Nestlé Pakistan Ltd.

NOTICE OF EXTRAORDINARY GENERAL MEETING OF NESTLÉ PAKISTAN LIMITED

Notice is hereby given that an Extraordinary General Meeting of the shareholders of Nestlé Pakistan Limited (the "Company") will be held on16 December 2026 at 12:00pm Nestle Pakistan Head Office, Packages Mall, Sharah-e-Roomi, PO Amer Sidhu Lahore and through the video conferencing, to transact the following business:

Special Business

To consider and, if thought fit, to pass, with or without modification, the following resolutions as special resolutions in connection with (i)approving the proposed scheme of arrangement for the transfer of the Company's Water Business to Waters and Premium Beverages Pk (Private) Limited ("WPB"), a wholly-owned subsidiary of the Company (ii) and the subsequent transfer of shares in Waters and Premium Beverages Pk (Private) Limited ("WPB") to Waters and Premium Beverages Subco 1 Holding (DIFC) Limited ("SubCo 1 (AE)"):

"RESOLVED THAT the scheme of arrangement under Sections 279 to 283 and 285(8) (and other applicable provisions) of the Companies Act, 2017 (the "Scheme"), providing for the transfer to and vesting in Waters and Premium Beverages Pk (Private) Limited ("WPB") of the Water Business (as defined in the Scheme) presently owned by the Company, against the issuance and allotment by WPB to the Company of ordinary shares for consideration other than cash, be and is hereby approved, subject to sanction of the Lahore High Court and requisite regulatory approvals; and that the increase (if any) in the authorised share capital of WPB and the issuance of the said shares be given effect through the order of the Court sanctioning the Scheme;

RESOLVED FURTHER THAT the transfer by the Company of its entire shareholding in WPB to SubCo 1 (AE) at fair market value determined by independent valuer for cash consideration, and the entry by the Company into the share purchase agreement between the Company, SubCo 1 (AE) governing such transfer (the "SPA") and all related and ancillary documents, be and is hereby approved;

RESOLVED FURTHER THAT it be and is hereby confirmed that: (a) all requisite statutory procedures in connection with the Scheme have been / shall be complied with; (b) the Scheme is complete and workable and is not ultra vires the memorandum of association of the Company or of WPB; (c) the Scheme is just and fair and does not adversely affect the interests of the minority shareholders of the Company, the consideration shares will be issued to the Company (and not to its shareholders) such that there is no change in the shareholding of the members of the Company; and (d) all necessary and material information pertaining to the Scheme and the salient features and methodology of valuation) has been provided to, and brought to the knowledge of, the members through this notice, the statement of material facts and the statement under Section 281 annexed hereto, and the documents made available for inspection;

RESOLVED FURTHER THAT the Chief Executive, the directors and the Company Secretary be and are each hereby severally authorised for and on behalf of the Company to take all steps/actions necessary or incidental to give effect to the foregoing, including filing and prosecution of requisite petition, obtaining all requisite approvals and consents, execution of documents, and delegation of powers to counsel."

To transact any other business with the permission of the Chairman.

By order of the Board

Lahore

25 November 2026

Ali Sadozai
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from December 06, 2026 to December 16, 2026 (both days inclusive) Share transfer deeds received in order with the Share Registrar of the Company i.e. CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400, at the close of business on December 05, 2026, will be treated in time for the purposes of attending and voting at the EOGM.
2. A member entitled to attend and vote at this EOGM is entitled to appoint a Proxy to attend, speak and vote in place of the member at the Meeting. Instrument appointing a proxy must be deposited at the Registered Office of the Company or at the above-mentioned address of Company's Share Registrar at least forty-eight (48) hours before the time of the meeting, along with attested copy of CNIC of the shareholder appointed as Proxy. For the convenience of shareholders, proxy forms (both in English and Urdu) are enclosed with this notice and also available on the company's website www.nestle.com.pk.
3. In the case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee along with his / her CNIC shall be provided at least forty-eight (48) hours before the time of the meeting. The individual members or representatives of corporate members of the Company in CDC must bring original CNIC or Passport and CDC Account and Participant ID Numbers to prove identity and verification at the time of the meeting.
4. CDC Account Holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan and any updates thereon
5. The instrument appointing a proxy, duly stamped/signed and witnessed, must be received at the Registered Office of the Company at Nestlé Pakistan Limited, Packages Mall, Shahrah-e-Roomi, Amer Sidhu, Lahore, or scanned copies thereof may be sent by e-mail at investor.relations @pk.nestle.com, not later than forty-eight (48) hours before the Meeting.
6. Shareholders whose shares are registered in their account/sub-account with the Central Depository System ("CDS") are requested to share scanned copies of their CNIC along with their account/sub-account number and Participant ID at investor.relations@pk.nestle.com for verification. In case of appointment of proxy by such account holders, the proxy instrument must be accompanied by the Participant ID and Account/Sub-account number along with attested photocopies of the CNIC or passport of the beneficial owner. Representatives of Corporate Members should provide the usual documents required for such purpose.
7. A statement of material facts under Section 134(3) of the Companies Act, 2017 in respect of the special business to be transacted at the EOGM is annexed to this Notice.
8. Participation through Video Conference Facility: If the Company receives a demand (at least 2 days before the date of the EOGM) from members holding an aggregate of at least 10% shareholding residing in any other city, to participate in the EOGM through video link, the Company will arrange a video conference facility in that city (subject to availability thereof in such city). Members opting for this facility should send a duly signed request, in the format available from the Company, to the registered address of the Company at least 2 days before the EOGM.
9. Virtual Participation in the EOGM Proceedings: Shareholders who wish to participate in the EOGM online (via video link) must update their valid e-mail addresses with the Share Registrar, CDCSRSL latest by December 5, 2026. Detailed procedure to attend the General Meeting shall be communicated through e-mail directly to the shareholders with valid e-mail IDs, and the same shall be placed at the Company's website.

   Shareholders who have updated their e-mail addresses with the Company or its Share Registrar (CDCSRSL) and wish to attend the EOGM must send verification information from their registered email address to investor.relations@pk.nestle.com latest by December 10 ,2026.

   Shareholders interested in attending the EOGM virtually through video conference facility, are hereby advised to get themselves registered with the company by providing the following information through email at investor.relations@pk.nestle.com along with a valid copy of their CNIC.

Name of Shareholder	CNIC/NTN No.	Folio No	Cell Number	Registered email address	Mode of Attendance virtual

   Online meeting link and login credentials will be shared with only those members/proxies whose emails, containing all the required particulars, are received at the given email address by 05:00 pm on December 13, 2026.The login facility shall remain open from 11:45 am till the end of the meeting.

   The Notice of Extra Ordinary General Meeting has been placed on the Company's website (http://www.nestle.com.pk) in addition to its dispatch to the shareholders
10. Postal Ballot / E-Voting: Members are hereby notified that, pursuant to the Companies (Postal Ballot) Regulations, 2018, read with Sections 143 and 144 of the Companies Act, 2017, and SRO 2192(1)/2022 dated December 5, 2022, members will be entitled to exercise their right to vote on the special business, including through electronic voting (e-voting) and postal ballot, in accordance with the conditions specified therein, being CDC Share Registrar Services Limited / the Company's share registrar, has been appointed as the service provider for the e-voting facility.

10.1 E-Voting: Details of the e-voting facility (including the web address, login details and password) will be communicated to those members whose valid CNIC numbers, cell numbers and e-mail addresses are available in the register of members by the close of business on 9 December 2026. The security codes will be communicated through SMS and e-mail from the web portal of the e-voting service provider. The identity of members intending to vote through e-voting shall be authenticated through electronic signature or authentication for login. The e-voting lines will remain open from 12 December 2026 8:00 am to 15 December 2026 at 5:00 p.m. Once a vote on a resolution is cast by a member, it may not be changed subsequently.

10.2 Postal Ballot: Members may alternatively opt to vote through postal ballot. The ballot paper is annexed to this Notice and is also available for download from the Company's website, and will be published in newspapers. Duly filled and signed ballot papers, together with a copy of the member's CNIC, must reach the Chairman of the meeting by post at the Company's registered address, or through the member's registered e-mail address at investor.relations @pk.nestle.com, with the subject "Postal Ballot for EOGM", by 5pm on December 15. The signature on the ballot paper must match the signature on the CNIC. A postal ballot received after the stipulated time/date shall not be considered for voting.

10.3 In case of any dispute in voting, including the casting of more than one vote, the Chairman of the meeting shall be the deciding authority.

11. Statutory Code of Conduct at the EOGM: Members are requested to observe the conduct referred to in sub-regulation (2) of Regulation 55 of the Companies Regulations, 2024 while attending the EOGM. No gifts shall be distributed at the EOGM as per Secp circular No 2 of 2018 February 19, 2018 and SRO 452(I)/2025.
12. Scrutinizer: In accordance with Regulation 11 of the Companies (Postal Ballot) Regulations, 2018, the Board has appointed UHY, Hassan Naeem & Co, Chartered Accountants (a QCR-rated audit firm), to act as the Scrutinizer for the special business to be transacted at the EOGM, and to undertake the other responsibilities defined in Regulation 11A of the said Regulations.
13. Provision of Information by Members: To comply with applicable statutory requirements, members are advised to coordinate with their respective Participant / CDC Investor Account Services / the Company's Share Registrar to update their records, including submission of valid/updated CNIC, NTN and tax/Zakat exemption documents, valid bank account details / IBAN for payment of any cash dividends, shareholding proportions in the case of joint accounts, conversion of physical shares into book-entry form, and provision of mandatory registration details under Section 119 of the Companies Act, 2017 (including mobile/landline number and e-mail address).
14. Inspection of Documents: Copies of the Memorandum and Articles of Association of the Company; the Statement of Material Facts under Section 134(3); the Statement under Section 281; the Scheme of Arrangement; the valuation report(s); and the financial statements of the Company shall be available for inspection by any person entitled to attend the EOGM, free of cost during normal office hours, at the registered office of the Company from the date of this Notice until the conclusion of the EOGM, and shall also be placed for inspection of members during the EOGM. The Notice, together with the statements and the Scheme of Arrangement, has also been placed on the Company's website and transmitted to the PSX and the SECP.
15. The following documents are circulated to the members together with this Notice: (a) the Scheme of Arrangement, together with its Schedules (including auditor certificate and the pro forma balance sheet); (b) the statement under Section 281(1)(a) of the Companies Act, 2017; (c) the statement of material facts under Section 134(3) of the Companies Act, 2017; (d) the latest annual audited financial statements of the Company for the year ending 31 December 2025 [and the supplementary audited financial statements of the Company as at 30 June 2026; and (e) the proxy form and the postal ballot paper.

NESTLÉ PAKISTAN LIMITED

BALLOT PAPER FOR VOTING THROUGH POST

Extraordinary General Meeting to be held on 16 December 2026 at 12:00pm
Venue: Packages Mall, Shahrah-e-Roomi, PO Amer Sidhu Lahore
Pursuant to the applicable provisions of the Companies Act, 2017 and relevant regulations

PARTICULARS OF MEMBER / SHAREHOLDER

Name of shareholder / proxy (if applicable)	
Folio No. / CDC Account No.	
CNIC / Passport No. (or incorporation no.)	
Number of shares held	
Registered address	
Contact number / email	

VOTING INSTRUCTIONS

Please mark a tick (✓) in ONE box only against the special resolution below. A ballot with both boxes marked or neither box marked may be treated as invalid. Complete and sign the declaration below and submit the ballot in accordance with the EOGM notice and applicable requirements.

SPECIAL BUSINESS: SPECIAL RESOLUTION

To consider and, if thought fit, pass, with or without modification, the following composite special resolution concerning (i) the Scheme of Arrangement for transfer of the Company's Water Business to Waters and Premium Beverages Pk (Private) Limited ("WPB"), and (ii) the subsequent transfer of the Company's shareholding in WPB to Waters and Premium Beverages Subco 1 Holding (DIFC) Limited ("SubCo 1 (AE)").

Description	No. of ordinary shares for which votes cast	FOR	AGAINST
Approval of the composite special resolution set out in full below (Scheme of Arrangement, subsequent WPB share transfer, confirmations and authorisations).			

RESOLUTION

"RESOLVED THAT the scheme of arrangement under Sections 279 to 283 and 285(8) (and other applicable provisions) of the Companies Act, 2017 (the "Scheme"), providing for the transfer to and vesting in Waters and Premium Beverages Pk (Private) Limited ("WPB") of the Water Business (as defined in the Scheme) presently owned by the Company, against the issuance and allotment by WPB to the Company of ordinary shares for consideration other than cash, be and is hereby approved, subject to sanction of the Lahore High Court and requisite regulatory approvals; and that the increase (if any) in the authorised share capital of WPB and the issuance of the said shares be given effect through the order of the Court sanctioning the Scheme;

RESOLVED FURTHER THAT the transfer by the Company of its entire shareholding in WPB to SubCo 1 (AE) at fair market value determined by independent valuer for cash consideration, and the entry by the Company into the share purchase agreement between the Company, SubCo 1 (AE) governing such transfer (the "SPA") and all related and ancillary documents, be and is hereby approved;

RESOLVED FURTHER THAT it be and is hereby confirmed that: (a) all requisite statutory procedures in connection with the Scheme have been / shall be complied with; (b) the Scheme is complete and workable and is not ultra vires the memorandum of association of the Company or of WPB; (c) the Scheme is just and fair and does not adversely affect the interests of the minority shareholders of the Company, the consideration shares will be issued to the Company (and not to its shareholders) such that there is no change in the shareholding of the members of the Company; and (d) all necessary and material information pertaining to the Scheme (including the salient features and methodology of valuation) has been provided to, and brought to the knowledge of, the members through the notice, the statement of material facts and the statement under Section 281 annexed thereto, and the documents made available for inspection;

RESOLVED FURTHER THAT the Chief Executive, the directors and the Company Secretary be and are each hereby severally authorised for and on behalf of the Company to take all steps/actions necessary or incidental to give effect to the foregoing, including filing and prosecution of requisite petition, obtaining all requisite approvals and consents, execution of documents, and delegation of powers to counsel."

INSTRUCTIONS FOR POSTAL BALLOT

1. The duly completed ballot paper should be sent to the Chairman, care of the Company Secretary, Nestlé Pakistan Limited, at or by email to at investor.relations @pk.nestle.com
2. A copy of the shareholder's CNIC or passport (in the case of a foreign national) must be enclosed with the postal ballot form.
3. The ballot paper must reach the Chairman during business hours on or before December 15, 2026. Any postal ballot received after this deadline will not be considered for voting.
4. The signature on the ballot paper must match the signature on the CNIC or passport, as applicable.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated or overwritten ballot papers will be rejected.
6. Where the member is represented on behalf of a body corporate, corporation or the Federal Government, the ballot paper must be accompanied by a copy of the authorised person's CNIC and an attested copy of the board resolution, power of attorney or authorisation letter, as applicable under Sections 138 or 139 of the Companies Act, 2017.
7. The ballot paper is also available on the Company's website .Members may download it from the website or use the original or a photocopy of the form published in newspapers, where permitted.

Date:

Signature of Shareholder(s) **Place:**

Size : 54 X 8 col (Full Page)

Nestlé Pakistan Ltd.

نیسلے پاکستان لمیٹڈ کے غیر معمولی اجلاس عام کا نوٹس

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ نیسلے پاکستان لمیٹڈ (کمپنی) کے حصص یافتگان کا غیر معمولی اجلاس عام
16 دسمبر، 2026 دن 12:00 بجے نیسلے صدر آفس، پیکجز مال، شاہراہ رومی، پی او امر سدھو، لاہور اور بذریعہ ویڈیو کانفرنس مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

خصوصی امور:

اگر موزوں اور مناسب خیال کیا جائے تو (i) کمپنی کے پانی کے کاروبار کو کمپنی کی مکمل ملکیتی ذیلی کمپنی واٹرز اینڈ پریمیم بیوریجز پی کے (پرائیویٹ) لمیٹڈ (WPB) کو منتقل کرنے کیلئے مجوزہ اسکیم آف ارینجمنٹ کی منظوری (ii) اور بعد ازاں واٹرز اینڈ پریمیم بیوریجز پی کے (پرائیویٹ) لمیٹڈ (WPB) میں حصص کی واٹرز اینڈ پریمیم بیوریجز (DIFCHoldingSubco1) لمیٹڈ (AE)SubCo 1 کو منتقلی کیلئے مندرجہ ذیل قراردادوں کی بطور خصوصی قرارداد ترمیم و بلاترمیم منظوری پر غور وخوض۔

قرار پایا کہ کمپنیز ایکٹ 2017 کے سیکشنز 279 تا 283 اور (8) 285 (اور دیگر مروجہ دفعات) کے تحت اسکیم کے مطابق ڈبلیو پی بی کو نقد ادائیگی کی بجائے عام حصص کے اجرا اور مختص کرنے کے عوض کمپنی کی زیر ملکیتی کمپنی واٹر بزنس (جیسا کہ سکیم میں مذکور ہے) کی واٹرز اینڈ پریمیم بیوریجز پی کے (پرائیویٹ) لمیٹڈ میں مالکانہ منتقلی کیلئے اسکیم آف ارینجمنٹ کی منظوری دی جاتی ہے جو لاہور ہائی کورٹ اور مطلوبہ قانونی منظوریوں سے مشروط ہے اور یہ کہ کورٹ کی طرف سے اسکیم کی منظوری کے حکم نامہ کے ذریعے ڈبلیو پی بی کے مجاز شیئر کیپٹل میں اضافہ (اگر کوئی ہے) اور مذکورہ حصص کے اجرا پر عمل درآمد کیا جائے گا۔

مزید قرار پایا کہ کمپنی کی طرف سے ڈبلیو پی بی میں اپنی مکمل حصص یافتگی کو جس کا تعین آزاد ویلیوایٹر کی طرف سے مارکیٹ کی فیئر ویلیو پر کیا گیا، نقد ادائیگی کے عوض SubCo1(AE) کو فروخت اور کمپنی، SubCo1(AE) کے درمیان حصص کی خریداری کے معاہدے (ایس پی اے) اور اس سے متعلقہ تمام دیگر دستاویزات پر دستخط کرنے اور انہیں طے کرنے کی منظوری دی جاتی ہے۔

مزید قرار پایا کہ اس بات کی تصدیق کی جاتی ہے کہ (اے) اسکیم کے حوالے سے تمام ضروری قانونی تقاضوں اور ضابطہ جاتی کارروائیوں پر عملدرآمد کیا جا چکا ہے یا کیا جائے گا؛ (بی) اسکیم مکمل اور قابلِ عمل ہے اور کمپنی یا ڈبلیو پی بی کے میمورنڈم آف ایسوسی ایشن میں درج اختیارات سے تجاوز نہیں کرتی؛ (سی) اسکیم منصفانہ اور شفاف ہے اور اس سے کمپنی کے اقلیتی حصص یافتگان کے مفادات متاثر نہیں ہوں گے۔ اسکیم کے تحت جاری کیے جانے والے حصص کمپنی (حصص یافتگان کو نہیں) کو جاری کیے جائیں گے جس سے کمپنی کے حصص یافتگان کی موجودہ حصص یافتگی کے تناسب میں کوئی تبدیلی نہیں آئے گی؛ اور (ڈی) اسکیم سے متعلق تمام ضروری اور اہم معلومات، نمایاں خصوصیات اور ویلیوایشن کے طریقہ کار نوٹس ہذا، ٹھوس حقائق کے بیان، کمپنیز ایکٹ 2017 کے سیکشن 281 کے تحت بیان کے ذریعے حصص یافتگان کو فراہم کر دی گئی ہیں اور ان کے علم میں لائی گئی ہیں اور تمام دستاویزات معائنہ کیلئے دستیاب رکھی ہیں۔

مزید قرار پایا کہ چیف ایگزیکٹو، ڈائریکٹرز اور کمپنی سیکریٹری میں سے ہر ایک کو انفرادی طور پر مذکورہ بالا قرارداد پر عمل درآمد کیلئے کمپنی کی جانب سے تمام ضروری اقدامات بشمول متعلقہ درخواستیں دائر کرنے اور ان کی پیروی کرنے، تمام مطلوبہ منظوریوں اور اجازت ناموں کے حصول، ضروری دستاویزات پر دستخط کرنے اور قانونی مشیروں کو مطلوبہ اختیارات تفویض کرنے کا اختیار دیا جاتا ہے۔

چیئرمین کی اجازت سے دیگر امور کی انجام دہی

بحکم بورڈ

علی سدوزوئی
کمپنی سیکرٹری

لاہور

مورخہ: 25 نومبر، 2026

نوٹس:

1۔ کمپنی کی حصص منتقلی کی کتب 6 دسمبر 2026 تا 16 دسمبر 2026 تک (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہِ فیصل، کراچی۔ 74400 کو 5 دسمبر 2026 کو کاروباری اوقات کے اختتام تک موصول ہونے والی تمام درست ترتیب سے وصول ہونے والی حصص منتقلی کی ڈیڈز غیر معمولی اجلاس عام (ای او جی ایم) میں شرکت اور رائے دہی کے لیے بروقت سمجھی جائیں گی۔

2۔ اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت، اظہار خیال اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروکسی (نمائندہ) مقرر کر سکتا ہے۔ پراکسی (نمائندہ) فارم نامزد شخص کے قومی شناختی کارڈ کی مصدقہ نقل کے ہمراہ اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر یا کمپنی کے مذکورہ بالا شیئر رجسٹرار کے پتے پر جمع کرانا ہوگا۔ حصص یافتگان کی سہولت کے لیے پراکسی فارم (انگریزی اور اردو) نوٹس کے ساتھ منسلک ہیں اور کمپنی کی ویب سائٹ www.nestle.com.pk پر بھی دستیاب ہیں۔

3۔ کارپوریٹ ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ معہ نامزد شخص کا شناختی کارڈ اور نمونہ دستخط اجلاس کے انعقاد سے 48 گھنٹے قبل فراہم کئے جائیں گے۔ کمپنی کے انفرادی اراکین یا سی ڈی سی میں رجسٹرڈ کارپوریٹ اراکین کے نمائندوں کے لیے ضروری ہے کہ وہ اجلاس کے وقت اپنی شناخت اور تصدیق کے لیے اپنا اصل قومی شناختی کارڈ یا پاسپورٹ، سی ڈی سی اکاؤنٹ اور پارٹیسپنٹ آئی ڈی نمبر ساتھ لائیں۔

4۔ سی ڈی سی اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ سرکلر نمبر 1 بتاریخ 26 جنوری، 2000 میں بیان کردہ مندرجہ ذیل اور کسی بھی تازہ ترین ہدایات پر عمل درآمد کرنا ہوگا۔

5۔ مکمل دستخط اور گواہان سے تصدیق شدہ پراکسی (نمائندہ) فارم مقررہ اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر، نیسلے پاکستان لمیٹڈ، پیکجز مال، شاہراہِ رومی، امر سدھو، لاہور میں موصول ہونا ضروری ہے۔ فارم کی اسکین شدہ نقل ای میل کے ذریعے investor.relations@pk.nestle.com پر بھیجی جا سکتی ہے۔

6۔ سینٹرل ڈیپازٹری سسٹم (سی ڈی سی) میں اکاؤنٹ یا سب اکاؤنٹ رکھنے والے حصص یافتگان سے درخواست کی جاتی ہے کہ تصدیق کے لیے اپنے قومی شناختی کارڈ کی اسکین شدہ نقل، اکاؤنٹ یا سب اکاؤنٹ نمبر اور پارٹیسپنٹ (شرکت) آئی ڈی کے ہمراہ investor.relations@pk.nestle.com پر ارسال کریں۔ ایسے اکاؤنٹ ہولڈرز کی جانب سے پراکسی (نمائندہ) مقرر کرنے کی صورت میں پراکسی (نمائندہ) فارم کے ساتھ پارٹیسپنٹ (شرکت) آئی ڈی، اکاؤنٹ یا سب اکاؤنٹ نمبر اور بینیفیشیل اونر کے قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول منسلک کرنا ضروری ہوگا۔ کارپوریٹ حصص یافتگان کے نمائندوں کو اس مقصد کے لیے معمول کے مطابق مطلوبہ دستاویزات فراہم کرنا ہوں گی۔

7۔ غیر معمولی اجلاس عام میں پیش کیے جانے والے خصوصی امور سے متعلق کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت ٹھوس حقائق پر مشتمل بیان نوٹس کے ساتھ منسلک ہے۔

8۔ ویڈیو کانفرنس کی سہولت کے ذریعے شرکت: کسی دوسرے شہر میں مجموعی طور پر 10 فیصد حصص یافتگی کے حامل اراکین کی طرف سے (اجلاس کے انعقاد سے کم سے کم 2 دن قبل) ویڈیو لنک کے ذریعے اجلاس میں شرکت کی درخواست کی وصولی کی صورت میں کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت کا بندوبست کرے گی (مذکورہ شہر میں دستیابی سے مشروط)۔ اس سہولت سے استفادہ کے متمنی حصص یافتگان کمپنی کے فراہم کردہ فارمیٹ کے مطابق دستخط شدہ درخواست اجلاس سے کم از کم دو روز قبل کمپنی کے رجسٹرڈ دفتر کے پتے پر ارسال کریں۔

9۔ ای او جی ایم میں ورچوئل شرکت: ای او جی ایم میں آن لائن (بذریعہ ویڈیو لنک) شرکت کے خواہشمند حصص یافتگان شیئر رجسٹرار، سی ڈی سی ایس آر ایس ایل کے پاس 5 دسمبر، 2026 تک اپنے کارآمد ای میل ایڈریس اپ ڈیٹ کریں۔ اجلاس میں شرکت کا تفصیلی طریقہ کار درست ای میل ایڈریس رکھنے والے حصص یافتگان کو براہِ راست ای میل کے ذریعے ارسال کیا جائے گا اور کمپنی کی ویب سائٹ پر بھی دستیاب ہوگا۔ وہ حصص یافتگان جنہوں نے کمپنی یا اس کے شیئر رجسٹرار (سی ڈی سی ایس آر ایس ایل) کے پاس اپنے ای میل ایڈریس اپ ڈیٹ کئے ہیں اور غیر معمولی اجلاس عام میں شرکت کے خواہش مند ہیں، وہ اپنے رجسٹرڈ ای میل ایڈریس سے تصدیق کے لیے مطلوبہ معلومات 10 دسمبر 2026 تک investor.relations@pk.nestle.com پر ارسال کریں۔

