Bata

QUARTERLY REPORT 2026

JANUARY - SEPTEMBER

CORPORATE INFORMATION

Board of Directors

Ms. Jin Zeng	Chairperson of the Board	Non-Executive Director
Mr. Ahsan Umar	Chief Executive	Executive Director
Mr. Muhammad Fahad Arzani	Chief Financial Officer	Executive Director
Mr. Clifford Gary Reuter		Non-Executive Director
Mr. Rashid Rahman Mir		Independent Director
Mr. Ahmad Aqeel		Independent Director
Ms. Bushra Naqvi		Independent Director

Audit Committee

Mr. Rashid Rahman Mir	Chairman
Mr. Ahmad Aqeel	Member
Mr. Clifford Gary Reuter	Member

Human Resource and Remuneration Committee

Ms. Bushra Naqvi	Chairperson
Mr. Ahsan Umar	Member
Mr. Clifford Gary Reuter	Member

Chief Financial Officer (CFO)

Mr. Muhammad Fahad Arzani

Company Secretary

Mr. Muhammad Shahid

Auditors

A.F. Ferguson & Co.
(a member firm of PwC Network) 308-Upper Mall, Shahrah-e-Quaid-e-Azam P.O Box-39, 54000, Lahore.

Legal Advisor

Surridge & Beecheno
60, Shahrah-e-Quaid-e-Azam, Ghulam Rasool Building, Lahore.

Stock Exchange Listing

Bata Pakistan limited is listed on Pakistan Stock Exchange under “Leather and Tanneries” sector

Web Presence

https://www.bata.com.pk/

Bankers

Habib Bank Limited

Habib Metropolitan Bank Limited

MCB Bank Limited

Bank Al Habib Limited

National Bank of Pakistan Limited

United Bank Limited

Meezan Bank Limited

Allied Bank Limited

Bank Alfalah Limited

Standard Chartered Bank

(Pakistan) Limited

Registered Office

Batapur, G. T. Road,
P.O. Batapur, Lahore.

Share Registrar

Corplink (Pvt.) Ltd.
Wings Arcade, 1-K Commercial,
Model Town, Lahore.

Factory

Batapur G. T. Road,
P.O. Batapur, Lahore.

Liaison Office Karachi

138 C-II Commercial Area,
P.E.C.H.S., Tariq Road, Karachi.

DIRECTORS' REVIEW

The Directors are pleased to present the un-audited condensed interim financial statements of the Company for the nine-month period ended 30 September, 2026.

Financial Performance

The Company continued to deliver revenue growth during the nine months ended September 30, 2026 despite a challenging retail environment characterized by cautious consumer spending and ongoing economic pressures. Net turnover increased by 10.1% to Rs. 14.340 billion compared to Rs. 13.031 billion in the corresponding period of last year. The improved sales performance reflects continued focus on customer engagement, commercial initiatives and brand strength.

Profitability, however, remained under pressure due to higher operating costs, one-off restructuring expenses associated with the consolidation of manufacturing operations and taxation impacts recognized during the period. The Company reported a loss after tax of Rs. 633.407 million compared to a loss after tax of Rs. 356.056 million in the corresponding period last year.

Particulars	September 30, 2026	September 30, 2025
Net Turnover	Rs. 14.340 billion	Rs. 13.031 billion
Loss Before Tax	Rs. 342.497 million	Rs. 356.724 million
Loss After Tax	Rs. 633.407 million	Rs. 356.056 million
Loss Per Share	Rs. 83.78	Rs. 47.10

Business Overview

During the period under review, the Company continued to execute its strategic priorities aimed at strengthening long-term competitiveness and enhancing operational efficiency. A significant milestone was the ongoing consolidation of manufacturing operations at the Maraka Factory into the Batapur Factory. This initiative is expected to optimize production capacity, streamline operations and improve resource utilization across the manufacturing network.

The consolidation process progressed during the period, including the implementation of employee transition arrangements and a Voluntary Retirement Scheme (VRS) for affected employees. The related obligations have been recognized in these condensed interim financial statements.

In parallel, the Company remained focused on strengthening internal capabilities, optimizing processes and selectively investing in its retail and operational infrastructure to support sustainable future growth. Management continues to monitor the evolving economic environment and remains committed to improving efficiency, maintaining operational discipline and positioning the business for long-term value creation.

Corporate Social Responsibility

Bata Pakistan continued its commitment to sustainable community development through a range of CSR initiatives undertaken during the nine months ended September 30, 2026. During the period, the Company focused on education, health and wellbeing, environmental sustainability, community welfare and employee engagement.

Key initiatives undertaken during the period included:

1. Founders Day Shoe Donation Drive

Distributed more than 1,300 pairs of shoes to deserving students across six schools, accompanied by mentoring and awareness sessions to support children's development and wellbeing.

2. Retail Plantation Drive
Expanded its environmental sustainability efforts through a plantation campaign under which more than 2,000 plants were distributed and planted across retail outlets, schools and surrounding communities, alongside awareness on environmental protection.

3. Water Filtration Plant
Completed the installation of a water filtration plant at Government Girls Higher Secondary School, Sooter Mills, Lahore, providing access to safe drinking water for approximately 1,800 students.

4. Health & Community Wellbeing Initiatives
Conducted health awareness and wellbeing sessions and organized a blood donation camp in collaboration with Sundas Foundation, resulting in the collection of approximately 120 blood units for patients in need.

