

Condensed interim financial information for
the nine months ended September 30, 2026



Nestlé

Good Food, Good Life



NESTLÉ PAKISTAN LIMITED DIRECTORS' REVIEW

The Directors of Nestlé Pakistan Limited (the “Company”) are pleased to submit the director’s report, along with the condensed interim financial statements of the Company for the nine months period ended September 30, 2026.

Business Performance Review:

Net sales for the nine-month period ended September 30, 2026, amounted to PKR 160 billion, representing an increase of 6.3% compared to the same period of the prior year. Despite the challenging geopolitical and business operating environment marked by rising inflation, political instability and a sharp escalation in fuel and energy prices driven by the US-Iran war, the Company successfully sustained business momentum. This resilience was underpinned by increased investment behind our brands, consumer-centric innovation and renovation (I&R), focused marketplace execution, strengthened export routes to market, and disciplined pricing actions, where necessary.

Our continued focused investment in green energy initiatives, especially in the areas of solar and biomass, has helped us in partially offsetting the energy cost headwinds while reducing carbon emissions. An improved topline, disciplined overhead management, and continuous focus on value chain optimization initiatives have resulted in an increase of 8.1% in gross profit as compared to the same period of the prior year. However, at the operating profit level, this improvement was reduced to 5.9% mainly due to increased investment behind our brands and higher distribution costs, driven by fuel prices.

Net profit after tax improved by 3.1% as compared to the same period of the prior year, despite the impact of higher taxation expense.

In response to geopolitical uncertainty, the Company accelerated localization and strategically secured critical inventories, reducing foreign exchange exposure, strengthening supply chain resilience, and safeguarding business continuity.

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

	Jan – Sep 2026	Jan – Sep 2025	Change
Net sales – PKR Million	160,260	150,819	6.3%
Gross profit – PKR Million	61,313	56,706	8.1%
Gross profit as % of net sales	38.3%	37.6%	
Operating profit – PKR Million	28,609	27,025	5.9%
Operating profit as % of net sales	17.9%	17.9%	
Net profit after tax – PKR Million	14,526	14,095	3.1%
Net profit as % of sales	9.1%	9.3%	
Earnings per share – PKR	320.3	310.8	3.1%

Future Outlook:

Due to on-going geopolitical instability, continued volatility in energy and other input costs, and 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 challenges by ensuring appropriate investment behind its 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

Joselito Jr Avancena

Joselito Jr Avancena
Chief Executive Officer

Syed Yawar Ali
Syed Yawar Ali
Chairman

Lahore
Dated: October 22, 2026

Nestlé Pakistan Limited**Condensed Interim Statement of Financial Position***As at September 30, 2026*

	(Un-audited) Sep 30, 2026	(Audited) Dec 31, 2025
	--- (Rupees in '000) ---	
<i>Note</i>		
EQUITY AND LIABILITIES		
<u>Share capital and reserves</u>		
Authorized capital 75,000,000 (2025: 75,000,000) ordinary shares of PKR 10 each	<u>750,000</u>	<u>750,000</u>
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	13,542,125	20,285,092
	14,525,148	21,268,115
<u>Non-current liabilities</u>		
Lease liabilities	1,214,347	1,326,275
Long-term employee benefits	6,115,943	5,532,046
	7,330,290	6,858,321
<u>Current liabilities</u>		
Current portion of lease liabilities	370,545	473,319
Current maturity of long term finances	-	1,434,375
Running finance under mark-up arrangements - secured	353,342	-
Trade and other payables	58,277,683	60,335,267
Contract liabilities	951,702	850,973
Income tax payable	3,313,985	2,126,681
Interest and mark-up accrued	120,447	956
Customer security deposits	514,278	440,742
Unclaimed dividend	110,408	104,647
	64,012,390	65,766,960
	<u>85,867,828</u>	<u>93,893,396</u>

Contingencies and commitments

5.