ویڈیو کانفرنس کے ذریعے غیر معمولی اجلاس عام میں آن لائن شرکت کے خواہش مند حصص یافتگان کو ہدایت کی جاتی ہے کہ وہ درج ذیل معلومات اپنے قومی شناختی کارڈ کی قابلِ قبول نقل کے ہمراہ ای میل کے ذریعے investor.relations@pk.nestle.com پر ارسال کر کے خود کو رجسٹر کروالیں۔

حصص یافتہ کا نام	شناختی کارڈ/این ٹی این نمبر	فولیو نمبر	موبائل نمبر	رجسٹرڈ ای میل ایڈریس	طریقہ شرکت ورچوئل

آن لائن اجلاس کا لنک اور لاگ اِن کی تفصیلات صرف ان حصص یافتگان/ پراکسیز کو ارسال کی جائیں گی جن کی تمام مطلوبہ معلومات پر مشتمل ای میل 13 دسمبر 2026 کو شام 5 بجے تک دیے گئے ای میل پتے پر موصول ہو جائے گی۔ لاگ اِن کی سہولت دن 11:45 سے اجلاس کے اختتام تک دستیاب رہے گی۔

غیر معمولی اجلاس عام کا نوٹس حصص یافتگان کو ارسال کرنے کے علاوہ کمپنی کی ویب سائٹ (www.nestle.com.pk) پر بھی جاری کر دیا گیا ہے۔

10۔ پوسٹل بیلٹ/ای ووٹنگ: حصص یافتگان کو مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018، کمپنیز ایکٹ 2017 کے سیکشنز 143 اور 144 اور 5 دسمبر 2022 کے ایس آر او (1) 2192/ 2022 کے تحت اراکین کو خصوصی امور سے متعلق قراردادوں پر اپنا حقِ رائے دہی ای ووٹنگ اور پوسٹل بیلٹ کے ذریعے بھی استعمال کرنے کا حق دیا جائے گا بشرطیکہ متعلقہ ضوابط میں درج شرائط پوری کی جائیں۔ ای ووٹنگ کی سہولت فراہم کرنے کے لیے سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ/ کمپنی شیئر رجسٹرار کو خدمت فراہم کنندہ مقرر کیا گیا ہے۔

10.1۔ ای ووٹنگ: ای ووٹنگ سہولت کی تفصیلات (بشمول ویب ایڈریس، لاگ اِن کی معلومات اور پاس ورڈ) ان حصص یافتگان کو فراہم کی جائیں گی جن کے درست قومی شناختی کارڈ نمبر، موبائل فون نمبر اور ای میل ایڈریس 9 دسمبر 2026 کو کاروباری اوقات کے اختتام تک حصص یافتگان کے رجسٹر میں درج ہوں گے۔ سیکورٹی کو ڈز ای ووٹنگ سروس فراہم کنندہ کے ویب پورٹل سے ایس ایم ایس اور ای میل کے ذریعے ارسال کیے جائیں گے۔ ای ووٹنگ کے ذریعے ووٹ دینے کے خواہش مند حصص یافتگان کی شناخت کی تصدیق الیکٹرانک دستخط یا لاگ اِن کی توثیق کے ذریعے کی جائے گی۔ ای ووٹنگ کی سہولت 12 دسمبر 2026 کو صبح 8 بجے سے 15 دسمبر 2026 کو شام 5 بجے تک دستیاب رہے گی۔ کسی قرارداد کے حق میں یا مخالفت میں ایک مرتبہ ووٹ ڈالنے کے بعد اس میں تبدیلی نہیں کی جا سکے گی۔

10.2۔ پوسٹل بیلٹ: حصص یافتگان متبادل طور پر پوسٹل بیلٹ کے ذریعے بھی اپنا حقِ رائے دہی استعمال کر سکتے ہیں۔ بیلٹ پیپر اس نوٹس کے ساتھ منسلک ہے جسے کمپنی کی ویب سائٹ سے بھی ڈاؤن لوڈ کیا جا سکتا ہے اور اخبارات میں بھی شائع کیا جائے گا۔ مکمل دستخط شدہ بیلٹ پیپر حصص یافتگان کے قومی شناختی کارڈ کی نقل کے ہمراہ 15 دسمبر 2026 کو شام 5 بجے تک اجلاس کے چیئرمین کو بذریعہ ڈاک کمپنی کے رجسٹرڈ دفتر کے پتے پر یا "Postal Ballot for EOGM" کے عنوان سے حصص یافتگان کے رجسٹرڈ ای میل ایڈریس سے investor.relations@pk.nestle.com پر ای میل کے ذریعے بھیجا جا سکتا ہے۔ بیلٹ پیپر پر دستخط قومی شناختی کارڈ پر موجود دستخطوں سے مطابقت رکھنے چاہئیں۔ مقررہ تاریخ اور وقت کے بعد موصول ہونے والے پوسٹل بیلٹ کو ووٹنگ کے لیے قابلِ قبول تصور نہیں کیا جائے گا۔

10.3۔ ووٹنگ کے حوالے سے کسی بھی تنازع بشمول ایک سے زائد ووٹ ڈالنے کی صورت میں اجلاس کے چیئرمین کا فیصلہ حتمی ہوگا۔

11۔ ای او جی ایم میں ضابطہ اخلاق: اراکین سے درخواست کی جاتی ہے کہ اجلاس میں شرکت کے دوران کمپنیز ریگولیشنز 2024 کے ریگولیشن 55 کی ذیلی شق (2) میں بیان کردہ ضابطہ اخلاق کی پابندی کریں۔ اجلاس کے دوران کسی قسم کے تحائف تقسیم نہیں کیے جائیں گے ایس ای سی پی کے 2018 کے سرکلر نمبر 2 مورخہ 19 فروری 2018 اور ایس آر او 452(1)/2025 کے مطابق۔

12۔ سکروٹنائزر: کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کے ضابطہ 11 کے تحت بورڈ نے یو ایچ وائی، حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس (کیو سی آر ریٹنگ کی حامل آڈٹ فرم) کو غیر معمولی اجلاس عام میں زیرِ غور لائے جانے والے خصوصی امور اور مذکورہ ریگولیشنز کے ضابطہ 11A میں متعین دیگر ذمہ داریوں کی انجام دہی کیلئے سکروٹنائزر مقرر کیا ہے۔

13۔ اراکین کی طرف سے معلومات کی فراہمی: قابلِ اطلاق قانونی تقاضوں کی تعمیل کے لیے اراکین کو ہدایت کی جاتی ہے کہ وہ اپنے متعلقہ پارٹیسپنٹ، سی ڈی سی انویسٹر اکاؤنٹ سروسز یا کمپنی کے شیئر رجسٹرار سے رابطہ کر کے اپنے کوائف کو اپ ڈیٹ کروائیں۔ اس ضمن میں کارآمد/تازہ ترین قومی شناختی کارڈ، قومی ٹیکس نمبر (این ٹی این)، ٹیکس اور زکوٰۃ سے استثنیٰ کی دستاویزات، نقد منافع منقسمہ کی ادائیگی کے لیے درست بینک اکاؤنٹ کی تفصیلات اور آئی بی اے این، مشترکہ اکاؤنٹس کی صورت میں حصص کی ملکیتی شرح، فزیکل حصص کو بک انٹری فارم میں تبدیل کروانے اور کمپنیز ایکٹ، 2017 کے سیکشن 119 کے تحت لازمی رجسٹریشن کوائف، بشمول موبائل/ لینڈ لائن نمبر اور ای میل ایڈریس، جمع کروانا بھی شامل ہے۔

14۔ دستاویزات کا معائنہ: کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن، سیکشن 134 (3) کے تحت ٹھوس حقائق کا بیان، سیکشن 281 کے تحت بیان، اسکیم آف ارینجمنٹ، ویلیوایشن رپورٹس اور کمپنی کے مالیاتی گوشواروں کی نقول کمپنی کے رجسٹرڈ دفتر میں دستیاب ہوں گی جن کا غیر معمولی اجلاس عام میں شرکت کا اہل کوئی بھی شخص بلا معاوضہ معمول کے دفتری اوقات کے دوران، اس نوٹس کے اجرا کی تاریخ سے اجلاس کے اختتام تک معائنہ کر سکتا ہے۔ مذکورہ دستاویزات اجلاس کے دوران بھی اراکین کے معائنے کے لیے پیش کی جائیں گی۔ اس نوٹس کے ساتھ متعلقہ بیانات اور اسکیم آف ارینجمنٹ کمپنی کی ویب سائٹ پر بھی دستیاب کر دی گئی ہے جبکہ یہ نوٹس پی ایس ایکس اور ایس ای سی پی کو بھی ارسال کر دیا گیا ہے۔

15۔ نوٹس کے ساتھ اراکین کو (اے) اسکیم آف ارینجمنٹ بمعہ اس کے ضمیمہ جات جن میں آڈیٹر کا سرٹیفکیٹ اور پروفارما بیلنس شیٹ شامل ہیں؛ (بی) کمپنیز ایکٹ، 2017 کے سیکشن 281(1)(a) کے تحت بیان؛ (سی) کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے تحت ٹھوس حقائق کا بیان؛ (ڈی) 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے کمپنی کے حالیہ سالانہ آڈٹ شدہ مالیاتی گوشوارے اور 30 جون 2026 تک کے کمپنی کے ضمنی آڈٹ شدہ مالیاتی گوشوارے؛ اور (ای) پراکسی فارم اور پوسٹل بیلٹ پیپر ارسال کئے جا رہے ہیں۔

نیسلے پاکستان لمیٹڈ

بذریعہ ڈاک ووٹنگ کیلئے بیلٹ پیپر

غیر معمولی اجلاس عام منعقدہ 16 دسمبر، 2026، دن: 1200 بجے

مقام: پیکجز مال، شاہراہِ رومی، پی او امر سدھو، لاہور

کمپنیز ایکٹ، 2017 کی قابلِ اطلاق دفعات اور متعلقہ ضوابط کے تحت

رکن/حصص یافتہ کی تفصیلات

حصص یافتہ/ پراکسی کا نام (اگر قابل اطلاق ہے)	
فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر	
شناختی کارڈ نمبر/ پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (نقل منسلک کی جائے گی)	
تحویل میں حصص کی تعداد	
رجسٹرڈ پتہ	
رابطہ نمبر/ ای میل	

ووٹ ڈالنے کی ہدایات

ذیل میں درج خصوصی قرارداد کے حق میں یا مخالفت میں صرف ایک خانے میں ٹک (✓) کا نشان لگائیں۔ دونوں خانوں میں نشان لگانے یا کسی بھی خانے میں نشان نہ لگانے کی صورت میں بیلٹ پیپر کالعدم تصور کیا جا سکتا ہے۔ ذیل میں دیا گیا اقرار نامہ مکمل کر کے اس پر دستخط کریں اور بیلٹ پیپر کو غیر معمولی اجلاس عام کے نوٹس اور قابلِ اطلاق قانونی تقاضوں کے مطابق جمع کروائیں۔

خصوصی امور: خصوصی قرارداد

اگر مناسب ہو (i) کمپنی کے پانی کے کاروبار کو کمپنی کے واٹرز اینڈ پریمیم بیوریجز پی کے (پرائیویٹ) لمیٹڈ (WPB) کو منتقل کرنے کیلئے اسکیم آف ارینجمنٹ کی منظوری (ii) اور ڈبلیو پی بی میں کمپنی کی حصص یافتگی کو واٹرز اینڈ پریمیم بیوریجز پی کے (پرائیویٹ) لمیٹڈ Subco 1 (DIFC)Holding لمیٹڈ "SubCo 1 (AE)" میں منتقلی کیلئے مندرجہ ذیل جامع خصوصی قراردادوں کی ترمیم و بلاترمیم منظوری پر غور کرنا۔

تفصیلات	عام حصص کی تعداد جن کے لیے ووٹ ڈالے گئے	حق	مخالفت
درج ذیل جامع خصوصی قرارداد کی منظوری (اسکیم آف ارینجمنٹ، ڈبلیو پی بی کے حصص کی منتقلی، توثیق اور اختیارات کی منظوری)۔			

قرارداد

قرار پایا کہ کمپنیز ایکٹ 2017 کے سیکشنز 279 تا 283 اور (8) 285 دیگر مروجہ دفعات کے تحت ڈبلیو پی بی کو نقد ادائیگی کی بجائے عام حصص کے اجرا اور مختص کرنے کے عوض کمپنی کی زیر ملکیتی کمپنی واٹر بزنس (جیسا کہ سکیم میں تعریف کی گئی) کی واٹرز اینڈ پریمیم بیوریجز پی کے (پرائیویٹ) لمیٹڈ میں مالکانہ منتقلی کیلئے سکیم آف ارینجمنٹ کی منظوری دی جاتی ہے جو لاہور ہائی کورٹ اور مطلوبہ قانونی منظوریوں سے مشروط ہے اور یہ کہ کورٹ کی طرف سے اسکیم کی منظوری کے حکم نامہ کے ذریعے ڈبلیو پی بی کے مجاز شیئر کیپٹل میں اضافہ (اگر کوئی ہے) اور مذکورہ حصص کے اجرا پر عمل درآمد کیا جائے گا۔

مزید قرار پایا کہ کمپنی کی طرف سے ڈبلیو پی بی میں اپنی مکمل حصص یافتگی کو جس کا تعین آزاد ویلیوایٹر کی طرف سے مارکیٹ کی فیئر ویلیو پر کیا گیا، نقد ادائیگی کے عوض SubCo 1 (AE) کو فروخت اور کمپنی، SubCo1(AE) کے درمیان حصص کی خریداری کے معاہدے (ایس پی اے) اور اس سے متعلقہ تمام دیگر دستاویزات پر دستخط کرنے اور انہیں طے کرنے کی منظوری دی جاتی ہے۔

مزید قرار پایا کہ اس بات کی تصدیق کی جاتی ہے کہ (اے) اسکیم کے حوالے سے تمام ضروری قانونی تقاضوں اور ضابطہ جاتی کارروائیوں پر عملدرآمد کیا جا چکا ہے یا کیا جائے گا؛ (بی) اسکیم مکمل اور قابلِ عمل ہے اور کمپنی یا ڈبلیو پی بی کے میمورنڈم آف ایسوسی ایشن میں درج اختیارات سے تجاوز نہیں کرتی؛ (سی) اسکیم منصفانہ اور شفاف ہے اور اس سے کمپنی کے اقلیتی حصص یافتگان کے مفادات متاثر نہیں ہوں گے۔ اسکیم کے تحت جاری کیے جانے والے حصص کمپنی (حصص یافتگان کو نہیں) کو جاری کیے جائیں گے جس سے کمپنی کے حصص یافتگان کی موجودہ حصص یافتگی کے تناسب میں کوئی تبدیلی نہیں آئے گی؛ اور (ڈی) اسکیم سے متعلق تمام ضروری اور اہم معلومات، نمایاں خصوصیات اور ویلیوایشن کے طریقہ کار نوٹس ہذا، ٹھوس حقائق کے بیان، کمپنیز ایکٹ 2017 کے سیکشن 281 کے تحت بیان کے ذریعے حصص یافتگان کو فراہم کر دی گئی ہیں اور ان کے علم میں لائی گئی ہیں۔

مزید قرار پایا کہ چیف ایگزیکٹو، ڈائریکٹرز اور کمپنی سیکریٹری میں سے ہر ایک کو انفرادی طور پر مذکورہ بالا قرارداد پر عمل درآمد کیلئے کمپنی کی جانب سے تمام ضروری اقدامات بشمول متعلقہ درخواستیں دائر کرنے اور ان کی پیروی کرنے، تمام مطلوبہ منظوریوں اور اجازت ناموں کے حصول، ضروری دستاویزات پر دستخط کرنے اور قانونی مشیروں کو مطلوبہ اختیارات تفویض کرنے کا اختیار دیا جاتا ہے۔

پوسٹل بیلٹ کیلئے ہدایات

1۔ باضابطہ طور پر مکمل کردہ بیلٹ پیپر بنام چیئرمین بذریعہ کمپنی سیکریٹری، نیسلے پاکستان لمیٹڈ کے پتے پر ارسال یا ای میل کے ذریعے investor.relations@pk.nestle.com پر بھیجا جائے۔

2۔ بیلٹ پیپر فارم کے ساتھ سی این آئی سی یا پاسپورٹ کی نقل (غیر ملکی ہونے کی صورت میں) منسلک کرنی ہوگی۔

3۔ بیلٹ پیپر 15 دسمبر 2026 کو یا اس سے قبل دفتری اوقات کے دوران چیئرمین کو موصول ہو جانا چاہیے۔ مقررہ آخری تاریخ کے بعد موصول ہونے والے کسی بھی پوسٹل بیلٹ کو ووٹنگ کے لیے قابلِ قبول نہیں سمجھا جائے گا۔

4۔ پوسٹل بیلٹ پیپر پر موجود دستخط سی این آئی سی/ یا پاسپورٹ پر موجود دستخط جیسے ہونے چاہئیں۔

5۔ نامکمل، دستخط کے بغیر، غلط، خراب، پھٹے ہوئے، کٹے ہوئے یا مٹا کر لکھے ہوئے بیلٹ پیپر منسوخ کئے جائیں گے

6۔ کارپوریٹ ادارے اور کارپوریشن کی صورت میں کمپنیز ایکٹ کے سیکشن 138 اور 139 کے مطابق کاروباری ادارے، کارپوریشن یا وفاقی حکومت کی طرف سے نمائندگی کی صورت میں پوسٹل بیلٹ کے ساتھ مجاز شخص کے شناختی کارڈ کی نقل، بورڈ کی قرارداد، مختار نامہ یا مجاز نامہ کی مصدقہ نقول جو قابل اطلاق ہو منسلک ہونی چاہئیں، اگر پراکسی فارم کے ساتھ پہلے ہی جمع نہ کرائی گئی ہوں۔

7۔ بیلٹ پیپر کمپنی کی ویب سائٹ پر بھی دستیاب ہیں۔ اراکین ویب سائٹ سے بیلٹ پیپر ڈاؤن لوڈ کر سکتے ہیں یا اخبارات میں شائع اصل/نقل بھی استعمال کر سکتے ہیں۔

تاریخ:

مقام

حصص یافتہ کے دستخط

نیسلے پاکستان لمیٹڈ : www.nestle.pk
شیئر رجسٹرار: سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (سی ڈی سی ایس آر ایس ایل) سی ڈی سی ہاؤس، 99بی،
بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہِ فیصل، کراچی 74400
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Size : 54 X 8 col (Full Page)

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STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business to be transacted at the Extraordinary General Meeting of the Company to be held on 16 December 2026 at 12:00 noon.

1. The Company proposes to transfer and vest its Water Business (as defined in the Scheme) into Waters and Premium Beverages Pk (Private) Limited ("WPB"), a wholly-owned subsidiary of the Company, by way of a court-sanctioned scheme of arrangement, in consideration for the issuance and allotment of ordinary shares by WPB to the Company for consideration other than cash. The number of shares to be issued has been determined on the basis of auditor's certificate confirming the net asset value relating to Water Business, and the increase (if any) in the authorised share capital of WPB and the issuance of the said shares are to be given effect through the order of the Court sanctioning the Scheme. The material on the basis of which the number of shares has been determined — namely the auditor's certificate, setting out the salient features and relevant details of the methodology of valuation — is placed on record, is brought to the notice of the members, and is available for inspection as stated in this notice. The transfer and vesting of the Water Business is to take effect from the first day of the calendar month immediately succeeding the Sanction Date (being the date from which the transfer and vesting of the Water Business shall be deemed to take effect for all purposes of the Scheme, including for accounting and taxation purposes), or such other date as the Court may direct or approve

2. Following the Scheme, the Company will transfer its entire shareholding in WPB to SubCo 1 (AE) at fair market value determined by independent valuer for cash consideration

3. The rationale for the transaction is to enhance strategic focus and operational efficiency, support long-term sustainable growth, and create value for the Company and its stakeholders, subject to requisite approvalsThe proposed Scheme and subsequent transfer of the Company's shareholding in WPB form part of the implementation in Pakistan of the broader transaction relating to Nestlé's waters and premium beverages business. The Scheme is intended to facilitate the transfer of the Company's Water Business into a separate legal entity and the subsequent implementation of the proposed transaction in accordance with the contemplated transaction structure.

4. The nature and extent of the interest, if any, of the directors of the Company (whether directly or indirectly) in the special business is as follows: No Director of the Company (including the Chief Executive) has any interest, whether directly or indirectly, and whether in his/her capacity as such or as a member or creditor of the Company or otherwise, in the Special Business, except to the extent of his/her shareholding, if any, in the Company and/or as otherwise disclosed herein. For completeness, four out of the 10 directors on the board of the Company are appointed by the Nestlé Group.

5. Copies of the Scheme, this statement, the Memorandum and Articles of Association, and the financial statements of the Company may be inspected during business hours on any working day at the registered office of the Company from the date of this Notice until the conclusion of the EOGM.

The Notice, together with the relevant statements and scheme shall be placed on the Company's website and transmitted to the Pakistan Stock Exchange Limited and the SECP in accordance with applicable requirements.

Nestlé Good food, Good life

Nestlé Pakistan Ltd.

Packages Mall, Shahrah-e-Roomi
PO Amer Sidhu
Lahore - 54760
Pakistan.

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STATEMENT UNDER SECTION 281(1)(A) OF THE COMPANIES ACT, 2017, ACCOMPANYING THE NOTICES TO THE MEMBERS AND SECURED CREDITORS OF NESTLÉ PAKISTAN LIMITED

Nestlé Pakistan Limited (the **"Company"**) proposes to undertake a scheme of arrangement under Sections 279 to 283 and 285(8) (and other applicable provisions) of the Companies Act, 2017 (the **"Scheme of Arrangement"** or the **"Scheme"**), pertaining, *inter alia*, to the demerger of the water business of the Company and its transfer to and vesting in Waters and Premium Beverages Pk (Private) Limited (the **"WPB"**), a wholly-owned subsidiary of the Company, as a going concern (the **"Water Business"**), without any further act or deed, against the issuance and allotment by WPB to the Company of ordinary shares for consideration other than cash, along with all ancillary matters thereto, as approved by the Board of Directors of the Company on 18 November, 2026

Capitalized terms, unless defined herein, shall have the meanings ascribed thereto in the Scheme of Arrangement.

The Scheme of Arrangement is subject to the requisite approval of the members of the Company and to the sanction of the Honourable Lahore High Court, Lahore . The notices issued and published to the members of the Company are for the purpose of convening an Extraordinary General Meeting of the members of the Company for the purpose of passing, *inter alia*, the following resolution for obtaining approval in respect of the Scheme of Arrangement and the transaction contemplated thereunder, along with ancillary matters:

> *"RESOLVED THAT the scheme of arrangement under Sections 279 to 283 and 285(8) (and other applicable provisions) of the Companies Act, 2017 (the "Scheme"), providing for the transfer to and vesting in Waters and Premium Beverages Pk (Private) Limited ("WPB") of the Water Business (as defined in the Scheme) presently owned by the Company, against the issuance and allotment by WPB to the Company of ordinary shares for consideration other than cash, be and is hereby approved, subject to sanction of the Lahore High Court and requisite regulatory approvals; and that the increase (if any) in the authorised share capital of WPB and the issuance of the said shares be given effect through the order of the Court sanctioning the Scheme."*

As required under Section 279(2) of the Companies Act, 2017, the above resolution is required to be passed by a majority representing three-fourth in value of the issued shares held by the members of the Company present in person or by proxy (including through postal ballot and e-voting) and voting at the Extraordinary General Meeting. The members' approval so obtained is intended to be placed before the Court in support of the petition for sanction of the Scheme. The sanctioning of the Scheme of Arrangement, and the making

of such consequential and incidental orders as may be necessary (including in respect of the increase in the authorised share capital of WPB and the issuance of the shares), will be considered by the Court in accordance with the provisions of the Companies Act, 2017.

Approval of the Scheme of Arrangement by the members of the Company shall also constitute approval by way of special resolution of the members of the Company in respect of all matters provided for in, or contemplated by, the Scheme of Arrangement.

Effective Date: The Scheme provides that, upon its sanction, the transfer and vesting of the Water Business shall take effect from the first day of the calendar month immediately succeeding the Sanction Date (being the date from which the transfer and vesting of the Water Business shall be deemed to take effect for all purposes of this Scheme, including for accounting and taxation purposes), or such other date as the Court may direct or approve.

For persons entitled to attend the Extraordinary General Meeting, a copy of the Scheme of Arrangement (along with its annexures) may be obtained from the registered office of the Company, situated at Packages Mall, Shahrah-e-Roomi, PO Amer Sidhu 54760-Lahore, free of cost during normal business hours from the date of the Notice until the conclusion of the EOGM, and a copy of the Scheme of Arrangement has been / shall be enclosed with the notice of the Extraordinary General Meeting circulated to the members of the Company, and is also available on the Company's website.

Secured Creditors

No borrowings, financial indebtedness or other financial obligations of the Company owed to any bank or financial institution will be transferred to, or assumed by, WPB under the Scheme. All such indebtedness will remain with the Company, and the secured creditors will continue to have recourse against the Company on the same terms.

The Scheme provides that any security created by the Company in favour of its secured creditors shall not extend to, or operate against, the Water Business vested in WPB. To the extent any such security extends to assets comprised in the Water Business, it shall stand released upon the Scheme becoming effective, and the Company shall make the requisite filings with the Registrar for the modification or satisfaction of the relevant charges. The security over the remaining assets of the Company will continue in full force and effect in favour of the secured creditors.

The Company will seek and obtain no-objection certificates from its secured creditors in respect of the Scheme, including the transfer of the Water Business to WPB and the release of their security to the extent it extends to the Water Business. Accordingly, the Company intends to seek an exemption from the Court from convening a separate meeting of its secured creditors, on the basis that the requisite no-objection certificates have been obtained and that the rights of the secured creditors are not prejudiced by the Scheme, their indebtedness and recourse against the Company remaining unaffected.

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Regulatory and Other Approvals

The Scheme of Arrangement is subject to the sanction of the Court and may be sanctioned in its present form or with such modification or addition as the Court may approve, and is also subject to such conditions as the Court may impose. The Board of Directors of the Company has the power (in the manner specified under the Scheme) to consent, on behalf of all concerned, to any modification of, or addition to, the Scheme, or to any conditions which the Court may think fit to impose. The requisite competition and other regulatory approvals in connection with that global transaction, including clearance of the Competition Commission of Pakistan have been obtained. For the avoidance of doubt, the demerger and transfer and vesting of the Water Business into WPB under the Scheme are actions within the Nestlé group; the Water Business remains under the ownership and control of the Nestlé group both before and after such steps, and no change of control at the level of the Company or of the Water Business occurs by reason thereof. Accordingly, such steps do not require any clearance or approval under the Competition Act, 2010.

