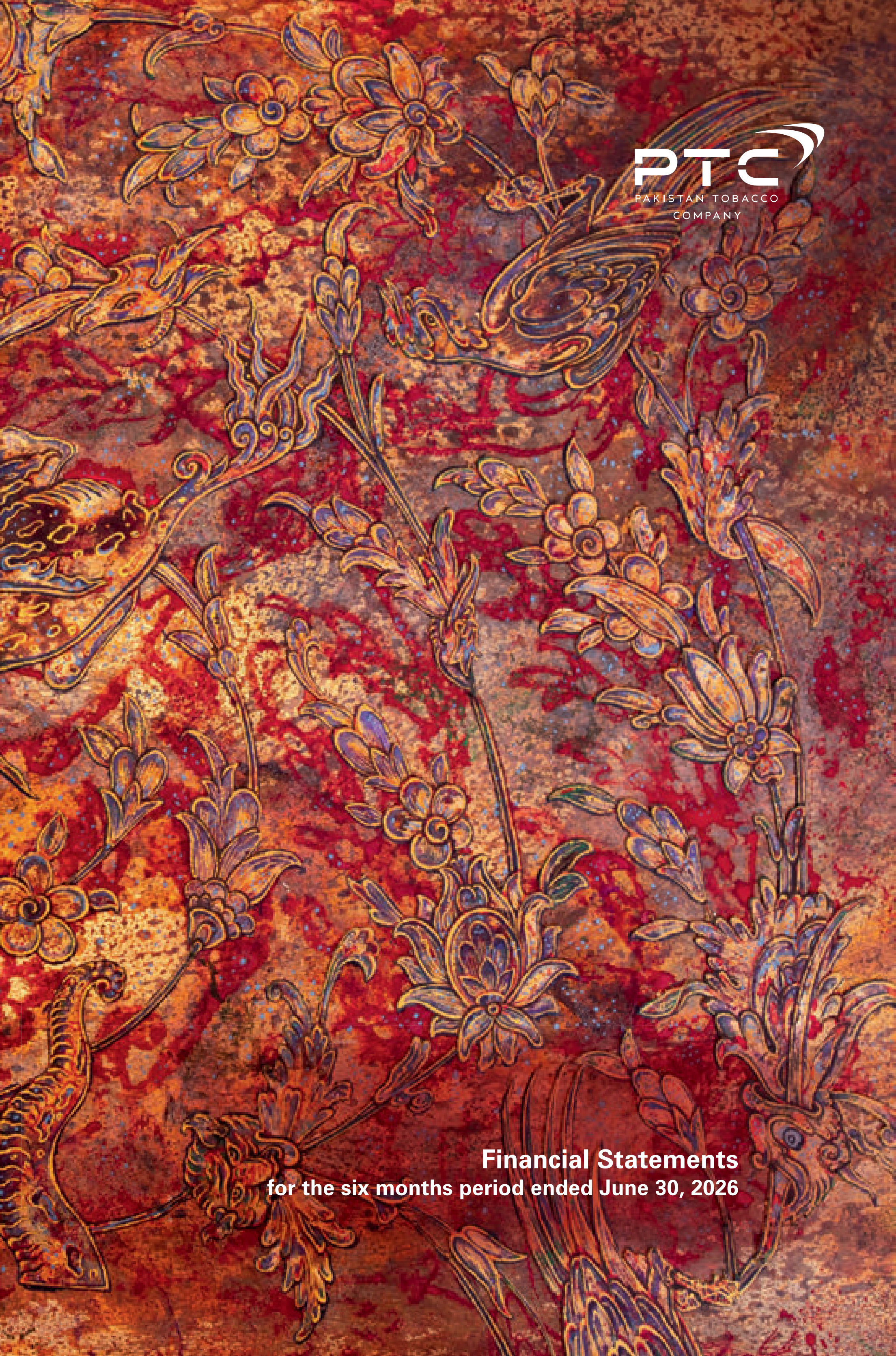

PAKISTAN TOBACCO COMPANY

Financial Statements

for the six months period ended June 30, 2026

Contents

Corporate Information

Board of Directors

Nasir Mahmood Khan Khosa
Chairman & Independent Director

Usman Zahur
Managing Director & CEO

Ahad Khan
Director Finance/IT

Syed Asad Ali Shah
Director Legal and Corporate & Regulatory Affairs

Syed Ali Akbar
Area Head of Marketing - APMEA Central

Wael Sabra
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

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
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 half-year report together with the condensed interim financial statements for the six-month period ended June 30, 2026.

During the first half of 2026, Pakistan's economy continued to operate within a challenging global environment. Against this backdrop, the Federal Budget introduced by the Government was aimed at further strengthen thr country's macro-economic framework. Consequently improving the economic outlook through measures designed to stimulate business activity and investment. Measures aimed at broadening the tax net coupled with relief for the corporate sector through a reduction in the Super Tax, as well as income tax amendments benefiting the salaried class has positively impacted sentiment in the the business community. The Government's decision to retain the existing FED and GST structure for cigarettes is expected to support the sustainability of the tax-compliant tobacco sector, enabling stable growth and contributing to increased government revenue collection over the longer term. At the same time, increased government enforcement against the illicit cigarette trade has begun to yield positive results, supporting a level playing field and strengthening the legitimate tobacco sector.

Despite these developments, the illicit cigarette market continues to represent a significant challenge to the industry and the national economy. The widespread availability of non-duty-paid products continues to undermine compliant businesses, distort fair competition, and deprive the national exchequer of substantial revenues, with annual losses estimated to exceed PKR 250 billion. PTC remains supportive of the Government's ongoing efforts to combat illicit trade and remains committed to working with all stakeholders to promote a regulated and compliant marketplace.

Against this backdrop, PTC delivered strong results through disciplined execution of its strategic priorities and is on track to deliver another year of exemplary performance for the shareholders, supported by continued focus on consumer needs, operational efficiencies, and effective resource allocation.

Whilst continuing to invest in our core segment of Cigarettes which continue to win consumers from competition, we remain aligned with BAT Group's vision of building a Smokeless World. We have added forty thousand consumers (bringing the total to 0.6 million) in our Modern Oral brand, Velo which now accounts for 5.1% of PTC's net turnover which grew 31% compared to the corresponding period last year. While further growth opportunities remain, consumer adoption of Velo continued during the period as the brand strengthened its position within the modern oral category. The Company will continue to support the development of its modern oral portfolio during the remainder of the year as part of its multi-category strategy.

Investments across the Company's multi-category portfolio and capabilities, together with commercial initiatives implemented during the period, contributed to a 24% increase in domestic cigarette volumes and a 20% increase in net turnover compared to the corresponding period last year. A major factor for this growth in domestic cigarette volumes was also the enhanced enforcement measures by the Government to curtail illicit cigarette trade which resulted in shifting consumer preference away from illicit brands in favour of legitimate duty paid cigarette brands in Pakistan.

Key financial indicators of the Company for the period ending June 30, 2026, are summarized below:

	Rs. (million)	
	Jan'26 – June'26	**Jan'25 – June'25**
Gross Turnover	221,787	184,087
FED & Sales Tax	(138,717)	(114,694)
Net Turnover	83,069	69,393
Cost of Sales	(42,155)	(36,552)
Gross Profit	40,914	32,841
Operating Profit	30,325	24,137
Profit Before Tax – PBT	30,485	24,845
Profit After Tax – PAT	18,527	14,259
Earnings Per Share – EPS (Rs)	72.52	55.81

Despite inflationary pressures, Cost of Sales were contained, increasing 15% despite the volumetric growth in sales, reflecting productivity initiatives and cost management measures implemented during the period. Driven by strong commercial performance and effective margin management, Gross Profit increased by 25% to PKR 40.9 billion, contributing to a 30% increase in Profit After Tax and Earnings Per Share of PKR 72.52, compared to PKR 55.81 in the same period last year.

Based on the Company's strong financial performance during the period, the Board of Directors is pleased to declare a third interim cash dividend of PKR 35.00 per share, bringing the aggregate payout for the period to PKR 105.00 per share.

