,581	673,348
Trade debts		3,062	2,650
Loans and advances	12	5,220,926	611,147
Short term prepayments		180,076	222,028
Other receivables	13	5,266,111	7,530,172
Short term investment		2,900,867	-
Cash and bank balances	14	5,085,484	1,694,868
		68,370,627	64,571,780
<b>Current liabilities</b>			
Trade and other payables	15	26,899,785	32,203,356
Other liabilities		4,041,705	4,764,532
Lease liability	16	769,921	569,898
Unpaid dividend		9,106,222	164,725
Unclaimed dividend		177,177	178,355
Current income tax liability		5,220,512	5,581,723
		46,215,322	43,462,589
<b>Net current assets</b>		22,155,305	21,109,191
<b>Non current liabilities</b>			
Lease liability	16	(3,364,928)	(3,821,691)
Deferred income tax liability		(1,699,870)	(1,673,689)
		(5,064,798)	(5,495,380)
<b>Net assets</b>		48,101,096	46,963,977
<b>Share capital and reserves</b>			
Share capital	18	2,554,938	2,554,938
Capital reserve		12,673,243	11,937,195
Revenue reserve - Unappropriated profit		32,872,915	32,471,844
<b>Shareholders' equity</b>		48,101,096	46,963,977
Contingencies and commitments	19		

The annexed notes 1 to 24 are an integral part of these consolidated condensed interim financial statements.



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Ahad Khan  
Chief Financial Officer & Director

# Consolidated Condensed Interim Statement of Changes in Equity (Unaudited)

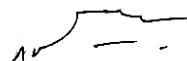
as at March 31, 2026

	Share capital Rs. '000	Revenue reserves Rs. '000	Capital reserve Rs. '000	Total Rs. '000
<b>Balance at January 1, 2025</b>	2,554,938	40,811,528	8,923,501	52,289,967
Total comprehensive income for the three months period	-	6,266,141	-	6,266,141
Non reciprocal capital contribution/waiver of liabilities	-	-	360,536	360,536
Transactions with owners of the Company: 1st Interim dividend for the year ended December 31, 2025	-	(7,664,814)	-	(7,664,814)
<b>Balance at March 31, 2025</b>	2,554,938	39,412,855	9,284,037	51,251,830
<b>Balance at January 1, 2026</b>	2,554,938	32,471,844	11,937,195	46,963,977
Total comprehensive income for the three months period	-	9,343,354	-	9,343,354
Non reciprocal capital contribution/waiver of liabilities	-	-	736,048	736,048
Transactions with owners of the Company: 1st Interim dividend for the year ending December 31, 2026	-	(8,942,283)	-	(8,942,283)
<b>Balance at March 31, 2026</b>	2,554,938	32,872,915	12,673,243	48,101,096

The annexed notes 1 to 24 are an integral part of these consolidated condensed interim financial statements.



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# Consolidated Condensed Interim Statement of Cash Flows (Unaudited)

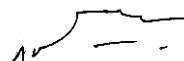
for the three months period ended March 31, 2026

	Note	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	14,132,671	4,089,708
Income tax paid		(6,980,133)	(4,272,593)
Contribution to retirement benefit funds		(188,115)	(189,941)
Net cash generated from operating activities		6,964,423	(372,826)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(1,068,648)	(998,575)
Advances for capital expenditure		803,814	375,942
Proceeds from sale of property, plant and equipment		140,299	311,912
Interest received		156,835	282,736
Net cash generated from investing activities		32,300	(27,985)
<b>Cash flows from financing activities</b>			
Dividends paid		(1,964)	(640,030)
Finance lease payments		(703,276)	(865,433)
Net cash used in financing activities		(705,240)	(1,505,463)
<b>Net increase in cash and cash equivalents</b>		6,291,483	(1,906,274)
Cash and cash equivalents at January 1		1,694,868	13,302,754
<b>Cash and cash equivalents at March 31</b>		7,986,351	11,396,480
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances	14	5,085,484	11,396,480
Short term investments		2,900,867	-
		7,986,351	11,396,480

The annexed notes 1 to 24 are an integral part of these consolidated condensed interim financial statements.



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Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director

# Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

## 1. The Group and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on November 18, 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The Company is engaged in the manufacture and sale of cigarettes, tobacco and VELO.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad.