Companies Involved in the Scheme of Arrangement

Nestlé Pakistan Limited (the Transferor): The Company is a public company, the shares of which are listed on the Pakistan Stock Exchange Limited. It was incorporated on 15 January 1979. The Company has an authorised share capital of PKR 750,000,000 and an issued, subscribed and paid-up capital of PKR 453,495,840. The Company will continue to exist and carry on its remaining businesses following the demerger of the Water Business; the Scheme does not provide for the dissolution or winding up of the Company.

Waters and Premium Beverages Pk (Private) Limited (the Transferee): WPB is a private company limited by shares, incorporated on 28th July 2026 as a wholly-owned subsidiary of the Company, for the purpose of receiving and carrying on the Water Business. WPB has an authorised share capital of PKR 100000 and an issued, subscribed and paid-up capital of PKR 1010 , the entire issued capital being held by the Company.

Consideration

In consideration of the transfer and vesting of the Water Business in the Transferee pursuant to this Scheme, the Company shall, upon the Scheme becoming effective and pursuant to and with effect from the date of the sanction order of the Court, issue and allot to the Transferor 376,175,400 fully paid ordinary shares at par value of PKR 10 each, credited as fully paid-up. As the Water Business is being transferred to a wholly-owned subsidiary and the consideration shares are being issued to the Company as sole shareholder, no share-exchange or swap ratio in favour of the members of the Company arises. The number of shares to be issued has been determined on the basis of the auditor certificate dated 20th November 2026 issued by EY FORD RHODES, Chartered Accountants, - a certificate of the auditors of WPB as to the accounting treatment has been / shall be obtained. The auditor's certificate will be placed before the members. The net assets transferable value has been determined and auditor certificate dated November 20, 2026 has been issued by EY FORD RHODES, Chartered Accountants,

The same has been approved by the Board of Directors of the respective companies based on the (i) audited special purpose financial statements of the Company for the period ended June 30, 2026 and (ii) calculations stated in the auditor certificate.

Treatment of Employees

The Scheme provides that the employment of the employees engaged in the Water Business shall stand terminated by the Company as from the Effective Date, as defined in the Scheme and all terminal and other benefits payable to them up to and as on the Effective Date shall be paid and settled by the Company in accordance with law and the relevant employment contracts, in full and final settlement of the Company's obligations to them; following which WPB shall offer employment to such employees on the same terms as those provided to them by the Company immediately prior to the Effective Date, and those employees who accept such offers shall commence fresh employment with WPB as from the Effective Date.

Material Interests of Directors

No Director of the Company (including the Chief Executive) has any interest, whether directly or indirectly, and whether in his/her capacity as such or as a member or creditor of the Company or otherwise, in the Special Business, except to the extent of his/her shareholding, if any, in the Company and/or as otherwise disclosed herein. For completeness, four out of the 10 directors on the board of the Company are appointed by the Nestlé Group and three of them are independent directors and the rest are non-executive directors respectively.

Save as aforesaid, the effect of the Scheme on the interests of the Directors does not differ from its effect on the like interests of other members of the Company.

Report of the Board as to the effect of the Scheme on each class of members: The Company has only one class of members, being the holders of its ordinary shares. As the Consideration Shares are to be issued and allotted to the Company (and not to its members), the Scheme does not vary the rights attached to, or the number of, the shares held by any member of the Company.

Financial Information and Effect of the Scheme

For the information of the members, and consistent with the disclosure expectations of the Securities and Exchange Commission of Pakistan in respect of a scheme of arrangement, the following financial information in relation to the Company and WPB is set out below and/or is available for inspection with the documents referred to in this statement:

(a) Strategic context. The Scheme, and the subsequent transfer of the Company's shareholding in WPB, form part of the implementation in Pakistan of the broader transaction relating to Nestlé's global waters and premium beverages business; the strategic context and rationale are as described in the statement of material facts under Section 134(3). As to future strategy, following the Scheme and the subsequent transfer of its shareholding in WPB, the Company will continue to carry on and focus on its remaining businesses and the Water Business will be carried on by WPB.

(b) Summarised financial and operating performance. A summary of the operating and financial performance of the Company for the previous five financial years and for the current year to the latest completed quarter is set out in [Annexure C/ the financial statements referred to below].

(c) Financial statements giving effect to the Scheme. Pro-forma financial information of the Company and of WPB after giving effect to the Scheme is set out in the pro forma balance sheet to the Scheme.

(d) Accounting and financial reporting policies. The Scheme is to be recorded on a [book value basis; the accounting and financial reporting policies to be applied in recording the Scheme are as set out in [Annexure [D] / Clause 15 of the Scheme], and a certificate of the auditors as to the accounting treatment has been / shall be obtained.

(e) Tax consequences. The transfer of the Water Business to WPB under the Scheme should qualify for tax-neutral treatment under Section 97A of the Income Tax Ordinance, 2001, provided that the transfer is effected under a scheme of arrangement approved by the competent authority and all statutory qualifying conditions are satisfied. As no shares are issued to, and no consideration is receivable by, the members of the Company under the Scheme, the Scheme has no direct tax consequences for the members.

(f) Effect on security-holders' claims. The effect, if any, of the Scheme on the claims of the various security-holders and creditors of the Company is as described in the section 'Secured Creditors' above.

(g) Effect on shareholding and ownership structure. As the Consideration Shares are issued to the Company (and not to its members), there is no change in the shareholding of the members of the Company by reason of the Scheme, including the shareholding of the sponsors/principal shareholders of the Company. Following the subsequent transfer of the Company's entire shareholding in WPB to Waters and Premium Beverages Subco 1 Holding (DIFC) LimitedSubCo 1 (AE), WPB will cease to be a subsidiary of the Company and will be wholly owned by SubCo 1 (AE).

(h) The number of Consideration Shares to be issued to the Company is 376,175,400

(i) Risk factors. The Board of Directors of the Company does not foresee any material risks to the members of the Company arising as a result of the Scheme itself, the Water Business being transferred to a wholly-owned subsidiary of the Company against the issue of the Consideration Shares to the Company, with no change in the shareholding of the members of the Company. The subsequent transfer of the Company's shareholding in WPB is to be made at fair market value, determined on the basis of an independent valuation.

(j) Financial statements. The latest annual audited financial statements of the Company, and the supplementary audited financial statements prepared as required under Section 282(2) of the Act, are available for inspection as stated in this statement and the notice.

(k) Audit Certificate. The audit certificate supporting the number of Consideration Shares are described under 'Consideration' above. No share-exchange or swap ratio arises.

(l) Fresh issue of shares before completion. Neither the Company nor WPB proposes to make any fresh issue of shares before the completion of the Scheme.

(m) Purchase of shares between the companies involved. Save for the issue of the Consideration Shares under the Scheme, neither the Company nor WPB intends to purchase any shares of the other. Following the Scheme, the Company's entire shareholding in WPB including the Consideration Shares is to be transferred to SubCo 1 (AE), an affiliate within the Nestlé group that is not a party to the Scheme, at fair market value determined by independent valuer under the SPA.

General Considerations

In connection with the Scheme of Arrangement, the Company confirms, and the members are advised, as follows:

Nestlé Good food, Good life

- all requisite statutory procedures for supporting the Scheme of Arrangement have been, and shall be, complied with;
- the Scheme of Arrangement is complete and workable, and has been prepared so as to be capable of implementation upon its sanction by the Court;
- the Scheme of Arrangement is not ultra vires the memorandum of association of the Company or of WPB;
- the Scheme of Arrangement is placed before the members for approval by the requisite majority in accordance with Section 279(2) of the Companies Act, 2017;
- the Scheme of Arrangement is just and fair, and the decision of the majority is intended to legitimately bind any dissenting member(s);
- the Scheme of Arrangement does not adversely affect the interests of the minority shareholders of the Company in any manner, being a demerger of the Water Business into a wholly-owned subsidiary against the issuance of shares to the Company (and not to its shareholders), with no change in the shareholding of the members of the Company;
- all necessary and material information pertaining to the Scheme of Arrangement has been, and shall be, provided to all the members of the Company; and
- all material information pertaining to the Scheme of Arrangement has been, and shall be, brought to the knowledge of the members of the Company through this statement, the statement of material facts under Section 134(3), the Scheme of Arrangement and the other documents made available for inspection.

In view of the above, the Board of Directors of the Company has approved and recommended the Scheme of Arrangement, along with the arrangements described above.

By order of the Board



Ali Sadozai
Company Secretary

KEY FINANCIAL DATA

Six Years at a Glance

(Rupees in million)	2025	2024	2023	2022	2021	2020
Operating performance						
- Sales	199,069	193,206	200,605	162,516	133,295	118,781
- Gross profit	72,257	69,524	70,760	49,630	40,492	34,765
- Operating profit	32,121	29,549	34,553	26,779	21,578	16,061
- Profit before tax	29,681	25,504	29,045	22,792	17,954	12,591
- Profit after tax	17,244	14,808	16,493	15,050	12,768	8,885
Balance Sheet						
- Net assets	21,268	18,583	10,588	5,770	5,403	4,190
- Reserves	20,815	18,130	10,135	5,317	4,950	3,737
- Operating fixed assets	30,132	29,407	28,697	29,386	29,275	28,680
- Net working capital	7,961	6,208	10,714	6,082	9,193	8,464
- Long term liabilities*	8,766	11,015	12,758	20,356	16,864	20,302
Investor information for six years						
- Gross profit ratio	36.3%	36.0%	35.3%	30.5%	30.4%	29.3%
- Operating profit ratio	16.1%	15.3%	17.2%	16.5%	16.2%	13.5%
- Profit before tax ratio	14.9%	13.2%	14.5%	14.0%	13.5%	10.6%
- Profit after tax ratio	8.7%	7.7%	8.2%	9.3%	9.6%	7.5%
- Inventory turnover ratio	4.9 : 1	4.1 : 1	4.3 : 1	4.9 : 1	5.3 : 1	4.8 : 1
- Total assets turnover ratio	2.2 : 1	2.1 : 1	2.2 : 1	2.2 : 1	2.1 : 1	1.9 : 1
- Price earning ratio	20.9	22.8	22.6	17.7	20.3	34.0
- Return on capital employed	130%	132%	153%	125%	101%	88%
- Market value per share	7,953	7,450	8,203	5,870	5,725	6,665
- Debt equity ratio	6 : 94	22 : 78	61 : 39	77 : 23	81 : 19	85 : 15
- Current ratio	0.8 : 1	0.8 : 1	0.9 : 1	0.8 : 1	0.8 : 1	0.7 : 1
- Interest cover ratio	53.1 : 1	10.8 : 1	12.1 : 1	10.8 : 1	10.8 : 1	5.5 : 1

* Long-term liabilities include current portion classified under current liabilities.

Annex D:Nestlé Pakistan Limited

Accounting & Financial Reporting Policies Applied

1 Statement of compliance

These special purpose financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) 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 from the requirements of IFRS, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

The comparative statement of financial position is extracted from the annual financial statements, as of December 31, 2025, whereas comparatives for the statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are extracted from the condensed interim financial statements of the Company for the six-month period ended June 30, 2025 (Un-audited).

2 Accounting convention

These special purpose financial statements have been prepared under the historical cost convention, except for recognition of certain employee benefits on the basis mentioned in note 2.5.1.

2.1 Significant estimates and judgements

The preparation of special purpose financial statements in conformity with approved accounting standards requires the 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates that have a significant risk and result in material adjustments to the Company's special purpose financial statements or where judgments, that had the significant effect on the amounts that have been recognized in the period, were exercised in application of accounting policies are as follows:

2.1.1 Judgements

Lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease options that include extension and termination options. The Company applies judgements in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects the ability to exercise or not to exercise the option to renew or to terminate.

2.1.2 Significant estimates and assumptions

The Company applies the estimates in following areas to determine the amounts in special purpose financial statements:

- Defined benefit plans *2.2.1*
- Discounts, allowances and promotional rebates *2.2.9*

Other areas, where estimates are involved to determine the amounts, are mentioned in their respective notes.

2.2 Material accounting policy information

The material accounting policies adopted in preparation of these special purpose financial statements are set out below and have been applied consistently to all periods presented in these special purpose financial statements.

2.2.1 Retirement benefits

2.2.1.1 *Defined benefit plan*

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When calculation results in potential assets for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan.

Remeasurement of net defined benefit liability, which comprise of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income. The Company determines net interest expense / (income) on the defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit, taking into account any change in the net defined benefit obligation during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds, as set by Pakistan Society of Actuaries, and interpolated linearly as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

2.2.1.2 *Defined contribution plan*

The Company operates a recognized provident fund for all its regular employees, excluding expatriates. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 12% (2025: 12%) of the basic salary plus cost of living allowance. All regular employees are eligible for provident fund upon their confirmation. Obligation for contributions to defined contribution plan is recognized as an expense in the statement of profit or loss as and when incurred.

2.2.1.3 *Long Service Award*

With effect from January 01, 2024, the Company's net obligation in respect of long-term service award, as described in note 7.4, is also calculated separately for each plan by estimating the present value of amount of future benefits that employees have earned in current and prior periods. The above mentioned accounting policy and method of measurement of the defined employee benefits is also applicable for the long-term service award, except for recognition of remeasurement gain/ losses in the statement of profit or loss.

2.2.2 *Leases*

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short term leases of 12 months or less and leases of low value items, which are expensed in the statement of profit or loss on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate (IBR) applicable in the market for such leases. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

2.2.3 *Provisions and contingencies*

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

2.2.4 Fixed capital expenditure and depreciation/amortization

2.2.4.1 *Property, plant and equipment*

Property, plant and equipment, except freehold land, are stated at cost less accumulated depreciation and any identified accumulated impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to self constructed assets includes direct cost of material, labor, applicable manufacturing overheads and borrowing costs on qualifying assets.

Depreciation is charged to statement of profit or loss, unless it is included in the carrying amount of another asset, on straight line method whereby cost of an asset is written off over its estimated useful life at the rates given in note 14.

Residual value and the useful life of an asset are reviewed at least at each financial year-end.

2.2.4.2 *Capital work-in-progress*

Capital work-in-progress is stated at cost less identified impairment loss, if any. It consists of all expenditure and advances connected with specific assets incurred and made during installation and construction period. These are transferred to relevant property, plant and equipment as and when assets are available for use.

2.5.5 *Stores and spares*

Useable stores and spares except for in-transit, are valued principally at moving average method, while items considered obsolete are carried at nil value. Provision is made against slow moving or obsolete stores and spares on a systematic basis.

2.5.5.1 *Allowance for write-down of stores and spares to net realizable value*

Provision for stores and spares is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis. Net realizable value calculations are estimated based on last recently-held transactions and values expected to be recovered for sale in normal course of business less an estimate for selling costs.

2.2.6 Stock-in-trade

Inventories are valued as per below mentioned valuation basis:

2.2.6.1 *Raw and packing material*

Value in relation to raw and packing materials except for in-transit is arrived at using FIFO basis. Provision for unusable raw and packing material is made on an estimated basis, wherever required.

2.2.6.2 *Finished goods and work-in-process*

Value of finished goods and work in process both manufactured and purchased, is determined on weighted average basis, except for in-transit goods. In-transit goods and materials are valued at cost comprising invoice value plus other charges thereon. Cost in relation to work-in-process and finished goods includes an appropriate portion of production overheads. Finished goods are valued at cost or net realizable value, whichever is lower.

2.2.6.3 *Allowance for write-down of stock-in-trade to net realizable value*

Provision for stock-in-trade is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis. Net realizable value calculations are estimated based on last recently-held transactions and values expected to be recovered for sale in normal course of business less an estimate for selling costs.

2.2.7 Trade Receivables

Trade receivables are stated at invoice value less any provisions for specific credit losses with objective evidence of impairment. Further, the Company also determines the need for any expected credit loss provisions at each reporting date in terms of the requirements of IFRS 9.

2.2.8 Sales tax refundable

Sales tax refundable primarily includes input sales tax related to zero-rated taxable supplies for prior years for which refunds have been lodged with the Federal Board of Revenue. These arise in the usual trade cycle of the Company and are settled accordingly. Management has classified the sales tax refundable as current asset as this refund is part of the normal operating cycle of the Company.

2.2.9 Revenue recognition

Sales represent amounts received and receivable from third parties for goods supplied to the customers and are recognized at point in time when a customer obtains control of the goods under the contract, usually when the product is delivered to the customers.

Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc.), pricing allowances, other trade discounts, volume rebates and couponing, price promotions to customers / consumers and any other consideration payable to customers (referred to as trade spend). The level of discounts, allowances and promotional rebates are recognized, on estimated basis using historical experience and the specific terms of the arrangement, as a deduction from revenue at the time that the related sales are recognized or when such incentives are offered to the customer / consumer.

2.2.10 Taxation

Income tax on the profit or loss for the period comprises current and deferred tax.

2.2.10.1 *Current*

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income and the decisions of appellate authorities on certain cases issued in past. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

2.2.10.2 *Deferred*

Deferred tax is provided using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the special purpose financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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Nestlé Pakistan Limited

Statement of Financial Position

As at June 30, 2026

	Note	Jun 30, 2026	Dec 31, 2025
		--- (Rupees in '000) ---	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
75,000,000 (2025: 75,000,000) ordinary shares of PKR 10 each		**750,000**	750,000
Issued, subscribed and paid up capital	*3*	**453,496**	453,496
Share premium - capital reserve	*4*	**249,527**	249,527
General reserve - revenue reserve		**280,000**	280,000
Accumulated profits - revenue reserve		**18,654,232**	20,285,092
		19,637,255	21,268,115
Non-current liabilities			
Long-term finances - secured	*5*	**-**	-
Lease liabilities	*6*	**1,323,531**	1,326,275
Long-term employee benefits	*7*	**5,928,926**	5,532,046
		7,252,457	6,858,321
Current liabilities			
Current maturity of long term finances	*5*	**-**	1,434,375
Current portion of lease liabilities	*6*	**359,284**	473,319
Running finance under mark-up arrangements - secured	*8*	**3,708,911**	-
Trade and other payables	*9*	**60,310,335**	60,335,267
Contract liabilities	*10*	**993,640**	850,973
Income tax payable		**3,147,340**	2,126,681
Interest and mark-up accrued	*11*	**43,246**	956
Customer security deposits	*12*	**441,661**	440,742
Unclaimed dividend		**107,894**	104,647
		69,112,311	65,766,960
		96,002,023	93,893,396
Contingencies and commitments	*13*		

	Note	Jun 30, 2026	Dec 31, 2025
		--- (Rupees in '000) ---	
ASSETS			
Non-current assets			
Property, plant and equipment	*14*	**29,304,101**	30,131,584
Capital work-in-progress	*15*	**1,733,626**	2,526,967
Intangible assets	*16*	**77,476**	95,541
Deferred taxation	*17*	**5,407,293**	4,658,016
Long-term loans	*18*	**629,142**	583,462
		37,151,638	37,995,570
Current assets			
Current portion of long-term loans	*18*	**199,144**	172,020
Stores and spares	*19*	**4,848,853**	4,355,163
Stock-in-trade	*20*	**35,584,163**	24,818,457
Trade debts	*21*	**3,671,696**	3,177,030
Sales tax recoverable		**5,039,485**	5,923,212
Advances, deposits, prepayments and other receivables	*22*	**7,219,280**	3,954,754
Short-term investments	*23*	**-**	9,588,794
Cash and bank balances	*24*	**2,287,764**	3,908,396
		58,850,385	55,897,826
		96,002,023	93,893,396

The annexed notes 1 to 48 form an integral part of these special purpose financial statements.

MAQSOOD AHMAD ANJUM
Chief Financial Officer

JOSELITO JR AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director

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Nestlé Pakistan Limited

Statement of Profit or Loss

For the six month period ended June 30, 2026

	Note	**(Audited)** Six-month period ended **Jun 30, 2026**	(Un-audited) Six-month period ended Jun 30, 2025
		--- (Rupees in '000) ---	
Revenue from contracts with customers - net	*25*	**107,022,787**	101,292,322
Cost of goods sold	*26*	**(65,486,400)**	(61,995,759)
Gross profit		**41,536,387**	39,296,563
Distribution and selling expenses	*27*	**(18,323,671)**	(16,657,323)
Administration expenses	*28*	**(3,584,066)**	(3,542,630)
Operating profit		**19,628,650**	19,096,610
Finance cost	*29*	**(174,591)**	(333,178)
Other expenses	*30*	**(1,579,954)**	(1,634,766)
		(1,754,545)	(1,967,944)
Other income	*31*	**601,039**	255,436
Profit before minimum tax differential and income tax		**18,475,144**	17,384,102
Minimum tax differential	*32*	**(48,735)**	(139,996)
Profit before income tax		**18,426,409**	17,244,106
Income tax	*32*	**(8,447,771)**	(6,819,226)
Profit after taxation		**9,978,638**	10,424,880
Earnings per share basic and diluted (Rupees)	*33*	**220.04**	229.88

The annexed notes 1 to 48 form an integral part of these special purpose financial statements.

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

Docusign Envelope ID: 2B200953-DD78-84C0-81C1-9BD84FED2F85

Nestlé Pakistan Limited

Statement of Comprehensive Income

For the six month period ended June 30, 2026

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

The annexed notes 1 to 48 form an integral part of these special purpose financial statements.

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

Docusign Envelope ID: 2B200953-DD78-84C0-81C1-9BD84FED2F85

Nestlé Pakistan Limited

Statement of Changes in Equity

For the six month period ended June 30, 2026

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

The annexed notes 1 to 48 form an integral part of these special purpose financial statements.

MAQSOOD AHMAD ANJUM
Chief Financial Officer

Joselito Jr A Avancena

JOSELITO JR AVANCENA
Chief Executive Officer

Syed Yawar Ali

SYED YAWAR ALI
Chairman / Director

Docusign Envelope ID: 2B200953-DD78-84C0-81C1-9BD84FED2F85

Nestlé Pakistan Limited

Statement of Cash Flows

For the six month period ended June 30, 2026

	Note	(Audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
		--- (Rupees in '000) ---	
Cash flow from operating activities			
Profit before minimum tax differential and income tax		**18,475,144**	17,384,102
Adjustment for non-cash charges and other items:			
Depreciation of property, plant and equipment	*14.4*	**2,288,709**	2,093,267
Amortization of intangible assets	*16*	**18,065**	8,048
Impairment reversal - net	*31.1*	**(22,650)**	-
Gain on disposal of property, plant and equipment - owned	*31*	**(13,049)**	(29,572)
Interest income	*31*	**(325,778)**	(98,338)
Provision for Workers' Profit Participation Fund	*30*	**945,319**	890,179
Provision for Workers' Welfare Fund	*30*	**431,242**	419,487
(Decrease) / increase in provision for stores and spares	*19.1*	**(118,077)**	195,489
Charge / (reversal) of provision for stock-in-trade - net	*20.1*	**204,837**	(524,588)
Exchange (gain) / loss unrealized	*31*	**(104,492)**	254,709
Provision for defined benefits plans		**485,621**	289,310
Provision for long service awards		**220,259**	-
Finance cost	*29*	**174,591**	333,178
Profit before working capital changes		**22,659,741**	21,215,271
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		**(375,613)**	(289,924)
Stock-in-trade		**(10,970,543)**	(6,963,800)
Trade debts		**(494,666)**	(2,432,301)
Advances, deposits, prepayments and other receivables		**(3,323,736)**	968,512
Sales tax recoverable		**883,727**	(113,587)
Increase / (decrease) in current liabilities:			
Trade and other payables		**457,982**	2,855,824
Contract liabilities		**142,667**	(606,787)
		(13,680,182)	(6,582,063)
Cash generated from operations		**8,979,559**	14,633,208
Increase in long-term loans - net		**(72,804)**	(202,897)
Increase in customer security deposits - interest free		**918**	45,357
Contributions by the Company - net		**(309,000)**	(89,655)
Workers' Profit Participation Fund paid		**(1,521,166)**	(1,303,641)
Workers' Welfare Fund paid		**(233,817)**	(594,785)
Finance cost paid		**(24,226)**	(348,691)
Income taxes paid		**(8,225,124)**	(4,701,694)
Net cash (used in) / generated from operating activities		**(1,405,660)**	7,437,202

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Nestlé Pakistan Limited

Statement of Cash Flows (continued)

For the six month period ended June 30, 2026

	Note	(Audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
		--- (Rupees in '000) ---	
Cash flow from investing activities			
Purchase of property, plant and equipment		**(676,400)**	(1,945,899)
Proceeds from disposal of short-term investments		**9,588,794**	-
Interest income received		**384,988**	98,338
Sale proceeds from disposal of property, plant and equipment	*14.6*	**44,214**	43,475
Net cash generated from / (used in) investing activities		**9,341,596**	(1,804,086)
Cash flow from financing activities			
Long-term loans repaid		**(1,434,375)**	(3,000,000)
Short-term borrowings obtained		**-**	3,800,000
Short-term borrowings repaid		**-**	(2,000,000)
Lease rentals paid		**(224,853)**	(155,677)
Dividends paid		**(11,606,251)**	(1,360,488)
Net cash used in financing activities		**(13,265,479)**	(2,716,165)
Net (decrease) / increase in cash and cash equivalents		**(5,329,543)**	2,916,951
Cash and cash equivalents at beginning of the period		**3,908,396**	1,661,851
Cash and cash equivalents at end of the period	*36*	**(1,421,147)**	4,578,802

The annexed notes 1 to 48 form an integral part of these special purpose financial statements.

MAQSOOD AHMAD ANJUM
Chief Financial Officer

Joselito Jr A Avancena

JOSELITO JR AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director

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Nestlé Pakistan Limited

Notes to the Special Purpose Financial Statements

For the six month period ended June 30, 2026

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 and summary of significant accounting policies

2.1 Purpose of these special purpose financial statements

These special-purpose financial statements of Nestle Pakistan Limited ("the Company") for the six-month period ended 30 June 2026 have been prepared solely to assist the Company in complying with the requirements of section 282 of the Companies Act, 2017 in connection with the Company's application to the Honourable Lahore High Court for sanction of the proposed Scheme of Arrangement, further details are disclosed in Notes 47.2.

These special-purpose financial statements are intended solely for use by the Company (including concerned stakeholders in connection with Scheme of Arrangement) and the Honourable Lahore High Court in connection with the above-mentioned application. Consequently, they may not be suitable for any other purpose or for use by any other party.

'The corresponding figures presented in the statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes for the six-month period ended 30 June 2025 form an integral part of these special purpose financial statements.

