Condensed interim financial information for the six months ended June 30, 2026

Nestlé
Good Food, Good Life

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Nestlé

NESTLÉ PAKISTAN LIMITED
DIRECTORS' REVIEW

The Directors of Nestlé Pakistan Limited (the "Company") are pleased to submit the half-year review report, along with the condensed interim financial statements of the Company for the six months period ended June 30, 2026.

Business Performance Review:

Net sales for the six-month period ended June 30, 2026 amounted to PKR 107 billion, representing an increase of 5.7% compared to the same period of the prior year. Despite sharp increase in fuel and energy prices driven by the US-Iran war, the Company successfully sustained business momentum through increased investment behind its brands, consumer centric innovations & renovations (I&R), focused marketplace executions, strengthened route-to-market for exports and disciplined pricing, where necessary.

Our focused investment in green energy initiatives, especially in the areas of solar and biomass, has helped us in partially offsetting the energy costs headwinds while reducing carbon emission. An improved topline, disciplined overhead management, and continuous focus on value chain optimization initiatives have resulted in an improvement of 5.7% in gross profit as compared to the same period of the prior year. However, this improvement in gross profit reduced to 2.8% at operating profit level mainly due to increased investment behind our brands and higher distribution costs, driven by fuel prices.

Net profit after tax was negatively impacted by higher incidence of taxation.

Keeping in view the geo-political situation, the Company continued its localization journey and strategically secured critical inventories, reducing foreign exchange exposure, strengthening supply chain resilience, and ensuring business continuity.

The financial performance for the six-month period is summarized below:

	Jan – Jun 2026	Jan – Jun 2025	Change
Net sales – PKR Million	107,023	101,292	5.7%
Gross profit – PKR Million	41,536	39,297	5.7%
Gross profit as % of net sales	38.8%	38.8%	
Operating profit – PKR Million	19,629	19,097	2.8%
Operating profit as % of net sales	18.3%	18.9%	
Net profit after tax – PKR Million	9,979	10,425	-4.3%
Net profit as % of sales	9.3%	10.3%	
Earnings per share – PKR	220.0	229.9	-4.3%

Future Outlook:

Due to on-going geopolitical instability, continued volatility in energy and other input costs, elevated inflation driven by fuel prices, the Company maintains a cautious outlook for the full year 2026. While inflationary pressures may continue to influence consumer spending and operating costs, the Company is well positioned to navigate these

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challenges by ensuring appropriate investment behind brands to strengthen its market leadership position in key product categories, focusing on achieving operational excellence, developing future ready high performing teams and advancing on its sustainability agenda to serve as a force for good.

For and on behalf of the
Board of Directors

jason avancena

Joselito Jr Avancena
Chief Executive Officer

Syed Yawar Ali

Syed Yawar Ali
Chairman

Lahore
Dated: July 23, 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF NESTLE PAKISTAN LIMITED

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Nestle Pakistan Limited as at 30 June 2026 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these 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 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 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 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 Matters

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 interim profit and loss account and interim statement of comprehensive income for the three months period ended 30 June 2026 and 30 June 2025 have not been reviewed by us.

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

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants
Lahore: 07 August 2026
UDIN: RR202610120DUuwzZ2JN

Nestlé Pakistan Limited

Condensed Interim Statement of Financial Position

As at June 30, 2026

	Note	(Un-audited) Jun 30, 2026	(Audited) Dec 31, 2025
		--- (Rupees in '000) ---	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
75,000,000 (2025: 75,000,000) ordinary shares of PKR 10 each		**750,000**	750,000
Issued, subscribed and paid up capital		**453,496**	453,496
Share premium - capital reserve		**249,527**	249,527
General reserve - revenue reserve		**280,000**	280,000
Accumulated profits - revenue reserve		**18,654,232**	20,285,092
		19,637,255	21,268,115
Non-current liabilities			
Long-term finances - secured		-	-
Lease liabilities		**1,323,531**	1,326,275
Long-term employee benefits		**5,928,926**	5,532,046
		7,252,457	6,858,321
Current liabilities			
Current portion of lease liabilities		**359,284**	473,319
Current maturity of long term finances		-	1,434,375
Running finance under mark-up arrangements - secured	4.	**3,708,911**	-
Trade and other payables		**60,310,335**	60,335,267
Contract liabilities		**993,640**	850,973
Income tax payable		**3,147,340**	2,126,681
Interest and mark-up accrued		**43,246**	956
Customer security deposits		**441,661**	440,742
Unclaimed dividend		**107,894**	104,647
		69,112,311	65,766,960
		96,002,023	93,893,396
Contingencies and commitments	5.		