5. Education & Social Inclusion
Supported students and underprivileged communities through digital skills development initiatives and shoe donations, promoting learning opportunities, inclusion and community welfare. These initiatives reflect Bata Pakistan's continued commitment to children, communities, employees and environmental sustainability.

Outlook
The Company expects the operating environment to remain challenging during the remainder of the year due to continuing macroeconomic uncertainties. Management, however, remains confident in the Company's resilience and ability to adapt to evolving market conditions.

With the continued support of its employees, customers and stakeholders, the Company remains committed to delivering sustainable growth and creating long-term value for all stakeholders.

On behalf of the Board

Batapur:
Lahore: October 27, 2026

(Mr. Ahsan Umar)
Chief Executive

زیرِ جائزہ مدت کے دوران CSR کے چند اہم اقدامات:

فاؤنڈرز ڈے شوز ڈونیشن ڈرائیو:

چھ اسکولوں میں مستحق طلباء و طالبات میں 1,300 سے زائد جوتوں کے جوڑے تقسیم کیے گئے، جس کے ساتھ ساتھ بچوں کی نشوونما اور فلاح و بہبود میں معاونت کے لیے رہنمائی اور آگاہی کے سیشنز بھی منعقد کیے گئے۔

2۔ رٹیل پلانٹیشن ڈرائیو:

شجرکاری مہم کے ذریعے ماحولیاتی پائیداری کی کوششوں کو وسعت دی گئی، جس کے تحت ماحول کی حفاظت سے متعلق آگاہی کے ساتھ ساتھ مختلف رٹیل آؤٹ لیٹس، اسکولوں اور گردونواح کی آبادیوں میں 2,000 سے زائد پودے تقسیم کیے اور لگائے گئے۔

3۔ واٹر فلٹریشن پلانٹ:

گورنمنٹ گرلز ہائر سیکنڈری اسکول، سوتر ملز، لاہور میں واٹر فلٹریشن پلانٹ کی تنصیب مکمل کی گئی، جس سے تقریباً 1,800 طلبا کو پینے کے صاف پانی تک رسائی حاصل ہوئی۔

4۔ صحت اور کمیونٹی کی فلاح و بہبود کے اقدامات:

صحت سے متعلق آگاہی اور فلاح و بہبود کے حوالے سے سیشنز کا انعقاد کیا گیا اور سندس فاؤنڈیشن کے تعاون سے خون کا عطیہ دینے کے لیے ایک کیمپ قائم کیا گیا، جس کے نتیجے میں ضرورت مند مریضوں کے لیے تقریباً 120 بلڈ یونٹس جمع کیے گئے۔

5۔ تعلیم اور سماجی شمولیت:

ڈیجیٹل اسکلز کے فروغ کے اقدامات اور جوتوں کے عطیات کے ذریعے طلباء اور محروم طبقوں کی معاونت کی گئی، جس سے تعلیم کے مواقع، سماجی شمولیت اور کمیونٹی کی فلاح کو فروغ ملا۔ یہ اقدامات بچوں، معاشرے، ملازمین اور ماحولیاتی پائیداری کے لیے باٹا پاکستان کے مسلسل عزم کی عکاسی کرتے ہیں۔

مستقبل کا منظر نامہ

مسلسل میکرو اکنامک دباؤ کے باعث مستقبل قریب میں مجموعی کاروباری ماحول مشکل رہنے کی توقع ہے۔ اس کے باوجود انتظامیہ کمپنی کے استحکام اور مارکیٹ کی بدلتی ہوئی صورتحال کے مطابق خود کو ڈھالنے کے حوالے سے پُراعتماد ہے۔

اپنے ملازمین، صارفین اور معزز اسٹیک ہولڈرز کے تعاون سے کمپنی تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر پیدا کرنے کے لیے پُرعزم ہے۔

منجانب بورڈ

Ahsan Umar.

(احسن عمر)

چیف ایگزیکٹو

باٹا پور:

لاہور: 27 اکتوبر، 2026

ڈائریکٹرز کا جائزہ

کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 30 ستمبر 2026 کو ختم ہونے والے نو ماہ کے لئے کمپنی کی غیر آڈٹ شدہ مختصر عبوری مالی معلومات اور کارکردگی کا مختصر جائزہ پیش کررہے ہیں۔

مالیاتی کارکردگی

30 ستمبر 2026 کو ختم ہونے والے نو ماہ کے دوران کمپنی نے ریٹیل شعبے کو درپیش مسلسل مشکلات، صارفین کی جانب سے محتاط انداز میں اخراجات اور مسلسل معاشی دباؤ کے باوجود آمدنی میں اضافہ جاری رکھا۔ خالص ٹرن اوور 10.1 فیصد اضافے کے ساتھ 14.340 ارب روپے ہوگیا، جو گزشتہ سال کی اسی مدت میں 13.031 ارب روپے تھا۔ فروخت کی کارکردگی میں یہ بہتری صارفین سے روابط پر مسلسل توجہ، نئے کاروباری اقدامات اور برانڈ کے استحکام کا نتیجہ ہے۔

تاہم، بڑھتے ہوئے آپریٹنگ اخراجات، مینوفیکچرنگ آپریشنز کے انضمام سے متعلق ایک مرتبہ کے تنظیمِ نو کے اخراجات اور زیرِ جائزہ مدت کے دوران عائد ٹیکسوں کے اثرات کے باعث منافع پر دباؤ برقرار رہا۔ کمپنی نے بعد از ٹیکس 633.407 ملین روپے کا خسارہ رپورٹ کیا، جبکہ گزشتہ سال کی اسی مدت میں بعد از ٹیکس خسارہ 356.056 ملین روپے تھا۔