The Company's financial statements for the six-month period ended 30 June 2025 were unaudited. However, the corresponding figures for that period included in these special purpose financial statements were subject to audit procedures performed in connection with the audit of the Company's special purpose financial statements for the six-month period ended 30 June 2026. Those procedures were performed solely to enable the corresponding figures to be read in conjunction with the amounts and disclosures relating to the current period and did not constitute an audit of the Company's financial statements for the six-month period ended 30 June 2025, taken as a whole.

2.2 Statement of compliance

These special purpose financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) 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.

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Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ from the requirements of IFRS, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

The comparative statement of financial position is extracted from the annual financial statements, as of December 31, 2025, whereas comparatives for the statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are extracted from the condensed interim financial statements of the Company for the six-month period ended June 30, 2025 (Un-audited).

2.3 Accounting convention

These special purpose financial statements have been prepared under the historical cost convention, except for recognition of certain employee benefits on the basis mentioned in note 2.5.1.

2.4 Significant estimates and judgements

The preparation of special purpose financial statements in conformity with approved accounting standards requires the 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates that have a significant risk and result in material adjustments to the Company's special purpose financial statements or where judgments, that had the significant effect on the amounts that have been recognized in the period, were exercised in application of accounting policies are as follows:

2.4.1 Judgements

Lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease options that include extension and termination options. The Company applies judgements in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal or termination. After the commencement period, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects the ability to exercise or not to exercise the option to renew or to terminate.

2.4.2 Significant estimates and assumptions

The Company applies the estimates in following areas to determine the amounts in special purpose financial statements:

- Defined benefit plans	*2.5.1*
- Discounts, allowances and promotional rebates	*2.5.9*

Other areas, where estimates are involved to determine the amounts, are mentioned in their respective notes.

2.5 Material accounting policy information

The material accounting policies adopted in preparation of these special purpose financial statements are set out below and have been applied consistently to all periods presented in these special purpose financial statements.

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2.5.1 Retirement benefits

2.5.1.1 ***Defined benefit plan***

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When calculation results in potential assets for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reduction in future contributions to the plan.

Remeasurement of net defined benefit liability, which comprise of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income. The Company determines net interest expense / (income) on the defined benefit obligation for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit, taking into account any change in the net defined benefit obligation during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds, as set by Pakistan Society of Actuaries, and interpolated linearly as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

2.5.1.2 ***Defined contribution plan***

The Company operates a recognized provident fund for all its regular employees, excluding expatriates. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 12% (2025: 12%) of the basic salary plus cost of living allowance. All regular employees are eligible for provident fund upon their confirmation. Obligation for contributions to defined contribution plan is recognized as an expense in the statement of profit or loss as and when incurred.

2.5.1.3 ***Long Service Award***

With effect from January 01, 2024, the Company's net obligation in respect of long-term service award, as described in note 7.4, is also calculated separately for each plan by estimating the present value of amount of future benefits that employees have earned in current and prior periods. The above mentioned accounting policy and method of measurement of the defined employee benefits is also applicable for the long-term service award, except for recognition of remeasurement gain/ losses in the statement of profit or loss.

2.5.2 ***Leases***

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Company obtains substantially all the economic benefits from the use of that asset, and whether the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date, except for short term leases of 12 months or less and leases of low value items, which are expensed in the statement of profit or loss on a straight-line basis over the lease term.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate (IBR) applicable in the market for such leases. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

The lease liability is subsequently measured at amortized cost using the effective interest rate method and remeasured (with a corresponding adjustment to the related ROU asset) when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessment of options.

At inception, the ROU asset comprises the initial lease liability, initial direct costs and the obligations to refurbish the asset, less any incentives granted by the lessors. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator for impairment, as for owned assets.

2.5.3 ***Provisions and contingencies***

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

2.5.4 Fixed capital expenditure and depreciation/amortization

2.5.4.1 ***Property, plant and equipment***

Property, plant and equipment, except freehold land, are stated at cost less accumulated depreciation and any identified accumulated impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to self constructed assets includes direct cost of material, labor, applicable manufacturing overheads and borrowing costs on qualifying assets.

Depreciation is charged to statement of profit or loss, unless it is included in the carrying amount of another asset, on straight line method whereby cost of an asset is written off over its estimated useful life at the rates given in note 14.

Residual value and the useful life of an asset are reviewed at least at each financial year-end.

2.5.4.2 ***Capital work-in-progress***

Capital work-in-progress is stated at cost less identified impairment loss, if any. It consists of all expenditure and advances connected with specific assets incurred and made during installation and construction period. These are transferred to relevant property, plant and equipment as and when assets are available for use.

2.5.5 ***Stores and spares***

Useable stores and spares except for in-transit, are valued principally at moving average method, while items considered obsolete are carried at nil value. Provision is made against slow moving or obsolete stores and spares on a systematic basis.

2.5.5.1 ***Allowance for write-down of stores and spares to net realizable value***

Provision for stores and spares is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis. Net realizable value calculations are estimated based on last recently-held transactions and values expected to be recovered for sale in normal course of business less an estimate for selling costs.

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2.5.6 Stock-in-trade

Inventories are valued as per below mentioned valuation basis:

2.5.6.1 ***Raw and packing material***

Value in relation to raw and packing materials except for in-transit is arrived at using FIFO basis. Provision for unusable raw and packing material is made on an estimated basis, wherever required.

2.5.6.2 ***Finished goods and work-in-process***

Value of finished goods and work in process both manufactured and purchased, is determined on weighted average basis, except for in-transit goods. In-transit goods and materials are valued at cost comprising invoice value plus other charges thereon. Cost in relation to work-in-process and finished goods includes an appropriate portion of production overheads. Finished goods are valued at cost or net realizable value, whichever is lower.

2.5.6.3 ***Allowance for write-down of stock-in-trade to net realizable value***

Provision for stock-in-trade is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis. Net realizable value calculations are estimated based on last recently-held transactions and values expected to be recovered for sale in normal course of business less an estimate for selling costs.

2.5.7 Trade Receivables

Trade receivables are stated at invoice value less any provisions for specific credit losses with objective evidence of impairment. Further, the Company also determines the need for any expected credit loss provisions at each reporting date in terms of the requirements of IFRS 9.

2.5.8 Sales tax refundable

Sales tax refundable primarily includes input sales tax related to zero-rated taxable supplies for prior years for which refunds have been lodged with the Federal Board of Revenue. These arise in the usual trade cycle of the Company and are settled accordingly. Management has classified the sales tax refundable as current asset as this refund is part of the normal operating cycle of the Company.

2.5.9 Revenue recognition

Sales represent amounts received and receivable from third parties for goods supplied to the customers and are recognized at point in time when a customer obtains control of the goods under the contract, usually when the product is delivered to the customers.

Revenue is measured based on the consideration specified in a contract with a customer, net of returns, amounts collected on behalf of third parties (sales taxes etc.), pricing allowances, other trade discounts, volume rebates and couponing, price promotions to customers / consumers and any other consideration payable to customers (referred to as trade spend). The level of discounts, allowances and promotional rebates are recognized, on estimated basis using historical experience and the specific terms of the arrangement, as a deduction from revenue at the time that the related sales are recognized or when such incentives are offered to the customer / consumer.

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2.5.10 Taxation

Income tax on the profit or loss for the period comprises current and deferred tax.

2.5.10.1 ***Current***

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income and the decisions of appellate authorities on certain cases issued in past. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

2.5.10.2 ***Deferred***

Deferred tax is provided using the balance sheet method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the special purpose financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

2.6 Standards, interpretations and amendments to published approved accounting standards

The accounting policies adopted are consistent with those of the previous financial period, except for the following new and amended standards and interpretations effective for annual period beginning on January 01, 2026, as listed below:

2.6.1 New Standards, interpretations and amendments effective in the reporting period

IAS 21	Lack of exchangeablility - (Amendments)

The adoption of above new amendments applied for the first time in the period did not have any material impact on the special purpose financial statements of the Company. The Company has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.6.1.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 9 and IFRS 7	Classification and Measurement of Financial IFRS 7 Instruments — (Amendments)	January 01, 2026
IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity - (Amendments)	January 01, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 01, 2027
IAS 21	Translation to a Hyperinflationary Presentation Currency	January 01, 2027
IFRS 17	Insurance contracts	January 01, 2026
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its associate or Joint Venture — (Amendments)	January 01, 2026

The above amendments are not expected to have any material impact on the Company's special purpose financial statements in the period of initial application.

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The Company is currently working to identify all impacts IFRS 18 will have on the primary special purpose financial statements and notes to the special purpose financial statements. The initial expected material impacts on Company's special purpose financial statements are as follows:

- Rental income, change in fair value from investment properties and share of profit or an associate and a joint venture will be classified in the investing category within the statement of profit or loss.
- Foreign exchange differences will be classified in the category where the related income and expense form the item giving rising to the foreign exchange difference.
- New disclosure will be added: (a) management-defined performance measures (where applicable); (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.
- Interest received and interest paid will be classified in the investing activities and financing activities, respectively, on the statement of cash flows.
- Expenses will be reclassified from selling and distribution to cost of sales that are related to the handling of goods.
- Other expenses / income will be reclassified under operating expenses / income.

In addition to the above standards and amendments, improvements to various accounting standards and conceptual framework have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2026.

The Company is currently assessing the impact of IFRS 18 on its special purpose financial statements. The standard is expected to primarily affect the presentation and disclosure of information rather than the recognition or measurement of assets and liabilities.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		**IASB Effective date (annual periods beginning on or after)**
IFRS 1	First time adoption of International Financial Reporting Standards	01 January 2024
IFRS 20	Regulatory Assets and Regulatory Liabilities	01 January 2029

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

3 Issued, subscribed and paid up capital

Jun 30, 2026	Dec 31, 2025		**Jun 30, 2026**	Dec 31, 2025
----- (Number of shares) -----			**--- (Rupees in '000) ---**	
29,787,058	29,787,058	Ordinary shares of PKR 10 each as fully paid in cash	**297,870**	297,870
15,476,867	15,476,867	Ordinary shares of PKR 10 each as fully paid bonus shares	**154,769**	154,769
85,659	85,659	Ordinary shares of PKR 10 each issued other than cash (under schemes of arrangement for amalgamation)	**857**	857
45,349,584	45,349,584		**453,496**	453,496

3.1 As at June 30, 2026, Société des Produits Nestlé SA (SPN), Switzerland ("the Holding Company"), holds 27,936,173 (2025: 27,936,173) ordinary shares representing 61.60% (2025: 61.60%). In addition, 9,059,049 (2025: 9,059,049) ordinary shares are held by the following related parties as at June 30, 2026:

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Name of related party	Jun 30, 2026	Dec 31, 2025
	-------- (Number of shares) ---------	
IGI Investments (Pvt.) Limited	**4,432,959**	4,432,959
Percentage of equity held 9.78% (2025: 9.78%)		
Packages Limited	**3,649,248**	3,649,248
Percentage of equity held 8.05% (2025: 8.05%)		
Gurmani Foundation	**538,235**	538,235
Percentage of equity held 1.19% (2025: 1.19%)		
National Management Foundation	**224,720**	224,720
Percentage of equity held 0.50% (2025: 0.50%)		
Babar Ali Foundation	**180,195**	180,195
Percentage of equity held 0.40% (2025: 0.40%)		
Industrial Technical and Educational Institution	**21,666**	21,666
Percentage of equity held 0.05% (2025: 0.05%)		
Mohsin Trust	**12,025**	12,025
Percentage of equity held 0.03% (2025: 0.03%)		
IGI Finex Securities Limited	**1**	1
Percentage of equity held 0.0% (2025: 0.0%)		
	9,059,049	9,059,049

3.2 The holders of voting ordinary shares are entitled to receive dividends as declared (if any), and are entitled to one vote per share at meetings of the Company.

4 Share premium

This reserve can be utilized by the Company only for the purposes specified in section 81(2) of the Companies Act, 2017.

5 Long-term finances - secured	Note	Jun 30, 2026	Dec 31, 2025
		--- (Rupees in '000) ---	
Long-term finances utilized under mark-up arrangements:			
Term Loan	*5.1*	-	1,434,375
		-	1,434,375
Interest and mark-up accrued		-	956
Amortised cost		-	1,435,331
Less: current maturity		-	(1,434,375)
Less: interest and mark-up accrued shown under current liabilities	*11*	-	(956)
		-	-

5.1 This Financing IntraGroup (FIG) loan amounted to USD 5.1 million obtained from Nestlé Treasury Center Middle East and Africa under Foreign Currency Trade Financing from abroad (FTFA) – import loans. During the period, it has been fully repaid.

6 Lease liabilities	Jun 30, 2026	Dec 31, 2025
	--- (Rupees in '000) ---	
Present value of minimum lease payments	**1,682,815**	1,799,594
Less: current maturity	**(359,284)**	(473,319)
	1,323,531	1,326,275

6.1 The incremental borrowing rate used as the discounting factor ranges from 10.87% to 17.60% (2025: 10.00% to 20.30%). Lease Payments (LP) and their Present Value (PV) are as follows:

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	30-Jun-26		
	MLP	**Future Finance Charges**	**PV of MLP**
	--- (Rupees in '000) ---		
Due not later than 1 year	**390,707**	**(31,423)**	**359,284**
Due later than 1 year but not later than 5 years	**1,494,169**	**(411,961)**	**1,082,208**
Due later than 5 years	**326,471**	**(85,148)**	**241,323**
	2,211,347	**(528,532)**	**1,682,815**

	31-Dec-25		
	MLP	Future Finance Charges	PV of MLP
	--- (Rupees in '000) ---		
Due not later than 1 year	503,213	(29,893)	473,319
Due later than 1 year but not later than 5 years	1,452,755	(335,692)	1,117,064
Due later than 5 years	456,568	(247,357)	209,211
	2,412,536	(612,942)	1,799,594

6.2 Set out below are the carrying amounts of lease liabilities and the movement during the period:

	Jun 30, 2026	Dec 31, 2025
	--- (Rupees in '000) ---	
Opening balance	**1,799,594**	1,564,356
Lease liabilities acquired during the period	-	516,532
Markup on lease liabilities	**108,074**	209,092
Reassessment of leases	-	-
Termination of leases	-	(83,326)
	1,907,668	2,206,654
Less: lease rentals paid	**(224,853)**	(407,060)
Closing balance	**1,682,815**	1,799,594

6.3 The Company had entered into lease agreements with Packages Real Estate Limited (Related Party) and Babar Ali Foundation (Related Party). The closing lease liability amounts to PKR 1,020.20 million (2025: 1,061.58 million) and PKR 32.55 million (2025: 49.08 million).

7 Long-term employee benefits

	Note	**Jun 30, 2026**	Dec 31, 2025
		--- (Rupees in '000) ---	
Gratuity fund	*7.1 & 7.3*	**1,950,686**	1,864,704
Pension fund	*7.2 & 7.3*	**1,341,187**	1,250,548
Long Service Award (LSA)	*7.4*	**2,637,053**	2,416,794
		5,928,926	5,532,046

7.1 Gratuity plan comprises two types i.e. A and B. Type A members are those who have joined the plan and have not opted to become members of Type B. Type B members are those who joined the Type A and opted to become members of Type B.

- Type A represents old Plan, which is only available to employees having joining date before December 31, 2020, that entitles an eligible employee to receive a lump sum amount equal to last drawn basic salary multiplied by number of completed years of service with the Company, at the time of cessation of employment. An eligible employee means the employee who has successfully completed one year of service with the Company. In case if the employee leaves the employment before successful completion of 10 years of service than he / she shall be entitled to 50% of gratuity amount.

- Type B represents cash plan that entitles the members to have their gratuity balance calculated from their date of joining till December 31, 2020 based on Type A formula. Thereafter, the gratuity balance so calculated is locked and profit is credited to employees' account, annually based on performance of gratuity fund. The locked balance of gratuity together with interest thereon will be paid to employee at the time of separation from the company. Besides this, cash plan member is also entitled to a monthly cash allowance of 7.80% of basic salary.

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7.2 Pension plan comprises two types i.e. A and B. Type A members are those members who have joined the plan and who have not opted to become members of Type B. Type B members are those members who fulfil the criteria and opted to become member of Type B.

- Type B member can make a contribution of 3.00% or 5.00% of his / her pensionable salary and the Company will make a contribution equal to employee contribution +2.00%. In case of those members who are transferred from Type A to Type B, such members are required to make a contribution of 5.00% of pensionable salary and the Company will make a contribution of 11.40%. Type B member shall be entitled to 30.00% of employer benefit after successful completion of three years of pensionable service and thereafter additional 10.00% for each successful year till 10th year when they are entitled to 100% of the benefit.

7.3 Gratuity and pension plans are administered through separate funds that are legally separated from the Company. The Trust of the funds comprises six and five employees acting as Trustees for pension and gratuity fund respectively, out of which one Trustee is the Chairman. The Trustees of the funds are required by law to act in the best interests of the plan and are responsible for making all the investments and disbursements out of the funds.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk. As at balance sheet date, an actuarial valuation has been performed by M/s Nauman Associates (Actuarial experts) for valuation of defined benefit obligation. The disclosure made in notes 7.5 to 7.15 are based on the information included in the actuarial report.

These defined benefit plans are funded by the Company. The funding requirements are evaluated by the management using the funds' actuarial measurement framework set out in the funding policies of the plans. The funding of each plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from time to time. The investments out of provident fund and pension fund are governed by and are compliant in all material aspects with the requirements of section 218 of the Companies Act 2017.

7.4 Long term service award comprises two types i.e. A and B. Type A is available to non management staff. Type B is a plan only for management staff.

- Type A represents old scheme, which was available to both management and non management employees until December 31, 2024. From January 01, 2025, this plan will only be available for non-management staff. The scheme provides different grammage of 24 karat gold coins and shields to employees according to their service years starting from completion of minimum 10 years of service with the Company. The weight of gold coins varies (15-30 gram) on addition of every 5 years (up to 30 years) to the minimum service requirement.

- Type B represents new scheme, which will only be available for management staff from January 01, 2025, that entitles an eligible employee to receive a lump sum amount starting from PKR 400,000 up to PKR 850,000, based on number of completed years of service with the Company as per the approved Company policy. An eligible employee means the employee who has successfully completed minimum of 10 years of service (up to 30 years) with the Company in accordance with the approved Company policy.

The Company is responsible to manage the deficit in the defined benefit obligation towards fair value of the plan assets. The Company has devised an effective periodic contribution plan to maintain sufficient level of plan assets to meet its obligations. Further, the Company also performs regular maturity analysis of the defined benefit obligation and manages its contributions accordingly.

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		Gratuity		Pension		LSA	
		Jun 30, 2026	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025
				---------- (Rupees in '000) ----------			
7.5	**Present value of funded obligations**						
	Amounts recognized in statement of financial position are as follows:						
	Present value of defined benefit obligation	**5,428,733**	5,262,889	**9,378,652**	8,873,218	**2,637,053**	2,416,794
	Fair value of plan assets	**(3,478,047)**	(3,398,185)	**(8,037,465)**	(7,622,670)	**-**	-
	Net retirement benefit obligation	**1,950,686**	1,864,704	**1,341,187**	1,250,548	**2,637,053**	2,416,794
7.6	**Movement in net obligation**						
	Opening Net liability	**1,864,704**	1,904,373	**1,250,548**	1,420,437	**2,416,794**	1,705,372
	Charge to statement of profit or loss	**223,982**	525,731	**261,639**	520,273	**352,071**	862,610
	Charge to other comprehensive income	**-**	(284,427)	**-**	(353,914)	**-**	-
	Contribution made by employees	**-**	-	**103,440**	201,459	**-**	-
	Contribution made by Company	**(138,000)**	(280,973)	**(274,440)**	(537,707)	**(131,812)**	(151,188)
	Closing Net liability	**1,950,686**	1,864,704	**1,341,187**	1,250,548	**2,637,053**	2,416,794
7.7	**Movement in the liability for funded defined benefit obligations**						
	Opening Liability for defined benefit obligations	**5,262,889**	4,878,375	**8,873,218**	7,868,923	**2,416,794**	1,705,372
	Benefits paid	**(246,240)**	(545,317)	**(306,533)**	(712,810)	**(131,812)**	(151,188)
	Current service cost	**122,972**	310,001	**311,342**	581,795	**105,058**	143,020
	Past service cost/(credit)	-	-	-	-	-	-
	Interest cost	**289,112**	552,686	**500,625**	901,502	**103,240**	195,574
	Gains curtailment/settlement (gain)/loss	-	-	-	(1,871)	-	-
	Remeasurements on obligation:						
	Actuarial losses / (gains) due to:						
	- Changes in financial assumptions	**-**	(4,446)	**-**	163,116	**-**	(418,398)
	- Changes in demographic assumptions	**-**	-	**-**	-	**-**	-
	- Experience adjustments	**-**	71,590	**-**	72,563	**143,773**	942,414
		-	67,144	**-**	235,679	**143,773**	524,016
	Closing Liability for defined benefit obligations	**5,428,733**	5,262,889	**9,378,652**	8,873,218	**2,637,053**	2,416,794

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		Gratuity		Pension		LSA	
		Jun 30, 2026	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025
				---------- (Rupees in '000) ----------			
7.8	**Movement in fair value of plan assets**						
	Opening Fair value of plan assets	**3,398,185**	2,974,002	**7,622,670**	6,448,486	-	-
	Contributions paid into the plan	**138,000**	280,973	**274,440**	537,707	-	-
	Benefits paid by the plan	**(246,240)**	(545,317)	**(306,533)**	(712,810)	-	-
	Interest income on plan assets	**188,102**	341,020	**446,888**	763,313	-	-
	Actuarial gain / (loss) on plan assets	**-**	351,571	**-**	589,593	-	-
	Other administrative expenses by fund	**-**	(4,064)	**-**	(3,619)	-	-
	Closing Fair value of plan assets	**3,478,047**	3,398,185	**8,037,465**	7,622,670	-	-
7.9	**Plan assets consist of the following:**						
	In terms of amount:						
	- Equity instruments	**6,956**	6,796	**8,037**	7,623	-	-
	- Debt instruments	**1,610,336**	1,573,360	**3,753,496**	3,559,787	-	-
	- Cash at bank and other deposits	**1,860,755**	1,818,029	**4,275,932**	4,055,260	-	-
		3,478,047	3,398,185	**8,037,465**	7,622,670	-	-
7.9.1	**Plan assets**						
	Plan assets comprise:						
	Equity instruments by sector						
	Mutual funds	**6,956**	6,796	**8,037**	7,623	-	-
	Debt instruments						
	Government bonds	**1,610,336**	1,573,360	**3,753,496**	3,559,787	-	-
	Cash and other deposits						
	Balance in saving bank accounts	**273,892**	267,603	**1,397,416**	1,325,298	-	-
	Treasury bills	**1,565,267**	1,529,326	**2,843,946**	2,697,176	-	-
	Others	**21,596**	21,100	**34,570**	32,786	-	-
		1,860,755	1,818,029	**4,275,932**	4,055,260	-	-
		3,478,047	3,398,185	**8,037,465**	7,622,670	-	-

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The Trustees ensure that the investment positions are managed within an Asset-Liability Matching (ALM) framework to ensure alignment with the obligations under the defined benefit plans. Risk analysis of each category is done to analyze the impacts of the interest rate risk and longevity risk.

		Gratuity		Pension		LSA	
7.10	**Statement of profit or loss includes the following in respect of retirement benefits:**	**Jun 30, 2026**	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025
				---------- (Rupees in '000) ----------			
	Interest cost	**289,112**	552,686	**500,625**	901,502	**103,240**	195,574
	Current service cost	**122,972**	310,001	**311,342**	581,795	**105,058**	143,020
	Past service cost	**-**	-	**-**	-	**-**	-
	Interest income on plan assets	**(188,102)**	(341,020)	**(446,888)**	(763,313)	**-**	-
	Contributions made by the employees	**-**	-	**(103,440)**	(201,459)	**-**	-
	Net interest expense/(income) on expected contributions and benefits paid	**-**	-	**-**	-	**-**	-
	Plan amendment/ curtailment gain	**-**	-	**-**	(1,871)	**-**	-
	Gains and losses arising on PVDBO	**-**	-	**-**	-	**143,773**	524,016
	Other administrative expense by Fund	**-**	4,064	**-**	3,619	**-**	-
		223,982	525,731	**261,639**	520,273	**352,071**	862,610
7.11	**Charge for the period / year has been allocated as follows:**						
	Cost of goods sold	**96,179**	225,750	**106,193**	211,166	**264,472**	647,984
	Distribution and selling expenses	**81,351**	190,948	**92,407**	183,753	**76,666**	187,840
	Administration expenses	**46,452**	109,033	**63,039**	125,354	**10,933**	26,786
		223,982	525,731	**261,639**	520,273	**352,071**	862,610
7.12	**Actuarial losses and (gains) recognized directly in other comprehensive income**						
	Opening Cumulative amount	**172,064**	456,491	**83,663**	437,577	**-**	-
	Remeasurements on obligation						
	Actuarial losses / (gains) due to:						
	- Changes in financial assumptions	**-**	(4,446)	**-**	163,116	**-**	-
	- Changes in demographic assumptions	**-**	-	**-**	-	**-**	-
	- Experience adjustments	**-**	71,590	**-**	72,563	**-**	-
		-	67,144	**-**	235,679	**-**	-
	Remeasurements on fair value of plan assets	**-**	(351,571)	**-**	(589,593)	**-**	-
	Losses / (gains) recognized during the period / year	**-**	(284,427)	**-**	(353,914)	**-**	-
	Closing Cumulative amount	**172,064**	172,064	**83,663**	83,663	**-**	-

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		2026	2025	2024	2023	2022
7.13	**Historical information for Gratuity plan**			**(Rupees in '000)**		
	Present value of defined benefit obligation	**5,428,733**	5,262,889	4,878,375	4,532,691	3,903,315
	Fair value of plan assets	**(3,478,047)**	(3,398,185)	(2,974,002)	(2,563,463)	(2,216,216)
	Deficit in the plan	**1,950,686**	1,864,704	1,904,373	1,969,228	1,687,099
	Experience adjustments arising on plan liabilities	**-**	71,590	(10,310)	132,058	36,372
	Actuarial gain / (losses) arising on plan assets	**-**	(351,571)	(374,739)	109,688	(26,910)
7.14	**Historical information for Pension plan**					
	Present value of defined benefit obligation	**9,378,652**	8,873,218	7,868,923	6,652,103	6,323,811
	Fair value of plan assets	**(8,037,465)**	(7,622,670)	(6,448,486)	(5,512,460)	(4,622,998)
	Deficit in the plan	**1,341,187**	1,250,548	1,420,437	1,139,643	1,700,813
	Experience adjustments arising on plan liabilities	**-**	72,563	260,612	(283,380)	25,211
	Actuarial gain / (losses) arising on plan assets	**-**	(589,593)	(826,871)	206,839	(42,708)

7.15 Significant actuarial assumptions used for valuation of these plans are as follows:

	Jun 30, 2026			Dec 31, 2025		
	Gratuity fund	**Pension fund**	**LSA**	Gratuity fund	Pension fund	LSA
	- - - - - per annum - - - - -			- - - - - per annum - - - - -		
Discount rate used for profit and loss charge	**11.25%**	**11.25%**	**11.25%**	12.00%	12.00%	12.00%
Discount rate used for period-end obligation	**11.25%**	**11.25%**	**11.25%**	11.25%	11.25%	11.25%
Expected rate of salary increase	**11.25%**	**11.25%**	**-**	11.25%	11.25%	-
Expected rate of return on plan assets	**11.25%**	**11.25%**	**-**	11.25%	11.25%	-
Gold price increase used for period end obligation	**-**	**-**	**6.50%**	-	-	6.50%
Mortality rate	**SLIC 2001 - 2005 Setback 1 year**	**SLIC 2001 - 2005 Setback 1 year**	**SLIC 2001 - 2005 Setback 1 year**	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year

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7.16 Actuarial assumptions sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 50 bps (for LSA by 100 bps) with all other variables held constant, the impact on the present value of the defined benefit obligation would have been as follows:

		Impact on present value of defined benefit obligation As at June 30, 2026	
	Change	**Increase**	**Decrease**
Gratuity			
Discount rate	50 bps	(236,900)	248,850
Future salary increase	50 bps	247,709	(237,943)
Expected mortality rates	1 year	(1,954)	1,791
Pension			
Discount rate	50 bps	(207,944)	213,628
Future salary increase	50 bps	212,659	(208,870)
Indexation Rate	50 bps	223,824	(219,631)
Expected mortality rates	1 year	(48,675)	49,988
Long Service Award			
Discount rate	100 bps	(115,389)	121,784
Gold price	100 bps	126,152	(121,502)

7.17 Weighted average duration of the defined benefit obligation is 9.95 years for gratuity, 5 years for pension plan and 5 years for LSA.