Building on the strong momentum generated in the first half of 2026, the Company enters the remainder of the year from a position of strength, with positive momentum across its entire portfolio. While external uncertainties, ongoing challenges from the illicit cigarette trade, and market volatility continue to impact the operating environment, management remains confident in the resilience of the Company's strategy and its ability to capitalize on emerging opportunities. Through continued investment in innovation, risk management, and cost optimization initiatives, PTC remains focused on delivering long-term value for its stakeholders. These strategic priorities, underpinned by our commitment to innovation and operational effectiveness, will continue to drive Quality Growth, a Sustainable Future, and a Dynamic Business.

During the second quarter ended June 2026, Syed Ali Akbar stepped down as CEO of PTC to take on a BAT area role. The Board thanks him for his leadership during a challenging period and welcomes his successor, Usman Zahur, a seasoned PTC leader returning to Pakistan after senior roles in Hong Kong and Germany.

Nasir Mahmood Khan Khosa
Chairman

Usman Zahur
Managing Director & CEO

30 جون 2026 کو ختم ہونے والی مدت کے اہم مالیاتی اشاریے

	Rs. (million)	
	Jan'26 – June'26	**Jan'25 – June'25**
Gross Turnover	221,787	184,087
FED & Sales Tax	(138,717)	(114,694)
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Earnings Per Share – EPS (Rs)	72.52	55.81

افراطِ زر کے دباؤ کے باوجود فروخت کی لاگت میں مؤثر کنٹرول بر قرار رکھا گیا اور فروخت کے حجم میں نمایاں اضافے کے باوجود فروخت کی لاگت میں صرف 15 فیصد اضافہ ہوا، جو پیداواری استعداد میں بہتری اور لاگت کے انتظامی اقدامات کی عکاسی کرتا ہے۔ مضبوط تجارتی کارکردگی اور مؤثر منافع کے انتظام کے باعث مجموعی منافع 25 فیصد بڑھ کر 40.9 ارب روپے تک پہنچ گیا، جس کے نتیجے میں بعد از ٹیکس منافع میں 30 فیصد اضافہ ہوا جبکہ فی حصص آمدنی 72.52 روپے رہی، جو گزشتہ سال کی اسی مدت کے 55.81 روپے کے مقابلے میں نمایاں زیادہ ہے۔

مدت کے دوران کمپنی کی مضبوط مالیاتی کارکردگی کو مدنظر رکھتے ہوئے بورڈ آف ڈائریکٹرز فی حصص 35.00 **روپے** کے تیسرے عبوری نقد منافع کا اعلان کرتے ہوئے خوشی محسوس کرتا ہے، جس کے بعد مجموعی منافع کی ادائیگی 105.00 **روپے** فی حصص ہو جائے گی۔

سال 2026 کے پہلے نصف میں حاصل ہونے والی مضبوط کارکردگی کی بدولت کمپنی سال کے باقی حصے میں بھی ایک مضبوط بنیاد کے ساتھ داخل ہو رہی ہے اور اس کے تمام پورٹ فولیو میں مثبت رفتار بر قرار ہے۔ اگرچہ بیرونی غیر یقینی صورتحال، غیر قانونی سگریٹ تجارت کے مسلسل چیلنجز اور مارکیٹ کا اتار چڑھاؤ کاروباری ماحول کو متاثر کرتے رہتے ہیں، تاہم انتظامیہ کو کمپنی کی حکمت عملی کی مضبوطی اور ابھرتے ہوئے مواقع سے فائدہ اٹھانے کی صلاحیت پر مکمل اعتماد ہے۔ جدت، رسک مینجمنٹ اور لاگت میں بہتری کے اقدامات میں مسلسل سرمایہ کاری کے ذریعے پی ٹی سی تمام متعلقہ فریقین کے لیے طویل المدتی قدر پیدا کرنے پر توجہ مرکوز کیے ہوئے ہے۔ ہماری یہ ترجیحات، جو جدت اور آپریشنل مؤثریت کے عزم سے تقویت پاتی ہیں، معیار پر مبنی ترقی، پائیدار مستقبل اور متحرک کاروبار کی بنیاد فراہم کرتی رہیں گی۔

جون 2026 کو ختم ہونے والی دوسری سہ ماہی کے دوران، سید علی اکبر نے بی اے ٹی میں علاقائی ذمہ داریاں سنبھالنے کی غرض سے پی ٹی سی کے چیف ایگزیکٹو آفیسر کے عہدے سے استعفیٰ دیا۔ بورڈ ان کی قیادت اور چیلنجنگ حالات میں خدمات پر ان کا شکریہ ادا کرتا ہے اور ان کے جانشین عثمان ظہور کو خوش آمدید کہتا ہے، جو پی ٹی سی کے ایک تجربہ کار رہنما ہیں اور ہانگ کانگ اور جرمنی میں اعلیٰ ذمہ داریاں نبھانے کے بعد پاکستان واپس آئے ہیں۔

Nasir Mahmood Khan

ناصر محمود خان کھوسہ
چیرمین

Usman Zahur

عثمان ظہور
مینجنگ ڈائریکٹر و چیف ایگزیکٹو آفیسر

ڈائریکٹرز کا جائزہ

کمپنی کی کارکردگی برائے 30 جون 2026

پاکستان ٹوبیکو کمپنی لمیٹڈ ("کمپنی" یا "پی ٹی سی") کے ڈائریکٹرز خوشی کے ساتھ 30 جون 2026 کو ختم ہونے والی ششماہی مدت کے لیے عبوری مالیاتی بیانات کے ساتھ یہ ششماہی رپورٹ پیش کرتے ہیں۔

سال 2026 کے پہلے نصف کے دوران پاکستان کی معیشت نے ایک مشکل عالمی ماحول میں اپنی سرگرمیاں جاری رکھیں۔ اس پس منظر میں حکومت کی جانب سے پیش کیا گیا وفاقی بجٹ ملک کے معاشی ڈھانچے کو مزید مضبوط بنانے کی جانب ایک اہم قدم ثابت ہوا، جس کے نتیجے میں کاروباری سرگرمیوں اور سرمایہ کاری کے فروغ کے ذریعے معاشی امکانات میں بہتری آئی۔ ٹیکس نیٹ کو وسیع کرنے کے اقدامات، سپر ٹیکس میں کمی کے ذریعے کارپوریٹ شعبے کو ریلیف، اور تنخواہ دار طبقے کے لیے انکم ٹیکس میں ترامیم نے کاروباری برادری کے اعتماد پر مثبت اثر ڈالا۔ حکومت کی جانب سے سگریٹ پر فیڈرل ایکسائز ڈیوٹی (FED) اور سیلز ٹیکس (GST) کے موجودہ ڈھانچے کو برقرار رکھنے کا فیصلہ ٹیکس ادا کرنے والی تمباکو صنعت کی پائیدار ترقی میں معاون ثابت ہونے کی توقع ہے، جس سے طویل مدت میں سرکاری محصولات میں بھی اضافہ ہوگا۔ اسی دوران غیر قانونی سگریٹ تجارت کے خلاف حکومتی کارروائیوں میں اضافے کے مثبت نتائج سامنے آنا شروع ہوئے ہیں، جس سے منصفانہ مسابقتی ماحول کو فروغ ملا اور قانونی تمباکو صنعت مزید مستحکم ہوئی۔

ان مثبت پیش رفتوں کے باوجود، غیر قانونی سگریٹ مارکیٹ بدستور صنعت اور قومی معیشت کے لیے ایک بڑا چیلنج بنی ہوئی ہے۔ بغیر ٹیکس ادا کیے گئے تمباکو مصنوعات کی وسیع دستیابی قانون کی پابندی کرنے والی کمپنیوں کے کاروبار کو متاثر کرتی ہے، منصفانہ مسابقت کو نقصان پہنچاتی ہے اور قومی خزانے کو بھاری محصولات سے محروم کرتی ہے۔ اندازوں کے مطابق اس مد میں سالانہ نقصانات 250 ارب روپے سے تجاوز کر چکے ہیں۔ پی ٹی سی غیر قانونی تجارت کے خاتمے کے لیے حکومت کی مسلسل کوششوں کی حمایت کرتی ہے اور تمام متعلقہ فریقین کے ساتھ مل کر ایک منظم اور قانون کے مطابق چلنے والی مارکیٹ کے فروغ کے لیے پرعزم ہے۔