تفصیلات	30 ستمبر 2026	30 ستمبر 2025
خالص ٹرن اوور	14.340 ارب روپے	13.031 ارب روپے
قبل از ٹیکس خسارہ	342.497 ملین روپے	356.724 ملین روپے
بعد از ٹیکس خسارہ	633.407 ملین روپے	356.056 ملین روپے
فی حصص خسارہ	83.78 روپے	47.10 روپے

کاروباری جائزہ

زیرِ جائزہ مدت کے دوران کمپنی نے طویل مدتی مسابقت کو مضبوط بنانے اور آپریشنل استعداد کو بہتر بنانے کے لیے اپنی اسٹریٹجک ترجیحات پر عمل درآمد جاری رکھا۔ اس سلسلے میں ایک اہم پیش رفت مراکہ فیکٹری کے مینوفیکچرنگ آپریشنز کو باٹا پور فیکٹری میں منتقل اور یکجا کرنے کا جاری عمل ہے۔ اس اقدام سے پیداواری صلاحیت کو بہتر بنانے، آپریشنز کو منظم کرنے اور پیداواری نیٹ ورک میں وسائل کے بہتر استعمال کی توقع ہے۔

اس مدت کے دوران انضمام کا عمل آگے بڑھا، جس میں متاثرہ ملازمین کے لیے منتقلی کے انتظامات اور رضا کارانہ ریٹائرمنٹ اسکیم (VRS) پر عمل درآمد شامل ہے۔ اس سے متعلقہ تمام واجبات کو ان مختصر عبوری مالیاتی گوشواروں میں تسلیم کیا گیا ہے۔

اس کے ساتھ ساتھ، کمپنی نے مستقبل کی پائیدار نمو کو برقرار رکھنے کے لیے داخلی صلاحیتوں کو مستحکم بنانے، طریقۂ کار کو بہتر بنانے اور اپنے ریٹیل اور آپریٹنگ انفرااسٹرکچر میں ترجیحی بنیادوں پر سرمایہ کاری پر اپنی توجہ مرکوز رکھی۔ انتظامیہ بدلتے ہوئے معاشی حالات کا مسلسل جائزہ لے رہی ہے اور کارکردگی میں بہتری لانے، آپریشنل نظم وضبط برقرار رکھنے اور طویل مدتی قدر میں اضافے کے لیے کاروبار کو مستحکم بنیادوں پر استوار کرنے کے عزم پر قائم ہے۔

کارپوریٹ سماجی ذمہ داری (CSR)

باٹا پاکستان نے 30 ستمبر 2026 کو ختم ہونے والے نو ماہ کے دوران کارپوریٹ سماجی ذمہ داری (CSR) کے متعدد اقدامات کے ذریعے پائیدار سماجی ترقی کے لیے اپنے عزم کو برقرار رکھا۔ زیرِ جائزہ مدت کے دوران کمپنی نے متعدد اہم اقدامات پر عمل درآمد کیا، جن کا مرکز تعلیم، صحت، سماجی شمولیت، ماحولیاتی پائیداری اور ملازمین کی فلاح و بہبود تھا۔

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2026

	Note	(UN - AUDITED) September 30, 2026	(AUDITED) December 31, 2025
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,914,470	2,811,706
Right-of-use assets		3,631,101	3,710,610
Intangible assets		77,886	106,045
Long term security deposits		44,427	49,974
Deferred tax asset		661,043	630,770
		7,328,927	7,309,105
CURRENT ASSETS			
Stores and spare parts	7	-	-
Stock-in-trade		5,553,465	3,994,064
Trade debts		294,118	370,521
Advances		65,236	71,832
Trade deposits and short term prepayments		202,230	341,281
Other receivables		20,509	53,430
Income tax receivable net of provision for taxation		423,427	413,800
Interest accrued		3,442	2,621
Short term investments		45,031	45,044
Cash and bank balances		549,432	983,747
		7,156,890	6,276,340
TOTAL ASSETS		14,485,817	13,585,445
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		100,000	100,000
Issued, subscribed and paid up share capital		75,600	75,600
Reserves			
Capital reserve		483	483
Revenue reserves		2,458,380	3,091,787
		2,458,863	3,092,270
Total equity		2,534,463	3,167,870
NON-CURRENT LIABILITIES			
Lease liabilities		3,373,744	3,333,119
Long term deposits		31,179	19,025
Employee benefits obligations		41,305	34,295
Long term finance from financial institution - secured	8	-	-
		3,446,228	3,386,439
CURRENT LIABILITIES			
Current portion of lease liabilities		1,055,460	1,117,386
Current portion of long term finance	8	23,611	28,333
Trade and other payables		6,122,201	5,069,224
Short term borrowings from financial institutions - secured	9	467,427	-
Accrued finance cost		20,234	-
Unclaimed dividend		77,030	77,030
Unpaid dividend		739,163	739,163
		8,505,126	7,031,136
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		14,485,817	13,585,445

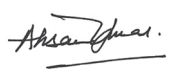
The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive | **Director** | **Chief Financial Officer**