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8 Running finance under mark-up arrangements - secured	Note	Jun 30, 2026	Dec 31, 2025
		--- (Rupees in '000) ---	
Running finance under mark-up arrangements - secured		**3,708,911**	-
Interest and mark-up accrued		**43,246**	-
Amortized cost		**3,752,157**	-
Less: interest and mark-up accrued	*11*	**(43,246)**	-
		3,708,911	-

The Company has obtained short–term running finances from various banks under mark–up arrangements having an aggregate limit of PKR 50,845 million (2025: PKR 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 PKR 28,293 million (2025: PKR 28,293 million) over fixed assets and PKR 21,700 million (2025: PKR 21,700 million) over current assets of the Company.

9 Trade and other payables	Note	Jun 30, 2026	Dec 31, 2025
		--- (Rupees in '000) ---	
Trade creditors:			
Related parties		**5,040,262**	11,093,916
Others		**19,004,838**	14,662,472
		24,045,100	25,756,388
Accrued and other liabilities	*9.1*	**31,395,228**	29,854,934
General licensing fee payable	*9.2*	**1,566,027**	1,118,077
Workers' Profit Participation Fund payable	*9.3*	**945,211**	1,521,058
Workers' Welfare Fund payable	*9.4*	**938,601**	741,176
Withholding taxes payable		**1,408,357**	1,312,023
Others		**11,811**	31,611
		60,310,335	60,335,267

9.1 This includes provisions held for contingencies and uncertainties in respect of various tax related interpretational issues where the Company maintains a differing position with the Tax authorities. Due to these uncertainties, the Company has made provisions without prejudice of defending its legal position in the various appellate forums / courts of law.

9.2 Licensing fee is payable to Société Des Produits Nestlé S.A. the "Holding Company" having its registered office at Avenue Nestlé 1800 Vevey, Switzerland. During the period, gross licensing fee amounting to PKR 3,781.54 million (2025: PKR 7,843.99 million) has been paid.

9.3 Workers' Profit Participation Fund payable	Note	Jun 30, 2026	Dec 31, 2025
		--- (Rupees in '000) ---	
Opening balance		**1,521,058**	1,297,240
Provision for the period / year	*30*	**945,319**	1,521,167
		2,466,377	2,818,407
Payments made during the period / year - net		**(1,521,166)**	(1,297,349)
Closing balance		**945,211**	1,521,058

9.4 Workers' Welfare Fund payable

Opening balance		**741,176**	594,785
Provision for the period / year	*30*	**431,242**	741,176
		1,172,418	1,335,961
Payments made during the period / year - net		**(233,817)**	(594,785)
Closing balance		**938,601**	741,176

10 Contract liabilities

Advances from customers in respect of revenue recognized at a point in time	**993,640**	850,973

10.1 This represents advance received from customers for future sale of goods. The balance of contract liability as at June 30, 2026, is expected to be recognized as revenue within one year.

10.2 The contract liabilities outstanding as at December 31, 2025, amounting to PKR 850.97 million (2024: PKR 1,019.49 million) have been recognized as revenue during the period / year.

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11 Interest and mark-up accrued	*Note*	**Jun 30, 2026** --- **(Rupees in '000)** ---	Dec 31, 2025
Long-term finances - secured	*5*	**-**	956
Running finance under mark-up arrangements - secured	*8*	**43,246**	-
		43,246	956

12 Customer security deposits

This represents security deposits obtained from customers and have been kept in a separate bank account. These deposits are payable on the completion / termination of contract. These customer deposits are short term in nature.

13 Contingencies and commitments

13.1 By way of the decision of the Honourable Supreme Court of Pakistan in suo moto case no. 26 of 2018, the Company is subject to a potential water charge of PKR 1/-per liter on water extraction. The Company is contesting this decision of the Honourable Supreme Court of Pakistan and has filed a review petition. Keeping in view subsequent developments and follow up court hearings and orders, and on the representations of various affected companies, the Supreme Court vide its order dated June 10, 2019, ordered, as an interim measure, the collection of charge of PKR 0.25/- per liter of water produced based on the sales tax data/return of each company, on the basis whereof bills were to be issued by authorities (nationwide), till the framing of legislation by all the federal and provincial authorities. During the period, the Company has recognized an expense of PKR 61.27 million (2025: PKR 60.16 million) in line with the Honourable Supreme Court's interim order. However, the matter remains pending adjudication. Based on the current status of the proceedings and management's assessment, the likelihood of any settlement beyond the amount recognized in accordance with the interim order is considered less likely. Accordingly, the remaining potential charge has been disclosed as a contingency.

		Jun 30, 2026 --- **(Rupees in '000)** ---	Dec 31, 2025
13.2	**Guarantees**		
	Outstanding guarantees	**809,586**	806,025
13.3	**Commitments**		
13.3.1	Outstanding letters of credit	**5,566,479**	9,398,720
13.3.2	Commitments in respect of capital expenditure	**982,722**	330,955

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14 Property, plant and equipment	Assets (including right-of-use assets)						
	Land and building (on freehold land)	Plant and machinery	Furniture and fixtures	Vehicles	IT equipment	Right-of-use assets (Note 14.3)	Total
	---------- (Rupees in '000) ----------						
Cost							
Balance as at January 01, 2026	12,043,020	59,040,850	773,334	339,984	2,678,247	2,186,325	77,061,760
Additions during the period	120,805	1,175,475	13,670	-	153,219	6,572	1,469,741
Disposals	(384)	(539,123)	(24,281)	(2,127)	(80,528)	-	(646,443)
Terminations	-	-	-	-	-	-	-
Balance as at June 30, 2026	**12,163,441**	**59,677,202**	**762,723**	**337,857**	**2,750,938**	**2,192,897**	**77,885,058**
Balance as at January 01, 2025	11,284,036	55,930,495	772,266	207,273	2,634,339	1,777,376	72,605,785
Additions during the year	861,247	3,725,505	15,886	170,227	370,576	516,532	5,659,973
Disposals	(102,263)	(615,150)	(14,818)	(37,516)	(326,668)	-	(1,096,415)
Terminations	-	-	-	-	-	(107,583)	(107,583)
Balance as at December 31, 2025	12,043,020	59,040,850	773,334	339,984	2,678,247	2,186,325	77,061,760
Depreciation and impairment losses							
Balance as at January 01, 2026	3,987,417	39,421,726	689,377	156,793	1,926,257	748,606	46,930,176
Depreciation for the period	160,967	1,719,607	20,955	11,023	188,141	188,016	2,288,709
Reversal of impairment during the period (Note 31.1)	-	(22,650)	-	-	-	-	(22,650)
Disposals	-	(509,236)	(24,134)	(2,127)	(79,781)	-	(615,278)
Terminations	-	-	-	-	-	-	-
Balance as at June 30, 2026	**4,148,384**	**40,609,447**	**686,198**	**165,689**	**2,034,617**	**936,622**	**48,580,957**
Balance as at January 01, 2025	3,693,197	36,307,237	634,268	169,346	1,886,272	508,231	43,198,551
Depreciation for the year	324,128	3,301,355	47,335	24,963	365,434	285,178	4,348,393
Net impairment charged during the year	1,680	404,357	21,056	-	-	-	427,093
Disposals	(31,588)	(591,223)	(13,282)	(37,516)	(325,449)	-	(999,058)
Terminations	-	-	-	-	-	(44,803)	(44,803)
Balance as at December 31, 2025	3,987,417	39,421,726	689,377	156,793	1,926,257	748,606	46,930,176
Net book value as at June 30, 2026	**8,015,057**	**19,067,755**	**76,525**	**172,168**	**716,321**	**1,256,275**	**29,304,101**
Net book value as at December 31, 2025	8,055,603	19,619,124	83,957	183,191	751,990	1,437,719	30,131,584
Rate of depreciation in %	**1.1-10**	**1.7- 33.3**	**20-33.3**	**20**	**10 - 50**	**2.5 - 50**	

14.1 Plant and machinery includes trade assets having cost and net book value of PKR 3,445.66 million and PKR 1,111.10 million, respectively (2025: PKR 3,227.08 million and PKR 1,039.66 million), located at customers' premises.

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14.2 There are fully depreciated assets having a cost of PKR 20,084 million (2025: PKR 17,275 million) that are still in use as at the reporting date.

14.3 Property, plant and equipment contains the following in respect of right-of-use assets:

	Building on lease hold land	Plant and machinery	Furniture and fixtures	Total
	---------- (Rupees in '000) ----------			
Cost				
Balance as at January 01, 2026	2,172,823	8,005	5,497	2,186,325
Additions during the period	6,572	-	-	6,572
Transfer	-	-	-	-
Terminations	-	-	-	-
Balance as at June 30, 2026	**2,179,395**	**8,005**	**5,497**	**2,192,897**
Balance as at January 01, 2025	1,763,874	8,005	5,497	1,777,376
Additions during the year	516,532	-	-	516,532
Transfer	-	-	-	-
Terminations	(107,583)	-	-	(107,583)
Balance as at December 31, 2025	2,172,823	8,005	5,497	2,186,325
Depreciation				
Balance as at January 01, 2026	735,104	8,005	5,497	748,606
Depreciation for the period	188,016	-	-	188,016
Transfer	-	-	-	-
Depreciation on terminations	-	-	-	-
Balance as at June 30, 2026	**923,120**	**8,005**	**5,497**	**936,622**
Balance as at January 01, 2025	494,729	8,005	5,497	508,231
Depreciation for the year	285,178	-	-	285,178
Transfer	-	-	-	
Depreciation on terminations	(44,803)	-	-	(44,803)
Balance as at December 31, 2025	735,104	8,005	5,497	748,606
Net book value as at June 30, 2026	**1,256,275**	**-**	**-**	**1,256,275**
Net book value as at December 31, 2025	1,437,719	-	-	1,437,719

14.4 Depreciation charge for the period has been allocated as follows:

	Note	Jun 30, 2026	Jun 30, 2025
		--- (Rupees in '000) ---	
Cost of goods sold	*26*	**1,733,902**	1,571,708
Distribution and selling expenses	*27*	**292,191**	280,455
Administration expenses	*28*	**262,616**	241,104
		2,288,709	2,093,267

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14.5 Particulars of immovable property i.e. land and buildings:

Description	Purpose	Location within Pakistan	Area
Land and building	Manufacturing facility	Sheikhupura Factory	66.16 Acre
Land and building	Manufacturing facility	Kabirwala Factory	85.58 Acre
Land and building	Manufacturing facility	Port Qasim Factory	5 Acre
Land and building	Manufacturing facility	Islamabad Factory	8.72 Kanal
Land and building	Milk collection center	Bhawana, District Chiniot	1 Acre
Land and building	Milk collection center	Renala, District Okara	1 Acre
Land and building	Milk collection center	Pindi Bhattian, District Hafiz Abad	17.9 Kanal
Land and building	Milk collection center	Ludden, District Vehari	7.8 Kanal
Land and building	Milk collection center	Kalowal, District Chiniot	1 Kanal
Land	General purpose	Korangi Industrial Area, Karachi	1.6 Kanal

14.6 Detail of property, plant and equipment sold during the period is as follows:

Description	Cost	Book value	Sale proceeds	(Loss) / Gain	Mode of disposal	Particulars of purchasers	Relation with the Company
	---------- (Rupees in '000) ----------						
Plant and Machinery							
Peristaltic Pump - Pulp/Concentrate Handling - TAD	3,106	544	260	(284)	Negotiation	Third party	None
Shed for Car/Bike Parking	11,278	8,836	944	(7,892)	Negotiation	Third party	None
Solar Panels - Quantity 33	2,656	2,287	222	(2,065)	Negotiation	Third party	None
Water Turbine (Drilling & Piping)	1,885	504	158	(346)	Negotiation	Third party	None
Solar Panels	1,127	990	94	(896)	Negotiation	Third party	None
Sticker Assembly Duplex	8,393	2,084	341	(1,743)	Negotiation	Third party	None
Handle Assemble Wolf	9,792	3,732	398	(3,334)	Negotiation	Third party	None
Deep Well 7 pumping system (Pump, Resirpipe, pump)	2,845	710	50	(660)	Negotiation	Third party	None
Hot Water Generator	3,055	1,295	75	(1,220)	Negotiation	Third party	None
FT Level Detection System - Sidel Retail Line	5,663	1,316	50	(1,266)	Negotiation	Third party	None
Size Change Parts - Combi Sidel Retail Line	5,316	568	25	(543)	Negotiation	Third party	None
HOD Sleeve Applicator - Techlong	5,824	744	150	(594)	Negotiation	Third party	None
Plastic Pallet for F&G stock	2,990	541	349	(192)	Negotiation	Third party	None
Assets with book value less than PKR 500,000	582,513	7,014	41,098	34,084			
Jun 30, 2026	**646,443**	**31,165**	**44,214**	**13,049**			
Dec 31, 2025	1,096,415	97,357	324,847	227,490			

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			Jun 30, 2026	Dec 31, 2025
			--- (Rupees in '000) ---	
15	**Capital work-in-progress**			
	Civil works		**224,283**	283,995
	Plant and machinery		**1,197,092**	1,623,124
	Others		**312,251**	619,848
			1,733,626	2,526,967
	Less: Provision for impairment loss		**-**	-
			1,733,626	2,526,967
	15.1 Movement in capital work-in-progress			
	Opening Balance		**2,526,967**	2,754,932
	Additions to capital work-in-progress during the period / year		**676,400**	5,024,366
	Transfers to property, plant and equipment during the period / year		**(1,469,741)**	(5,252,331)
	Closing Balance		**1,733,626**	2,526,967
	15.2 Provision for impairment loss on capital work-in-progress			
	Opening Balance		**-**	568,650
	Capitalised / reversed during the period / year		**-**	(568,650)
	Closing Balance		**-**	-
16	**Intangible assets**			
	Cost			
	Opening Balance		**387,576**	288,974
	Additions during the period / year		**-**	98,602
	Closing Balance		**387,576**	387,576
	Amortization			
	Opening Balance		**292,035**	273,199
	Charge for the period / year		**18,065**	18,836
	Closing Accumulated amortization		**310,100**	292,035
	Closing Net book value		**77,476**	95,541
	Amortization rate		**20 - 33.33 %**	20 - 33.33 %

This includes fully amortized software amounting to PKR 272.66 million (2025: PKR 272.66 million).

			Jun 30, 2026	Dec 31, 2025
17	**Deferred taxation**	*Note*	--- (Rupees in '000) ---	
	Deferred tax assets on deductible temporary differences			
	Accelerated tax amortization		**(1,138)**	-
	Allowance for expected credit losses		**(17,085)**	(17,085)
	Lease liability recognized under IFRS 16		**(656,298)**	(699,927)
	Other provisions		**(9,013,395)**	(8,444,551)
			(9,687,916)	(9,161,563)
	Deferred tax liability on taxable temporary differences			
	Accelerated tax depreciation including right-of-use assets		**4,280,623**	4,502,165
	Accelerated tax amortization		**-**	1,382
			(5,407,293)	(4,658,016)
	17.1 Movement in deferred tax liability / (asset) is as follows:			
	Opening Balance		**(4,658,016)**	(3,370,938)
	(Credit) / Charge to statement of profit or loss	*32*	**(749,277)**	(1,287,078)
	Closing Balance		**(5,407,293)**	(4,658,016)

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		Jun 30, 2026	Dec 31, 2025
		--- (Rupees in '000) ---	
18	**Long-term loans**		
	To employees - considered good	**828,286**	755,482
	Less: current portion shown under current assets	**(199,144)**	(172,020)
		629,142	583,462

18.1 These represent long-term interest free loans to employees for the purchase of cars and motor cycles and solar panels as per the Company policy and are repayable within a period of 5 years and 3 years respectively. Loans are secured by crossed cheques from employees of the full loan amount in the name of the Company without mentioning any date as part of collateral. The effect of discounting as per the requirements of IFRS 9 is considered immaterial.

18.2 No loan has been given to the Chief Executive Officer or any other Director of the Company.

18.3 The amount of loans to employees and the period in which these will become due are as follows:

	Note	Jun 30, 2026	Dec 31, 2025
		--- (Rupees in '000) ---	
Less than one year		**199,144**	172,020
More than one year but not more than 3 years		**535,684**	159,009
More than 3 years		**93,458**	424,453
		828,286	755,482

19	**Stores and spares**		
	Stores	**931,333**	335,756
	Spares including in transit amounting to PKR 14.31 million (2025: PKR 7.25 million)	**5,695,584**	5,915,548
		6,626,917	6,251,304
	Less: Allowance for write-down of stores and spares to net realizable value *19.1*	**(1,778,064)**	(1,896,141)
		4,848,853	4,355,163

19.1 Allowance for write-down of stores and spares to net realizable value

Opening Balance	**1,896,141**	1,680,487
Provision (reversed) / charged during the period / year	**(118,077)**	215,654
Closing Balance	**1,778,064**	1,896,141

20	**Stock-in-trade**		
	Raw and packing materials including in transit amounting to PKR 3,218.37 million (2025: PKR 3,414.18 million)	**13,336,330**	13,419,348
	Work-in-process	**15,061,802**	4,304,400
	Finished goods	**5,814,309**	6,131,425
	Goods purchased for resale including in transit amounting to PKR 170.3 million (2025: PKR 247.82 million)	**2,122,186**	1,508,911
		36,334,627	25,364,084
	Less: Allowance for write-down of stock-in-trade to net realizable value *20.1*	**(750,464)**	(545,627)
		35,584,163	24,818,457

20.1 Allowance for write-down of stock-in-trade to net realizable value

Opening balance	**545,627**	857,103
Provision during the period / year	**750,464**	545,627
Written off / adjusted during the period / year	**(545,627)**	(857,103)
	204,837	(311,476)
Closing balance	**750,464**	545,627

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		Note	Jun 30, 2026	Dec 31, 2025
			--- (Rupees in '000) ---	
21	**Trade debts**			
	Considered good - unsecured		**3,658,312**	3,168,239
	Considered doubtful - unsecured		**43,808**	43,808
	Less: allowance for expected credit losses	*21.1*	**(43,808)**	(43,808)
			3,658,312	3,168,239
	Related parties - considered good	*21.2*	**13,384**	8,791
			3,671,696	3,177,030

21.1 Allowance for expected credit losses

Opening balance	**43,808**	45,378
Provision written off during the period / year	**-**	(1,570)
Closing balance	**43,808**	43,808

21.2 Trade debts include the following amounts due from the given related parties:

Packages Convertors Limited	**3,041**	2,093
Lahore University of Management Sciences	**1,406**	820
Bulleh Shah Packaging (Pvt.) Limited	**6,733**	3,224
Systems Limited	**2,204**	2,654
	13,384	8,791

The maximum aggregate amount of receivable due from related parties at the end of any month during the period / year was PKR 13.38 million (2025: PKR 8.79 million).

21.3 Aging of overdue balances for related parties is as follows:

Party name	Total balance	Balance not yet due	Balance overdue	Below 30 days	31 days & above
		--- (Rupees in '000) ---			
Lahore University of Management Sciences	1,406	1,298	108	108	-
Systems Limited	2,204	2,124	80	80	-
Packages Convertors Limited	3,041	795	2,246	2,246	-
Bulleh Shah Packaging (Pvt.) Limited	6,733	-	6,733	6,733	-
	13,384	4,217	9,167	9,167	-
2025	8,791	2,913	5,878	4,272	1,606

		Note	Jun 30, 2026	Dec 31, 2025
			--- (Rupees in '000) ---	
22	**Advances, deposits, prepayments and other receivables**			
	Advances to suppliers - unsecured - considered good	*22.1*	**4,720,463**	953,711
	Due from related parties - unsecured - considered good	*22.2*	**794,972**	1,152,670
	Cash margin held against imports		**173,607**	67,446
	Deposits and prepayments		**319,659**	760,162
	Other receivables		**1,210,579**	1,020,765
			7,219,280	3,954,754

22.1 These arise from normal course of business of the Company and are interest free.

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22.2 Due from related parties (including foreign affiliates on the basis of a common Holding Company) include the following amounts, mainly on account of advances for purchases and shared services:

Party name	**Jun 30, 2026**	Dec 31, 2025
	--- (Rupees in '000) ---	
Nestrade S.A.	**457,379**	518,765
Nestlé Philippines Inc.	**126,425**	107,363
Nestlé Operational Services Worldwide S.A.	**58,660**	83,693
Wyeth Philippines, INC.	**37,838**	62,043
Nestle Caribbean Inc.	**29,931**	32,538
Al Manhal Water Factory Co. Ltd.	**25,005**	-
PT Nestle Indonesia	**24,838**	21,499
Nestle Bangladesh PLC	**13,184**	14,338
Societe des Produits Nestlé S.A.	**13,009**	26,433
Nestle (Thai) Ltd.	**2,257**	-
Nestle Nigeria Plc	**2,025**	4,006
Nestle Senegal	**1,593**	-
Nestlé South Africa	**942**	9,314
Nestlé Middle East FZE	**670**	13,171
Nestlé Gabon	**635**	679
Nestlé Manufacturing (Malaysia)	**581**	1,658
Tetra Pak Pakistan Limited	-	240,589
Nestle Regional Service Centre	-	6,790
Nestrade S.A. Malaysia Branch	-	5,382
Nestlé Australia Ltd	-	1,924
Nestle Singapore (Pte) Ltd	-	1,442
Nestlé UAE L.L.C.	-	1,043
	794,972	1,152,670

22.2.1 The maximum aggregate amount of receivable due from related parties at the end of any month during the period / year was PKR 912.08 million (2025: PKR 1,152.67 million).

22.2.2 Aging of overdue balances for related parties is as follows:

Party name	**Total balance**	**Balance not yet due**	**Balance overdue**	**Below 30 days**	**31 days & above**
2026			**--- (Rupees in '000) ---**		
Al Manhal Water Factory Co. Ltd.	25,005	-	25,005	-	25,005
Nestlé South Africa	942	-	942	-	942
Nestle Bangladesh PLC	13,184	-	13,184	11,960	1,224
Nestle Caribbean Inc.	29,931	-	29,931	-	29,931
Nestlé Gabon	635	-	635	-	635
Nestlé Manufacturing (Malaysia)	581	-	581	-	581
Nestlé Middle East FZE	670	-	670	-	670
Nestle Nigeria Plc	2,025	-	2,025	-	2,025
Nestlé Operational Services Worldw	58,660	-	58,660	19,059	39,601
Nestlé Philippines Inc.	126,425	93,242	33,183	27,728	5,455
Nestle Senegal	1,593	-	1,593	-	1,593
Nestrade S.A.	457,379	-	457,379	-	457,379
PT Nestle Indonesia	24,838	-	24,838	-	24,838
Societe des Products Nestlé S.A.	13,009	-	13,009	-	13,009
Wyeth Philippines, INC.	37,838	37,838	-	-	-
Nestle (Thai) Ltd.	2,257	-	2,257	2,257	-
	794,972	131,080	663,892	61,004	602,888
2025	1,152,670	317,267	835,403	154,271	681,132

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23 Short-term investments	Note	**Jun 30, 2026** --- **(Rupees in '000)** ---	Dec 31, 2025 --- (Rupees in '000) ---
		-	9,588,794
Treasury Bills	23.1	**-**	9,588,794

23.1 These represented investments in Treasury Bills which have been matured / disposed off during period ended June 30, 2026. The carried profit rates of Treasury Bills ranged from 9.8% to 10.86%.