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

MAQSOOD AHMAD ANJUM
Chief Financial Officer

JOSELITO JR AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director**ASSETS****Non-current assets**

Property, plant and equipment
Capital work-in-progress
Intangible assets
Deferred taxation
Long-term loans

	(Un-audited) Sep 30, 2026	(Audited) Dec 31, 2025
	--- (Rupees in '000) ---	
<i>Note</i>		
6.	28,463,992	30,131,584
	1,999,449	2,526,967
	116,414	95,541
	4,655,161	4,658,016
	596,964	583,462
	35,831,980	37,995,570

Current assets

Current portion of long-term loans
Stores and spares
Stock-in-trade
Trade debts
Sales tax recoverable
Advances, deposits, prepayments and other receivables
Short term investments
Cash and bank balances

	210,496	172,020
	4,772,012	4,355,163
	30,535,172	24,818,457
	3,172,161	3,177,030
	1,226,219	5,923,212
	6,781,201	3,954,754
7.	-	9,588,794
	3,338,587	3,908,396
	50,035,848	55,897,826

	<u>85,867,828</u>	<u>93,893,396</u>
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Nestlé Pakistan Limited**Condensed Interim Statement of Profit or Loss***For the nine month period ended September 30, 2026 (un-audited)*

	Nine-month period ended		Three-month period ended	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
	--- (Rupees in '000) ---		--- (Rupees in '000) ---	
Revenue from contracts with customers - net	160,259,856	150,818,715	53,237,069	49,526,393
Cost of goods sold	(98,946,816)	(94,112,564)	(33,460,416)	(32,116,805)
Gross profit	61,313,040	56,706,151	19,776,653	17,409,588
Distribution and selling expenses	(27,539,287)	(24,651,984)	(9,215,616)	(7,994,661)
Administration expenses	(5,165,236)	(5,029,103)	(1,581,170)	(1,486,473)
Operating profit	28,608,517	27,025,064	8,979,867	7,928,454
Finance cost	(338,097)	(452,780)	(163,506)	(119,602)
Other expenses	(2,431,181)	(2,605,065)	(851,227)	(970,299)
	(2,769,278)	(3,057,845)	(1,014,733)	(1,089,901)
Other income	939,773	409,003	338,734	153,567
Profit before final tax, minimum tax differential and income tax	26,779,012	24,376,222	8,303,868	6,992,120
Minimum tax differential	-	(116,486)	48,735	23,510
Profit before income tax	26,779,012	24,259,736	8,352,603	7,015,630
Income tax	(12,253,016)	(10,164,639)	(3,805,245)	(3,345,413)
Profit after taxation	14,525,996	14,095,097	4,547,358	3,670,217
Earnings per share basic and diluted (Rupees)	320.31	310.81	100.27	80.93

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



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 nine month period ended September 30, 2026 (un-audited)*

	Nine-month period ended		Three-month period ended	
	Sep 30, 2026	Sep 30, 2025	Sep 30, 2026	Sep 30, 2025
	--- (Rupees in '000) ---		--- (Rupees in '000) ---	
Profit after taxation	14,525,996	14,095,097	4,547,358	3,670,217
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	14,525,996	14,095,097	4,547,358	3,670,217

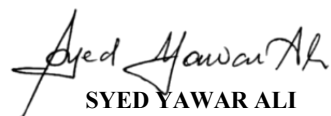
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MAQSOOD AHMAD ANJUM
Chief Financial Officer



JOSELITO JR AVANCENA
Chief Executive Officer



SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited

Condensed Interim Statement of Changes in Equity

For the nine month period ended September 30, 2026 (un-audited)