	Note	(Un-audited) Jun 30, 2026	(Audited) Dec 31, 2025
		--- (Rupees in '000) ---	
ASSETS			
Non-current assets			
Property, plant and equipment	6.	**29,304,101**	30,131,584
Capital work-in-progress		**1,733,626**	2,526,967
Intangible assets		**77,476**	95,541
Deferred taxation		**5,407,293**	4,658,016
Long-term loans		**629,142**	583,462
		37,151,638	37,995,570
Current assets			
Current portion of long-term loans		**199,144**	172,020
Stores and spares		**4,848,853**	4,355,163
Stock-in-trade		**35,584,163**	24,818,457
Trade debts		**3,671,696**	3,177,030
Sales tax recoverable		**5,039,485**	5,923,212
Advances, deposits, prepayments and other receivables		**7,219,280**	3,954,754
Short term investments	7.	-	9,588,794
Cash and bank balances		**2,287,764**	3,908,396
		58,850,385	55,897,826
		96,002,023	93,893,396

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Joselito Jr A Avancena

MAQSOOD AHMAD ANJUM
Chief Financial Officer

JOSELITO JR AVANCENA
Chief Executive Officer

Syed Yawar Ali

SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited

Condensed Interim Statement of Profit or Loss

For the six month period ended June 30, 2026 (un-audited)

	Six-month period ended		**Three-month period ended**	
	Jun 30, 2026	Jun 30, 2025	**Jun 30, 2026**	Jun 30, 2025
	--- (Rupees in '000) ---		**--- (Rupees in '000) ---**	
Revenue from contracts with customers - net	**107,022,787**	101,292,322	**53,002,591**	50,914,491
Cost of goods sold	**(65,486,400)**	(61,995,759)	**(32,346,237)**	(30,689,857)
Gross profit	**41,536,387**	39,296,563	**20,656,354**	20,224,634
Distribution and selling expenses	**(18,323,671)**	(16,657,323)	**(9,368,196)**	(8,611,024)
Administration expenses	**(3,584,066)**	(3,542,630)	**(1,638,915)**	(1,836,342)
Operating profit	**19,628,650**	19,096,610	**9,649,243**	9,777,268
Finance cost	**(174,591)**	(333,178)	**(77,752)**	(154,881)
Other expenses	**(1,579,954)**	(1,634,766)	**(734,053)**	(931,934)
	(1,754,545)	(1,967,944)	**(811,805)**	(1,086,815)
Other income	**601,039**	255,436	**116,609**	175,614
Profit before final tax, minimum tax differential and income tax	**18,475,144**	17,384,102	**8,954,047**	8,866,067
Minimum tax differential	**(48,735)**	(139,996)	**(28,590)**	(90,877)
Profit before income tax	**18,426,409**	17,244,106	**8,925,457**	8,775,190
Income tax	**(8,447,771)**	(6,819,226)	**(4,558,404)**	(3,349,087)
Profit after taxation	**9,978,638**	10,424,880	**4,367,053**	5,426,103
Earnings per share basic and diluted (Rupees)	**220.04**	229.88	**96.30**	119.65

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Joselito Jr A Avancena

Syed Yawar Ali

MAQSOOD AHMAD ANJUM
Chief Financial Officer

JOSELITO JR AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited

Condensed Interim Statement of Comprehensive Income

For the six month period ended June 30, 2026 (un-audited)