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2026

	Note	Three-month period ended		Nine-month period ended	
		September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
		Un-audited			
		(Rupees in '000)			
Revenue from contracts with customers - net	11	4,569,636	3,971,552	14,340,450	13,030,546
Cost of sales	12	(2,472,822)	(2,266,713)	(7,562,834)	(7,184,724)
Gross profit		2,096,814	1,704,839	6,777,616	5,845,822
Distribution costs		(1,519,203)	(1,363,064)	(4,660,844)	(4,000,683)
Administrative expenses		(579,855)	(516,188)	(1,700,715)	(1,495,888)
Net impairment loss on financial assets		6,228	(31,299)	1,540	(82,134)
Other expenses		(113,467)	(9,941)	(288,607)	(148,024)
Other income		(1,745)	51,688	84,825	50,710
Finance costs	13	(193,707)	(176,251)	(556,312)	(526,527)
Loss before levy and income tax		(304,935)	(340,216)	(342,497)	(356,724)
Levy - minimum tax		(137,298)	(76,231)	(182,450)	(166,341)
Loss before income tax		(442,233)	(416,447)	(524,947)	(523,065)
Income tax	14	(24)	174,136	(108,460)	167,009
Loss for the period		(442,257)	(242,311)	(633,407)	(356,056)
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		(442,257)	(242,311)	(633,407)	(356,056)
Loss per share - basic and diluted (Rupees per share)		(58.50)	(32.05)	(83.78)	(47.10)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive

Director

Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2026

	Share capital	Capital reserve	Revenue reserves		Total
			General reserve	Un-appropriated profits	
			(Rupees in '000)		
Balance as at January 01, 2025 (audited)	75,600	483	4,557,000	913,042	5,546,125
Total comprehensive loss for period	-	-	-	(356,056)	(356,056)
Balance as at September 30, 2025 (un-audited)	75,600	483	4,557,000	556,986	5,190,069
Balance as at January 01, 2026 (audited)	75,600	483	4,557,000	(1,465,213)	3,167,870
Total comprehensive loss for period	-	-	-	(633,407)	(633,407)
Balance as at September 30, 2026 (un-audited)	75,600	483	4,557,000	(2,098,620)	2,534,463

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive	Director	Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2026

	Note	(UN - AUDITED) September 30, 2026	(UN - AUDITED) September 30, 2025
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	1,105,118	2,458,876
Finance cost paid		(21,326)	(48,353)
Payment of lease liabilities (interest)		(514,752)	(469,746)
Income tax and levy paid		(330,810)	(301,618)
Gratuity paid		(2,160)	(11,919)
Long term security deposits - net		17,701	11,655
Net cash (outflow)/inflow from operating activities		253,771	1,638,895
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(476,925)	(216,249)
Payments for intangible assets		(11,076)	(8,322)
Proceeds from disposal of property, plant and equipment		59,717	30,789
Short term investments made during the period		(45,000)	(46,779)
Short term investments encashed during the period		45,007	45,000
Interest income received		18,637	8,101
Net cash outflow from investing activities		(409,640)	(187,460)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finances		(4,722)	(4,722)
Payments of lease liabilities (principal)		(754,943)	(754,970)
Dividend paid		-	(890)
Net cash outflow from financing activities		(759,665)	(760,582)
Net (decrease)/ increase in cash and cash equivalents		(915,534)	690,853
Cash and cash equivalents at the beginning of the period prior to application of amendment to IFRS 9		983,747	211,344
Adjustment on initial application of amendment to IFRS 9 on January 1, 2026		13,708	-
		997,455	211,344
Effects of exchange rate changes on cash and cash equivalents		84	620
Cash and cash equivalents at the end of the period	15.1	82,005	902,817

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive | **Director** | **Chief Financial Officer**

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2026

1 LEGAL STATUS AND OPERATIONS

Bata Pakistan Limited (the 'Company') was incorporated in Pakistan as a public company limited by shares under the repealed Companies Act, 1913 (now, the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Batapur, Lahore. The principal activity of the Company is manufacturing and sale of footwear of all kinds along with sale of accessories and hosiery items. The parent company of Bata Pakistan Limited is Bafin B.V. (Nederland), whereas the ultimate parent is Compass Limited, Bermuda. Furthermore, the Company has the following production facility:

Business Unit	Geographical Location
Batapur Factory	G.T. Road, P.O. Batapur, Lahore

The Company operates through retail outlets spread across the country with 228 outlets situated in Punjab, 51 in Sindh, 38 in Khyber Pakhtunkhwa, 12 Islamabad Capital Territory, 8 in Azad Kashmir, 4 in Balochistan and 1 in Gilgit Baltistan.

1.1 During the period, the Board of Directors, in its 528th Emergent Meeting held on May 22, 2026, approved the consolidation of the Company's production facility at the Maraka Factory situated at 26 - km, Multan Road, Lahore, into the Batapur Factory. This initiative forms part of the Company's strategic plan to optimize manufacturing operations, enhance operational efficiency, achieve economies of scale and support sustainable future growth.

The transfer of production facilities is being implemented in phases and is expected to be completed by the end of the year, subject to operational and regulatory requirements. As part of the consolidation process, the Company offered a Voluntary Retirement Scheme (VRS) and transfer options to employees of the Maraka Factory.

The Company has recognized a provision in these condensed interim financial statements in respect of obligations arising under the VRS. Management will continue to assess the financial implications of the consolidation plan and will recognize any additional provisions or expenses when the relevant recognition criteria are met.

2 BASIS OF PREPARATION

2.1 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:

- 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 the Companies Act, 2017.