24 Cash and bank balances	Note	**Jun 30, 2026** --- **(Rupees in '000)** ---	Dec 31, 2025 --- (Rupees in '000) ---
Cash in bank			
- Local currency - current accounts		**128,680**	999,346
- Local currency - saving accounts	*24.1*	**538,051**	1,285,664
- Foreign currency - current accounts (USD)	*24.2*	**1,523,143**	1,612,344
		2,189,874	3,897,354
Cash in hand		**97,890**	11,042
		2,287,764	3,908,396

24.1 The balance in saving accounts carry rate of return ranging from 3.59% to 9% (2025: 4% to 9%) per annum.

24.2 Cash at bank in USD denominated account as at reporting date was US$ 5,334,017 (2025: US$ 5,729,663)

24.3 The security deposits obtained from customers have been kept in saving accounts maintained by the Company.

25 Revenue from contracts with customers	Note	**(Audited) Jun 30, 2026** --- **(Rupees in '000)** ---	(Un-audited) Jun 30, 2025 --- (Rupees in '000) ---
Own manufactured			
- Local		**138,276,580**	131,470,225
- Export		**2,156,950**	1,810,741
		140,433,530	133,280,966
Goods purchased for resale		**2,382,612**	1,153,016
Less :			
- Sales tax		**(23,580,837)**	(22,334,844)
- Discounts, incentives and allowances		**(12,212,518)**	(10,806,816)
		107,022,787	101,292,322

26 Cost of goods sold			
Raw and packing material consumed and other variable expenses	*26.1*	**60,721,598**	55,543,176
Salaries, wages, amenities and training	*26.2*	**5,027,220**	4,452,572
Energy and power		**3,583,542**	3,466,628
Repairs, maintenance and vehicle running expenses		**2,685,253**	2,372,736
Depreciation of property, plant and equipment	*14.4*	**1,733,902**	1,571,708
Communication and technology		**270,118**	279,557
Quality assurance and environmental expenses		**179,024**	117,535
Rent, rates, taxes and insurance		**194,664**	173,447
Legal and professional		**6,528**	6,175
Other expenses		**216,656**	160,620
		74,618,505	68,144,154
(Increase) / Decrease in work in process		**(10,757,402)**	(7,673,317)
Cost of goods manufactured		**63,861,103**	60,470,837
(Increase) / Decrease in finished goods		**317,116**	812,925
Cost of goods sold - own manufactured		**64,178,219**	61,283,762
Cost of goods sold - purchased for resale		**1,308,181**	711,997
		65,486,400	61,995,759

26.1 This includes current period provisions of PKR 621.87 million (2025: PKR 133.36 million) as referred to in Note 9.1.

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26.2 This includes PKR 96.18 million (2025: PKR 112.88 million) in respect of gratuity, PKR 106.19 million (2025: PKR 105.59 million) in respect of pension, PKR 264.47 million (2025: PKR 323.99 million) in respect of LSA and PKR 120.6 million (2025: PKR 130.16 million) in respect of provident fund.

			(Audited)	(Un-audited)
			Jun 30, 2026	Jun 30, 2025
27	**Distribution and selling expenses**	*Note*	**--- (Rupees in '000) ---**	
	Marketing and promotion		**4,958,824**	4,193,931
	Freight outward and handling charges		**3,586,809**	3,308,282
	Salaries, wages, amenities and training	*27.1*	**3,830,537**	3,772,040
	General licensing fee (including related taxes)		**4,867,977**	4,524,489
	Depreciation of property, plant and equipment	*14.4*	**292,191**	280,455
	Communication and technology		**58,387**	49,386
	Repairs, maintenance and vehicle running expenses		**271,725**	222,160
	Utilities and other office expenses		**113,710**	97,650
	Legal and professional		**17,660**	28,178
	Rent, rates, taxes and insurance		**24,461**	5,153
	Amortization of intangible assets	*16*	**18,065**	8,048
	Other expenses		**283,325**	167,551
			18,323,671	16,657,323

27.1 This includes PKR 81.35 million (2025: PKR 95.48 million) in respect of gratuity, PKR 92.41 million (2025: PKR 91.88 million) in respect of pension, PKR 76.67 million (2025: PKR 93.92 million) in respect of LSA and PKR 97 million (2025: PKR 105.54 million) in respect of provident fund.

			(Audited)	(Un-audited)
			Jun 30, 2026	Jun 30, 2025
28	**Administration expenses**	*Note*	**--- (Rupees in '000) ---**	
	Salaries, wages, amenities and training	*28.1*	**1,829,362**	1,913,446
	Depreciation of property, plant and equipment	*14.4*	**262,616**	241,104
	Legal and professional charges	*28.2*	**368,154**	312,752
	Communication and technology		**834,744**	799,667
	Utilities and other office expenses		**89,365**	168,520
	Repairs, maintenance and vehicle running expenses		**164,883**	84,348
	Rent, rates, taxes and insurance		**24,380**	4,837
	Other expenses		**10,562**	17,956
			3,584,066	3,542,630

28.1 This includes PKR 46.45 million (2025: PKR 54.52 million) in respect of gratuity, PKR 63.04 million (2025: PKR 62.68 million) in respect of pension, PKR 10.93 million (2025: PKR 13.40 million) in respect of LSA and PKR 44.57 million (2025: PKR 47.07 million) in respect of provident fund.

		(Audited)	(Un-audited)
		Jun 30, 2026	Jun 30, 2025
28.2	Legal and professional charges include the following in respect of auditor's services for:	**--- (Rupees in '000) ---**	
	Statutory audit fee including half year review	**4,623**	4,367
	Out of pocket expenses	**560**	413
		5,183	4,780
29	**Finance cost**		
	Mark-up on long-term financing - secured	**17,985**	81,778
	Mark-up on short-term borrowings - secured	**-**	92,249
	Mark-up on short-term running finance - secured	**46,360**	20,282
	Mark-up on lease liabilities	**108,074**	99,352
	Bank charges	**2,172**	39,517
		174,591	333,178

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			(Audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
		Note	--- (Rupees in '000) ---	
30	**Other expenses**			
	Workers' profit participation fund	*9.3*	**945,319**	890,179
	Workers' welfare fund	*9.4*	**431,242**	419,487
	Exchange loss realized		**187,032**	21,916
	Exchange loss unrealized		**-**	254,709
	Donations and gifts		**4,647**	48,475
	Miscellaneous expenses		**11,714**	-
			1,579,954	1,634,766
31	**Other income**			
	Income from financial assets:			
	Return on bank accounts		**325,778**	98,338
	Income from non - financial assets:			
	Sale of scrap		**135,070**	127,526
	Gain on disposal of property, plant and equipment	*14.6*	**13,049**	29,572
	Exchange gain unrealized		**104,492**	-
	Reversal of impairment	*31.1*	**22,650**	-
			601,039	255,436

31.1 This pertains to the reversal of impairment charged on plant and machinery.

32 Minimum tax differential and income tax

			(Audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
		Note	--- (Rupees in '000) ---	
32.1	**Minimum tax differential**	*32.1.1*	**48,735**	139,996

32.1.1 This represents minimum tax differential under the section 153(3) of the Ordinance, being a levy under the requirements of IFRIC 21 / IAS 37.

			(Audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
		Note	--- (Rupees in '000) ---	
32.2	**Income tax**			
	Current tax			
	For the period		**8,410,880**	8,218,124
	Prior year		**834,903**	(304,796)
			9,245,783	7,913,328
	Deferred tax	*17.1*	**(749,277)**	(954,106)
			8,496,506	6,959,222

			(Audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
32.3	**Average effective tax rate charged to statement of profit or loss**		**%**	%
	Numerical reconciliation between the average effective tax rate and the applicable tax rate:			
	Applicable tax rate		**29.00**	29.00
	Tax effect of amounts that are:			
	- Tax impact related to prior year including super tax	*32.3.1*	**7.14**	0.60
	- Tax impact of rate change		**0.00**	(0.34)
	- Tax impact due to current year super tax	*32.3.1*	**9.89**	9.90
	- Others		**(0.04)**	0.87
			16.99	11.03
	Average effective tax rate based on profit before income tax		**45.99**	40.03
	– Impact of levies under the requirements of IFRIC 21 / IAS 37		**(0.26)**	(0.81)
	Average effective tax rate charged to statement of profit or loss		**45.73**	39.22

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32.3.1 The company is subject to super tax according to Division IIB, Part I of First Schedule of Income Tax Ordinance, 2001. Super tax rate for the period is 10% (2025: 10%).

32.4 Reconciliation between total income tax chargeable under the Ordinance and its categorization as 'Income Tax' under IAS 12 and 'Levy' in terms of requirements of IFRIC 21 / IAS 37.

	Note	**(Audited) Jun 30, 2026**	(Un-audited) Jun 30, 2025
		--- (Rupees in '000) ---	
Income Tax liability for the period as per applicable tax laws	*32.2*	**8,496,506**	6,959,222
Portion of Income Tax liability as per tax laws, representing:			
Income Tax under IAS 12		**8,447,771**	6,819,226
Levy in terms of requirements of IFRIC 21 / IAS 37		**48,735**	139,996
		8,496,506	6,959,222
Difference		**-**	-

33 Earnings per share

33.1 Basic earnings per share

		(Audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
Profit after taxation available for distribution to ordinary shareholders	***Pak Rupees in '000'***	**9,978,638**	10,424,880
Weighted average number of ordinary shares	***Number in '000'***	**45,350**	45,350
Basic earnings per share	***Rupees***	**220.04**	229.88

33.2 Diluted earnings per share

There is no dilution effect on the basic earnings per share as the Company has not issued instruments that cause dilution.

34 Provident Fund

Investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act 2017 and the rules formulated for this purpose.

35 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. Amounts due from and to related parties are shown under receivables and payables and remuneration to key management personnel is disclosed in note 40. Other significant transactions with related parties are disclosed in note 35.1.

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

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

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35.3 Following is a list of foreign associated undertakings with whom the Company has entered into transactions during the period. All foreign affiliates (except for Nestlé S.A. "the Ultimate Parent") are related to the Company due to common holding of the Holding Company.

Name	Country of Operations
Nestlé S.A.	Switzerland
Nestrade S.A.	Switzerland
Sofinol S.A.	Switzerland
Nestle Portugal, S.A.	Portugal
Nestle Philippines Inc.	Philippines
Nestle Vietnam Ltd.	Vietnam
Nestle Australia Ltd	Australia
Nestle Egypt S.A.E.	Egypt
Nestle Dubai Manufacturing Llc	UAE
Nestle Trinidad And Tobago Limited	Trinidad And Tobago
Nestlé Operational Services Worldwide S.A.	Switzerland
Nestle Caribbean Inc.	Trinidad And Tobago
Nestle Waters Management & Issy Les Moulineaux	France
Nestle Manufacturing (Malaysia)	Malaysia
Nestle Business Services AOA, Inc.	Philippines
Nestle Nederland B.V.	Netherlands
Nestle R&D Centre (Pte) Ltd	Singapore
Wyeth Nutritionals (Singapore)	Singapore
Nestlé France	France
Nestle Brasil Ltda.	Brazil
Nestle Asean (Malaysia) Sdn. Bhd.	Malaysia
Nestle USA Inc	USA
Nestle Lanka Limited	Sri Lanka
Nestle (Thai) Ltd.	Thailand
Nestle Suisse S.A.	Switzerland
Nestle Bangladesh Limited	Bangladesh
Nestle Enterprises SA	Switzerland
Cereal Partners (Malaysia) Sdn Bhd	Malaysia
Wyeth Philippines, INC.	Philippines

35.4 Following is a list of local associated undertakings with whom the Company has entered into transactions during the period:

Name	Basis of association
Associated undertakings	
Tetra Pak Pakistan Ltd.	Common directorship
Packages Convertors Limited	Common directorship
Pakistan Dairy Association	Common directorship
Bulleh Shah Packaging (Pvt.) Ltd	Common directorship
Lahore University of Management Sciences	Common directorship
Babar Ali Foundation	Common directorship
Other related parties	
Nestlé Pakistan Limited Employees' Gratuity Fund	Retirement benefit plan
Nestlé Pakistan Limited Employees' Pension Fund	Retirement benefit plan
Nestlé Pakistan Limited Employees' Provident Fund	Retirement benefit plan

36 Cash and cash equivalents	*Note*	**Jun 30, 2026**	Jun 30, 2025
		--- (Rupees in '000) ---	
Cash and bank balances	*24*	**2,287,764**	4,888,683
Running finance under mark-up arrangements - secured	*8*	**(3,708,911)**	(309,881)
		(1,421,147)	4,578,802

37 Number of employees		**Jun 30, 2026**	Dec 31, 2025
Average number of employees during the period / year	***Number***	**3,231**	3,347
Number of employees as at period-end	***Number***	**3,162**	3,299

38 Capacity and production of industrial units	**Jun 30, 2026**	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025
	Capacity		**Production**	
	---------- (Kg in '000) ----------			
Sheikhupura & Kabirwala factory (liquid & non-liquid products)	1,131,501	1,131,501	306,704	571,604
Port Qasim & Islamabad factory (liquid products)	593,545	593,545	118,713	234,463
Total	1,725,046	1,725,046	425,417	806,067

38.1 Utilization of capacity is in line with seasonal impact of products and demand conditions arising from overall economic environment.

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39 Segment reporting

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

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

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

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

i) **Dairy and Nutrition Products** - milk based products

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

iii) **Other Products -** confectionery, cereals and other products

39.1 Segment analysis for the six-month period ended June 30, 2026

	(Audited)	(Un-audited)	**(Audited)**	(Un-audited)	**(Audited)**	(Un-audited)	**(Audited)**	(Un-audited)
	Dairy and Nutrition Products		**Powdered and Liquid Beverages**		**Other Products**		**Total**	
	Jun 30, 2026	Jun 30, 2025	**Jun 30, 2026**	Jun 30, 2025	**Jun 30, 2026**	Jun 30, 2025	**Jun 30, 2026**	Jun 30, 2025
	---------- **(Pak Rupees in '000)** ----------							
Revenue from contracts with customers	**83,374,882**	78,027,813	**23,103,306**	22,874,288	**544,599**	390,221	**107,022,787**	101,292,322
Depreciation and amortization	**1,518,721**	1,436,945	**769,624**	647,277	**18,429**	17,093	**2,306,774**	2,101,315
Operating profit / (loss) before tax and unallocated expenses	**17,789,546**	16,499,923	**1,751,990**	2,525,684	**87,114**	71,003	**19,628,650**	19,096,610
Unallocated corporate expenses:								
Finance cost							**(174,591)**	(333,178)
Other expenses							**(1,579,954)**	(1,634,766)
Other income							**601,039**	255,436
Final Tax							**-**	-
Minimum tax differential							**(48,735)**	(139,996)
Taxation							**(8,447,771)**	(6,819,226)
Profit after taxation							**9,978,638**	10,424,880

39.2 Reportable segment assets and liabilities

	Dairy and Nutrition Products		**Powdered and Liquid Beverages**		**Other Products**		**Total**	
	Jun 30, 2026	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025	**Jun 30, 2026**	Dec 31, 2025
	---------- **(Pak Rupees in '000)** ----------							
Segment assets	**55,503,989**	60,517,670	**34,297,965**	19,072,712	**115,718**	35,776	**89,917,672**	79,626,158
Unallocated assets							**6,084,351**	14,267,238
Total assets							**96,002,023**	93,893,396
Segment equity and liabilities	**29,237,828**	28,530,299	**8,603,544**	7,768,784	**64,262**	79,566	**37,905,634**	36,378,649
Unallocated equity and liabilities							**58,096,389**	57,514,747
Total equity and liabilities							**96,002,023**	93,893,396

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		(Audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
39.3	**Geographical segments**	**--- (Rupees in '000) ---**	
	Sales are made by the Company in the following countries:		
	Pakistan	**104,901,733**	99,577,238
	United States of America	**782,608**	224,274
	Philippines	**443,329**	154,824
	Afghanistan	**-**	810,781
	Other countries	**895,117**	525,205
		107,022,787	101,292,322

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

39.3.1 Export sales to foreign related parties

Country	Party Name	(Audited) Jun 30, 2026	(Un-audited) Jun 30, 2025
		--- (Rupees in '000) ---	
Philippines	Nestle Philippines Inc.	**252,588**	124,933
Trinidad and Tobago	Nestle Trinidad And Tobago Limited	**160,229**	-
Trinidad and Tobago	Nestle Caribbean Inc.	**10,544**	-
Switzerland	Nestle Enterprises S.A.	**9,142**	-
Bangladesh	Nestle Bangladesh Limited	**12,792**	10,570
Philippines	Wyeth Philippines, INC.	**190,741**	29,891
		636,036	165,394

40 Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in these special purpose financial statements during the period for remuneration, including certain benefits, to the chief executive officer, executive directors, non-executive directors and executives of the Company are as follows:

	(Audited)	(Un-audited)	**(Audited)**	(Un-audited)	**(Audited)**	(Un-audited)	**(Audited)**	(Un-audited)
	Chairman		**Chief Executive Officer**		**Executive Directors**		**Executives**	
	Jun 30, 2026	Jun 30, 2025	**Jun 30, 2026**	Jun 30, 2025	**Jun 30, 2026**	Jun 30, 2025	**Jun 30, 2026**	Jun 30, 2025
	---------- (Pak Rupees in '000) ----------							
Managerial remuneration / fee	**5,528**	5,025	**79,068**	80,993	**31,997**	27,645	**2,274,163**	2,093,682
Bonus	**-**	**-**	**9,707**	8,728	**11,199**	9,676	**452,504**	408,845
Retirement benefits	-	**-**	-	-	**6,415**	5,542	**364,512**	345,256
Housing	-	**-**	**14,616**	12,600	**-**	-	**67,470**	50,234
Reimbursable expenses	**455**	624	**95,881**	95,728	**21,786**	18,479	**1,674,291**	1,490,935
	5,983	5,649	**199,272**	198,049	**71,397**	61,342	**4,832,940**	4,388,952
Number of persons	**1**	1	**1**	1	**2**	2	**1,041**	1,019

40.1 The chairman and chief executive of the Company are provided with use of Company maintained vehicles.

40.2 The aggregate amount charged in these special purpose financial statements in respect of contribution to provident fund of key management personnel is PKR 172.55 million (2025: PKR 163.54 million).

40.3 A meeting fee amounting to PKR 6.6 million (2025: PKR 4.2 million) was paid to 6 (2025: 6) directors during the period.

40.4 Remuneration to key management personnel includes PKR 104.69 million (2025: PKR 62.97 million) in respect of share based payments made by the Holding Company and charged back to the Company.

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41 Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks, market risks (including currency risks, other price risks and interest rate risks), credit risks and liquidity risks. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company follows an effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available. Market risks are managed by the Company through the adoption of appropriate policies to cover currency risks and interest rate risks. The Company applies credit limits to its customers and obtains advances from them.

41.1 Market risk

41.1.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to various currencies. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities. The Company's major exposure to currency risk is as follows:

Particulars	*Currency*	**Jun 30, 2026**	Dec 31, 2025
Assets			
Foreign currency bank accounts	*USD*	**5,334,017**	5,729,663
Cash in hand	*USD*	**29,915**	29,915
	EUR	**6,985**	6,985
Receivables	*USD*	**69,065**	1,583,663
	EUR	**1,506,234**	1,399,330
	PHP	**-**	537,015
	CHF	**271,267**	419,579
	EGP	**267,311**	267,311
	TRY	**9,090**	2,340
	AUD	**-**	-
Liabilities			
Net (payables) / advances	*USD*	**(24,244,647)**	(34,195,234)
	CNY	**(1,685,045)**	(4,696,106)
	CHF	**(4,000,065)**	(4,281,017)
	SGD	**(2,926,614)**	(3,392,477)
	PHP	**-**	(359,778)
	GBP	**(9,346)**	(115,305)
	SAR	**(60,641)**	(60,641)
	TRY	**(60,744)**	(16,494)
	AUD	**-**	(1)
	AED	**(83,394)**	-
	EUR	**-**	453,649
	ZAR	**(94,555)**	-
	JPY	**(7,320,866)**	-
	PKR ('000)	**(6,761,500)**	(9,286,755)

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41.1.1.1 The following significant exchange rates were applied during the period / year:

	Jun 30, 2026		Dec 31, 2025	
	Average Rate	**Reporting date rate**	Average Rate	Reporting date rate
US Dollar	**279.67**	**278.08**	279.88	281.25
Swiss Franc	**349.25**	**343.88**	331.41	354.62
Euro	**323.61**	**317.09**	310.05	330.13
Great Britain Pound	**373.41**	**368.14**	364.21	378.68
Chinese Renminbi	**40.60**	**40.97**	39.19	40.23
Saudi Riyal	**74.52**	**74.04**	74.56	75.00
U.A.E Dirham	**76.00**	**75.72**	76.05	76.28
Australian Dollar	**189.65**	**191.23**	180.65	188.06
Turkish Lira	**6.26**	**5.96**	7.22	6.56
Egyptian Pound	**6.44**	**6.98**	5.69	5.90
South African Rand	**18.94**	**20.93**	15.91	16.95
Japanese Yen	**1.96**	**2.12**	1.79	1.80
Singapore Dollar	**216.78**	**214.82**	211.83	218.74

Currency rate sensitivity analysis

If the functional currency, at reporting date, had decreased by 20% (2025: 20%) against the foreign currencies with all other variables held constant, the impact on profit before taxation would have been as follows:

	Jun 30, 2026	Dec 31, 2025
	--- (Rupees in '000) ---	
Effect on profit and loss:		
US Dollar	**(1,046,229)**	(1,510,425)
Swiss Franc	**(256,452)**	(273,870)
Singapore Dollar	**(125,739)**	(148,417)
Euro	**95,965**	122,807
Chinese Renminbi	**(13,807)**	(37,783)
Great Britain Pound	**(688)**	(8,733)
Australian Dollar	**-**	(1)
Saudi Riyal	**(898)**	(910)
U.A.E Dirham	**(1,263)**	-
Turkish Lira	**(62)**	(19)
Egyptian Pound	**373**	-
South African Rand	**(396)**	-
Japanese Yen	**(3,104)**	-
	(1,352,300)	(1,857,351)

The effect may be respectively lower / higher, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments.

Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

41.1.2 Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

41.1.3 Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates.

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At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is:

	Jun 30, 2026	Dec 31, 2025
	--- (Rupees in '000) ---	
Variable rate instruments		
Liabilities		
Long-term finances	**-**	(1,434,375)
Running finance under mark-up arrangements - secured	**(3,708,911)**	-
Lease liabilities	**(1,682,815)**	(1,799,594)
Assets		
Short term investments	**-**	9,588,794
Bank balances - saving accounts	**538,051**	1,285,664
	(4,853,675)	7,640,489

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on loans from borrowings from banks, at the period / year end date, fluctuate by 500 (2025: 500) bps higher / lower with all other variables, in particular foreign exchange rates held constant, profit before taxation for the period / year and 2025 would have been affected as follows:

	Jun 30, 2026	Dec 31, 2025
	--- (Rupees in '000) ---	
Effect on profit and loss of an increase	**(242,684)**	382,024
Effect on profit and loss of a decrease	**242,684**	(382,024)

The effect may be higher / lower, mainly as a result of higher / lower mark-up income on floating rate loans / investments.

The sensitivity analysis prepared is not necessarily indicative of the effects on the profit for the period / year and assets / liabilities of the Company.

41.1.4 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to analyze assets carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset either directly (that is, as prices) or indirectly (that is derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

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Transfers between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts of financial assets and financial liabilities. None of them are currently measured at fair value since their carrying amount is a reasonable approximation of their fair value except for foreign exchange forward contracts.

	Carrying Amount		
	Financial assets	**Financial liabilities**	**Total**
	---------- (Pak Rupees in '000) ----------		
June 30, 2026			
Financial assets - measured at fair value	-	-	-
Financial assets - not measured at fair value			
Trade debts	**3,671,696**	-	**3,671,696**
Long term loans	**828,286**	-	**828,286**
Advances, deposits, prepayments and other receivables	**2,178,243**	-	**2,178,243**
Cash and bank balances	**2,287,764**	-	**2,287,764**
	8,965,989	-	**8,965,989**
Financial liabilities - measured at fair value	-	-	-
Financial liabilities - not measured at fair value			
Long term finances - secured	-	-	-
Short term borrowings - secured	-	-	-
Running finance under mark-up arrangements - secured	-	**3,708,911**	**3,708,911**
Customer security deposits	-	**441,661**	**441,661**
Trade and other payables	-	**57,006,355**	**57,006,355**
Unclaimed dividend	-	**107,894**	**107,894**
Interest and mark-up accrued	-	**43,246**	**43,246**
	-	**61,308,067**	**61,308,067**
December 31, 2025			
Financial assets - measured at fair value	-	-	-
Financial assets - not measured at fair value			
Trade debts	3,177,030	-	3,177,030
Long term loans	755,482	-	755,482
Advances, deposits, prepayments and other receivables	2,240,881	-	2,240,881
Cash and bank balances	3,908,396	-	3,908,396
	10,081,789	-	10,081,789
Financial liabilities - measured at fair value	-	-	-
Financial liabilities - not measured at fair value			
Long term finances - secured	-	1,434,375	1,434,375
Short term borrowings - secured	-	-	-
Running finance under mark-up arrangements - secured	-	-	-
Customer security deposits	-	440,742	440,742
Trade and other payables	-	56,729,399	56,729,399
Unclaimed dividend	-	104,647	104,647
Interest and mark-up accrued	-	956	956
	-	58,710,119	58,710,119

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Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the special purpose financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date and is measured in accordance with IFRS 13.

41.2 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's credit risk is primarily attributable to its long term loans, trade debts, advances, deposits and other receivables and balances at banks. The Company manages its credit risk by the following methods:

- Monitoring of debts on a continuous basis
- Application of credit limits to its customers
- Obtaining adequate deposits / collateral where needed

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	Jun 30, 2026	Dec 31, 2025
	--- (Rupees in '000) ---	
Particulars		
Trade debts	**3,671,696**	3,177,030
Advances, deposits and other receivables	**2,178,243**	2,240,881
Long term loans	**828,286**	755,482
Bank balances	**2,189,874**	3,897,354
	8,868,099	10,070,747

41.2.1 Trade debts

The aging of trade debts at the reporting date is:

Not yet due	**3,364,608**	3,109,945
Past due 0 - 30 days	**156,376**	44,928
Past due 31 - 60 days	**150,712**	5,674
Past due 61 - 90 days	**-**	6,203
Past due 90+ days	**-**	10,280
	3,671,696	3,177,030

The Company uses an allowance matrix to measure "Expected Credit Losses" (ECL) of trade debtors. Overdue balances at the reporting date are immaterial and impact of application of ECL model, if any, is reflected in the allowance for expected credit losses recognized.

The Company does not believe it is exposed to major concentration of credit risk as its exposure is spread over several institutions and customers. However to manage any possible exposure the Company applies approved credit limits to its customers.

41.2.2 Loans to employees

The Company obtains crossed cheques from employees of the full loan amount in the name of the Company without mentioning any date as part of collateral. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with loans to employees is trivial and therefore no impairment charge has been accounted for.