	Six-month period ended		Three-month period ended	
	Jun 30, 2026	Jun 30, 2025	**Jun 30, 2026**	Jun 30, 2025
	--- (Rupees in '000) ---		**--- (Rupees in '000) ---**	
Profit after taxation	**9,978,638**	10,424,880	**4,367,053**	5,426,103
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss (net of tax)	-	-	-	-
Items that will not be reclassified subsequently to profit or loss (net of tax)	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**9,978,638**	10,424,880	**4,367,053**	5,426,103

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Joselito Jr A Avancena

MAQSOOD AHMAD ANJUM	**JOSELITO JR AVANCENA**	**SYED YAWAR ALI**
Chief Financial Officer	**Chief Executive Officer**	**Chairman / Director**

Nestlé Pakistan Limited

Condensed Interim Statement of Changes in Equity

For the six month period ended June 30, 2026 (un-audited)

	Share Capital	Capital reserves	Revenue reserves		
		Share premium	General reserve	Accumulated profits	Total
	(Rupees in '000)				
Balance as at January 01, 2025 (audited)	**453,496**	**249,527**	**280,000**	**17,600,015**	**18,583,038**
Total comprehensive income for the six-months ended June 30, 2025					
Profit after taxation	-	-	-	10,424,880	10,424,880
Other comprehensive income	-	-	-	-	-
	-	-	-	10,424,880	10,424,880
Transaction with owners directly recognized in equity					
Final dividend for the year ended December 31, 2024 (Rs. 30 per share)	-	-	-	(1,360,488)	(1,360,488)
Balance as at June 30, 2025 (un-audited)	**453,496**	**249,527**	**280,000**	**26,664,407**	**27,647,430**
Total comprehensive income for the six-months ended December 31, 2025					
Profit after taxation	-	-	-	6,819,041	6,819,041
Other comprehensive income	-	-	-	451,874	451,874
	-	-	-	7,270,915	7,270,915
Interim dividend for the six-month period ended June 30, 2025 (Rs. 223 per share)	-	-	-	(10,112,961)	(10,112,961)
Interim dividend for the nine-month period ended September 30, 2025 (Rs. 78 per share)	-	-	-	(3,537,269)	(3,537,269)
Balance as at December 31, 2025 (audited)	**453,496**	**249,527**	**280,000**	**20,285,092**	**21,268,115**
Total comprehensive income for the six-months ended June 30, 2026					
Profit after taxation	-	-	-	9,978,638	9,978,638
Other comprehensive income	-	-	-	-	-
	-	-	-	9,978,638	9,978,638
Transaction with owners directly recognized in equity					
Final dividend for the year ended December 31, 2025 (Rs. 256 per share)	-	-	-	(11,609,498)	(11,609,498)
Balance as at June 30, 2026 (un-audited)	**453,496**	**249,527**	**280,000**	**18,654,232**	**19,637,255**

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Joselito Jr A Avancena

Syed Yawar Ali

MAQSOOD AHMAD ANJUM	JOSELITO JR AVANCENA	SYED YAWAR ALI
Chief Financial Officer	Chief Executive Officer	Chairman / Director

Nestlé Pakistan Limited

Condensed Interim Statement of Cash Flows

For the six month period ended June 30, 2026 (un-audited)