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

2.2 These condensed interim financial statements are un-audited. They do not include all of the disclosures required for full annual financial statements and should therefore be read in conjunction with the annual financial statements for the year ended December 31, 2025. Selected explanatory notes have been 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. However, the primary financial statements are presented in a format consistent with the financial statements that are required to be presented in the annual financial statements under IAS 1.

3 MATERIAL ACCOUNTING POLICIES AND CHANGES THEREIN

3.1 The material accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of annual audited financial statements for the year ended December 31, 2025, except for the estimation of income tax (see note 5) and adoption of amended IFRS Accounting Standards as set out below.

During the period, certain amendments to IFRS - 9 'Financial Instruments' (IFRS 9) and IFRS - 7 'Financial Instruments: Disclosures' (IFRS 7), became applicable to the Company. These amendments clarify that a financial asset or financial liability is recognised when an entity becomes a party to the contractual provisions of the instrument, and is derecognized on the settlement date i.e., when the contractual rights to cash flows expire, the asset is transferred, or the liability is extinguished. In effect, the amendments confirm that settlement date accounting applies to the recognition and derecognition of financial assets and financial liabilities. The amendments also introduce an optional exception permitting derecognition of a financial liability settled through an electronic payment system before the settlement date, subject to specified conditions, which the Company has not elected to apply.

The Company previously applied trade date accounting for the recognition and derecognition of financial assets and financial liabilities. Following adoption of these amendments, the Company has changed its accounting policy to apply settlement date accounting, consistent with the clarified requirements of IFRS 9. In accordance with the transitional provisions of the amendments, this change has been applied from the beginning of the annual reporting period of initial application, with the cumulative effect recognised as an adjustment to the opening balance of the affected items. Consistent with the transition relief provided under the amendments, comparative information in these condensed interim financial statements has not been restated.

The impact of adopting the new accounting policy has been reflected in the condensed interim statement of cash flows. Accordingly, the reconciliation of cash and cash equivalents presented therein includes the resulting adjustment to the opening balance. The effects of amendments at the date of initial application are as follows:

Effect on condensed interim statement of financial position (extract)	Audited		
	Carrying amount prior to the amendment	Impact of amendment	Carrying amount subsequent to the amendment
	(Rupees in '000)		
As of January 1, 2026			
Trade debts	370,521	-	370,521
Trade and other payables	5,069,224	13,708	5,082,932
Cash and cash equivalents	983,747	13,708	997,455

3.2 Initial application of standards, amendment and improvements to accounting and reporting standards

3.2.1 Standards, amendments and improvements to accounting and reporting standards that became effective during the period

There are amendments or improvements to existing standards which became applicable to the Company for the financial year beginning on January 1, 2026, however, these do not have a material impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements, except for an amendment in IFRS 7 and IFRS 9, the impact of which has been disclosed in note 3.1 to the condensed interim financial statements.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to accounting standards and interpretations that are mandatory for accounting periods beginning on or after January 1, 2027. These are not considered to be relevant to, or to have a significant impact on, the Company's operations and, accordingly, have not been disclosed in these condensed interim financial statements, except as disclosed in note 2.2.2 to the annual audited financial statements for the year ended December 31, 2025.

4 Critical accounting estimates and judgements

The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions 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.

In preparing these condensed interim financial statements, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the annual financial statements of the Company for the year ended December 31, 2025, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 5.

5 TAXATION

Income tax

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year, if the estimate of the annual income tax rate changes. Where different income tax rates apply to different categories of income, a separate rate is applied to each category of pre-tax income.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	(UN - AUDITED) September 30, 2026	(AUDITED) December 31, 2025
		(Rupees in '000)	
Operating fixed assets	6.1	2,726,205	2,461,331
Capital work-in-progress	6.2	188,265	350,375
		2,914,470	2,811,706

6.1 Operating fixed assets

	Freehold land	Leasehold land with super structure	Buildings on freehold land - factory	Buildings on freehold land - others	Plant and machinery	Boilers	Gas installations	Office equipment	Computers	Furniture, fixtures and fittings	Vehicles	Total
						(Rupees in '000)						
Net carrying value basis												
Nine months ended September 30, 2026												
Opening net book value (NBV)	2,508	35	264,595	57,060	542,490	4,922	458	3,197	190,572	1,389,337	6,157	2,461,331
Additions (at cost)	-	-	47,858	33,626	9,786			39	22,938	524,788	-	639,035
Disposals (at NBV)	-	-	-	-	(17,229)	(4,585)	(15)	(6)	(3,382)	(52,173)	-	(77,390)
Depreciation charge	-	-	(21,392)	(2,915)	(40,813)	(328)	(34)	(240)	(38,235)	(191,890)	(924)	(296,771)
Closing net book value	2,508	35	291,061	87,771	494,234	9	409	2,990	171,893	1,670,062	5,233	2,726,205
Gross carrying value basis												
As at September 30, 2026												
Cost	2,508	35	518,773	161,311	1,214,055	573	2,106	8,427	527,707	3,775,927	29,225	6,240,647
Accumulated depreciation and impairment	-	-	(227,713)	(73,539)	(719,821)	(564)	(1,697)	(5,436)	(355,814)	(2,105,867)	(23,991)	(3,514,442)
Net book value (NBV)	2,508	35	291,060	87,772	494,234	9	409	2,991	171,893	1,670,060	5,234	2,726,205
Depreciation rate per annum	0%	0%	10%	5%	10%	10%	10%	10%	25%	15%	20%	
Net carrying value basis												
Year ended December 31, 2025												
Opening net book value	2,508	35	162,092	57,944	600,280	5,470	453	3,590	221,692	1,536,003	7,664	2,597,731
Additions (at cost)	-	-	111,977	13,788	4,727	-	60	-	30,557	208,170	-	369,279
Disposals (at NBV)	-	-	(3,932)	-	(2,538)	-	(2)	(9)	(1,832)	(84,010)	-	(92,323)
Depreciation charge	-	-	(17,178)	(2,977)	(60,039)	(548)	(50)	(385)	(59,845)	(241,118)	(1,505)	(383,645)
Impairment loss	-	-	-	-	-	-	-	-	-	(29,711)	-	(29,711)
Closing net book value	2,508	35	252,959	68,755	542,430	4,922	461	3,196	190,572	1,389,334	6,159	2,461,331
Gross carrying value basis												
As at December 31, 2025												
Cost	2,508	35	470,915	127,685	1,250,917	13,910	2,275	8,415	516,042	3,419,709	29,225	5,841,636
Accumulated depreciation and impairment	-	-	(206,320)	(70,625)	(708,427)	(8,988)	(1,817)	(5,218)	(325,470)	(2,030,372)	(23,068)	(3,380,305)
Net book value (NBV)	2,508	35	264,595	57,060	542,490	4,922	458	3,197	190,572	1,389,337	6,157	2,461,331
Depreciation rate per annum	0%	0%	10%	5%	10%	10%	10%	10%	25%	15%	20%	

