PAKISTAN TOBACCO COMPANY

Condensed Interim Financial Statements

for the nine months period ended September 30, 2025

Corporate Information

Board of Directors

Nasir Mahmood Khan Khosa
Chairman & Independent Director

Syed Ali Akbar
MD / CEO & Executive Director

Ahad Khan
Director Finance/IT

Syed Asad Ali Shah
Director Legal and Corporate &
Regulatory Affairs

Wael Sabra
Non-Executive Director

Usman Zahur
Non-Executive Director

Asif Jooma
Independent Director

M. Sualeh Ahmed Faruqui
Independent Director

Faisal Saif
Non-Executive Director

Mona Iskandarani
Non-Executive Director

Lt. Gen. (R) Najib Ullah Khan
Independent Director

Belinda Joy Ross
Non-Executive Director

Audit Committee

Asif Jooma (Chairman)

Syed Asad Ali Shah

Faisal Saif

Lt. Gen. (R) Najib Ullah Khan

Belinda Joy Ross

Wael Sabra

M. Sualeh Ahmed Faruqui

Syed Nigha Ali Kazmi (Secretary)

Company Secretary

Sami Zaman

Registered Office

Pakistan Tobacco Company Limited Serena
Business Complex, Khayaban-e-Suhrwardy.
P.O. Box 2549, Islamabad-44000
Telephone: +92 (051) 2083200, 2083201
Fax: +92 (051) 2604516
Web: www.ptc.com.pk

Factories

Akora Khattak Factory
P.O. Akora Khattak
Tehsil and District Nowshera,
Khyber Pakhtunkhwa
Telephone: +92 (0923) 561561-72
Fax: +92 (0923) 561502

Jhelum Factory
G.T. Road, Kala Gujran
Jhelum
Telephone: +92 (0544) 646500-7
Fax: +92 (0544) 646524

Bankers

MCB Bank Limited
MCB Islamic Bank Limited
Habib Bank Limited
National Bank of Pakistan
Citibank N.A.
Standard Chartered Bank (Pakistan) Limited
Deutsche Bank AG
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Soneri Bank Limited
United Bank Limited

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants
Sixth Floor, State Life Building No. 5
Jinnah Avenue, Blue Area, Islamabad. 44000
Telephone: +92 (051) 2823558
Fax: +92 (051) 2822671

Share Registrar

FAMCO Associates (Pvt.) Ltd.
8-F, Near Hotel Faran, Nursery, Block 6,
P.E.C.H.S, Shahrah-e-Faisal,
Karachi
Ph: +92 (021) 34380101-2

Directors' Review

The Directors of Pakistan Tobacco Company Limited (the "Company" or "PTC") are pleased to present the nine-month report along with the condensed interim financial statements for the period ended September 30, 2025.

Throughout the period under review, the Company continued to deliver strong shareholder value driven by continued strong performance of its consumer centric multi-category brand portfolio and thriving export business. This progress also reflects our commitment to operational discipline, efficient resource deployment and responsible business practices.

Whilst Combustible Cigarette category remains a core driver of value growth, PTC is also committed to the BAT Group's ambition of Building a Smokeless World. Our Modern-Oral category brand, Velo, continued its growth trajectory, with volumes increasing by 8% year-on-year with turnover up by 38%. Consumer adoption of Velo as a reduced-risk nicotine alternative continues to build momentum, reinforcing confidence in a strong year-end performance and continued value creation for stakeholders.

Despite these gains, the domestic market remains significantly impacted by the proliferation of non-duty paid (DNP) cigarettes, which now represent 55% of the total industry volume. This shift has positioned the illicit cigarette trade as the market leader, posing not only a serious threat to the viability of the legitimate sector but also severely impacting government revenues. Although enforcement actions have begun to check further growth of the illicit cigarette trade, a sustainable solution demands correction of the price disparity between duty-paid and non-compliant products. The 200% increase in Federal Excise Duty (FED) during Fiscal Year 2022–23 continues to distort market dynamics in favor of illicit players. Regulatory efforts have yet to fully address the issue, which is further exacerbated by weaknesses at the retail-level of the track-and-trace system. The fiscal impact is considerable, with annual revenue losses now estimated to exceed PKR 300 billion—contributing materially to Pakistan's widening budget deficit.