اس پس منظر میں پی ٹی سی نے اپنی حکمت عملی پر مؤثر عمل درآمد کے ذریعے مضبوط نتائج حاصل کیے اور کمپنی اپنے حصص یافتگان کے لیے ایک اور کامیاب سال کی راہ پر گامزن ہے۔ یہ کارکردگی صارفین کی ضروریات پر مسلسل توجہ، آپریشنل استعداد میں بہتری اور وسائل کے مؤثر استعمال کی مرہون منت ہے۔

"کمپنی جہاں سگریٹ کے اپنے بنیادی کاروبار میں سرمایہ کاری جاری رکھے ہوئے ہے، وہیں بی اے ٹی گروپ کے "اسموک لیس ورلڈ کے وژن سے بھی ہم آہنگ ہے۔ ہماری ماڈرن اورل برانڈ "ویلو" میں صارفین کی تعداد میں چالیس ہزار کا اضافہ ہوا ہے، جس کے بعد کل صارفین کی تعداد 0.6 ملین تک پہنچ گئی ہے۔ ویلو اب کمپنی کے خالص کاروباری حجم کا 5.1 فیصد حصہ ہے اور اس کی خالص آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں 31 فیصد بڑھی ہے۔ اگرچہ مزید ترقی کے وسیع امکانات موجود ہیں، تاہم ویلو نے دورانِ مدت حکمت عملی کے تحت سال (Multi-Category) ماڈرن اورل کیٹیگری میں اپنی پوزیشن مزید مستحکم کی ہے۔ کمپنی اپنی کثیر-زمرہ کے بقیہ حصے میں بھی اس پورٹ فولیو کی ترقی جاری رکھے گی۔

کمپنی کے کثیر-زمرہ پورٹ فولیو، صلاحیتوں میں سرمایہ کاری اور دورانِ مدت شروع کی گئی تجارتی سرگرمیوں کے نتیجے میں ملکی سگریٹ فروخت کے حجم میں گزشتہ سال کی اسی مدت کے مقابلے میں 24 فیصد جبکہ خالص کاروباری حجم میں 20 فیصد اضافہ ہوا۔ اس اضافے کی ایک اہم وجہ حکومت کی جانب سے غیر قانونی سگریٹ تجارت کے خلاف مؤثر اقدامات بھی تھے، جس کے نتیجے میں صارفین کی ترجیح غیر قانونی برانڈز سے ہٹ کر قانونی اور ڈیوٹی ادا شدہ سگریٹ برانڈز کی طرف منتقل ہوئی۔

Condensed Interim Financial Statements

for the six months period ended June 30, 2026

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Pakistan Tobacco Company Limited
Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Pakistan Tobacco Company Limited ("the Company") as at 30 June 2026 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the 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 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim profit or loss account and condensed interim statement of comprehensive income for the three months period ended 30 June 2026 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Ubbaid Ullah.

KPMG Taseer Hadi &Co

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: 24 August 2026
UDIN: AR202610240wAJK8OhVz

Condensed Interim Profit or Loss Account (Un-audited)

for the six months period ended June 30, 2026

	Note	Quarter ended June 30, 2026 Rs. '000	Quarter ended June 30, 2025 Rs. '000	Half year ended June 30, 2026 Rs. '000	Half year ended June 30, 2025 Rs. '000
Domestic turnover		116,089,512	100,104,419	215,677,152	173,838,097
Export turnover		3,428,335	4,060,761	6,109,565	10,249,091
Gross turnover		119,517,847	104,165,180	221,786,717	184,087,188
Excise duties		(55,888,715)	(49,392,148)	(104,067,197)	(86,870,682)
Sales tax		(18,656,673)	(16,030,118)	(34,650,213)	(27,823,487)
Net turnover		44,972,459	38,742,914	83,069,307	69,393,019
Cost of sales	7	(25,452,071)	(19,764,860)	(42,154,948)	(36,552,169)
Gross profit		19,520,388	18,978,054	40,914,359	32,840,850
Selling and distribution costs		(2,001,301)	(2,419,342)	(4,547,949)	(3,687,781)
Administrative expenses		(2,231,268)	(2,071,269)	(3,822,472)	(3,281,724)
Other expenses	8	(1,103,153)	(1,065,161)	(2,362,906)	(1,867,402)
Other income	9	96,081	130,993	144,151	132,779
		(5,239,641)	(5,424,779)	(10,589,176)	(8,704,128)
Operating profit		14,280,747	13,553,275	30,325,183	24,136,722
Finance income	10	406,890	825,446	563,725	1,108,182
Finance cost		(191,227)	(142,905)	(404,041)	(399,322)
Net finance income		215,663	682,541	159,684	708,860
Profit before income tax		14,496,410	14,235,816	30,484,867	24,845,582
Income tax expense	11	(5,312,466)	(6,242,421)	(11,957,569)	(10,586,046)
Profit for the period		9,183,944	7,993,395	18,527,298	14,259,536
Earnings per share - basic and diluted (Rupees)		35.95	31.29	72.52	55.81

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

for the six months period ended June 30, 2026

	Quarter ended		Half year ended	
	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
Profit for the period	9,183,944	7,993,395	18,527,298	14,259,536
- Remeasurement gain on defined benefit pension and gratuity plans	784,916	224,653	784,916	224,653
- Tax charge related to remeasurement gain defined benefit pension and gratuity plans	(297,858)	(87,615)	(297,858)	(87,615)
	487,058	137,038	487,058	137,038
Total comprehensive income for the period	9,671,002	8,130,433	19,014,356	14,396,574

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Condensed Interim Statement of Financial Position (Un-audited)

as at June 30, 2026

	Note	June 30, 2026 (Un-audited) Rs. '000	December 31, 2025 (Audited) Rs. '000
Non-current assets			
Property, plant and equipment	12	30,053,638	28,763,826
Advances for capital expenditure		618,904	1,933,966
Employees' retirement benefits		1,370,059	583,212
Long term investment in subsidiary company	13	5,000	5,000
Long term deposits and prepayments		44,114	44,114
		32,091,715	31,330,118
Current assets			
Stock-in-trade		41,398,230	53,837,567
Stores and spares		719,264	673,348
Trade debts		398,620	2,650
Loans and advances	14	11,163,521	611,147
Short term prepayments		270,485	222,028
Other receivables	15	6,289,854	7,550,193
Short term investments	16	3,501,100	-
Cash and bank balances	17	6,436,654	1,694,868
		70,177,728	64,591,801
Current liabilities			
Trade and other payables	18	31,260,294	32,203,329
Other liabilities		5,365,280	4,764,532
Lease liabilities	19	1,127,062	569,898
Unpaid dividend		5,443,605	164,725
Unclaimed dividend		176,820	178,355
Current income tax liabilities		4,414,277	5,581,723
		47,787,338	43,462,562
		22,390,390	21,129,239
Non-current liabilities			
Lease liabilities	19	3,168,684	3,821,691
Deferred tax liabilities		1,676,373	1,673,689
		4,845,057	5,495,380
		49,637,048	46,963,977
Share capital and reserves			
Share capital	20	2,554,938	2,554,938
Capital reserve		13,480,476	11,937,195
Revenue reserve - unappropriated profit		33,601,634	32,471,844
		49,637,048	46,963,977
Contingencies and commitments	21		