		Note	(UN - AUDITED) September 30, 2026	(AUDITED) December 31, 2025
			(Rupees in '000)	
6.2	**Capital work-in-progress**			
	The reconciliation of the carrying amount is as follows:			
	Opening balance		350,375	11,415
	Additions during the period / year		168,812	384,704
			519,187	396,119
	Transfers during the period / year		(330,922)	(45,744)
	Closing balance		188,265	350,375

		Note	(UN - AUDITED) September 30, 2026	(AUDITED) December 31, 2025
			(Rupees in '000)	
7	**STORES AND SPARE PARTS**			
	Stores		2,409	2,508
	Spare parts		34,223	34,565
			36,632	37,073
	Less: provision for obsolescence	7.1	36,632	37,073
			-	-

7.1	**Provision for obsolescence**		
	Opening provision	37,073	35,817
	Charge for the year	(441)	1,256
	Closing provision	36,632	37,073

		Note	(UN - AUDITED) September 30, 2026	(AUDITED) December 31, 2025
			(Rupees in '000)	
8	**LONG TERM FINANCES FROM FINANCIAL INSTITUTION - SECURED**			
	Long term finance - secured	8.1	23,611	28,333
	Less: current portion shown under current liabilities	8.2	23,611	28,333
			-	-
8.1	The reconciliation of the carrying amount is as follows:			
	Opening balance		28,333	34,629
	Repayments during the period/year		(4,722)	(6,296)
	Closing balance		23,611	28,333
	Current portion shown under current liabilities		(23,611)	(28,333)
			-	-

8.2 As at the reporting date, the Company was not in compliance with the current ratio covenant stipulated in the financing agreement. Consequently, the covenant breach rendered the outstanding borrowing repayable on demand. Accordingly, the related borrowing has been classified as a current liability in these condensed interim financial statements.

		Note	(UN - AUDITED) September 30, 2026	(AUDITED) December 31, 2025
			(Rupees in '000)	
9	**SHORT TERM BORROWINGS FROM FINANCIAL INSTITUTIONS - SECURED**			
	Running Musharakah Facility	9.1	-	-
	Running Finance Facility	9.2	467,427	-
			467,427	-

9.1 The running Musharakah facility available from Meezan Bank Limited amounts to Rs 400 million (2025: Rs 400 million) and carries profit at the rate of one-month Karachi Inter-Bank Offered Rate (KIBOR) plus 0.5% per annum (2025: one-month KIBOR plus 0.5% per annum). The profit is payable quarterly. The facility is secured by a first joint pari passu charge over all present and future current assets of the Company, including but not limited to stocks and trade debts, with a margin of 25%. The profit rate charged during the period on the outstanding balance ranged from 11.24% to 12.90% per annum (2025: 11.88% to 13.81% per annum).

9.2 Running finance facilities available from various commercial banks amount to Rs 1,300 million (2025: Rs 1,300 million). The markup rate charged during the period on the outstanding balances ranged from 11.58% to 13.03% per annum (2025: 11.54% to 14.31% per annum), payable quarterly in arrears. These facilities are secured by a joint pari passu hypothecation charge over stock-in-trade, stores and spares, and trade receivables of the Company amounting to Rs 2,580 million, together with a margin of 25%.

10 CONTINGENCIES AND COMMITMENTS

10.1 There has been no significant change in the contingencies disclosed in the annual audited financial statements of the Company for the year ended December 31, 2025, except for the following addition to contingencies and the update to a previously disclosed contingency:

(i) The Deputy Commissioner Inland Revenue (DCIR), vide assessment orders dated May 11, 2026, raised demands against the Company on account of alleged inadmissible input tax claimed by the Company, the breakup of which is as follows:

Tax periods	Amount (Rupees in '000)
July 2020 to June 2021	48,665
July 2021 to June 2023	32,998
July 2024 to June 2025	874

The Company, being aggrieved by the said orders, filed appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] on May 19, 2026. The appeals are currently pending adjudication.