Key financial indicators for the nine-month period ending September 30, 2025:

	Rs (million)	
	Jan - Sep, 2025	**Jan - Sep, 2024**
Gross Turnover	**274,892**	262,423
FED & Sales Tax	**(172,344)**	(174,304)
Net Turnover	**102,548**	88,119
Cost of Sales	**(50,130))**	(46,059)
Gross Profit	**52,418**	42,060
Operating Profit	**40,463**	30,862
Profit Before Tax – PBT	**41,557**	35,615
Profit After Tax – PAT	**24,518**	19,915
Earnings Per Share – EPS (Rs)	**95.96**	77.95

The Company maintained its growth momentum in the third quarter of 2025, with Gross Turnover and Net Turnover increasing by 5% and 16% respectively, compared to the same period last year. Export turnover grew by an impressive 72%, reinforcing the success of our strategic focus on international markets. PTC exported 'Made in Pakistan' products across Asia including Japan, GCC countries, Africa, Europe and South America.

Export-led growth continued to play a pivotal role in offsetting a 3% volume decline in the domestic combustible cigarette business driven by the persistent price disparity between duty-paid and illicit products.

Despite the headwinds, PTC continues to invest in brands and capabilities to deliver world-class products to our domestic and international consumers while maintaining quality, cost discipline and strategic pricing across a multi-category portfolio. All these efforts contributed to a growth in Operating Profit and Profit After Tax of 31% and 23% respectively for the nine-month period ending September 30, 2025.

The results reflect PTC's commitment to building a globally competitive multi-category nicotine business while navigating complex domestic challenges and contributing to Pakistan's broader export-led growth agenda.

In recognition of this robust operational and financial performance, the Board of Directors declared an interim dividend of PKR 30 per share on September 26, 2025. This brings the total dividend declared to date to PKR 130 per share, underscoring the Company's continued focus on delivering shareholder returns through consistent value growth across all business categories.

Looking ahead, PTC will continue making bold strategic choices, science-led innovation, investments in brands for the consumer, agile risk management and a relentless pursuit of efficiency. The Company is well-positioned to sustain its growth trajectory and deliver on BAT Group's vision of Building a Smokeless World.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

مجموعی آمدنی اور خالص آمدنی میں پچھلے سال کی اسی مدت کے مقابلے میں بالترتیب 5 فی صد اور 16 فی صد اضافے کے ساتھ کمپنی کی نمو کی رفتار 2025 کی تیسری سہ ماہی میں بھی جاری رہی۔ مصنوعات کی برآمد میں 72 فی صد کا متاثر کن اضافہ ہیوا جو بین الاقوامی مارکیٹوں پر ہماری سٹر ٹیجک توجہ کی کامیابیوں کو تقویت دیتا ہے۔ پی ٹی سی نے جاپان سمیت ایشیا بھر میں، خلیج تعاون کونسل کے ممبر ممالک، افریقہ، یورپ اور جنوبی امریکہ میں اپنی 'پاکستان ساختہ' مصنوعات برآمد کیں۔

برآمدات میں اضافہ نے ڈیوٹی پیڈ اور غیر قانونی مصنوعات کے درمیان قیمتوں کے مسلسل تفاوت کی وجہ سے مقامی Combustible سگریٹ کے بزنس کے حجم میں 3 فی صد کی کمی کو پورا کرنے میں اہم کردار ادا کیا۔

مشکلات کے باوجود پی ٹی سی متعدد کیٹیگریز میں اپنے معیار، لاگت ڈسپلن اور سٹر ٹیجک قیمتوں کو برقرار رکھتے ہوئے اپنی مقامی اور بین الاقوامی صارفین کو عالمی معیار کی مصنوعات کی فراہمی یقینی بنانے کے لئے پی ٹی سی اپنے برانڈز اور صلاحیتوں میں بہتری لانے کے لئے کوشاں ہے۔ ان تمام کوششوں کی بدولت 30 ستمبر 2025 کو ختم ہونے والی نوماہ کی مدت کے دوران آپریٹنگ منافع اور ٹیکس کی ادائیگی کے بعد منافع میں بالترتیب 31 فیصد اور 23 فی صد اضافہ ہوا۔

یہ نتائج پی ٹی سی کی طرف سے مقامی پیچیدہ چیلنجوں سے عہدہ برآ ہوتے ہوئے اور پاکستان کے وسیع تر برآمدی ترقی کے ایجنڈے میں اپنا کردار ادا کرتے ہوئے عالمی سطح پر نکوٹین کے مختلف کیٹیگریز کے مسابقتی بزنس قائم کرنے کے پی ٹی سی کے عزم کے آئینہ دار ہیں۔