	Share Capital	Capital reserves Share premium	Revenue reserves		Total
			General reserve	Accumulated profits	
	(Rupees in '000)				
Balance as at January 01, 2025 (audited)	453,496	249,527	280,000	17,600,015	18,583,038
<u>Total comprehensive income for the nine-months ended September 30, 2025</u>					
Profit after taxation	-	-	-	14,095,097	14,095,097
Other comprehensive income	-	-	-	-	-
	-	-	-	14,095,097	14,095,097
<u>Transaction with owners directly recognized in equity</u>					
Final dividend for the year ended December 31, 2024 (Rs. 30 per share)	-	-	-	(1,360,488)	(1,360,488)
Interim dividend for the six-month period ended June 30, 2025 (Rs. 223 per share)	-	-	-	(10,112,961)	(10,112,961)
Balance as at September 30, 2025 (un-audited)	453,496	249,527	280,000	20,221,663	21,204,686
<u>Total comprehensive income for the three-months ended December 31, 2025</u>					
Profit after taxation	-	-	-	3,148,824	3,148,824
Other comprehensive income	-	-	-	451,874	451,874
	-	-	-	3,600,698	3,600,698
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
<u>Total comprehensive income for the nine-months ended September 30, 2026</u>					
Profit after taxation	-	-	-	14,525,996	14,525,996
Other comprehensive income	-	-	-	-	-
	-	-	-	14,525,996	14,525,996
<u>Transaction with owners directly recognized in equity</u>					
Final dividend for the year ended December 31, 2025 (Rs. 256 per share)	-	-	-	(11,609,498)	(11,609,498)
Interim dividend for the six-month period ended June 30, 2026 (Rs. 213 per share)	-	-	-	(9,659,465)	(9,659,465)
Balance as at September 30, 2026 (un-audited)	453,496	249,527	280,000	13,542,125	14,525,148

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

MAQSOOD AHMAD ANJUM
Chief Financial Officer

JOSELITO JR AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited

Condensed Interim Statement of Cash Flows

For the nine month period ended September 30, 2026 (un-audited)

	Sep 30, 2026	Sep 30, 2025
	--- (Rupees in '000) ---	
<u>Cash flow from operating activities</u>		
Profit before taxation	26,779,012	24,376,222
<i>Adjustment for non-cash charges and other items:</i>		
Depreciation of property, plant and equipment	3,427,055	3,203,152
Amortization of intangible assets	28,469	12,714
Impairment (reversal) / charge - net	(22,650)	427,093
Gain on disposal of property, plant and equipment - owned	(46,990)	(70,322)
Interest income	(342,551)	(181,384)
Provision for Workers' Profit Participation Fund	1,367,130	1,248,516
Provision for Workers' Welfare Fund	543,008	594,104
Increase in provision for stores and spares	401	234,396
(Reversal) of provision for stock in trade - net	(97,561)	(679,848)
Exchange (gain) / loss unrealized	(163,858)	236,092
Provision for defined benefits plans	1,207,897	1,167,049
Finance cost	338,097	452,780
Profit before working capital changes	33,017,459	31,020,564
<i>Effect on cash flow due to working capital changes:</i>		
<i>(Increase) / decrease in current assets:</i>		
Stores and spares	(417,250)	(200,625)
Stock-in-trade	(5,619,154)	(1,642,793)
Trade debts	4,869	(1,371,121)
Advances, deposits, prepayments and other receivables	(2,885,657)	(307,294)
Sales tax recoverable	4,696,993	1,638,355
<i>Increase/ (decrease) in current liabilities:</i>		
Trade and other payables	(1,562,110)	5,294,681
Contract liabilities	100,729	(793,005)
	(5,681,580)	2,618,198
Cash generated from operations	27,335,879	33,638,762
Increase in long term loans - net	(51,978)	(194,102)
Increase in customer security deposits - interest free	73,535	48,686
Contributions to the Funds by the Company - net	(624,000)	(579,153)

Nestlé Pakistan Limited

Condensed Interim Statement of Cash Flows (continued)

For the nine month period ended September 30, 2026 (un-audited)

	Note	(Un-audited) Sep 30, 2026	(Un-audited) Sep 30, 2025
		--- (Rupees in '000) ---	
Workers' Profit Participation Fund paid		(1,521,166)	(1,170,208)
Workers' Welfare Fund paid		(720,469)	(721,864)
Finance cost paid		(60,532)	(445,955)
Income taxes paid		(11,062,857)	(5,666,156)
Net cash generated from operating activities		13,368,412	24,910,010
<u>Cash flow from investing activities</u>			
Purchase of property, plant and equipment		(1,300,252)	(3,077,721)
Proceeds from disposal of short-term investments		9,588,794	-
Interest income received		401,761	181,384
Sale proceeds from disposal of property, plant and equipment		89,087	202,018
Net cash generated from / (used in) investing activities		8,779,390	(2,694,319)
<u>Cash flow from financing activities</u>			
Long-term loans repaid		(1,434,375)	(3,000,000)
Short-term borrowings obtained		-	1,800,000
Short-term borrowings repaid		-	(2,000,000)
Lease rentals paid		(373,376)	(341,048)
Dividends paid		(21,263,202)	(11,473,449)
Net cash used in financing activities		(23,070,953)	(15,014,497)
Net (decrease) / increase in cash and cash equivalents		(923,151)	7,201,194
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.	2,985,245	8,863,045