Based on management's assessment and the advice of the Company's tax consultants, the Company has strong grounds to support its position in the matter. Accordingly, no provision has been recognized in these interim financial statements, as management believes that an outflow of economic benefits is not probable.

(ii) With reference to the matter disclosed in note 31.1.11 to the annual audited financial statements of the Company for the year ended December 31, 2025, the Company had challenged sales tax demands raised by the Deputy Commissioner Inland Revenue (DCIR), Mirpur, Azad Jammu and Kashmir (AJK), aggregating to Rs 23.906 million covering the tax periods from July 2020 to June 2024.

During this period, the appeals filed by the Company against the demands for tax periods from July 2020 to June 2023, amounting to Rs 4.875 million, were decided against the Company through orders issued by the CIR(A), Mirpur, AJK, dated March 16, 2026. As the assessed demand had already been paid by the Company and no further right of appeal was available, the matter stands concluded.

Further, the appeal filed by the Company before the Appellate Tribunal Inland Revenue (ATIR), AJK, against the sales tax demand of Rs 19.031 million relating to tax periods from July 2023 to June 2024, was decided against the Company vide order dated February 25, 2026. Consequently, the Company paid the outstanding demand of Rs 9.531 million during the period, resulting in full settlement of the liability and conclusion of the matter.

Accordingly, no contingent liability exists in respect of the above matter as at September 30, 2026.

	Note	(UN - AUDITED) September 30, 2026	(AUDITED) December 31, 2025
10.2 Other contingent liabilities		(Rupees in '000)	
Company is contingently liable for:			
- Counter guarantees given to banks		2,042	2,042
- Claims not acknowledged as debts - under appeal		62,985	22,235
		65,027	24,277

	Note	(UN - AUDITED) September 30, 2026	(AUDITED) December 31, 2025
10.3 Commitments in respect of:		(Rupees in '000)	
- Capital expenditure		409,489	20,664
- Letters of credit and bank contracts		32,053	-
		441,542	20,664

		(UN - AUDITED) Three-month period ended		(UN - AUDITED) Nine-month period ended	
		September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
11	**REVENUE FROM CONTRACTS WITH CUSTOMERS - NET**	(Rupees in '000)			
	Revenue from shoes and accessories:				
	Local	5,518,890	4,813,412	17,334,226	15,962,617
	Export	25,722	25,336	46,464	60,604
		5,544,612	4,838,748	17,380,690	16,023,221
	Sundry articles and scrap material	17,581	6,660	63,910	21,595
		5,562,193	4,845,408	17,444,600	16,044,816
	Less: Sales tax	885,978	743,525	2,689,936	2,485,308
	Discount to dealers and distributors	30,017	52,610	158,694	241,529
	Commission to agents/business associates	76,562	77,721	255,520	287,433
		992,557	873,856	3,104,150	3,014,270
		4,569,636	3,971,552	14,340,450	13,030,546

		(UN - AUDITED) Three-month period ended		(UN - AUDITED) Nine-month period ended	
		September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
12	**COST OF SALES**	(Rupees in '000)			
	Raw material consumed	875,477	919,893	3,326,605	2,492,901
	Stores and spare parts consumed	2,741	3,388	12,052	14,205
	Fuel and power	36,047	38,024	125,746	99,740
	Salaries, wages and benefits	214,673	214,029	778,582	602,299
	Repairs and maintenance	21,250	17,629	72,162	55,763
	Insurance	4,116	1,606	16,469	12,855
	Depreciation on operating fixed assets	20,634	19,188	61,680	57,592
		1,174,938	1,213,757	4,393,296	3,335,355
	Add: opening goods in process	213,425	66,444	96,821	69,483
		1,388,364	1,280,201	4,490,117	3,404,838
	Less: closing goods in process	236,732	146,184	236,732	146,184
	Cost of goods manufactured	1,151,632	1,134,017	4,253,385	3,258,654
	Add: Opening stock of finished goods	4,874,686	4,950,536	3,672,947	5,649,935
	Finished goods purchased	1,336,317	676,722	4,526,315	2,770,697
		7,362,635	6,761,275	12,452,647	11,679,286
	Less: Closing stock of finished goods	4,889,813	4,494,562	4,889,813	4,494,562
		2,472,822	2,266,713	7,562,834	7,184,724

13	**FINANCE COST**				
	Interest / mark-up on:				
	Long term finances	215	271	679	841
	Short term-finances	20,019	6,787	28,347	45,610
	Workers' profit participation fund	-	-	-	1,902
	Lease liabilities	170,076	166,981	514,752	469,746
		190,310	174,039	543,778	518,099
	Bank charges and commission	3,397	2,212	12,534	8,428
		193,707	176,251	556,312	526,527

14 INCOME TAX

The tax expense for the nine-month period ended September 30, 2026 includes certain non-recurring items relating to prior periods, comprising the recognition of Super Tax amounting to Rs 128.785 million.