	(Un-audited)	(Un-audited)
	Jun 30, 2026	Jun 30, 2025
	--- (Rupees in '000) ---	
Cash flow from operating activities		
Profit before taxation	**18,475,144**	17,384,102
Adjustment for non-cash charges and other items:		
Depreciation of property, plant and equipment	**2,288,709**	2,093,267
Amortization of intangible assets	**18,065**	8,048
Impairment reversal - net	**(22,650)**	-
Gain on disposal of property, plant and equipment - owned	**(13,048)**	(29,572)
Interest income	**(325,778)**	-
Provision for Workers' Profit Participation Fund	**945,319**	890,179
Provision for Workers' Welfare Fund	**431,242**	419,487
(Decrease) / Increase in provision for stores and spares	**(118,077)**	195,489
Charge / (Reversal) of provision for stock in trade - net	**204,837**	(524,588)
Exchange (gain) / loss unrealized	**(104,492)**	254,709
Final tax and minimum tax differential	**48,735**	139,996
Provision for defined benefits plans	**485,621**	289,310
Provision for long service awards	**220,259**	-
Finance cost	**174,591**	333,178
Profit before working capital changes	**22,708,477**	21,453,605
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets:		
Stores and spares	**(375,613)**	(289,924)
Stock-in-trade	**(10,970,543)**	(6,963,800)
Trade debts	**(494,666)**	(2,432,301)
Advances, deposits, prepayments and other receivables	**(3,323,736)**	968,512
Sales tax recoverable	**883,727**	(113,587)
Increase/ (decrease) in current liabilities:		
Trade and other payables	**457,982**	2,855,824
Contract liabilities	**142,667**	(606,787)
	(13,680,182)	(6,582,063)
Cash generated from operations	**9,028,295**	14,871,542
Increase in long term loans - net	**(72,804)**	(202,897)
Increase in customer security deposits - interest free	**918**	45,357
Contributions by the Company - net	**(309,000)**	(89,655)
Workers' Profit Participation Fund paid	**(1,521,166)**	(1,303,641)
Workers' Welfare Fund paid	**(233,817)**	(594,785)
Finance cost paid	**(24,226)**	(348,691)
Final tax and minimum tax differential paid	**(48,735)**	(139,996)
Income taxes paid	**(8,225,124)**	(4,701,694)
Net cash (used in) / generated from operating activities	**(1,405,659)**	7,535,540

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Nestlé Pakistan Limited

Condensed Interim Statement of Cash Flows (continued)

For the six month period ended June 30, 2026 (un-audited)

	Note	(Un-audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
		--- (Rupees in '000) ---	
Cash flow from investing activities			
Purchase of property, plant and equipment		**(676,400)**	(1,945,899)
Proceeds from disposal of short-term investments		**9,588,794**	-
Interest income received		**384,988**	-
Sale proceeds from disposal of property, plant and equipment		**44,213**	43,475
Net cash generated from / (used in) investing activities		**9,341,595**	(1,902,424)
Cash flow from financing activities			
Long-term loans repaid		**(1,434,375)**	(3,000,000)
Short-term borrowings obtained		-	3,800,000
Short-term borrowings repaid		-	(2,000,000)
Lease rentals paid		**(224,853)**	(155,677)
Dividends paid		**(11,606,251)**	(1,360,488)
Net cash used in financing activities		**(13,265,479)**	(2,716,165)
Net (decrease) / increase in cash and cash equivalents		**(5,329,543)**	2,916,951
Cash and cash equivalents at beginning of the period		**3,908,396**	1,661,851
Cash and cash equivalents at end of the period	*8.*	**(1,421,147)**	4,578,802

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

Joselito Jr A Avancena

MAQSOOD AHMAD ANJUM	**JOSELITO JR AVANCENA**	**SYED YAWAR ALI**
Chief Financial Officer	**Chief Executive Officer**	**Chairman / Director**

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the six month period ended June 30, 2026 (un-audited)

1. Legal status and nature of business

Nestlé Pakistan Limited ("the Company") is a public limited company incorporated in Pakistan - under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) - and its shares are quoted on Pakistan Stock Exchange. The Company is a subsidiary of Société des Produits Nestlé S.A. (SPN), the Holding Company, which in turn is a wholly owned subsidiary of Nestlé S.A., the Ultimate Parent Company, incorporated in Switzerland.

The Company is principally engaged in manufacturing, processing and sale of dairy, nutrition, beverages and food products including imported products. Registered office (which is also the Head Office) of the Company is situated at Packages Mall, Shahrah-e-Roomi, PO Amer Sidhu, Lahore.