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Condensed Interim Statement of Changes in Equity (Un-audited)

for the six months period ended June 30, 2026

	Share capital Rs. '000	Revenue reserves Rs. '000	Capital reserve Rs. '000	Total Rs. '000
Balance at January 01, 2025	2,554,938	40,811,528	8,923,501	52,289,967
Total comprehensive income for the six month ended 30 June 2025				
Profit for the period	-	14,259,536	-	14,259,536
Other comprehensive income	-	137,038	-	137,038
Total comprehensive income for the period	-	14,396,574	-	14,396,574
Free of cost services and exempted recharges	-	-	1,587,649	1,587,649
Transactions with owners of the Company:				
1st Interim dividend of Rs. 30 per share relating to the year ended Dec 31, 2025	-	(7,664,814)	-	(7,664,814)
2nd Interim dividend of Rs. 30 per share relating to the year ended Dec, 31,2025	-	(7,664,814)	-	(7,664,814)
	-	(15,329,628)	-	(15,329,628)
	2,554,938	39,878,474	10,511,150	52,944,562
Balance at January 01, 2026	2,554,938	32,471,844	11,937,195	46,963,977
Total comprehensive income for the six month ended 30 June 2026				
Profit for the period	-	18,527,298	-	18,527,298
Other comprehensive income	-	487,058	-	487,058
Total comprehensive income for the period	-	19,014,356	-	19,014,356
Free of cost services and exempted recharges	-	-	1,543,281	1,543,281
Transactions with owners of the Company:				
1st Interim dividend of Rs. 35 per share relating to the year ending Dec 31,2026	-	(8,942,283)	-	(8,942,283)
2nd Interim dividend of Rs. 35 per share relating to the year ending Dec 31, 2026	-	(8,942,283)	-	(8,942,283)
	-	(17,884,566)	-	(17,884,566)
Balance at June 30, 2026	2,554,938	33,601,634	13,480,476	49,637,048

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Condensed Interim Statement of Cash Flows (Un-audited)

for the six months period ended June 30, 2026

	Note	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
Cash flows from operating activities			
Cash generated from operations	22	35,904,820	28,970,778
Finance cost paid		(52,152)	(399,322)
Income tax paid		(13,433,729)	(9,762,701)
Contribution to retirement benefit funds		(363,073)	(549,670)
Net cash generated from operating activities		22,055,866	18,259,085
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,136,477)	(796,579)
Proceeds from sale of property, plant and equipment		322,670	552,535
Interest received		563,725	1,108,182
Net cash (used) / generated from investing activities		(250,082)	864,138
Cash flows from financing activities			
Dividends paid		(12,607,220)	(11,231,667)
Lease payments		(955,678)	(955,223)
Net cash used in financing activities		(13,562,898)	(12,186,890)
Net increase in cash and cash equivalents		8,242,886	6,936,333
Cash and cash equivalents at January 01		1,694,868	13,302,754
		9,937,754	20,239,087
Cash and cash equivalents comprise:			
Cash and bank balances	17	6,436,654	5,734,493
Short term investments	16	3,501,100	14,504,594
		9,937,754	20,239,087

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Notes to the Condensed Interim Financial Statements (Un-audited)
for the six months period ended June 30, 2026

1. The Company and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on 18 November 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 the British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco plc., 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 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 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 is extracted from 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 six months period ended June 30, 2025.

These condensed interim financial statements are un-audited and is 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 Limited. These condensed interim financial statements have been reviewed, not audited and also include the statement of profit or loss for the quarter ended June 30, 2026 which was not subject to review.

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 categorized 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).

Notes to the Condensed Interim Financial Statements (Un-audited)

for the six months period ended June 30, 2026

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 yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual reporting periods beginning after 01 January 2026 and earlier application is permitted. However, the Company has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed interim financial statements.

	Quarter ended		Half year ended	
	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
7 Cost of sales				
Raw material consumed:				
Opening stock of raw materials and work in process	45,042,461	38,616,623	51,218,247	47,691,848
Raw material purchases and expenses	8,787,930	7,891,241	18,141,921	15,442,341
Excise duty, customs duty, regulatory duty and tobacco development cess etc	554,955	482,449	822,119	878,642
Closing stock of raw materials and work in process	(39,462,611)	(31,847,983)	(39,462,611)	(31,847,983)
	14,922,735	15,142,330	30,719,676	32,164,848
Provision for severance benefits	952,991	-	952,991	-
Production overheads	7,955,671	3,574,320	9,720,388	5,009,182
	23,831,397	18,716,650	41,393,055	37,174,030
Cost of finished goods				
Opening stock	3,920,059	3,388,765	3,061,278	1,718,694
Closing stock	(2,299,385)	(2,340,555)	(2,299,385)	(2,340,555)
	1,620,674	1,048,210	761,893	(621,861)
	25,452,071	19,764,860	42,154,948	36,552,169
8 Other expenses				
Workers' Profit Participation Fund (WPPF)	779,978	755,056	1,682,708	1,333,647
Workers' Welfare Fund (WWF)	323,175	310,105	680,198	533,755
	1,103,153	1,065,161	2,362,906	1,867,402

Notes to the Condensed Interim Financial Statements (Un-audited)

for the six months period ended June 30, 2026

	Quarter ended		Half year ended	
	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
9 Other income				
Gain on disposals of property, plant and equipment	94,903	129,950	142,119	130,800
Others	1,178	1,043	2,032	1,979
	96,081	130,993	144,151	132,779

10 Finance income

This includes profit from placement with banks in saving accounts, term deposit and treasury bills earned under interest arrangement. The interest rates range between 7.50% and 11.51% (half year ended June 30, 2025 : 8.00% and 13.29%) per annum.

11 Income tax expense

The Company does not have any income subject to Final/Minimum tax under the Income Tax Ordinance, 2001;therefore, no amount has been presented as a levy within the scope of IFRIC 21 or IAS 37.

	Note	June 30, 2026 (Un-audited) Rs. '000	December 31, 2025 (Audited) Rs. '000
12 Property, plant and equipment			
Operating fixed assets	12.1	24,386,694	22,149,127
Capital work in progress	12.2	5,666,944	6,614,699
		30,053,638	28,763,826
12.1 Operating fixed assets			
Carrying amount at January 01		22,149,127	20,288,997
Additions during the half year/year:			
- Owned assets			
Building		290,962	935,443
Plant and machinery		2,519,176	1,228,341
Office and household equipment		569,282	1,096,394
Furniture and fittings		19,874	191,897
		3,399,294	3,452,075
- Right-of-use assets			
Land and building		83,733	747,397
Vehicles		452,027	1,225,502
		3,935,054	5,424,974

Notes to the Condensed Interim Financial Statements (Un-audited)
for the six months period ended June 30, 2026

	June 30, 2026 (Un-audited) Rs. '000	December 31, 2025 (Audited) Rs. '000
Disposals during the half year/year (net book value):		
- Owned assets		
Plant and machinery	-	(404,505)
Vehicles	-	(3,322)
	-	(407,827)
- Leased assets		
Right-of-use assets	(31,464)	(4,603)
Vehicles	(149,087)	(267,518)
	(180,551)	(679,948)
Depreciation/impairment charge for the half year/year:	(1,516,936)	(2,884,896)
Carrying amount as at June 30/December 31	24,386,694	22,149,127

12.1.1 During the half year ended 30 June 2026, the Company acquired assets, including transfers from capital work in progress, amounting to Rs. 3,935,054 thousand (half year ended 30 June 2025: Rs. 2,235,344 thousand). Operating fixed assets having net book value of Rs. 180,551 thousand were disposed off during half year ended 30 June 2026 (half year ended 30 June 2025: Rs. 421,735 thousand). Depreciation/impairment charge for half year ended 30 June 2026 was Rs. 1,516,936 thousand (half year ended 30 June 2025: Rs. 1,359,069 thousand).

	June 30, 2026 (Un-audited) Rs. '000	December 31, 2025 (Audited) Rs. '000
12.2 Capital work in progress		
Carrying value as at January 01	6,614,699	4,397,761
Additions during the half year/year	2,120,471	5,329,840
	8,735,170	9,727,601
Transferred to operating fixed assets	(3,068,226)	(3,112,902)
Carrying amount as at June 30/December 31	5,666,944	6,614,699

13. Long term investment in subsidiary company

This represents 500,001 (December 31, 2025: 500,001) fully paid ordinary shares of Rs.10 each in Phoenix (Private) Limited, a wholly owned subsidiary of the Company which has not yet commenced commercial production. The break up value of shares calculated by reference to net assets worked out to be Rs.10 per share based on financial statements for the six months period ended June 30, 2026.