		(UN - AUDITED) Nine-month period ended	
		September 30, 2026	September 30, 2025
		(Rupees in '000)	
15	**Cash generated from operations**		
	Loss before levy and income tax	(342,497)	(356,724)
	Adjustments for non-cash charges and other items:		
	Depreciation of property, plant and equipment	296,771	284,886
	Depreciation of right-of-use assets	833,476	834,369
	Amortization of intangible assets	39,199	59,237
	Provision for gratuity	9,170	(1,587)
	Loss on disposal of property, plant and equipment	17,673	48,324
	Gain on lease modification	(20,314)	(30,177)
	Income from short term investments	(19,458)	(11,066)
	Exchange (gain)/loss - net	(31,820)	92,731
	Interest / markup costs	556,312	526,527
	Net impairment loss on financial assets	(1,540)	82,134
	(Reversal)/provision for slow moving and obsolete stock - net	(45,002)	74,754
	Provision for obsolescence of raw material - net	50,998	-
	Impairment loss on advances	-	12,367
	(Reversal)/Provision for obsolescence of stores and spare parts - net	(441)	706
		1,685,024	1,973,205
	Operating profit before working capital changes	1,342,527	1,616,481
	Effect on cash flow due to working capital changes:		
	(Increase)/decrease in current assets		
	Stores and spare parts	441	(706)
	Stock in trade	(1,565,397)	823,358
	Trade debts	77,943	227,571
	Advances	6,596	19,638
	Trade deposits and short term prepayments	139,082	(369,746)
	Other receivables	32,921	4,061
		(1,308,414)	704,176
	(Increase)/decrease in current liabilities		
	Trade and other payables	1,071,005	138,219
	Effect on cash flow due to working capital changes	(237,409)	842,395
		1,105,118	2,458,876

		September 30, 2026	September 30, 2025
		(Rupees in '000)	
15.1	**CASH AND CASH EQUIVALENTS**		
	Cash and bank balances	549,432	902,817
	Short term borrowings from financial institutions - secured	(467,427)	-
		82,005	902,817

16 TRANSACTIONS WITH RELATED PARTIES

The related parties include the related parties on the basis of common directorship, parent company, group companies, key management personnel and post employment benefit plans. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Significant transactions and balances with related parties are as follows:

		(UN - AUDITED) Nine-month period ended	
		September 30, 2026	September 30, 2025
Relationship with the Company	**Nature of transactions**	(Rupees in '000)	
Group companies	Sale of goods and services	41,044	34,674
	Reimbursement of expenses	2,692	5,067
	Trade mark license fee	700,245	647,731
	Service charges	288,884	268,913
	Management service fee	305,619	302,840
Post employment benefit plans	Contribution to provident fund trusts	69,365	65,402
Key management personnel	Remuneration	97,121	150,483

The Company continues to have a policy, whereby, all transactions with related parties and common control companies (group companies) are carried out at mutually agreed terms and conditions.

	(UN - AUDITED)	(AUDITED)
	September 30, 2026	December 31, 2025
	(Rupees in '000)	
Period / year end balances		
Receivable from related parties	21,071	37,743
Payable to related parties	3,950,709	2,302,392

17 SEGMENT ASSETS AND LIABILITIES

	(UN - AUDITED) Segment assets	(AUDITED) Segment assets	(UN - AUDITED) Segment liabilities	(AUDITED) Segment liabilities
	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
	(Rupees in '000)			
Retail	10,341,299	8,292,377	4,427,130	4,547,478
Wholesale	676,522	787,383	40,793	80,833
Export	13,823	13,165	-	-
Unallocated	3,454,173	4,492,520	7,483,431	5,789,264
	14,485,817	13,585,445	11,951,354	10,417,575

18 SEGMENT REPORTING	(UN - AUDITED) Nine-month period ended									
	Retail		Wholesale		Export		Others		Total	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(Rupees in '000)									
Revenue	12,713,646	11,782,556	1,526,179	1,169,085	46,464	60,604	54,161	18,301	14,340,450	13,030,546
Inter - segment revenue	-	-	-	-	-	-	-	-	-	-
Total revenue	12,713,646	11,782,556	1,526,179	1,169,085	46,464	60,604	54,161	18,301	14,340,450	13,030,546
Specifically allocable expenses	(10,563,481)	(9,769,758)	(1,455,656)	(1,312,256)	(45,286)	(53,280)	(17,398)	(3,514)	(12,081,821)	(11,138,808)
Segment result before unallocated expenses	2,150,165	2,012,798	70,523	(143,171)	1,178	7,324	36,763	14,787	2,258,629	1,891,738
Unallocated operating expenses									(1,841,032)	(1,624,621)
Other expenses									(288,607)	(148,024)
Other income									84,825	50,710
Operating profit									213,815	169,803
Finance cost									(556,312)	(526,527)
Loss before levy and income tax									(342,497)	(356,724)
Levy and income tax									(290,910)	668
(Loss)/profit for the period									(633,407)	(356,056)

19 LOSS PER SHARE - BASIC AND DILUTED

	(UN - AUDITED) Three-month period ended		(UN - AUDITED) Nine-month period ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(Rupees in '000)			
Loss for the period	(442,257)	(242,311)	(633,407)	(356,056)
Weighted average number of ordinary shares - Number (in '000)	7,560	7,560	7,560	7,560
Loss per share - basic and diluted (Rupees per share)	(58.50)	(32.05)	(83.78)	(47.10)

There is no dilutive effect on the basic earnings per share of the Company.

20 FINANCIAL RISK MANAGEMENT

20.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at December 31, 2025.

There have been no significant changes in the risk management department or in risk management policies since the year ended December 31, 2025.

21 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

22 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 27, 2026 by the Board of Directors of the Company.

23 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Chief Executive | **Director** | **Chief Financial Officer**

Bata

Bata®
PAKISTAN LIMITED
P.O. BATAPUR, LAHORE, PAKISTAN.
FAX: +92-42-36581176
UAN: +92-42-111-044-055
Email: pk.bata@bata.com
Website: www.bata.com.pk