اس پختہ آپریشنل اور مالیاتی کارکردگی کے اعتراف میں بورڈ آف ڈائریکٹرز نے 26 ستمبر 2025 کو 30 پاکستانی روپے والے حصص پر عبوری منافع کا اعلان کیا۔ اس سے آج تک اعلان کیا جانے والا کل منافع 130 پاکستانی روپے فی حصص ہو گیا ہے جس سے تمام بزنس کیٹیگریز میں ویلیو کی مسلسل نمو کے ذریعے حصص یافتگان کو منافع پہنچانے پر کمپنی کی متواتر توجہ کی عکاسی ہوتی ہے۔

پیش بینی کرتے ہوئے پی ٹی سی اپنے صارفین کے لئے بولڈ سٹر ٹیجک انتخاب، سائنسی اختراعات، ابرانڈز میں سرمایہ کاری، چستی کے ساتھ رسک سے عہدہ برآ ہونے اور لگاتار جہد وجہد کو جاری رکھے گی۔ کمپنی اپنی ترقی کی رفتار کو برقرار رکھنے اور دھوئیں سے پاک دنیا کی تعمیر کے BAT گروپ کے وژن پر عمل درآمد کیلئے بہترین پوزیشن میں ہے۔

سید علی اکبر
مینجنگ ڈائریکٹر / سی ای او

احد خان
سی ایف او اور ڈائریکٹر

ڈائریکٹرز کی جائزہ رپورٹ۔ سال 2025 کی تیسری سہ ماہی

پاکستان ٹوبیکو کمپنی لمٹیڈ (" کمپنی" یا "پی ٹی سی") کے ڈائریکٹرز 30 ستمبر 2025 کو ختم ہونے والی نو مہینے کی مدت کی رپورٹ بمعہ مختصر عبوری مالیاتی گوشوارہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

زیر جائزہ مدت کے دوران کمپنی کی طرف سے اپنے صارفین پر مرتکز مختلف کیٹیگریز کے برانڈز کی روزافزوں کارکردگی اور نمو پذیر برآمدی بزنس کو برقرار رکھتے ہوئے حصص یافتگان کو مضبوط ویلیو کی فراہمی جاری رکھی گئی۔ یہ پیش رفت کام میں نظم وضبط، وسائل کے موثر استعمال اور بزنس کے ذمہ دارانہ طریقہ ہائے کار کے ہمارے عزم کی عکاسی کرتی ہے۔

اس وقت جبکہ سگریٹ کی آتش گیر (Combustible) کیٹیگری ویلیو میں اضافے کا بنیادی محرک بنی ہوئی ہے، پی ٹی سی بھی BAT گروپ کے دھوئیں سے پاک دنیا کے قیام کے عزم سے وابستہ ہے۔ ہمارا جدید اورل کیٹیگری کے برانڈ Velo حجم میں ہر سال 8 فی صد اور آمدنی میں 38 فی صد اضافے کے ساتھ اپنی نمو جاری رکھے ہوئے ہے۔ صارفین کی طرف سے Velo کو کم رسک والی متبادل نکوٹین کے طور پر اپنانے میں برابر اضافہ ہو رہا ہے جس سے ہماری ہر سال اعلیٰ کارکردگی نیز سٹیک ہولڈرز کے لئے ویلیو میں مسلسل اضافہ کے تیئں ہمارے اعتماد کو جلا ملتی ہے۔