14. Loans and advances

These include short term non-interest bearing advances to employees of Rs. 54,032 thousand (December 31, 2025: Rs. 47,720 thousand).

15. Other receivables

These include following balances due from related parties:

	June 30, 2026 (Un-audited) Rs. '000	December 31,2025 (Audited) Rs. '000
Holding company / associated companies	5,794,874	5,712,561
Subsidiary company	20,021	20,021

16. Short term investment

At fair value through profit or loss (FVTPL):		
- Market treasury bills	3,501,100	-

The treasury bills are held for trading and have been invested at 11.51% for two days (December 31, 2025 : Nil).

	Note	June 30, 2026 (Un-audited) Rs. '000	December 31,2025 (Audited) Rs. '000
17. Cash and bank balances		6,436,654	1,694,868

17.1 Short term running finance - secured

Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 17,000 million (December 31, 2025: Rs. 17,000 million), Unavailed amount at 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.

	June 30, 2026 (Un-audited) Rs. '000	December 31,2025 (Audited) Rs. '000
18. Trade and other payables		
These include following balances due to related parties:		
Holding company/associated companies	650,077	873,657
Employees' retirement benefits	2,298	9,793

18.1 Trade and other payables also include 'contract liabilities' which represents advances from customers amounting to Rs. 3,970,065 thousand (December 31, 2025: Rs. 1,565,691 thousand).

Notes to the Condensed Interim Financial Statements (Un-audited)
for the six months period ended June 30, 2026

19. Lease liabilities

This represents lease agreements entered into with various lessors on account of vehicle and property leases. Total discounted lease payments due under various lease agreements aggregate to Rs. 4,295,746 thousand - short term Rs. 1,127,062 thousand and long term Rs. 3,168,684 thousand (December 31, 2025: Rs. 4,391,589 thousand - short term Rs. 569,898 thousand and long term Rs. 3,821,691 thousand).

Financing rates of 11% to 23% (December 31, 2025: 11% to 23%) per annum have been used as discounting factor.

20. 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.

	June 30, 2026 (Un-audited) Rs. '000	December 31,2025 (Audited) Rs. '000
21. Contingencies and commitments		
21.1 Contingencies		
Claims and guarantees		
Claims against the Company not acknowledged as debt	3,024	3,024
Guarantees issued by banks on behalf of the Company	1,539,970	1,343,000
Post dated cheques to the Collector of Customs	6,423,688	6,423,688

Litigation

There is no significant change to status of litigations disclosed in annual financial statements for the year ended 31 December 2025.

Notes to the Condensed Interim Financial Statements (Un-audited)

for the six months period ended June 30, 2026

	Note	June 30, 2025 (Un-audited) Rs. '000	June 30,2024 (Un-audited) Rs. '000
21.2 Commitments			
Capital expenditure		793,241	-
Letters of credit outstanding		6,404,050	3,686,248
22 Cash flows from operating activities			
Profit before income tax		30,484,867	24,845,582
Adjustment for non-cash items:			
- Depreciation of property, plant and equipment	12.1	1,516,936	1,359,069
- Gain on disposals of property, plant and equipment		(142,119)	(130,800)
- Finance cost		404,041	399,322
- Finance income	10	(563,725)	(906,158)
- Exchange gain		-	(202,024)
- Reversal of provision for slow moving stock in trade		(78,193)	-
- Information technology cost		1,543,281	1,587,649
- Provision for employees' retirement benefits		349,166	310,430
		3,029,387	2,417,488
Changes in working capital:			
- Stock-in-trade		12,517,530	14,653,453
- Stores and spares		(45,916)	(144,700)
- Trade debts		(395,970)	(476)
- Loans and advances		(10,552,374)	(4,680,920)
- Short term prepayments		(48,457)	128,565
- Other receivables		1,260,339	(52,733)
- Trade and other payables		(945,333)	(8,039,591)
- Other liabilities		600,748	(152,310)
		2,390,567	1,711,288
Changes in long term deposits and prepayments		-	(3,580)
		35,904,820	28,970,778

23. Financial instruments

23.1 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.

		June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	Note	Fair value through profit or loss	Amortized cost	Total	Fair value through profit or loss	Amortized cost	Total
			Rs '000			Rs '000	
Financial assets measured at fair value							
Long term deposits and prepayments		-	44,114	44,114	-	44,114	44,114
Short-term investment	16	3,501,101	-	3,501,101	-	-	-
Financial assets not measured at fair value							
Trade debts		-	398,620	398,620	-	2,650	2,650
Other recievables		-	4,919,795	4,919,795	-	5,306,523	5,306,523
Cash and bank balances		-	6,436,654	6,436,654	-	1,694,868	1,694,868
		3,501,101	11,799,183	15,300,284	-	7,048,155	7,048,155
Financial liabilities not measured at fair value							
Trade and other payables		-	(29,145,681)	(29,145,681)	-	(19,997,308)	(19,997,308)
Other liabilities		-	(5,365,280)	(5,365,280)	-	(4,764,532)	(4,764,532)
Lease liabilities			(4,295,746)	(4,295,746)		(4,391,589)	(4,391,589)
Unpaid dividend		-	(5,443,605)	(5,443,605)	-	(164,725)	(164,725)
Unclaimed dividend		-	(176,820)	(176,820)	-	(178,355)	(178,355)
		-	(44,427,132)	(44,427,132)	-	(29,496,509)	(29,496,509)

23.2 The short term investments are classified under Level 2 fair value hierarchy.

23.3 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 reasonable approximation of their fair values.

23.4 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.

24. Related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (December 31, 2025: 94.34%) shares of the Company. Therefore, all the subsidiaries and associated undertakings of BAT-IL and the ultimate parent company British American Tobacco, p.l.c (BAT) are related parties of the Company. The related parties also include directors and their relatives, key management personnel and their relatives, entities in which directors have interest or common directorship, subsidiary and associated companies and subsidiaries of holding company, post-employment benefit plans and persons or entities having control or joint control or having significant influence over the Company.

The amounts due from and due to related parties are disclosed in the respective notes. All outstanding balances with related parties are to be settled in the normal course of business. None of the balances are secured. Transactions with related parties were as follows:

	Quarter ended		Half year ended	
	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
Purchase of goods and services from				
Holding company	(61,395)	(104,759)	(61,395)	(130,946)
Associated companies	(6,970)	421,389	3,129,926	570,757
Sale of goods and services to				
Associated companies	2,760,003	1,812,789	5,386,400	3,871,008
Dividend				
Holding company	8,436,930	7,231,655	16,873,860	14,463,308
Associated company	27,940	23,948	55,880	47,897
Expenses reimbursed to				
Holding company	(54)	-	3,504	-
Associated companies	(159,053)	3,954	(211,468)	13,706
Expenses reimbursed by				
Holding company	140,508	-	178,229	-
Associated companies	175,750	195,732	840,785	240,812
Employees' retirement benefits - expense / (income)				
Staff defined contribution pension fund	91,621	73,718	184,008	144,670
Employees' gratuity fund	22,159	44,951	71,218	86,006
Management provident fund	40,322	35,925	81,202	67,501
Employees' provident fund	6,949	6,052	12,738	12,253

Notes to the Condensed Interim Financial Statements (Un-audited)

for the six months period ended June 30, 2026

25. Operating Segments

The Board of Directors of the Company, which is chief operating decision-maker, is responsible for allocating resources and assessing Company's performance and operations has identified one reportable segment. Accordingly, these condensed interim financials statements have been prepared on the basis of single reportable segment. Revenue from transaction with a single customer did not exceed 10% of Company's total revenue. All the assets of the company are based in Pakistan.

26. Events after the reporting date

The Board of Directors in its meeting held on 04 August, 2026 has declared the third interim dividend of Rs. 35.00 (2025: Rs. 40.00) per share. This interim dividend of Rs. 8,942,283 (2025: Rs. 10,219,752 thousand) will be recorded as liability in the condensed 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 the effect of this dividend.

27. Date of authorisation for issue

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on 04 August, 2026.