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

MAQSOOD AHMAD ANJUM
Chief Financial Officer

JOSELITO JR AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the nine month period ended September 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 September 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 nine-month period ended September 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.

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the nine month period ended September 30, 2026 (un-audited)

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

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)	(Audited)
Sep 30, 2026	Dec 31, 2025
---- (Rupees in '000) ----	

5.2 Guarantees

Outstanding guarantees	991,623	806,025
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5.3 Commitments

5.3.1 Letters of credit

Outstanding letters of credit	6,401,875	9,398,720
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5.3.2 Commitments in respect of capital expenditure

	1,482,849	330,955
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6. Property, plant and equipment

Opening balance - net book value	30,131,584	29,407,234
Additions during the period / year		
Land and building (on freehold land)	146,220	861,247
Plant and machinery	1,458,485	3,725,505
Furniture and fixtures	11,654	15,886
Vehicles	-	170,227
IT equipment	155,979	370,576
Right-of-use assets	6,572	516,532
	1,778,910	5,659,973
	31,910,494	35,067,207
Book value of property, plant and equipment		
disposed off during the period / year	(42,097)	(160,137)
Depreciation charged during the period / year	(3,427,055)	(4,348,393)
Impairment reversed / (charged) during the period / year	22,650	(427,093)
Closing balance - Net book value	28,463,992	30,131,584

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the nine month period ended September 30, 2026 (un-audited)

7. Short-term investments

	(Un-audited) Sep 30, 2026	(Audited) Dec 31, 2025
	----- (Rupees in '000) -----	
Treasury Bills	-	9,588,794

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

8. Cash and cash equivalents

	(Un-audited) Sep 30, 2026	(Un-audited) Sep 30, 2025
	----- (Rupees in '000) -----	
Cash and bank balances	3,338,587	8,984,748
Running finance under mark-up arrangements - secured	(353,342)	(121,703)
	<u>2,985,245</u>	<u>8,863,045</u>

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) Sep 30, 2026	(Un-audited) Sep 30, 2025
	----- (Rupees in '000) -----	
<i>Associated companies</i>		
General licensing fee	2,126,517	5,210,396
Dividends	11,791,859	9,352,010
Interest on long term loan	17,985	83,712
Purchase of goods, services, assets and rent expense	15,226,964	14,878,731
Sale of goods	1,138,793	558,228
Insurance premium paid	468,004	374,069
Insurance claims received	42,517	44,609
<i>Other related parties</i>		
Contribution to staff retirement benefit plans	873,677	854,721
Remuneration to key management personnel	7,392,519	6,982,948

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:

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the nine month period ended September 30, 2026 (un-audited)

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 nine-month period ended September 30, 2026 (un-audited)

	Dairy and Nutrition Products	Powdered and Liquid Beverages	Other Products	Total
	(Rupees in '000)			
Revenue from contracts with customers	124,858,941	34,214,416	1,186,499	160,259,856
Depreciation and amortization	2,313,070	1,091,086	28,718	3,432,874
Operating profit before tax and unallocated expenses	25,349,418	2,950,848	308,251	28,608,517
Unallocated corporate expenses:				
Finance cost				(338,097)
Other expenses				(2,431,181)
Other income				939,773
Minimum tax differential				-
Taxation				(12,253,016)
Profit after taxation				14,525,996

Segment analysis for the nine-month period ended September 30, 2025 (un-audited)