The geographical locations and addresses of the Company's manufacturing facilities are as under:

Manufacturing Facilities	Address
Sheikhupura factory	29-km Lahore – Sheikhupura Road, Sheikhupura, Pakistan
Kabirwala factory	10-km, Khanewal Road, Kabirwala, District Khanewal, Pakistan
Port Qasim factory	Plot No. A23, North Western Industrial Area, Port Qasim Karachi, Pakistan
Islamabad factory	Plot No. 32 Street No 3 Sector I-10/3 Industrial Area Islamabad, Pakistan.

2. Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements comprise the condensed interim statement of financial position of the Company as at June 30, 2026 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of changes in equity and the condensed interim statement of cash flows together with the notes forming part thereof.

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange Limited.

These condensed interim financial statements of the Company 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; and
- Provisions of, directives and notifications issued under 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 financial statements do not include all the information required for annual financial statements and should be read in conjunction with the annual audited financial statements as at and for the year ended December 31, 2025. Comparative condensed interim statement of financial position is stated from annual audited financial statements as of December 31, 2025, whereas comparatives for 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 and related notes are extracted from condensed interim financial statements of the Company for the six-month period ended June 30, 2025.

2.2 Judgements and estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to and disclosed in the financial statements as at and for the year ended December 31, 2025.

3. Summary of significant accounting policies

3.1 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 for the year ended December 31, 2025, except as mentioned in note 3.2.

3.2 The Company adopted following new amendments to the approved accounting standards which became effective during the period, however these are not considered to be relevant or have any significant effect on the financial statements:

New Standards, Interpretations and Amendments

IFRS 9 and IFRS 7	Classification and Measurement of Financial IFRS 7 Instruments - (Amendments)
IFRS 9 and IFRS 7	Contracts Referencing Nature–dependent Electricity - (Amendments)
IFRS 17	Insurance Contracts

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The Company expects that above mentioned standards will not have any material impact on the Company's condensed interim financial statements in the period of initial application.

4. Running finance under mark–up arrangements – secured

The Company has obtained short–term running finances from various banks under mark–up arrangements having an aggregate limit of Rs. 50,845 million (2025: Rs. 47,845 million). The mark–up on these facilities ranges from 10.58% to 12.03% (2025: 11.24% to 12.47%) per annum. These facilities are secured by a first joint pari passu hypothecation charge amounting to Rs. 28,293 million (2025: Rs. 28,293 million) over fixed assets and Rs. 21,700 million (2025: PKR 21,700 million) over current assets of the Company.

5. Contingencies and commitments

5.1 There has been no significant change in the status of the contingencies reported in the annual audited financial statements for the year ended December 31, 2025.

	(Un-audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
	----- (Rupees in '000) -----	
5.2 Guarantees		
Outstanding guarantees	**809,586**	806,025
5.3 Commitments		
5.3.1 Letters of credit		
Outstanding letters of credit	**5,566,479**	9,398,720
5.3.2 Commitments in respect of capital expenditure	**982,722**	330,955

6. Property, plant and equipment

	(Un-audited) Jun 30, 2026	(Audited) Dec 31, 2025
Opening balance - net book value	**30,131,584**	29,407,234
Additions during the period / year		
Land and building (on freehold land)	**120,805**	861,247
Plant and machinery	**1,175,475**	3,725,505
Furniture and fixtures	**13,670**	15,885
Vehicles	**-**	170,227
IT equipment	**153,219**	370,576
Right-of-use assets	**6,572**	516,532
	1,469,741	5,659,973
	31,601,325	35,067,207
Book value of property, plant and equipment disposed off during the period / year	**(31,165)**	(160,137)
Depreciation charged during the period / year	**(2,288,709)**	(4,348,393)
Impairment reversed / (charged) during the period / year	**22,650**	(427,093)
Closing balance - Net book value	**29,304,101**	30,131,584

7. Short–term investments

Treasury Bills	**-**	9,588,794

These represented investments in Treasury Bills which have been matured / disposed off during period ended June 30, 2026. The carried profit rates of Treasury Bills ranged from 9.80% to 10.86%.