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Consolidated Condensed Interim Financial Statements

for the six months period ended June 30, 2026

Consolidated Condensed Interim Profit or Loss Account (Un-audited)

for the six months period ended June 30, 2026

		Quarter ended		Half year ended	
	Note	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
Domestic turnover		116,089,512	100,104,419	215,677,152	173,838,097
Export turnover		3,428,335	4,060,761	6,109,565	10,249,091
Gross turnover		119,517,847	104,165,180	221,786,717	184,087,188
Excise duties		(55,888,715)	(49,392,148)	(104,067,197)	(86,870,682)
Sales tax		(18,656,673)	(16,030,118)	(34,650,213)	(27,823,487)
Net turnover		44,972,459	38,742,914	83,069,307	69,393,019
Cost of sales	7	(25,452,071)	(19,764,860)	(42,154,948)	(36,552,169)
Gross profit		19,520,388	18,978,054	40,914,359	32,840,850
Selling and distribution costs		(2,001,301)	(2,419,342)	(4,547,949)	(3,687,781)
Administrative expenses		(2,231,268)	(2,071,269)	(3,822,472)	(3,281,724)
Other expenses	8	(1,103,153)	(1,065,161)	(2,362,906)	(1,867,402)
Other income	9	96,081	130,993	144,151	132,779
		(5,239,641)	(5,424,779)	(10,589,176)	(8,704,128)
Operating profit		14,280,747	13,553,275	30,325,183	24,136,722
Finance income	10	406,890	825,446	563,725	1,108,182
Finance cost		(191,227)	(142,905)	(404,041)	(399,322)
Net finance income		215,663	682,541	159,684	708,860
Profit before income tax		14,496,410	14,235,816	30,484,867	24,845,582
Income tax expense	11	(5,312,466)	(6,242,421)	(11,957,569)	(10,586,046)
Profit for the period		9,183,944	7,993,395	18,527,298	14,259,536
Earnings per share - basic and diluted (Rupees)		35.95	31.29	72.52	55.81

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

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

for the six months period ended June 30, 2026

	Quarter ended		Half year ended	
	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
Profit for the period	9,183,944	7,993,395	18,527,298	14,259,536
- Remeasurement gain on defined benefit pension and gratuity plans	784,916	224,653	784,916	224,653
- Tax charge related to remeasurement gain	(297,858)	(87,615)	(297,858)	(87,615)
defined benefit pension and gratuity plans	487,058	137,038	487,058	137,038
Total comprehensive income for the period	9,671,002	8,130,433	19,014,356	14,396,574

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

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Consolidated Condensed Interim Statement of Financial Position (Un-audited)

as at June 30, 2026

	Note	June 30, 2026 (Un-audited) Rs. '000	December 31, 2025 (Audited) Rs. '000
Non-current assets			
Property, plant and equipment	12	30,078,686	28,788,874
Advances for capital expenditure		618,904	1,933,966
Employees' retirement benefits		1,370,059	583,212
Long term deposits and prepayments		44,114	44,114
		32,111,763	31,350,166
Current assets			
Stock-in-trade		41,398,230	53,837,567
Stores and spares		719,264	673,348
Trade debts		398,620	2,650
Loans and advances	13	11,163,521	611,147
Short term prepayments		270,485	222,028
Other receivables	14	6,269,833	7,530,172
Short term investments	15	3,501,100	-
Cash and bank balances	16	6,436,654	1,694,868
		70,157,707	64,571,780
Current liabilities			
Trade and other payables	17	31,260,321	32,203,356
Other liabilities		5,365,280	4,764,532
Lease liabilities	18	1,127,062	569,898
Unpaid dividend		5,443,605	164,725
Unclaimed dividend		176,820	178,355
Current income tax liabilities		4,414,277	5,581,723
		47,787,365	43,462,589
		22,370,342	21,109,191
Non-current liabilities			
Lease liabilities	18	3,168,684	3,821,691
Deferred tax liabilities		1,676,373	1,673,689
		4,845,057	5,495,380
		49,637,048	46,963,977
Share capital and reserves			
Share capital	19	2,554,938	2,554,938
Capital reserve		13,480,476	11,937,195
Revenue reserve - unappropriated profit		33,601,634	32,471,844
		49,637,048	46,963,977
Contingencies and commitments	20		

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

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)

for the six months period ended June 30, 2026

	Share capital Rs. '000	Revenue reserves Rs. '000	Capital reserve Rs. '000	Total Rs. '000
Balance at January 01, 2025	2,554,938	40,811,528	8,923,501	52,289,967
Total comprehensive income for the six month ended 30 June 2025				
Profit for the period	-	14,259,536	-	14,259,536
Other comprehensive income	-	137,038	-	137,038
Total comprehensive income for the period	-	14,396,574	-	14,396,574
Free of cost services and exempted recharges	-	-	1,587,649	1,587,649
Transactions with owners of the Company:				
1st Interim dividend of Rs. 30 per share relating to the year ended Dec 31, 2025	-	(7,664,814)	-	(7,664,814)
2nd Interim dividend of Rs. 30 per share relating to the year ended Dec, 31,2025	-	(7,664,814)	-	(7,664,814)
	-	(15,329,628)	-	(15,329,628)
	2,554,938	39,878,474	10,511,150	52,944,562
Balance at January 01, 2026	2,554,938	32,471,844	11,937,195	46,963,977
Total comprehensive income for the six month ended 30 June 2026				
Profit for the period	-	18,527,298	-	18,527,298
Other comprehensive income	-	487,058	-	487,058
Total comprehensive income for the period	-	19,014,356	-	19,014,356
Free of cost services and exempted recharges	-	-	1,543,281	1,543,281
Transactions with owners of the Company:				
1st Interim dividend of Rs. 35 per share relating to the year ending Dec 31,2026	-	(8,942,283)	-	(8,942,283)
2nd Interim dividend of Rs. 35 per share relating to the year ending Dec 31, 2026	-	(8,942,283)	-	(8,942,283)
	-	(17,884,566)	-	(17,884,566)
Balance at June 30, 2026	2,554,938	33,601,634	13,480,476	49,637,048

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

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Consolidated Condensed Interim Statement of Cash Flows (Un-audited)

for the six months period ended June 30, 2026

	Note	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
Cash flows from operating activities			
Cash generated from operations	21	35,904,820	28,970,778
Finance cost paid		(52,152)	(399,322)
Income tax paid		(13,433,729)	(9,762,701)
Contribution to retirement benefit funds		(363,073)	(549,670)
Net cash generated from operating activities		22,055,866	18,259,085
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,136,477)	(796,579)
Proceeds from sale of property, plant and equipment		322,670	552,535
Interest received		563,725	1,108,182
Net cash (used) / generated from investing activities		(250,082)	864,138
Cash flows from financing activities			
Dividends paid		(12,607,220)	(11,231,667)
Lease payments		(955,678)	(955,223)
Net cash used in financing activities		(13,562,898)	(12,186,890)
Net increase in cash and cash equivalents		8,242,886	6,936,333
Cash and cash equivalents at January 01		1,694,868	13,302,754
		9,937,754	20,239,087
Cash and cash equivalents comprise:			
Cash and bank balances	16	6,436,654	5,734,493
Short term investments	15	3,501,100	14,504,594
		9,937,754	20,239,087

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

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the six months period ended June 30, 2026

1. The Group and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on 18 November 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 the British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco plc., 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 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 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 condensed interim statement of financial position is extracted from 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 Group for the six months period ended June 30, 2025.

These consolidated condensed interim financial statements are un-audited and is 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 Limited. These consolidated condensed interim financial statements have been reviewed, not audited and also include the statement of profit or loss for the quarter ended June 30, 2026 which was not subject to review.

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.

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 categorized 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 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 yet effective

A number of new accounting standards and amendments to accounting standards are effective for annual reporting periods beginning after 01 January 2026 and earlier application is permitted. However, the Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed interim financial statements.