Phoenix (Private) Limited (PPL) is a private limited company incorporated on March 9, 1992 in Azad Jammu and Kashmir under the Companies Ordinance, 1984. The registered office of PPL is situated at Bun Khurma, Chichian Road, Mirpur, Azad Jamu and Kashmir. The object for which the PPL has been incorporated is to operate and manage an industrial undertaking in Azad Jammu and Kashmir to deal in Tobacco products. PPL is dormant and has not commenced its commercial operations.

For the purpose of these consolidated financial statements, the Company and its wholly owned subsidiary PPL is referred to as the Group.

## 2. 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 Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

## 3. Basis of preparation

These consolidated condensed interim financial statements should be read in conjunction with the Group's latest annual financial statements as at and for the year ended December 31, 2025 ('last annual financial statements'). These consolidated condensed interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Comparative figures of consolidated condensed interim statement of financial position are extracted from the annual financial statements as of December 31, 2025 whereas comparative figures of consolidated condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited consolidated condensed interim financial statements of the Group for the three months period ended March 31, 2025.

These consolidated condensed interim financial statements are un-audited and are being submitted to the members of the Group as required under Section 237 of the Companies Act, 2017, and the listing regulations of the Pakistan Stock Exchange.

## 4. Use of judgements and estimates

In preparing these consolidated condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. 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 estimation uncertainty including measurement of fair values were the same as those described in the last annual financial statements.

# Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

## Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 5. Material accounting policies

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 as at and for the year ended December 31, 2025.

## 6. Standards issued but not effective

A number of new standards and amendments to standards are not yet effective, and earlier application is permitted; however, the Group has not early adopted the new or amended standards.

	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
<b>7. Cost of sales</b>		
Raw materials consumed		
Opening stock of raw materials and work in process	51,218,247	47,691,848
Raw material purchases and expenses	9,353,991	7,551,100
Closing stock of raw materials and work in process	(45,042,461)	(38,616,623)
	15,529,777	16,626,325
Excise duty, customs/regulatory duty and tobacco development cess	267,164	396,193
Production overheads	1,764,717	1,434,862
Cost of goods manufactured	17,561,658	18,457,380
Cost of finished goods:		
Opening stock	3,061,278	1,718,694
Closing stock	(3,920,059)	(3,388,765)
	(858,781)	(1,670,071)
	16,702,877	16,787,309
<b>8. Other operating expenses</b>		
Workers' Profit Participation Fund	902,731	578,591
Workers' Welfare Fund	357,022	223,650
	1,259,753	802,241
<b>9. Other income</b>		
Gain on disposal of property, plant and equipment	47,216	850
Others	854	936
	48,070	1,786
<b>10. Finance income</b>		

This includes profit from placement with banks in saving account and treasury bills earned under interest arrangement. The interest rates range between 7.50% and 10.56% (three months ended March 31, 2025 : 9.00% and 13.29%) per annum and is received on maturity.

# Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

(Unaudited)	March 31, 2026 (Audited) Rs. '000	December 31, 2025 Rs. '000
<b>11. Property, plant and equipment</b>		
Operating fixed assets - note 11.1	21,991,919	22,152,491
Capital work in progress - note 11.2	7,262,044	6,636,383
	<b>29,253,963</b>	<b>28,788,874</b>
<b>11.1 Operating fixed assets</b>		
Carrying amount at January 01	22,152,491	20,292,361
Additions during the three months period / year		
Owned Assets		
Buildings on free hold land	49,016	935,443
Plant and machinery	66,135	1,228,341
Office and household equipment	297,055	1,096,394
Furniture and fittings	1,666	191,897
	413,872	3,452,075
Right of use assets	47,361	747,397
Leased Assets		
Vehicles	215,476	1,225,502
	676,709	5,424,974
Disposals during the three months period / year (net book value):		
Plant and machinery	-	(404,505)
Vehicles	-	(3,322)
	-	(407,827)
Right of use assets	(31,464)	(4,603)
Leased Assets		
Vehicles	(61,619)	(267,518)
Depreciation/impairment charge for the three months period/year	(744,198)	(2,884,896)
Net book amount	<b>21,991,919</b>	<b>22,152,491</b>

**11.1.1** During the three months period ended March 31, 2026, the Company acquired assets, including transfers from capital work in progress, with a cost of Rs 676,709 thousand (three months period ended March 31, 2025: Rs 1,061,018 thousand). Operating fixed assets having net book value of Rs 93,083 thousand were disposed off during three months period ended March 31, 2026 (three months ended March 31, 2025: Rs. 311,062 thousand). Depreciation/impairment charge for three months period ended March 31, 2026 was Rs. 744,198 thousand (three months period ended March 31, 2025: Rs. 646,932 thousand).

# Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
<b>11.2 Capital work in progress</b>		
Carrying amount as at the beginning of the period / year	6,636,383	4,419,445
Additions during the three months period / year	912,555	5,329,840
	7,548,938	9,749,285
Transferred to operating fixed assets	(286,894)	(3,112,902)
Carrying amount as at end of the period / year	7,262,044	6,636,383

## 12. Loans and advances

These include non interest bearing advances to employees of Rs. 57,130 thousand (December 31, 2025 : Rs. 47,720 thousand)

## 13. Other receivables

These include following balances due from related parties:

	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
Holding company / associated companies	4,641,077	5,712,561
Employees' retirement benefit plans	71,226	361

## 14. Cash and bank balances

Cash at banks		
-Deposit accounts	3,988	3,988
-Current accounts - note 14.1	5,081,496	5,098,653
-Short term running finance	-	(3,407,773)
	5,085,484	1,694,868

**14.1** These include balances of Rs 3,600,688 thousand (December 31, 2025 : Rs 4,593,626 thousand) held in foreign currency accounts.

# Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
<b>15. Trade and other payables</b>		
These include following balances due to related parties:		
Holding company / associated companies	3,026,187	873,657
Employees' retirement benefit plans	1,535	9,793
<b>16. Finance lease obligation</b>		
<p>This represents lease agreements entered into with a leasing company for vehicles and IFRS 16 leases. Total lease rentals due under various lease agreements aggregate to Rs. 4,134,849 thousand - short term Rs. 769,921 thousand and long term Rs. 3,364,928 thousand (December 31, 2025: Rs. 4,391,589 thousand - short term Rs. 569,898 thousand and long term Rs. 3,821,691 thousand) and are payable in equal monthly instalments latest by March 2031. Taxes, repairs, replacement and insurance costs are to be borne by the Company. Financing rates of 11% to 23% (December 31, 2025: 11% to 23%) per annum have been used as discounting factor.</p> <p>As per IFRS 16 all rental facilities of the Company with lease terms greater than one year have been capitalised as leased assets. When measuring the lease liabilities for leases that were capitalised during the period, the Company discounted lease payments using an estimated incremental borrowing rate and recorded lease obligation of Rs. 47,361 thousand (December 31, 2025: Rs. 747,397 thousand) during the period.</p>		
<b>17. Short term running finance / export refinance</b>		
<p>Short term finance facilities available under mark-up arrangements with banks amount to Rs. 17,000 million (December 31, 2025: Rs. 17,000 million), out of which the amount unavailed at the period end was Rs 17,000 million (December 31, 2025: Rs. 13,592 million). These facilities are secured by hypothecation of stock-in-trade and plant and machinery amounting to Rs. 20,002 million (December 31, 2025: Rs. 20,002 million). The mark-up ranges between 10.83% and 12.23% (December 31, 2025: 11.27% and 13.45%) per annum and is payable quarterly. The facilities are renewable on annual basis.</p>		
<b>18. Share capital</b>		
<p>Authorised share capital of the Company is Rs. 3,000,000 thousand (December 31, 2025: Rs. 3,000,000 thousand ) divided into 300,000,000 ordinary shares of Rs. 10 each. Issued, subscribed and paid up capital of the Company is Rs. 2,554,938 thousand (December 31, 2025: Rs. 2,554,938 thousand) divided into 255,493,792 ordinary shares of Rs. 10 each.</p>		
	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000
<b>19. Contingencies and commitments</b>		
<b>19.1 Contingencies</b>		
Claims and guarantees		
(i) Claims against the Group not acknowledged as debt	3,024	3,024
(ii) Guarantees issued by banks on behalf of the Group	1,439,970	1,343,000

# Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

	March 31, 2026 (Unaudited) Rs. '000	December 31, 2025 (Audited) Rs. '000				
<b>19.2 Commitments</b>						
(i) Capital expenditure commitments outstanding	914,475	-				
(ii) Letters of credit outstanding	4,251,727	3,686,248				
(iii) Post dated cheques to collector of customs	6,423,688	6,423,688				
	<table border="1"> <thead> <tr> <th colspan="2">Three months ended</th> </tr> <tr> <th>Jan - Mar 2026 Rs. '000</th> <th>Jan - Mar 2025 Rs. '000</th> </tr> </thead> </table>		Three months ended		Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
Three months ended						
Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000					
<b>20. Cash generated from operations</b>						
Profit before income tax	15,988,457	10,609,766				
Adjustment for non-cash items:						
- Depreciation	744,198	646,932				
- (Gain)/loss on disposal of property, plant and equipment	(47,216)	(850)				
- Finance cost	212,814	256,417				
- Finance income	(156,835)	(282,736)				
- Forex (gain)/loss	12,470	62,298				
- Provision for employee benefits	180,709	149,784				
- Information technology cost	736,048	360,536				
	1,682,188	1,192,381				
Changes in working capital:						
- Stock-in-trade	4,875,047	6,836,603				
- Stores and spares	(78,233)	(105,460)				
- Trade debts	(412)	(4,213)				
- Loans and advances	(4,609,779)	(15,699,613)				
- Short term prepayments	41,952	(53,654)				
- Other receivables	2,264,061	405,126				
- Trade and other payables	(5,307,783)	1,382,248				
- Other liabilities	(722,827)	(473,476)				
	(3,537,974)	(7,712,439)				
Changes in long term deposits and prepayments	-	-				
	14,132,671	4,089,708				

# Selected Notes to the Consolidated Condensed Interim Financial Statements (Unaudited) for the three months period ended March 31, 2026

## 21. Financial instruments

### 21.1 Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)		
		Loans and receivables	Other financial liabilities	Total	Loans and receivables	Other financial liabilities
		Rs. '000		Rs. '000		
<b>Financial assets measured at fair value</b>						
Short term investments		2,900,867	-	2,900,867	-	-
<b>Financial assets not measured at fair value</b>						
Deposits		44,114	-	44,114	44,114	44,114
Trade debts		3,062	-	3,062	2,650	2,650
Other receivables	13	5,194,885	-	5,194,885	5,286,502	5,286,502
Cash and bank balances	14	5,085,484	-	5,085,484	1,694,868	1,694,868
		13,228,412	-	13,228,412	7,028,134	7,028,134
<b>Financial liabilities measured at fair value</b>						
<b>Financial liabilities not measured at fair value</b>						
Trade and other payables	15	-	(20,641,200)	(20,641,200)	-	(19,997,335)
Other liabilities		-	(4,041,705)	(4,041,705)	-	(4,764,532)
Lease liability		-	(4,134,849)	(4,134,849)	-	(4,391,589)
Unpaid dividend	16	-	(9,106,222)	(9,106,222)	-	(164,725)
Unclaimed dividend		-	(177,177)	(177,177)	-	(178,355)
		-	(38,101,153)	(38,101,153)	-	(29,496,536)

The Group has not disclosed the fair values of financial assets and financial liabilities as these are for short-term or repriced over short-term. Therefore, the carrying amounts are reasonable approximation of their values.

### 21.2 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended December 31, 2025.

# Selected notes to the Consolidated Condensed Interim Financial Statements (Unaudited)

for the three months period ended March 31, 2026

## 22. Transactions with related parties

	Jan - Mar 2026 Rs. '000	Jan - Mar 2025 Rs. '000
<b>Purchase of goods and services</b>		
Holding company	3,558	-
Associated companies	3,136,896	132,933
<b>Sale of goods and services</b>		
Holding company	37,721	-
Associated companies	3,308,978	2,103,299
<b>Dividend declared</b>		
Holding company	8,436,930	7,231,655
Associated companies	27,940	23,948
<b>Contribution to retirement benefit plans by the Company</b>		
Staff defined contribution pension fund	92,387	70,952
Employee gratuity fund	49,059	41,055
Management provident fund	40,880	31,576
Employee provident fund	5,789	6,201

**23.1** The transactions with related parties as mentioned above are exclusive of the information technology services related costs of Rs. 736,048 thousand waived off by the Holding Company, which has been recognised in equity as capital reserve.

## 24. Events after the reporting date

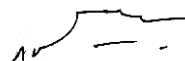
The Board of Directors in its meeting held on 28th April, 2026 has declared second interim dividend of Rs. 35.00 (2025: Rs. nil) per share. The interim dividend of Rs. 8,942,283 thousand (2025: Rs. nil) will be recorded as liability in the interim financial statements for the next quarter as required by the IAS 10 "Events after the Reporting Period". These consolidated condensed interim financial statements do not reflect this dividend.

## 25. Date of authorisation for issue

This consolidated condensed interim financial information has been authorised for issue by the Board of Directors of the Group on April 28, 2026.



Syed Ali Akbar  
Managing Director & CEO



Ahad Khan  
Chief Financial Officer & Director



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