8. Cash and cash equivalents

	(Un-audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
	----- (Rupees in '000) -----	
Cash and bank balances	**2,287,764**	4,888,683
Running finance under mark-up arrangements - secured	**(3,708,911)**	(309,881)
	(1,421,147)	4,578,802

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Nestlé Pakistan Limited
Notes to the Condensed Interim Financial Statements
For the six month period ended June 30, 2026 (un-audited)

9. Transactions with related parties

The related parties comprise of holding company, associated companies, other related companies, key management personnel and employees retirement benefit funds. The Company in the normal course of business carries out transactions with various related parties. Significant transactions with related parties are as follows:

	(Un-audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
	----- (Rupees in '000) -----	
Associated companies		
General licensing fee	**3,853,266**	3,554,830
Dividends	**6,436,494**	1,108,934
Interest on long term loan	**17,985**	56,824
Purchase of goods, services, assets and rent expense	**9,684,755**	9,357,156
Sale of goods	**681,920**	211,807
Insurance premium paid	**467,925**	376,200
Insurance claims received	**18,423**	42,109
Other related parties		
Contribution to staff retirement benefit plans	**581,824**	930,780
Remuneration to key management personnel	**5,109,592**	4,653,992

All transactions with related parties have been carried out on mutually agreed terms and conditions.

10. Segment reporting

Segment information is presented in respect of the Company's business. The chief decision maker allocates resources and monitors performance based on business segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year.

The Company's operations comprise of the following main business segments and product categories:

i) **Dairy and Nutrition Products**
Milk based products

ii) **Powdered and Liquid Beverages**
Juices, drinking water and powdered drinks

iii) **Other Products**
Confectionery, cereals and other products

10.1 Segment analysis for the six-month period ended June 30, 2026 (un-audited)

	Dairy and Nutrition Products	**Powdered and Liquid Beverages**	**Other Products**	**Total**
	------------------------ (Rupees in '000) ------------------------			
Revenue from contracts with customers	83,374,882	23,103,306	544,599	107,022,787
Depreciation and amortization	1,518,721	769,624	18,429	2,306,774
Operating profit before tax and unallocated expenses	17,789,546	1,751,990	87,114	19,628,650
Unallocated corporate expenses:				
Finance cost				(174,591)
Other expenses				(1,579,954)
Other income				601,039
Minimum tax differential				(48,735)
Taxation				(8,447,771)
Profit after taxation				9,978,638

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Segment analysis for the six-month period ended June 30, 2025 (un-audited)

	Dairy and Nutrition Products	Powdered and Liquid Beverages	Other Products	Total
	------------------------ (Rupees in '000) ------------------------			
Revenue from contracts with customers	78,027,813	22,874,288	390,221	101,292,322
Depreciation and amortization	1,436,945	647,277	17,093	2,101,315
Operating profit before tax and unallocated expenses	16,499,923	2,525,684	71,003	19,096,610
Unallocated corporate expenses:				
Finance cost				(333,178)
Other operating expenses				(1,634,766)
Other income				255,436
Minimum tax differential				(139,996)
Taxation				(6,819,226)
Profit after taxation				10,424,880

There is no inter segment revenue between operating segments.

10.2 Reportable segment assets and liabilities

As at June 30, 2026 (un-audited)

	Dairy and Nutrition Products	Powdered and Liquid Beverages	Other Products	Total
	------------------------ (Rupees in '000) ------------------------			
Segment assets	55,503,989	34,297,965	115,718	89,917,672
Unallocated assets				6,084,351
Total assets				96,002,023
Segment equity and liabilities	29,237,828	8,603,544	64,262	37,905,634
Unallocated equity and liabilities				58,096,389
Total equity and liabilities				96,002,023

	Dairy and Nutrition Products	Powdered and Liquid Beverages	Other Products	Total
	------------------------ (Rupees in '000) ------------------------			
As at December 31, 2025 (audited)				
Segment assets	60,517,670	19,072,712	35,776	79,626,158
Unallocated assets				14,267,238
Total assets				93,893,396
Segment equity and liabilities	28,530,299	7,768,784	79,566	36,378,649
Unallocated equity and liabilities				57,514,747
Total equity and liabilities				93,893,396

10.3 Geographical segments

Sales are made by the Company in the following countries:

	(Un-audited) 30-Jun-26	(Un-audited) 30-Jun-25
	----- **(Rupees in '000)** -----	
Pakistan	**104,901,733**	99,577,238
United States of America	**782,608**	224,274
Philippines	**443,329**	154,824
Afghanistan	-	810,781
Other countries	**895,117**	525,205
	107,022,787	101,292,322

The Company manages and operates manufacturing facilities and sales offices in Pakistan only.