	Dairy and Nutrition Products	Powdered and Liquid Beverages	Other Products	Total
	(Rupees in '000)			
Revenue from contracts with customers	118,032,520	32,197,894	588,301	150,818,715
Depreciation and amortization	2,513,008	1,102,152	27,802	3,642,962
Operating profit before tax and unallocated expenses	23,833,830	3,092,113	99,121	27,025,064
Unallocated corporate expenses:				
Finance cost				(452,780)
Other operating expenses				(2,605,065)
Other income				409,003
Minimum tax differential				(116,486)
Taxation				(10,164,639)
Profit after taxation				14,095,097

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

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the nine month period ended September 30, 2026 (un-audited)

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) Sep 30, 2025 ----- (Rupees in '000) -----	(Audited) Dec 31, 2025
<u>Statement of Financial Position</u>			
Assets			
Loan to employees (including current portion)	Shariah compliant	807,460	755,482
Advances, deposits and prepayments	Shariah compliant	6,781,201	3,954,754
Long-term investments	Shariah compliant	-	-
Short-term investments	Shariah compliant	-	-
Bank balances	Shariah compliant	2,915	55,690
		7,591,576	4,765,926
Liabilities			
Long-term financing obtained	Shariah compliant	-	-
Mark-up accrued on conventional loans and advances	Non – shariah	120,444	956
Running finance under mark-up arrangements	Shariah compliant	50,167	-
		170,611	956

	Explanation	(Un-audited) Sep 30, 2026 ----- (Rupees in '000) -----	(Un-audited) Sep 30, 2025
<u>Statement of Profit or Loss</u>			
Revenue earned from a Shariah-compliant business segments		160,259,856	150,818,715
Profit paid on Islamic mode of financing		9,393	7,153

Sources and detailed breakup of other income

Income on loans, deposits and investments	Non – shariah	291,508	148,892
	Shariah compliant	51,043	32,492
		342,551	181,384
Gain on re-measurement of foreign currency balances	Non – shariah	163,858	-
	Shariah compliant	157,448	-
		321,306	-
Gain on sale of property, plant and equipment & scrap sales	Non – shariah	-	-
	Shariah compliant	253,266	227,619
		253,266	227,619
Other income / (loss)	Non – shariah	-	-
	Shariah compliant	22,650	-
		22,650	-
		939,773	409,003

Nestlé Pakistan Limited

Notes to the Condensed Interim Financial Statements

For the nine month period ended September 30, 2026 (un-audited)

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. 2.92 million (2025: Rs. 55.69 million) and availed borrowing facilities amounting to Rs. 50.17 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.

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 October 22, 2026 have proposed an interim cash dividend for the nine month period ended September 30, 2026 of Rs. 97 (September 30, 2025: Rs. 78) per share, amounting to Rs. 4,398.91 million (September 30, 2025: Rs. 3,537.27 million). These condensed interim financial statements do not reflect this dividend.

16. Incorporation of Subsidiary and Exemption from Consolidation under Section 228 of the Companies Act, 2017

- 16.1** On 23 July 2026, Nestlé S.A. announced a proposed 50:50 joint venture with Platinum Equity covering its waters and premium beverages business, including the Pakistan operations. The transaction remains subject to definitive agreements and corporate and regulatory approvals. As a next step, Nestlé Pakistan Limited has incorporated a wholly owned subsidiary, Waters and Premium Beverages PK (Private) Limited on 28 July 2026.

- 16.2** At the reporting date, the Subsidiary did not commence operations. The Securities and Exchange Commission of Pakistan has granted the Company an exemption under section 228 of the Companies Act, 2017 from preparing consolidated financial statements in respect of the Subsidiary for the nine months period ended 30 September 2026. Accordingly, the Subsidiary has not been consolidated, and its financial highlights are not presented.

The Subsidiary's accounts, when prepared, will be available free of cost to the members for inspection at the Company's registered office or applicable places of business.

17. Date of authorization for issue

These un-audited condensed interim financial statements were authorized for issue on October 22, 2026 by the Board of Directors.

MAQSOOD AHMAD ANJUM
Chief Financial Officer

JOSELITO JR AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director