41.2.3 Advances and other receivables

Advances and other receivables mainly comprise of cash margin withheld by banks against imports and other deposits. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

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41.2.4 Bank balances

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties. The credit quality of cash and bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate:

	Rating 2026			Rating 2025		
	Short Term	**Long Term**	**Agency**	Short Term	Long Term	Agency
Citi Bank N.A	**P-1**	**AA3**	**Moody's**	**P-1**	AA3	Moody's
Habib Bank Limited	**A-1+**	**AAA**	**VIS**	**A-1+**	AA+	VIS
Habib Metropolitan Bank Limited	**A-1+**	**AAA**	**PACRA**	**A-1+**	AA+	PACRA
JS Bank Limited	**A-1+**	**AA**	**PACRA**	**A-1+**	AA	PACRA
MCB Bank Limited	**A-1+**	**AAA**	**PACRA**	**A-1+**	AAA	PACRA
Meezan Bank Limited	**A-1+**	**AAA**	**VIS**	**A-1+**	AAA	VIS
Standard Chartered Bank Limited	**A-1+**	**AAA**	**PACRA**	**A-1+**	AAA	PACRA

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

41.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements. Further, liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

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41.3.1 The following are the contractual maturity analysis of financial liabilities as at June 30, 2026

Financial liability	Carrying Value	Contractual Cash flows	On Demand	Less than 6 months	6 to 12 months	1 year to 5 years	More than 5 years	Total
	---------- (Pak Rupees in '000) ----------							
Long-term finances	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Lease liabilities	**1,682,815**	**2,211,347**	**-**	**195,353**	**195,354**	**1,494,169**	**326,471**	**2,211,347**
Short-term borrowings - secured	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Running finance under mark-up arrangements - secured	**3,708,911**	**3,752,157**	**3,752,157**	**-**	**-**	**-**	**-**	**3,752,157**
Customer security deposits	**441,661**	**441,661**	**-**	**441,661**	**-**	**-**	**-**	**441,661**
Unclaimed dividend	**107,894**	**107,894**	**107,894**	**-**		**-**	**-**	**107,894**
Trade and other payables	**57,006,355**	**57,006,355**	**57,006,355**	**-**	**-**	**-**	**-**	**57,006,355**
	62,947,636	**63,519,414**	**60,866,406**	**637,014**	**195,354**	**1,494,169**	**326,471**	**63,519,414**

41.3.2 The following are the contractual maturity analysis of financial liabilities as at December 31, 2025

Financial liability	Carrying Value	Contractual Cash flows	On Demand	Less than 6 months	6 to 12 months	1 year to 5 years	More than 5 years	Total
	---------- (Pak Rupees in '000) ----------							
Long-term finances	1,434,375	1,435,331	-	1,435,331	-	-	-	1,435,331
Lease liabilities	1,799,594	2,412,535	-	251,606	251,606	1,452,755	456,568	2,412,536
Short-term borrowings - secured	-	-	-	-	-	-	-	-
Running finance under mark-up arrangements - secured	-	-	-	-	-	-	-	-
Customer security deposits	440,742	440,742	-	440,742	-	-	-	440,742
Unclaimed dividend	104,647	104,647	104,647	-		-	-	104,647
Trade and other payables	56,729,399	56,729,399	56,729,399	-	-	-	-	56,729,399
	60,508,757	61,122,654	56,834,046	2,127,679	251,606	1,452,755	456,568	61,122,655

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42 Reconciliation of movement of liabilities to cash flows arising from financing activities

	2026					
	Liabilities					Total
	Long-term finances	Short-term borrowings	Lease liabilities	Interest and mark-up accrued	Unclaimed dividend	
	---------- (Pak Rupees in '000) ----------					
Balance as at January 01, 2026	1,434,375	-	1,799,594	956	104,647	3,339,572
Cash flows						
Finance cost paid	-	-	-	(24,226)	-	(24,226)
Long-term finances repaid - net	(1,434,375)	-	-	-	-	(1,434,375)
Repayment of lease liabilities	-	-	(224,853)	-	-	(224,853)
Short-term borrowings repaid - net	-	-	-	-	-	-
Dividends paid	-	-	-	-	(11,606,251)	(11,606,251)
Changes from financing cash flows	**(1,434,375)**	**-**	**(224,853)**	**(24,226)**	**(11,606,251)**	**(13,289,705)**
Non-cash changes						
Dividend approved	-	-	-	-	11,609,498	11,609,498
Exchange gain / (loss)	-	-	-	-	-	-
Finance cost	-	-	108,074	66,516	-	174,590
Addition to lease liabilities	-	-	-	-	-	-
Termination to lease liabilities	-	-	-	-	-	-
Non-cash changes	**-**	**-**	**108,074**	**66,516**	**11,609,498**	**11,784,088**
Balance as at June 30, 2026	**-**	**-**	**1,682,815**	**43,246**	**107,894**	**1,833,955**

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Nestlé Pakistan Limited

Notes to the Special Purpose Financial Statements

For the six month period ended June 30, 2026

	2025					
	Liabilities					Total
	Long-term finances	Short-term borrowings	Lease liabilities	Interest and mark-up accrued	Unclaimed dividend	
	---------- (Pak Rupees in '000) ----------					
Balance as at January 01, 2025	4,420,350	200,000	1,564,356	183,410	90,081	6,458,197
Cash flows						
Finance cost paid	-	-	(209,092)	(752,671)	-	(961,763)
Long-term finances repaid - net	(3,000,000)	-	-	-	-	(3,000,000)
Repayment of lease liabilities	-	-	(197,968)	-	-	(197,968)
Short-term borrowings repaid - net	-	(200,000)	-	-	-	(200,000)
Dividends paid	-	-	-	-	(14,996,152)	(14,996,152)
Changes from financing cash flows	(3,000,000)	(200,000)	(407,060)	(752,671)	(14,996,152)	(19,355,883)
Non-cash changes						
Dividend approved	-	-	-	-	15,010,718	15,010,718
Exchange gain / (loss)	14,025	-	-	-	-	14,025
Finance cost	-	-	209,092	361,125	-	570,217
Addition to lease liabilities	-	-	516,532	-	-	516,532
Reassessment of lease liabilities	-	-	-	-	-	-
Termination to lease liabilities	-	-	(83,326)	-	-	(83,326)
Non-cash changes	14,025	-	642,298	361,125	15,010,718	16,028,166
Balance as at December 31, 2025	1,434,375	-	1,799,594	(208,136)	104,647	3,130,480

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43 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	Note	**Jun 30, 2026** --- **(Rupees in '000)** ---	Dec 31, 2025 ---
Statement of Financial Position				
Assets				
Loan to employees (including current portion)	Shariah compliant	*18*	**828,286**	755,482
Advances, deposits and prepayments	Shariah compliant	*22*	**7,219,280**	3,954,754
Bank balances	Shariah compliant	*24*	**7,761**	55,690
			8,055,327	4,765,926
Liabilities				
Long term borrowings – secured (including current portion)	Shariah compliant	*5*	**-**	-
Mark-up accrued on conventional loans and advances	Non – shariah		**34,168**	956
Running finance under mark-up arrangements	Shariah compliant	*8*	**371,485**	-
Short term borrowings – secured	Shariah compliant		**-**	-
			405,653	956

Statement of Profit or Loss			**(Audited) Jun 30, 2026**	(Un-audited) Jun 30, 2025
Revenue from contracts with customers - net	Shariah compliant	*25*	**107,022,787**	101,292,322
Sources and detailed breakup of other income		*31*		
Income on loans, deposits and investments	Non – shariah		**287,589**	68,546
	Shariah compliant		**38,189**	29,792
			325,778	98,338
Gain on re–measurement of foreign currency balances	Non – shariah		**104,492**	-
	Shariah compliant		**-**	-
			104,492	-
Gain on sale of PPE & Scrap	Non – shariah		**-**	-
	Shariah compliant		**148,119**	157,098
			148,119	157,098
Other income / (loss)	Non – shariah		**-**	-
	Shariah compliant		**22,650**	-
			22,650	-
			601,039	255,436

Relationship with Shariah–compliant financial institutions

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

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44 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

i) To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

ii) To provide an adequate return to shareholders

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of debt to equity ratio, calculated on the basis of total debt to equity.

The debt to equity ratio as at period / year end:

	Jun 30, 2026	Dec 31, 2025
	--- (Rupees in '000) ---	
Total borrowings	**3,708,911**	1,434,375
Total equity	**19,637,255**	21,268,115
Total debt and equity	**23,346,166**	22,702,490
Debt to equity ratio	**16:84**	6:94

There were no major changes in the Company's approach to capital management during the period / year and the Company is not subject to externally imposed capital requirements.

45 Corresponding figures

Corresponding figures have been rearranged or classified whenever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period / year except as given below:

Description	**From**	**To**	**2025**
Repairs, maintenance and vehicle running expenses	Distribution and selling expenses	Cost of goods sold	115,477
Repairs, maintenance and vehicle running expenses	Administration expenses	Cost of goods sold	115,828

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46 Date of authorization for issue

These special purpose financial statements were authorized for issue on 18th November 2026 by the Board of Directors.

47 Subsequent events

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

47.2 Incorporation of Subsidiary for Transfer of Waters and Premium Beverages Business

On 23 July 2026, Nestlé S.A. ("Nestlé"), the ultimate parent company of the Company, announced a proposed transaction with Platinum Equity to establish Peranel, a 50:50 joint venture ("JV") comprising Nestlé's waters and premium beverages business ("Nestlé Waters"). The proposed transaction remains subject to receipt of the required corporate and regulatory approvals.

In order for the Pakistan waters business (currently operated by the Company) to form part of Nestlé Waters, the following steps will be undertaken in Pakistan, subject to shareholder and other applicable approvals:

(i) the Company, through a scheme of arrangement approved by court in terms of the Companies Act 2017, will carve out its Water business and transfer it, as a going concern, to a newly incorporated wholly owned subsidiary, Waters and Premium Beverages PK (Private) Limited ("WPB") in consideration for the issue and allotment of shares in WPB to the Company; and

(ii) Following implementation of the scheme, the Company intends to dispose off its shareholding in the subsidiary as part of the proposed arrangement between Nestle S.A and Platinum Equity to establish Peranel (Joint Venture ultimately.

The carrying amounts of the specified assets and liabilities as decided by management for transfer to the wholly-owned subsidiary are as follows:

	Jun 30, 2026 --- (Rupees in '000) ---
Property, plant and equipment	**2,712,472**
Cost	6,308,198
Accumulated Depreciation	(3,595,726)
Capital work-in-progress	**24,743**
Intangible assets	**10,879**
Cost	71,966
Accumulated Amortization	(61,087)
Inventories - Net of Provisions	
Finished Goods	**139,074**
Raw Material	**39,611**
Packing Material	**146,000**
Semi-Finished Goods	**116,440**
Technical Stores	**641,410**
Cash against Water Bottle Security Deposit from Customers	**441,661**
Total identified assets	**4,272,290**
Water Bottle Security Deposit from Customers	**(441,661)**
Lease Liabilities	**(68,875)**
Total identified liabilities	**(510,536)**
Net identified assets	**3,761,754**

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47.2.1 Related Receivables and Payables (including post-employment benefits) of the Waters and Premium Beverages business are not included in the net identified assets, as those will be settled by the Company before the date of transfer or shortly thereafter.

48 General

These special purpose 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 rupees.

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

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 and 285(8) OF THE COMPANIES ACT, 2017

(read with the Companies (Court) Rules and applicable SECP requirements)

BETWEEN

NESTLÉ PAKISTAN LIMITED

(the "Transferor")

AND

WATERS AND PREMIUM BEVERAGES PK (PRIVATE) LIMITED

(the "Transferee")

AND

their respective members and creditors

for the demerger, transfer and vesting of the Water Business as a going concern into the Transferee

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PART I — PRELIMINARY

1. Definitions

In this Scheme, unless the context otherwise requires, the following expressions shall bear the meanings respectively assigned to them below, and cognate expressions shall be construed accordingly:

"Act" means the Companies Act, 2017, together with the rules, regulations, notifications and directions made or issued thereunder, in each case as amended, modified or re-enacted from time to time;

"Auditors" means the statutory auditors for the time being of the Transferor and the Transferee respectively;

"Auditor Certificate" means the certificate dated Nov 20, 2026 issued by EY FORD RHODES Chartered Accountants, setting out, inter alia, the net asset value of the Water Business;

"Board" means in relation to each of the Transferor and the Transferee, the board of directors of that company for the time being, and includes any committee or person duly authorised by such board;

"Books and Records" means all books of account, ledgers, registers, files, documents, data (in physical or electronic form), correspondence and records of the Transferor relating to the Water Business;

"Consideration Shares" means the ordinary shares to be issued and allotted by the Transferee to the Transferor in consideration of the transfer and vesting of the Water Business, as provided in Clause 14;

"Court" means the High Court having jurisdiction in relation to the Transferor, the Transferee and the Scheme under the Act, and includes any bench or judge thereof exercising such jurisdiction;

"Effective Date" means the first day of the calendar month immediately succeeding the Sanction Date (being the date from which the transfer and vesting of the Water Business shall be deemed to take effect for all purposes of this Scheme, including for accounting and taxation purposes), or such other date as the Court may direct or approve;

"Encumbrance" means any mortgage, charge (fixed or floating), pledge, lien, hypothecation, security interest, assignment by way of security, option, right of pre-emption, or any other encumbrance or third-party right or interest of any nature, and any agreement to create any of the foregoing;

"Record Date" means the date to be fixed by the Transferor for the purpose of determining the entitlement to, and allotment of, the Consideration Shares, being a date on or after the Effective Date;

"Registrar" means the Registrar of Companies having jurisdiction over the Transferor and the Transferee under the Act, and includes the Securities and Exchange Commission of Pakistan ("SECP") where the context so requires;

"Sanction Order" means the order of the Court sanctioning this Scheme under Sections 279 to 283 and 285(8) (and other applicable provisions) of the Act, providing for the matters incidental to or consequent upon the demerger;

"Sanction Date" means the date of the Sanction Order;

"Scheme" means this scheme of arrangement in its present form, or with any modification(s) made under Clause 22 and approved or directed by the Court;

"Transferred Assets" means all assets, properties, rights and interests of the Transferor pertaining to the Water Business, whether movable or immovable, tangible or intangible, present or future, and wherever situate;

"Transferred Contracts" means all contracts, agreements, arrangements, undertakings, memoranda, bids, tenders, letters of intent, purchase orders and other commitments of the Transferor pertaining to the Water Business;

"Transferred Employees" means the employees of the Transferor engaged wholly or mainly in the Water Business immediately prior to the Effective Date excluding any employee whose employment with the Transferor ends before the Effective Date;

"Transferred Liabilities" means all debts, liabilities, duties and obligations of the Transferor of every kind (whether present or future, actual or contingent, secured or unsecured) pertaining to, or arising out of, the Water Business;

"Transferred Licences and Approvals" means all licences, registrations, permits, consents, approvals, sanctions, no-objection certificates, exemptions, quotas, authorisations, tax registrations (including income tax, sales tax and provincial sales tax registrations) and other regulatory entitlements held by, granted to, or applied for by the Transferor and pertaining to the Water Business;

"Valuation" means the valuation of the Water Business in terms of the Auditor Certificate as annexed as Schedule 1;

"Valuation Date" means 30 June 2026;

"Water Business" means the business of extraction, sourcing, purification, treatment, processing, bottling, packaging, manufacturing, marketing, distribution, import, export, and sale of drinking water and water-based beverages, including but not limited to mineral water, purified water, spring water, and flavored water, through retail, wholesale, institutional, e-commerce, and home and office delivery channels, and to establish, acquire, own, operate and manage water sources, bottling plants, production facilities, and distribution networks in connection therewith, together with all operations, activities and functions ancillary or incidental thereto, and includes the whole of the undertaking, business, properties, assets, investments, rights, title, interest, licences, approvals, permits, registrations, contracts, employees and liabilities of the Transferor pertaining to, used in, or arising out of that business, in each case, as a going concern, including (without limitation) the Transferred Assets, the Transferred Contracts, the Transferred Licences and

Approvals, the Transferred Employees and the Transferred Liabilities it being the intention of the parties that the demerger shall operate so as to transfer the Water Business in its entirety.

2. Interpretation

In this Scheme, save where the context otherwise requires:

(a) the singular includes the plural and vice versa, and words importing one gender include every gender;

(b) a reference to a statute or statutory provision is a reference to it as amended, extended, consolidated or re-enacted from time to time, and includes any subordinate legislation made under it;

(c) the headings and the table of contents are inserted for convenience only and shall not affect the construction of this Scheme;

(d) the Schedules form part of this Scheme and shall have the same force and effect as if set out in the body of this Scheme;

(e) a reference to a Clause, Part or Schedule is to a Clause or Part of, or a Schedule to, this Scheme;

(f) "including" and "in particular" are without limitation; and

(g) in the event of any conflict or inconsistency between the operative Clauses of this Scheme and any Schedule, the operative Clauses shall prevail.

3. Background and Rationale

(i) The Transferor is a public limited listed company existing under the Act, having its registered office at Packages Mall Shahrahe-Roomi, PO Amer Sidhu, Lahore Punjab, and is engaged, among other businesses, in the Water Business.

(ii) The Transferee is a private limited company incorporated under the Act, having its registered office at Packages Mall Shahrah-e-Roomi PO Amer Sidhu, Lahore Punjab. The entire issued and paid-up share capital of the Transferee is legally and beneficially held by the Transferor, and the Transferee is accordingly a wholly owned subsidiary of the Transferor. The Transferee has been incorporated to receive, hold and carry on the Water Business pursuant to this Scheme.

(iii) With a view to achieving greater operational focus, ring-fencing the Water Business within a dedicated corporate vehicle, facilitating sector-specific regulatory housing, and creating a platform for future strategic investment and growth, the Boards of the Transferor and the Transferee consider it desirable and in the interests of the respective companies and their members and creditors that the Water Business be demerged from the Transferor and transferred to and vested in the Transferee as a going concern, on the terms set out in this Scheme.

(iv) The Water Business has been valued as at the Valuation Date, and the Consideration Shares to be issued by the Transferee to the Transferor have been determined on the basis of the Valuation.

(v) The Board of the Transferor and the Board of the Transferee have, by resolutions passed on November 18, 2026 and November 18, 2026 respectively, approved this Scheme and authorised the making of the requisite applications to the Court.

(vi) The consent, no-objection and waiver of each secured lender of the Transferor in respect of its secured borrowing has been obtained in respect of the demerger and the transfer and vesting of the Water Business, as recorded in Clause 10.5

(vii) This Scheme is conditional upon, and shall take legal effect only upon, the sanction of the Court and compliance with the conditions set out in Clause 18.

4. Operative Date and Effect

4.1 This Scheme, although operative from the Sanction Date, shall take legal effect on and from the Effective Date.

4.2 Upon the Scheme becoming effective, the provisions of Parts III, IV and V shall operate with effect from the Effective Date.

PART II — SHARE CAPITAL

5. Share Capital of the Transferor

The authorised, issued, subscribed and paid-up share capital of the Transferor as at the date of this Scheme is set out below:

Particulars	No. of Shares	PKR
Authorised capital (ordinary shares of PKR 10 each)	75,000,000	750,000,000
Issued, subscribed and paid-up capital	45,349,584	453,495,840

6. Share Capital of the Transferee

6.1 The authorised, issued, subscribed and paid-up share capital of the Transferee as at the date of this Scheme is set out below.

Particulars	No. of Shares	PKR
Authorised capital (ordinary shares of PKR 10 each)	10,000	100,000
Issued, subscribed and paid-up capital	101	1,010

6.2 To the extent necessary to give effect to the issue and allotment of the Consideration Shares, the authorised share capital of the Transferee shall, from the Effective Date and by virtue of the Sanction Order, stand increased to PKR 4,500,000,000 divided into 450,000,000 ordinary shares of PKR 10 each, without any further act, resolution, procedure, or separate approval of the members of the Transferee, and without the need for any meeting, special resolution or notice that would otherwise be required under Sections 32 and 85 of the Act, and the memorandum and articles of association of the Transferee shall be deemed to be altered accordingly. The Court is requested, by and in the Sanction Order, to sanction and give effect to such increase in, and alteration of, the authorised share capital of the Transferee, and the Transferee shall thereafter make the requisite filings with the Registrar in respect of such increase and alteration.

PART III — TRANSFER AND VESTING OF THE WATER BUSINESS

7. Transfer and Vesting of the Water Business

7.1 Upon this Scheme becoming effective, and with effect from the Effective Date, the whole of the Water Business shall, **without any further act, instrument, deed, matter or thing**, stand transferred to, and vest in, the Transferee as a going concern, so as to become the undertaking, property, rights, liabilities and obligations of the Transferee, free from all Encumbrances save those expressly assumed by the Transferee under this Scheme.

7.2 Without prejudice to the generality of Clause 7.1, the transfer and vesting of the Water Business shall operate as follows:

(a) **Movable property:** all movable assets of the Transferor pertaining to the Water Business (including plant, machinery, equipment, furniture, fixtures, vehicles, stock-in-trade, stores and spares) capable of transfer by physical delivery or by endorsement and delivery shall stand vested in the Transferee, and may be so physically delivered or endorsed, where practicable, but shall in any event be deemed to have been transferred and vested with effect from the Effective Date by virtue of the Sanction Order;

(b) **Immovable property and leasehold interests:** all immovable property and leasehold interests of the Transferor pertaining to the Water Business, whether freehold or leasehold and wherever situate, together with all rights, easements and appurtenances, shall stand transferred to and vested in the Transferee, and the Sanction Order shall, to the extent permissible, operate as the instrument of transfer in respect thereof, subject to the completion of such mutation, registration and recording formalities as may be required before the concerned revenue, registration and development authorities, which the Transferee shall be entitled to procure on the basis of the Sanction Order;

(c) **Intangible assets:** all intellectual property, goodwill, brands, trade marks, trade names, copyrights, designs, patents, domain names, software, databases, technical know-how and other intangible assets of the Transferor pertaining to the Water Business shall stand transferred to and vested in the Transferee;

(d) **Investments and financial assets:** all investments, shares, securities, receivables, book debts, loans, advances, deposits (including security and utility deposits), bank balances, claims and other financial assets of the Transferor pertaining to the Water Business shall stand transferred to and vested in the Transferee;

(e) **Benefit of contracts and arrangements:** the benefit of all Transferred Contracts, and of all bids, tenders, quotations and arrangements pertaining to the Water Business, shall stand transferred to the Transferee, in accordance with Clause 9; and

(f) **Books and Records:** all Books and Records pertaining to the Water Business shall be delivered to or made available to the Transferee, subject to the Transferor's right to retain copies as it may reasonably require for legal, tax or regulatory purposes.

7.3 The assets, liabilities and obligations comprising the Water Business have been determined by the Transferor on the basis of the audited special purpose financial statements of the Transferor as at 30 June 2026, and are set out in the pro forma balance sheet annexed as Schedule 2.

8. Transfer of Licences, Permits and Regulatory Approvals

8.1 From the Effective Date, all Transferred Licences and Approvals shall, pursuant to the Sanction Order and to the extent permitted by law, stand transferred to and vest in the Transferee, and shall be deemed to be held by, issued to, and standing in the name of the Transferee, without the need for any fresh application, re-issuance, or payment of fresh fee, save for such ministerial endorsement, recording or substitution of name as the concerned issuing authority may require.

8.2 The Court shall be requested, by and in the Sanction Order, to direct that all concerned authorities, departments and local authorities record and give effect to the transfer of the Transferred Licences and Approvals to the Transferee, and continue the same in favour of the Transferee on the same terms and conditions.

8.3 For the avoidance of doubt, nothing in this Scheme shall be construed as purporting to override, or to require any issuing authority to act inconsistently with, the statutory regime governing any licence or approval; the intention being to secure the deeming, trust and cooperation mechanics set out above and to obtain the directions of the Court for the recording of such transfers to the fullest extent permitted by law.

9. Transfer of Contracts

9.1 From the Effective Date, all Transferred Contracts shall, by virtue of the Sanction Order and by operation of law, stand transferred to and vest in the Transferee, notwithstanding any provision in any Transferred Contract requiring the consent of, or notice to, any counterparty to, or restricting, its assignment, transfer or novation, and shall continue in full force and effect in favour of, or against, the Transferee, and may be enforced by or against the Transferee as fully and effectually as if, instead of the Transferor, the Transferee had been a party thereto from the outset.

9.2 The Transferor shall, if so required by the Transferee, execute such deeds, confirmations or other writings as may be necessary to give formal effect to Clause 9.1.

10. Transfer of Liabilities

10.1 From the Effective Date, all Transferred Liabilities shall stand transferred to and become the debts, liabilities, duties and obligations of the Transferee, which shall undertake to meet, discharge and satisfy the same, and the Transferor shall stand released and discharged in respect thereof.

10.2 It shall not be necessary to obtain the consent of any third party or other person to the transfer of any Transferred Liability, save to the extent otherwise expressly provided in this Scheme or required by law. The transfer of the Transferred Liabilities shall not, of itself, entitle any creditor to accelerate, terminate or call any liability, and the rights of creditors in respect of the Transferred Liabilities shall, following the Effective Date, be available against the Transferee as the obligor.

10.3 Any Encumbrance subsisting over any asset of the Transferor as security for any liability not forming part of the Transferred Liabilities shall not extend to, or operate against, the Water Business transferred to the Transferee.

10.4 No borrowings, financial indebtedness, loans, finance facilities or other financial obligations of the Transferor owed to any bank or financial institution including any related Encumbrances shall be transferred to or assumed by the Transferee under this Scheme.

10.5 Each financial institution, bank or other secured lender in respect of the Transferor's secured borrowing (each, a "Lender") has, prior to the date of this Scheme, granted such consent, no-objection certificate and waiver (each, a "Lender NOC") in respect of the demerger and the transfer and vesting of the Water Business and the release of any Encumbrance created in their favour, to the extent it extends to any asset comprised in the Water Business, including any consent required by reason of any change-of-control, disposal, restructuring, negative-pledge, cross-default or similar provision contained in such financing documents. The Transferor confirms that no Lender NOC remains outstanding as at the date of this Scheme.

10.6 Upon the Scheme becoming effective, any Encumbrance created by the Transferor in favour of a Lender shall, to the extent it extends to any asset comprised in the Water Business, stand released and the Transferor shall make the requisite filings with the Registrar for the modification or satisfaction of the relevant charges.

10.7 The Transferred Liabilities include all trade payables, and all other unsecured liabilities and obligations, of the Transferor incurred in the ordinary course of the Water Business (the "Transferred Trade Creditors"). From the Effective Date, the Transferred Trade Creditors shall stand transferred to and be assumed by the Transferee, which shall meet, discharge and satisfy the same in the ordinary course as and when they fall due, on the same terms on which they were owed by the Transferor, and the Transferor shall stand released and discharged in respect thereof. Given that such liabilities are incurred and settled in the ordinary course and are neither varied,

compromised nor reduced by this Scheme, no separate consent of, or arrangement with, the Transferred Trade Creditors is required for such transfer and assumption.