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11. Disclosure requirement for companies not engaged in shariah non-permissible business activities

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

Description	Explanation	(Un-audited) Jun 30, 2026	(Audited) Dec 31, 2025
		----- (Rupees in '000) -----	
Statement of Financial Position			
Assets			
Loan to employees (including current portion)	Shariah compliant	828,286	755,482
Advances, deposits and prepayments	Shariah compliant	7,219,280	3,954,754
Long-term investments	Shariah compliant	-	-
Short-term investments	Shariah compliant	-	-
Bank balances	Shariah compliant	7,761	55,690
		8,055,327	4,765,926
Liabilities			
Long-term financing obtained	Shariah compliant	-	-
Mark-up accrued on conventional loans and advances	Non – shariah	34,168	956
Running finance under mark-up arrangements	Shariah compliant	371,485	-
		405,653	956

	Explanation	(Un-audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
Statement of Profit or Loss		----- (Rupees in '000) -----	
Revenue earned from Shariah-compliant business segments		107,022,787	101,292,322
Profit paid on Islamic mode of financing		31	5,160
Sources and detailed breakup of other income			
Income on loans, deposits and investments	Non – shariah	287,589	68,546
	Shariah compliant	38,189	29,792
		325,778	98,338
Gain on re–measurement of foreign currency balances	Non – shariah	104,492	-
	Shariah compliant	-	-
		104,492	-
Gain on sale of property, plant and equipment & scrap sales	Non – shariah	-	-
	Shariah compliant	148,119	157,098
		148,119	157,098
Other income / (loss)	Non – shariah	-	-
	Shariah compliant	22,650	-
		22,650	-
		601,039	**255,436**

Relationship with Shariah–compliant financial institutions

The Company has relationships with banks, having Islamic window of operations, in respect of bank balances amounting to Rs. 7.76 million (2025: Rs. 55.69 million) and availed borrowing facilities amounting to Rs. 371.49 million (2025: Rs. Nil).

12. Financial risk management

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

There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended December 31, 2025.

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the six month period ended June 30, 2026 (un-audited)

13. General

These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency. Figures have been rounded off to the nearest thousand of rupee.

14. Corresponding figures

Corresponding figures have been re-arranged and re-classified wherever necessary, for the purpose of comparison. However no significant reclassification has been made during the period.

15. Subsequent events

15.1 The Board of Directors in their meeting held on July 23, 2026 have proposed an interim cash dividend for the six month period ended June 30, 2026 of Rs. 213 (June 30, 2025: Rs. 223) per share, amounting to Rs. 9,659.46 million (June 30, 2025: Rs. 10,112.96 million). These condensed interim financial statements do not reflect this dividend.

15.2 On 23 July 2026, the Company's majority shareholder, Nestlé S.A., announced that it had entered into an exclusive arrangement with Platinum Equity to establish a 50:50 joint venture for Nestlé's waters and premium beverages business. The announcement further stated that the water and premium beverages business in Pakistan (included within Powdered and Liquid Beverages segment in note 10) are included within the scope of the proposed transaction. The proposed transaction remains subject to definitive agreements, corporate and regulatory approvals and is expected to close in the first half of 2027.

16. Date of authorization for issue

These un-audited condensed interim financial statements were authorized for issue on July 23, 2026 by the Board of Directors.

Joselito Jr A Avancena

Syed Yawar Ali

MAQSOOD AHMAD ANJUM	**JOSELITO JR AVANCENA**	**SYED YAWAR ALI**
Chief Financial Officer	**Chief Executive Officer**	**Chairman / Director**