	Quarter ended		Half year ended	
	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
7 Cost of sales				
Raw material consumed:				
Opening stock of raw materials and work in process	45,042,461	38,616,623	51,218,247	47,691,848
Raw material purchases and expenses	8,787,930	7,891,241	18,141,921	15,442,341
Excise duty, customs duty, regulatory duty and tobacco development cess etc	554,955	482,449	822,119	878,642
Closing stock of raw materials and work in process	(39,462,611)	(31,847,983)	(39,462,611)	(31,847,983)
	14,922,735	15,142,330	30,719,676	32,164,848
Provision for severance benefits	952,991	-	952,991	-
Production overheads	7,955,671	3,574,320	9,720,388	5,009,182
	23,831,397	18,716,650	41,393,055	37,174,030
Cost of finished goods				
Opening stock	3,920,059	3,388,765	3,061,278	1,718,694
Closing stock	(2,299,385)	(2,340,555)	(2,299,385)	(2,340,555)
	1,620,674	1,048,210	761,893	(621,861)
	25,452,071	19,764,860	42,154,948	36,552,169
8 Other expenses				
Workers' Profit Participation Fund (WPPF)	779,978	755,056	1,682,708	1,333,647
Workers' Welfare Fund (WWF)	323,175	310,105	680,198	533,755
	1,103,153	1,065,161	2,362,906	1,867,402

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the six months period ended June 30, 2026

	Quarter ended		Half year ended	
	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
9 Other income				
Gain on disposals of property, plant and equipment	94,903	129,950	142,119	130,800
Others	1,178	1,043	2,032	1,979
	96,081	130,993	144,151	132,779

10 Finance income

This includes profit from placement with banks in saving accounts, term deposit and treasury bills earned under interest arrangement. The interest rates range between 7.50% and 11.51% (half year ended June 30, 2025 : 8.00% and 13.29%) per annum.

11 Income tax expense

The Company does not have any income subject to Final/Minimum tax under the Income Tax Ordinance, 2001;therefore, no amount has been presented as a levy within the scope of IFRIC 21 or IAS 37.

	Note	June 30, 2026 (Un-audited) Rs. '000	December 31, 2025 (Audited) Rs. '000
12 Property, plant and equipment			
Operating fixed assets	12.1	24,390,058	22,152,491
Capital work in progress	12.2	5,688,628	6,636,383
		30,078,686	28,788,874
12.1 Operating fixed assets			
Carrying amount at January 01		22,152,491	20,292,361
Additions during the half year/year:			
- Owned assets			
Building		290,962	935,443
Plant and machinery		2,519,176	1,228,341
Office and household equipment		569,282	1,096,394
Furniture and fittings		19,874	191,897
		3,399,294	3,452,075
- Right-of-use assets			
Land and building		83,733	747,397
Vehicles		452,027	1,225,502
		3,935,054	5,424,974

	June 30, 2026 (Un-audited) Rs. '000	December 31, 2025 (Audited) Rs. '000
Disposals during the half year/year (net book value):		
- Owned assets		
Plant and machinery	-	(404,505)
Vehicles	-	(3,322)
	-	(407,827)
- Leased assets		
Right-of-use assets	(31,464)	(4,603)
Vehicles	(149,087)	(267,518)
	(180,551)	(679,948)
Depreciation/impairment charge for the half year/year:	(1,516,936)	(2,884,896)
Carrying amount as at June 30/December 31	24,390,058	22,152,491

12.1.1 During the half year ended 30 June 2026, the Company acquired assets, including transfers from capital work in progress, amounting to Rs. 3,935,054 thousand (half year ended 30 June 2025: Rs. 2,235,344 thousand). Operating fixed assets having net book value of Rs. 180,551 thousand were disposed off during half year ended 30 June 2026 (half year ended 30 June 2025: Rs. 421,735 thousand). Depreciation/impairment charge for half year ended 30 June 2026 was Rs. 1,516,936 thousand (half year ended 30 June 2025: Rs. 1,359,069 thousand).

	June 30, 2026 (Un-audited) Rs. '000	December 31, 2025 (Audited) Rs. '000
12.2 Capital work in progress		
Carrying value as at January 01	6,636,383	4,419,445
Additions during the half year/year	2,120,471	5,329,840
	8,756,854	9,749,285
Transferred to operating fixed assets	(3,068,226)	(3,112,902)
Carrying amount as at June 30/December 31	5,688,628	6,636,383

13. Loans and advances

These include short term non-interest bearing advances to employees of Rs. 54,032 thousand (December 31, 2025: Rs. 47,720 thousand).

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the six months period ended June 30, 2026

14. Other receivables

These include following balances due from related parties:

	June 30, 2026 (Un-audited) Rs. '000	December 31,2025 (Audited) Rs. '000
Holding company / associated companies	5,794,874	5,712,561

15. Short term investment

At fair value through profit or loss (FVTPL):		
- Market treasury bills	3,501,100	-

The treasury bills are held for trading and have been invested at 11.51% for two days (December 31, 2025 : Nil).

	Note	June 30, 2026 (Un-audited) Rs. '000	December 31,2025 (Audited) Rs. '000
16. Cash and bank balances		6,436,654	1,694,868

16.1 Short term running finance - secured

Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 17,000 million (December 31, 2025: Rs. 17,000 million), Unavailed amount at 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.

	June 30, 2026 (Un-audited) Rs. '000	December 31,2025 (Audited) Rs. '000
17. Trade and other payables		
These include following balances due to related parties:		
Holding company/associated companies	650,077	873,657
Employees' retirement benefits	2,298	9,793

17.1 Trade and other payables also include 'contract liabilities' which represents advances from customers amounting to Rs. 3,970,065 thousand (December 31, 2025: Rs. 1,565,691 thousand).

18. Lease liabilities

This represents lease agreements entered into with various lessors on account of vehicle and property leases. Total discounted lease payments due under various lease agreements aggregate to Rs. 4,295,746 thousand - short term Rs. 1,127,062 thousand and long term Rs. 3,168,684 thousand (December 31, 2025: Rs. 4,391,589 thousand - short term Rs. 569,898 thousand and long term Rs. 3,821,691 thousand).

Financing rates of 11% to 23% (December 31, 2025: 11% to 23%) per annum have been used as discounting factor.

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.

	June 30, 2026 (Un-audited) Rs. '000	December 31,2025 (Audited) Rs. '000
20. Contingencies and commitments		
20.1 Contingencies		
Claims and guarantees		
Claims against the Group not acknowledged as debt	3,024	3,024
Guarantees issued by banks on behalf of the Group	1,539,970	1,343,000
Post dated cheques to the Collector of Customs	6,423,688	6,423,688

Litigation

There is no significant change to status of litigations disclosed in annual financial statements for the year ended 31 December 2025.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
for the six months period ended June 30, 2026

	Note	June 30, 2025 (Un-audited) Rs. '000	June 30,2024 (Un-audited) Rs. '000
20.2 Commitments			
Capital expenditure		793,241	-
Letters of credit outstanding		6,404,050	3,686,248
21 Cash flows from operating activities			
Profit before income tax		30,484,867	24,845,582
Adjustment for non-cash items:			
- Depreciation of property, plant and equipment	12.1	1,516,936	1,359,069
- Gain on disposals of property, plant and equipment		(142,119)	(130,800)
- Finance cost		404,041	399,322
- Finance income	10	(563,725)	(906,158)
- Exchange gain		-	(202,024)
- Reversal of provision for slow moving stock in trade		(78,193)	-
- Information technology cost		1,543,281	1,587,649
- Provision for employees' retirement benefits		349,166	310,430
		3,029,387	2,417,488
Changes in working capital:			
- Stock-in-trade		12,517,530	14,653,453
- Stores and spares		(45,916)	(144,700)
- Trade debts		(395,970)	(476)
- Loans and advances		(10,552,374)	(4,680,920)
- Short term prepayments		(48,457)	128,565
- Other receivables		1,260,339	(52,733)
- Trade and other payables		(945,333)	(8,039,591)
- Other liabilities		600,748	(152,310)
		2,390,567	1,711,288
Changes in long term deposits and prepayments		-	(3,580)
		35,904,820	28,970,778

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.