10.8 The rights and interests of the Transferred Trade Creditors are not prejudiced or adversely affected by this Scheme: their claims are transferred in full, without any reduction, rescheduling or variation, to the Transferee, which (following the vesting in it of the Water Business as a going concern) is able to meet the same in the ordinary course.

11. Legal Proceedings

11.1 Upon this Scheme becoming effective, all suits, appeals, applications, arbitrations, revisions, reviews, recovery actions and other legal, quasi-judicial, regulatory or administrative proceedings of whatsoever nature (collectively, "Proceedings") by or against the Transferor and pertaining to the Water Business, whether pending on the Effective Date or arising thereafter in respect of any matter relating to the Water Business, shall be continued, prosecuted, defended and enforced by or against the Transferee.

11.2 No Proceeding shall abate, be discontinued, or be prejudicially affected by reason of the demerger or anything contained in this Scheme, and the Transferee shall be entitled to be substituted in the place of the Transferor in any such Proceeding, and to make any application for such substitution.

11.3 Without prejudice to the generality of Clauses 11.1 and 11.2, with effect from the Effective Date: (a) any existing instruction, order, direction, mandate, authority, undertaking or consent given to the Transferor in writing and pertaining to the Water Business shall have effect as if given to the Transferee; (b) any judgment, decree or award obtained by or against the Transferor in respect of the Water Business and not fully satisfied before the Effective Date shall, to the extent to which it is enforceable by or against the Transferor, become enforceable by or against the Transferee; (c) all Books and Records and other documents which would, before the Effective Date, have been evidence in respect of any matter for or against the Transferor pertaining to the Water Business shall be admissible in evidence in respect of the same matter for or against the Transferee; and (d) any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, the Transferor, or payable at any place of business of the Transferor, in each case pertaining to the Water Business, whether so drawn, given, accepted or endorsed before or after the Effective Date, shall have the same effect as if it had been drawn on or given to, or accepted or endorsed by, the Transferee, or were payable at the same place of business of the Transferee.

12. Transfer of Employees

12.1 The employment of the Transferred Employees shall stand terminated by the Transferor as from the Effective Date, and all terminal benefits payable to the Transferred Employees up to and as on the Effective Date shall be paid and settled by the Transferor in accordance with law and the applicable employment contracts, in full and final settlement of the Transferor's obligations to the Transferred Employees in respect of their employment with the Transferor up to the Effective Date.

12.2 The Transferee shall offer employment to the Transferred Employees as from the Effective Date on the same terms and conditions as those provided to them by the Transferor immediately prior to the Effective Date, and the Transferred Employees who accept such offer shall commence fresh employment as employees of the Transferee on and with effect from the Effective Date.

PART IV — CONSIDERATION

13. Valuation

The Water Business has been valued as at the Valuation Date at PKR 3,761,754,000 (Pakistani Rupees Three Billion Seven Hundred and Sixty One Million Seven Hundred and Fifty Four Thousand), determined on a *net asset value* basis, in accordance with applicable valuation standards and the requirements of the Act and the SECP. The Valuation forms the basis of the Consideration provided for in Clause 14. The Valuation as at the Valuation Date shall be final and binding for the purposes of this Scheme, and the number of Consideration Shares determined on its basis shall not be adjusted by reason of any change in the value of, or in the assets, liabilities and obligations comprising, the Water Business between the Valuation Date and the Effective Date, any such change being reflected in the books of the Transferee in accordance with Clause 15.

14. Consideration — Issue and Allotment of Shares

14.1 In consideration of the transfer and vesting of the Water Business in the Transferee pursuant to this Scheme, the Transferee shall, upon the Scheme becoming effective and pursuant to and with effect from the Sanction Order, and on or after the Record Date, issue and allot to the Transferor 376,175,400 fully paid ordinary shares at par value of PKR 10 each, credited as fully paid-up, aggregating the Valuation (the "Consideration Shares"). The issue and allotment of the Consideration Shares shall be effected by virtue of, and in accordance with, the Sanction Order, and shall not require any further offer, application, resolution or other corporate procedure on the part of the Transferee or its members.

14.2 The Consideration Shares shall be issued and allotted directly to the Transferor (the Transferee being a wholly owned subsidiary of the Transferor), and no issue or allotment shall be made to the members of the Transferor. Accordingly, no share-exchange or swap ratio in favour of the members of the Transferor arises under this Scheme.

14.3 The Consideration Shares shall be issued otherwise than for cash, in consideration solely of the transfer and vesting of the Water Business, and shall rank pari passu in all respects with the existing ordinary shares of the Transferee.

14.4 The Transferee shall make all requisite filings with the Registrar in respect of the issue and allotment of the Consideration Shares, including the return of allotment, within the time prescribed under the Act.

14.5 No fractional Consideration Shares shall be issued. Any fractional entitlement arising shall be dealt with in such manner as the Board of the Transferee may determine, consistent with the Act.

15. Accounting Treatment

15.1 Upon the Scheme becoming effective, the Transferor and the Transferee shall give effect to the demerger in their respective books of account with effect from the Effective Date, in accordance with the applicable financial reporting framework and accounting standards as notified under the Act (including the relevant International Financial Reporting Standards as adopted in Pakistan).

15.2 In the books of the Transferor, the assets and liabilities comprised in the Water Business shall be removed at their respective book values as at the Effective Date, and the Transferor shall recognise the Consideration Shares received as an investment, with any resulting difference being dealt with in accordance with the applicable accounting standards.

15.3 Notwithstanding anything contained in this Scheme, the Consideration Shares shall be recorded in the books of account of the Transferee at par value. As a consequence of the transfer and vesting of the Water Business, where required, including to balance and adjust the books of the Transferee (and / or factor in any differential amount) as of the Effective Date, the shareholders' equity of the Transferee shall stand adjusted, as per the applicable legal and accounting framework, to take into account the carrying values of the net assets comprised in the Water Business which shall vest in the Transferee pursuant to this Scheme, including any change in such carrying values between the Valuation Date and the Effective Date by reason of depreciation, amortisation, impairment, the results of operations, or the acquisition, disposal or movement of any assets, liabilities or obligations in the ordinary course of business.

15.4 The Auditor Certificate, confirming, inter alia, that the accounting treatment proposed for issuance of shares under this Scheme is in conformity with the applicable accounting standards is annexed as Schedule 1.

PART V — GENERAL TERMS AND CONDITIONS

16. Conduct of the Water Business

16.1 Until the Effective Date, the Transferor shall continue to carry on the Water Business for its own account in the ordinary course of business.

16.2 Save in the ordinary course of business or pursuant to any obligation subsisting at the Effective Date, the Transferor shall not, without the prior written concurrence of the Transferee, during the interim period (which, for the purposes of this Clause, shall commence on the date of approval of this Scheme by the Board of the Transferor): (a) alienate, charge, encumber or otherwise deal with any part of the Water Business; or (b) incur, guarantee or increase any borrowing or financial indebtedness pertaining to the Water Business, or create any Encumbrance over any asset comprised in the Water Business.

16.3 Until the Water Business has been transferred to and vested in the Transferee in accordance with this Scheme, the Transferor shall maintain separate books and accounts in respect of the Water Business (together with its books of account as a whole), based on the separation of the assets, liabilities and obligations determined in accordance with Clause 7.3.

17. Saving of Concluded Transactions

The transfer and vesting of the Water Business under this Scheme, and the continuance of Proceedings by or against the Transferee, shall not affect any transaction or Proceeding already concluded by the Transferor on or before the Effective Date or during the interim period, to the end and intent that the Transferee accepts and adopts all acts, deeds and things done and executed by the Transferor in respect of the Water Business as acts, deeds and things done and executed by or on behalf of the Transferee.

18. Conditions and Approvals

This Scheme is conditional upon, and shall not become effective until, the following have been obtained or satisfied (or, where permissible, waived or dispensed with):

(a) the approval of the Scheme by the requisite majority of such classes of members and creditors of the Transferor and the Transferee as the Court may direct, at meetings convened pursuant to the directions of the Court, or the dispensation by the Court of any such meeting;

(b) the sanction of the Scheme by the Court under Sections 279 to 283 and 285(8) (and other applicable provisions) of the Act, and the passing of the Sanction Order, including such consequential directions as are sought under Clause 8 and Clause 19; and

(c) the filing of a certified copy of the Sanction Order with the Registrar by each of the Transferor and the Transferee under Section 282 of the Act.

Without prejudice to Clause 6.2, the approval of this Scheme by the members of the Transferor and of the Transferee shall also constitute approval by way of special resolution of the members of each of them in respect of all matters provided for in, or contemplated by, this Scheme, including the increase in the authorised share capital of the Transferee and the consequential alteration of its memorandum and articles of association under Clause 6.2, and the issue and allotment of the Consideration Shares under Clause 14.

19. Application to the Court

The Transferor and the Transferee shall, with all reasonable despatch, make and pursue the requisite applications and petitions to the Court under Sections 279 to 283 and 285(8) (and other applicable provisions) of the Act for: (a) orders convening, or dispensing with, meetings of their respective members and creditors; (b) the sanction of this Scheme; and (c) such consequential, incidental and supplemental orders and directions under Section 279(3) of the Act as may be necessary or expedient to give full effect to this Scheme, including but not limited to directions for (i) the transfer and recording of the Transferred Licences and Approvals, Transferred Assets, Transferred Contracts, Transferred Employees, and Transferred Liabilities, (ii) the increase in, and alteration of, the authorised share capital of the Transferee as contemplated by Clause 6.2, and (iii) the issue and allotment of the Consideration Shares as contemplated by Clause 14

20. Dissolution Without Winding Up / Continuation of the Transferor

For the avoidance of doubt, this Scheme provides for the demerger of the Water Business only, and not for the dissolution of the Transferor. The Transferor shall continue to exist and to carry on its remaining businesses and undertakings following the Effective Date. Nothing in this Scheme shall require or result in the winding up or dissolution of the Transferor.

20A. No Change of Control

The demerger and transfer and vesting of the Water Business into the Transferee under this Scheme is a structuring undertaken within the Nestlé group. Both before and after such structuring, the Water Business remains under the ownership and control of the Nestlé group, and no change of control at the level of the Transferor or of the Water Business occurs by reason of this Scheme or the said structuring. Accordingly, the said structuring does not require any clearance or approval under the Competition Act, 2010.

20B. Transitional Use of Existing Packaging and Labelling

The parties record, for the information of the Court, that the products of the Water Business are supplied in packaging bearing the name and marks of the Transferor as manufacturer, comprising (a) single-use polyethylene terephthalate ("PET") bottles and (b) returnable, multiple-use 18.9-litre home-and-office delivery ("HOD") bottles, of which a substantial pool is in circulation within the distribution chain. Following the Effective Date, and pending the orderly transition of such packaging and labelling to reflect the Transferee as manufacturer, the Transferee shall be entitled to continue, for a transitional period (3 months for PET bottles and 3 years period for HOD bottles), to manufacture, fill, distribute and sell the products of the Water Business using existing stocks of packaging and labelling bearing the Transferor's name. New packaging and labelling bearing the Transferee as manufacturer shall be inducted progressively following sanction of this Scheme (and, in the case of PET bottles, within the lead time required to effect the change), and the existing PET and returnable HOD bottle pool shall be relabelled or replaced and phased out progressively, rather than through an immediate one-time conversion, having regard to the size of the returnable pool, supplier capacity and the practical and sustainable completion of the transition. The parties shall pursue such approvals or confirmations from the relevant regulatory authorities in respect of the said transitional arrangements as may be required.

21. Costs, Fees, Stamp Duty and Taxes

21.1 All costs, charges, fees and expenses of and incidental to this Scheme and its implementation (including the fees of the auditors and legal advisers, and Court and filing fees) shall be borne and paid by the Transferor.

21.2 No stamp duty is chargeable in the Province of the Punjab on the transfer and vesting of the Water Business, or on any instrument effecting or evidencing the same, where such transfer and vesting is effected pursuant to this Scheme upon its sanction by the Court under the Act, and the parties shall be entitled to the benefit of such position accordingly. To the extent any asset comprised in the Water Business is situate in, or any instrument is required to be executed or registered in, a Province other than the Punjab, any stamp duty, registration fee or similar charge payable

thereon (if any) shall be borne by the Transferor, and the parties shall be entitled to claim the benefit of any exemption, remission or concessional treatment available under the applicable stamp and registration laws of the relevant Province in respect of transfers effected pursuant to a court-sanctioned scheme of arrangement or reconstruction.

21.3 The transfer and vesting of the Water Business under this Scheme is intended to qualify for tax-neutral treatment under Section 97A of the Income Tax Ordinance, 2001, the transfer being effected under a scheme of arrangement sanctioned by the Court.

22. Modifications and Amendments

The Transferor and the Transferee (acting through their respective Boards or duly authorised persons) may jointly, and with the sanction or leave of the Court where required, assent to, make or consent to any modification, amendment, addition or condition to this Scheme which the Court may deem fit to approve or impose, and may, by like consent, resolve all doubts or difficulties that may arise in carrying out and implementing this Scheme, and do all such acts, deeds and things as may be necessary, desirable or expedient for giving effect to this Scheme.

23. Effect of Non-Sanction

In the event that this Scheme is not sanctioned by the Court, or any of the conditions set out in Clause 18 is not satisfied (or waived or dispensed with), on or before [30 June 2028] (the "Long-Stop Date"), or such later date as the Boards of the Transferor and the Transferee may agree and the Court may approve, this Scheme shall stand revoked, cancelled and of no effect, and shall become null and void; in which event no rights or liabilities shall accrue to or be incurred inter se by the Transferor and the Transferee under or by virtue of this Scheme, save in respect of costs already incurred, which shall be borne and paid as provided in Clause 21, and the parties shall, so far as practicable, be restored to their respective positions as if this Scheme had not been proposed.

24. Severability

If any provision of this Scheme is or becomes invalid, illegal or unenforceable, that provision shall, to the extent required, be severed from this Scheme and rendered ineffective so far as is possible without modifying the remaining provisions, and shall not in any way affect the validity, legality or enforceability of the remaining provisions, provided that, if such severance materially alters the basis of this Scheme, the parties shall, with the leave of the Court, negotiate in good faith to amend the Scheme so as to achieve, as nearly as possible, the original commercial intent.

25. Filing and Effectiveness

25.1 Upon the sanction of this Scheme by the Court, the Transferor and the Transferee shall each file a certified copy of the Sanction Order with the Registrar in accordance with Section 282 of the Act.

25.2 The provisions of this Scheme shall be effective and binding by operation of law, and shall take effect in accordance with Clause 4. The execution and/or sanction of this Scheme, and the transfer and vesting of the Water Business pursuant to it, shall not: (a) constitute any assignment, transfer, devolution,

conveyance, alienation, parting with possession or other disposition under any law for the time being in force (other than as contemplated under Sections 279 to 283 of the Act); (b) give rise to any forfeiture or right of termination; (c) invalidate or discharge any Transferred Contract, Transferred Licence and Approval or Encumbrance, save to the extent provided in this Scheme; (d) give rise to any right of first refusal or pre-emptive right that any person may have in respect of the Transferor, the Transferee or the Water Business; or (e) constitute a contractual transfer, the same being a transfer and vesting by operation of law which shall not be affected by any contractual restriction on transfer, assignment or the like to which the Transferor is a party or by which it may be bound.

25.3 Without prejudice to the transfer and vesting of the Water Business taking effect from the Effective Date, any further acts, deeds, matters, things, processes or procedures required to be fulfilled or completed by or before any governmental or regulatory authority or any third party for the transfer, recording or practical continuation of the Water Business as a going concern by the Transferee shall be treated as acts and deeds in pursuance, and for the purposes, of implementing this Scheme, and not as separate transactions of transfer or otherwise between the Transferor and the Transferee.

25.4 Upon the sanction of this Scheme, and with effect from the Effective Date, the terms of this Scheme shall be binding on the Transferor and the Transferee, their respective members, creditors and employees, the customers, suppliers and other counterparties of the Water Business, and any other person having any right or liability in relation to the Water Business.

26. Governing Law and Jurisdiction

This Scheme shall be governed by, and construed in accordance with, the laws of the Islamic Republic of Pakistan, and the Court shall have exclusive jurisdiction in respect of all matters arising out of, or in connection with, this Scheme.

SCHEDULES

Schedule 1 — Auditor Certificate

Schedule 2 — Pro Forma Balance Sheet

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INDEPENDENT AUDITOR'S REPORT

To the members of Nestlé Pakistan Limited

Report on the Audit of the Special Purpose Financial Statements as at 30 June 2026

Opinion

We have audited the annexed special purpose financial statements of Nestlé Pakistan Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the period then ended, and notes to the special purpose financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the period then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2.1 to the special purpose financial statements, which describe the basis of accounting. The special purpose financial statements are prepared to assist the Company in complying with one of the requirements of the Section 282 of the Companies Act 2017, in respect of submission of Application for Scheme of Arrangement with the Honourable Lahore High Court. As a result, the special purpose financial statements may not be suitable for another purpose. Our report is intended solely for the Company and the Honourable Lahore High Court and should not be distributed to or used by parties other than the Company or the Honourable Lahore High Court. Our opinion is not modified in respect of this matter.

Other Matters - Comparative Interim Financial Statements and Comparative Information

a) The interim financial statement of the Company for the six-month period ended 30 June 2025 are unaudited.

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b) As part of our audit of the special purpose financial statements of the Company for the six-month period ended 30 June 2026, we also audited the corresponding figures presented in the interim statement of profit or loss, interim statement of comprehensive income, interim statement of changes in equity, interim statement of cash flows and notes thereto, relating to six-month period ended 30 June 2025, to the extent that they are included as an integral part of the current period special purpose financial statements to be read only in relation to the amounts and other disclosures relating to the current period. We were not engaged to audit and we have not audited the interim financial statements for the six-month period ended 30 June 2025 of the Company, other than with respect to comparability of current period figures. Accordingly, we do not express an opinion on the interim financial statements for the six-month period ended 30 June 2025 of the Company, as a whole.

Responsibilities of Management and the Board of Directors for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

EY Ford Rhodes
Chartered Accountants
Lahore: 20 November 2026
UDIN:AR202610120votbUXgEG

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Nestlé Pakistan Limited

Statement of Financial Position After Transfer of Assets & Liabilities Pertaining to Water & Premium Beverages

As at July 01, 2026

	Balance as per audited statement of financial position as at 30 June 2026	Transfer of Assets & Liabilities Pertaining to Water & Premium Beverages under the scheme	Adjustments to be incorporated Under the Scheme	Adjusted statement of financial position Nestlé Pakistan Limited after Transfer
	---------- (Rupees in '000) ----------			
ASSETS				
Non-current assets				
Property, plant and equipment	**29,304,101**	**(2,712,472)**	**-**	**26,591,629**
Capital work-in-progress	**1,733,626**	**(24,743)**	**-**	**1,708,883**
Intangible assets	**77,476**	**(10,879)**	**-**	**66,597**
Investment in Subsidiary		**-**	**3,761,754**	**3,761,754**
Deferred taxation	**5,407,293**	**-**	**-**	**5,407,293**
Long-term loans	**629,142**	**-**	**-**	**629,142**
	37,151,638	**(2,748,094)**	**3,761,754**	**38,165,298**
Current assets				
Current portion of long-term loans	**199,144**	**-**	**-**	**199,144**
Stores and spares	**4,848,853**	**(641,410)**	**-**	**4,207,443**
Stock-in-trade	**35,584,163**	**(441,125)**	**-**	**35,143,038**
Trade debts	**3,671,696**	**-**	**-**	**3,671,696**
Sales tax recoverable	**5,039,485**	**-**	**-**	**5,039,485**
Advances, deposits, prepayments and other receivables	**7,219,280**	**-**	**-**	**7,219,280**
Cash and bank balances	**2,287,764**	**(441,661)**	**-**	**1,846,103**
	58,850,385	**(1,524,196)**	**-**	**57,326,189**
TOTAL ASSETS	**96,002,023**	**(4,272,290)**	**3,761,754**	**95,491,487**

MAQSOOD AHMAD ANJUM
Chief Financial Officer

Joselito Jr A Avancena

JOSELITO JR AVANCENA
Chief Executive Officer

Syed Yawar Ali

SYED YAWAR ALI
Chairman / Director

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	Balance as per audited statement of financial position as at 30 June 2026	Transfer of Assets & Liabilities Pertaining to Water & Premium Beverages under the scheme	Adjustments to be incorporated Under the Scheme	Adjusted statement of financial position Nestlé Pakistan Limited after Transfer
	---------- (Rupees in '000) ----------			
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized capital				
75,000,000 (2025: 75,000,000) ordinary shares of PKR 10 each	**750,000**	**-**	**-**	**750,000**
Issued, subscribed and paid up capital	**453,496**	**-**	**-**	**453,496**
Share premium - capital reserve	**249,527**	**-**	**-**	**249,527**
General reserve - revenue reserve	**280,000**	**-**	**-**	**280,000**
Accumulated profits - revenue reserve	**18,654,232**	**-**	**-**	**18,654,232**
	19,637,255	**-**	**-**	**19,637,255**
Non-current liabilities				
Lease liabilities	**1,323,531**	**(68,875)**	**-**	**1,254,656**
Long-term employee benefits	**5,928,926**	**-**	**-**	**5,928,926**
	7,252,457	**(68,875)**	**-**	**7,183,582**
Current liabilities				
Current portion of lease liabilities	**359,284**	**-**	**-**	**359,284**
Running finance under mark-up arrangements - secured	**3,708,911**	**-**	**-**	**3,708,911**
Trade and other payables	**60,310,335**	**-**	**-**	**60,310,335**
Contract liabilities	**993,640**	**-**	**-**	**993,640**
Income tax payable	**3,147,340**	**-**	**-**	**3,147,340**
Interest and mark-up accrued	**43,246**	**-**	**-**	**43,246**
Customer security deposits	**441,661**	**(441,661)**	**-**	**-**
Unclaimed dividend	**107,894**	**-**	**-**	**107,894**
	69,112,311	**(441,661)**	**-**	**68,670,650**
TOTAL EQUITY AND LIABILITIES	**96,002,023**	**(510,536)**	**-**	**95,491,487**

MAQSOOD AHMAD ANJUM
Chief Financial Officer

JOSELITO JR AVANCENA
Chief Executive Officer

SYED YAWAR ALI
Chairman / Director

FORM OF PROXY

Nestlé Pakistan Ltd.

I/We, _____, of _____, being a member of Nestlé Pakistan Ltd., holder of _____ Ordinary Share(s) as per registered Folio No. _____ hereby appoint Mr. / Ms._____ Folio No. _____ of _____or failing him Mr. / Ms._____ Folio No. _____ of _____, who is also a member of Nestlé Pakistan Ltd., as my / our proxy in my / our absence to attend and vote for me / us, and on my / our behalf at Extra Ordinary General Meeting of the Company to be held on December 16, 2026 at 12:00 noon and at any adjournment thereof.

Signed under my / our hand this _____ day of _____, 2026.

Signature across Rs. 5 Revenue Stamp

Signature should agree with the specimen signature registered with the company

Signed in the presence of:

_____
Signature of Witness No. 1

Name: _____

CNIC No.: _____

_____
Signature of Witness No. 2

Name: _____

CNIC No.: _____

NOTES:

1. This instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation either under the common seal or under the hand of an official or attorney so authorised. Any person can be appointed as proxy who is not a member of the Company qualified to vote except that a corporation being a member may appoint a person who is not a member.

2. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at Nestlé Pakistan Limited, Packages Mall, Shahra-e-Roomi, PO Amer Sidhu,Lahore-54760, not later than 48 (forty eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of a proxy shall not be treated as valid.

AFFIX
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The Company Secretary

Nestlé Pakistan Ltd.

Packages Mall, Shahrah-e-Roomi, PO Amer Sidhu, Lahore,

Phone No. +92 42 111 637 853

Fax No. +92 42 3578 9303

www.nestle.pk

پراکسی فارم

نیسلے پاکستان لمیٹڈ

میں/ہم _____

برائے _____

نیسلے پاکستان لمیٹڈ کے ممبر (ممبران) کی حیثیت سے _____

عمومی شیئرز کی تحویل رکھتا ہوں/رکھتے ہیں _____

لہٰذا بذریعہ ہذا _____ کے/کی جناب/محترمہ _____

کو بحوالہ فولیو/CDC اکاؤنٹ نمبر یا ان کی جگہ _____

کے/کی جناب/محترمہ _____ بحوالہ فولیو/CDC اکاؤنٹ نمبر _____ کمپنی کے غیر معمولی اجلاس عام میں اپنی جگہ شرکت، رائے اور ووٹ دینے کے لئے اپنا پراکسی تقرر کرتا/کرتی ہوں/کرتے ہیں۔ یہ اجلاس ۱۶ دسمبر 2026 دوپہر 12:00 بجے التواء کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہوگا۔

میں/ہم بروز _____ بتاریخ _____ کو اپنے دستخط/مہر کے ساتھ اس امر کی تصدیق کرتا/کرتی ہوں/کرتے ہیں۔

مذکورہ بالا کے دستخط _____

ان کی موجودگی میں 1. _____

2. _____

فولیو/CDC اکاؤنٹ نمبر

پانچ روپے کی ریونیو مہر پر دستخط

یہ دستخط کمپنی کے پاس رجسٹرڈ نمونہ دستخط کے جیسے ہونے چاہئیں

اہم نکات:

1۔ باضابطہ، مکمل شدہ اور دستخط کردہ یہ پراکسی فارم کمپنی کے رجسٹرڈ آفس بمقام نیسلے پاکستان لمیٹڈ، پیکجز مال، شاہراہِ رومی، اَمر سدھو، لاہور میں اجلاس کے وقت سے 48 گھنٹے قبل پہنچ جانا چاہیئے۔

2۔ کمپنی کا ممبر نہ ہونے کی صورت میں کسی بھی فرد کو بطور پراکسی مقرر کیا جا سکتا، کارپوریشن جو ممبر کے علاوہ دوسرے فرد کو پراکسی نامزد کر سکتی ہے۔

3۔ CDC شیئر ہولڈر یا انکے پراکسی کی صورت میں اجلاس کے وقت اپنا درست سی این آئی سی یا درست پاسپورٹ بمع CDC پارٹیسپینٹ آئی ڈی اور اکاؤنٹ نمبر اپنی شناخت کے لئے پیش کرنا ہوگا۔

4۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹر کی قرارداد/پاور آف اٹارنی بمع نمونہ دستخط، پراکسی فارم کے ساتھ کمپنی کو پیش کئے جائیں (اگر وہ پہلے پیش نہ کئے گئے ہوں)۔

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