		June 30, 2026 (Un-audited)			December 31, 2025 (Audited)		
	Note	Fair value through profit or loss	Amortized cost	Total	Fair value through profit or loss	Amortized cost	Total
		Rs '000			Rs '000		
Financial assets measured at fair value							
Long term deposits and prepayments		-	44,114	44,114	-	44,114	44,114
Short-term investment	15	3,501,101	-	3,501,101	-	-	-
Financial assets not measured at fair value							
Trade debts		-	398,620	398,620	-	2,650	2,650
Other recievables		-	4,899,774	4,899,774	-	5,286,502	5,286,502
Cash and bank balances		-	6,436,654	6,436,654	-	1,694,868	1,694,868
		3,501,101	11,779,162	15,280,263	-	7,028,134	7,028,134
Financial liabilities not measured at fair value							
Trade and other payables		-	(29,145,708)	(29,145,708)	-	(19,997,335)	(19,997,335)
Other liabilities		-	(5,365,280)	(5,365,280)	-	(4,764,532)	(4,764,532)
Lease liabilities			(4,295,746)	(4,295,746)		(4,391,589)	(4,391,589)
Unpaid dividend		-	(5,443,605)	(5,443,605)	-	(164,725)	(164,725)
Unclaimed dividend		-	(176,820)	(176,820)	-	(178,355)	(178,355)
		-	(44,427,159)	(44,427,159)	-	(29,496,536)	(29,496,536)

22.2 The short term investments are classified under Level 2 fair value hierarchy.

22.3 The Group 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 reasonable approximation of their fair values.

22.4 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.

23. Related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (December 31, 2025: 94.34%) shares of the Group. Therefore, all the subsidiaries and associated undertakings of BAT-IL and the ultimate parent company British American Tobacco, p.l.c (BAT) are related parties of the Group. The related parties also include directors and their relatives, key management personnel and their relatives, entities in which directors have interest or common directorship, subsidiary and associated companies and subsidiaries of holding company, post-employment benefit plans and persons or entities having control or joint control or having significant influence over the Group.

The amounts due from and due to related parties are disclosed in the respective notes. All outstanding balances with related parties are to be settled in the normal course of business. None of the balances are secured. Transactions with related parties were as follows:

	Quarter ended		Half year ended	
	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000	June 30, 2026 Rs. '000	June 30, 2025 Rs. '000
Purchase of goods and services from				
Holding company	(61,395)	(104,759)	(61,395)	(130,946)
Associated companies	(6,970)	421,389	3,129,926	570,757
Sale of goods and services to				
Associated companies	2,760,003	1,812,789	5,386,400	3,871,008
Dividend				
Holding company	8,436,930	7,231,655	16,873,860	14,463,308
Associated company	27,940	23,948	55,880	47,897
Expenses reimbursed to				
Holding company	(54)	-	3,504	-
Associated companies	(159,053)	3,954	(211,468)	13,706
Expenses reimbursed by				
Holding company	140,508	-	178,229	-
Associated companies	175,750	195,732	840,785	240,812
Employees' retirement benefits - expense / (income)				
Staff defined contribution pension fund	91,621	73,718	184,008	144,670
Employees' gratuity fund	22,159	44,951	71,218	86,006
Management provident fund	40,322	35,925	81,202	67,501
Employees' provident fund	6,949	6,052	12,738	12,253

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)

for the six months period ended June 30, 2026

24. Operating Segments

The Board of Directors of the Group, which is chief operating decision-maker, is responsible for allocating resources and assessing Group's performance and operations has identified one reportable segment. Accordingly, these condensed interim financials statements have been prepared on the basis of single reportable segment. Revenue from transaction with a single customer did not exceed 10% of Group's total revenue. All the assets of the Group are based in Pakistan.

25. Events after the reporting date

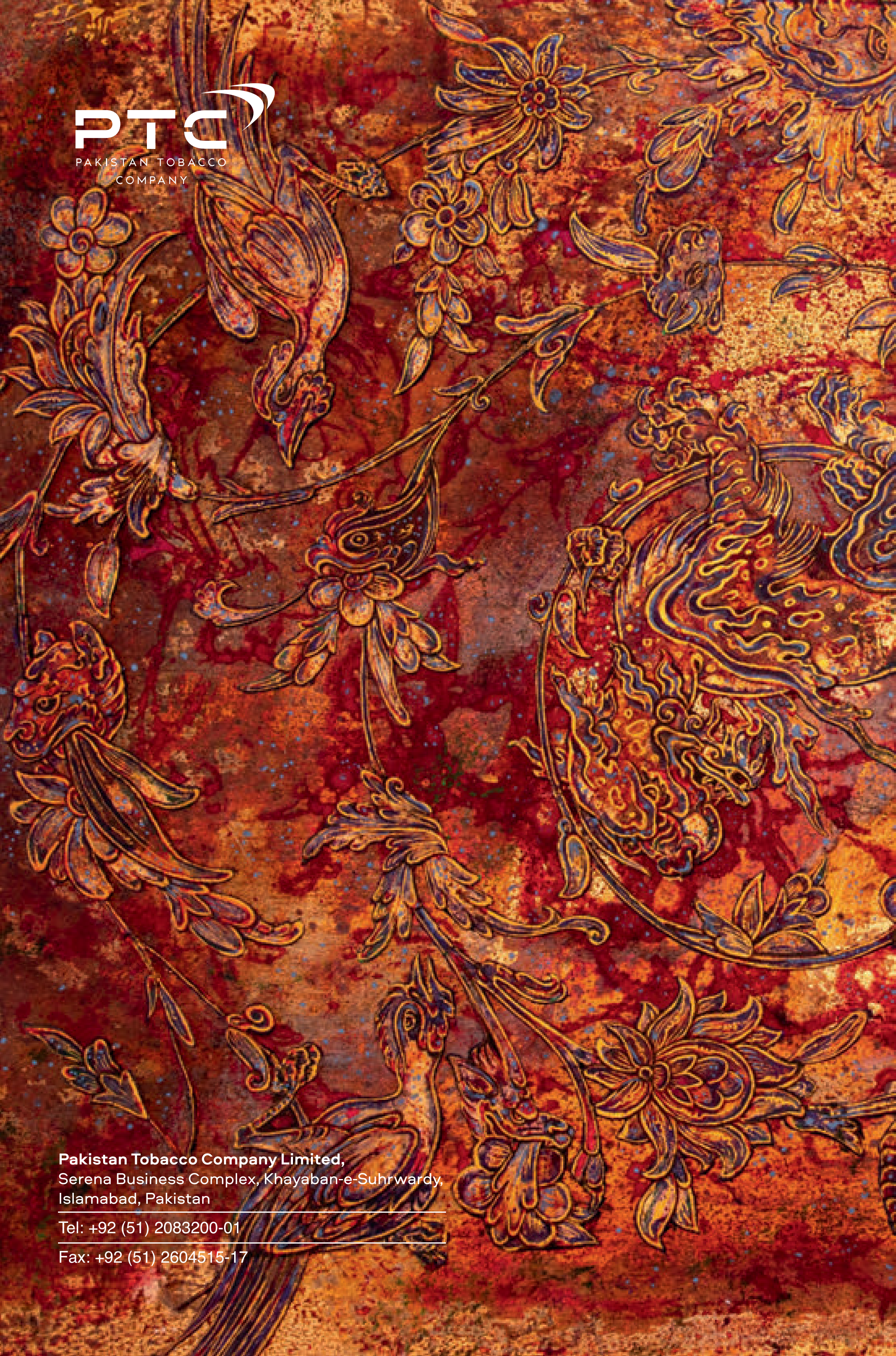
The Board of Directors in its meeting held on 04 August, 2026 has declared the third interim dividend of Rs. 35.00 (2025: Rs. 40.00) per share. This interim dividend of Rs. 8,942,283 (2025: Rs. 10,219,752 thousand) will be recorded as liability in the condensed interim financial statements for the next quarter as required by the IAS 10 'Events after the Reporting Period'. These condensed interim financial statements do not reflect the effect of this dividend.

26. Date of authorisation for issue

These consolidated condensed interim financial statements have been authorised for issue by the Board of Directors of the Group on 04 August, 2026.

Usman Zahur
Managing Director & CEO

Ahad Khan
Chief Financial Officer & Director



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