ان تمام کامیابیوں کے باوجود مقامی مارکیٹ جو اس وقت صنعت کے مجموعی حجم کا 55 فی صد ہے، نان ڈیوٹی پیڈ (non-duty paid - DNP) سگریٹ کے پھیلاؤ سے برابر متاثر ہو رہی ہے۔ اس تبدیلی سے سگریٹ کی غیر قانونی تجارت کو مارکیٹ میں غلبہ حاصل ہو گیا ہے جس سے نہ صرف جائز شعبہ کی بقا کو خطرہ لاحق ہو گیا ہے بلکہ اس سے حکومت کے محصولات بھی شدید متاثر ہو رہے ہیں۔ اگرچہ سگریٹ کی غیر قانونی تجارت میں مزید اضافہ روکنے کے لئے انسدادی کاروائیاں شروع ہو چکی ہیں لیکن اس صورت حال کا ایک پائیدار حل ڈیوٹی پیڈ اور نان ڈیوٹی پیڈ مصنوعات کی قیمتوں میں تفاوت کی درستگی کا متقاضی ہے۔ مالی سال 23=2022 کے دوران فیڈرل ایکسائز ڈیوٹی (FED) میں 200 فی صد اضافہ مارکیٹ کی حرکیات کو مسخ کر رہا ہے جس سے غیر قانونی تجارت کرنے والوں کو فائدہ پہنچ رہا ہے۔ باقاعدگی لانے کی کوششوں سے اس مسئلہ پر جو ٹریک اینڈ ٹریس سسٹم کی خوردہ سطح پر کمزوریوں کی وجہ سے مزید سنگین ہو گیا ہے، ابھی تک مکمل قابو نہیں پایا جا سکا۔ اس کے مالیاتی اثرات جو سالانہ آمدنی کے نقصانات ایک اندازے کے مطابق 300 ارب پاکستانی روپے سے تجاوز کر کے پاکستان کے بڑھتے ہوئے بجٹ خسارے کا سبب بن رہے ہیں، غور کے متقاضی ہیں۔

30 ستمبر 2025 کو ختم ہونے والی نو ماہ کی مدت کے لئے اہم مالی اعشاریے ذیل میں دیئے گئے ہیں:

		روپے (ملین)	
		جنوری۔ ستمبر, 2025	جنوری۔ ستمبر, 2024
مجموعی کاروبار	(Gross Turnover)	274,892	262,423
فیڈرل ایکسائز ڈیوٹی اور سیلز ٹیکس	(FED & Sales Tax	(172,344)	(174,304)
خالص وصولیات	(Net Turnover)	102,548	88,119
لاگت برائے فروخت	(Cost of Sales)	(50,130)	(46,059)
کل منافع	(Gross Profit)	52,418	42,060
کاروباری منافع	(Operating Profit)	40,462	30,862
قبل از ٹیکس منافع	(Profit Before Tax – PBT)	41,557	35,615
بعد از ٹیکس منافع	(Profit After Tax – PAT)	24,518	19,915
آمدنی فی حصص (روپے)	(Earnings Per Share – EPS (Rs)	95.96	77.95

Condensed Interim Profit or Loss (Un-audited)
for the Nine months period ended September 30, 2025

	Note	Three months ended Sep 30, 2025 Rs. '000	Three months ended Sep 30, 2024 Rs. '000	Nine months ended Sep 30, 2025 Rs. '000	Nine months ended Sep 30, 2024 Rs. '000
Domestic turnover		89,251,026	76,492,306	263,089,123	255,544,869
Export turnover		1,554,105	4,621,514	11,803,196	6,877,990
Gross turnover		90,805,131	81,113,820	274,892,319	262,422,859
Excise duties		(43,409,471)	(38,990,447)	(130,280,153)	(133,873,541)
Sales tax		(14,240,543)	(12,192,103)	(42,064,030)	(40,430,215)
Net turnover		33,155,117	29,931,270	102,548,136	88,119,103
Cost of sales	7	(13,577,861)	(11,508,918)	(50,130,030)	(46,058,983)
Gross profit		19,577,256	18,422,352	52,418,106	42,060,120
Selling and distribution costs		(1,319,320)	(1,302,367)	(5,007,101)	(5,104,468)
Administrative expenses		(883,785)	(725,866)	(4,165,509)	(3,888,916)
Other expenses	8	(1,248,182)	(1,071,691)	(3,115,584)	(2,339,280)
Other income	9	200,105	32,411	332,884	135,021
		(3,251,182)	(3,067,513)	(11,955,310)	(11,197,643)
Operating profit		16,326,074	15,354,839	40,462,796	30,862,477
Finance income	10	577,225	1,480,971	1,685,407	5,898,612
Finance cost		(191,493)	(386,200)	(590,815)	(1,145,857)
Net finance income		385,732	1,094,771	1,094,592	4,752,755
Profit before income tax		16,711,806	16,449,610	41,557,388	35,615,232
Income tax expense	11	(6,453,191)	(7,531,587)	(17,039,237)	(15,700,643)
Profit for the period		10,258,615	8,918,023	24,518,151	19,914,589
Earnings per share - basic and diluted (Rupees)		40.15	34.91	95.96	77.95

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

for the Nine months period ended September 30, 2025

	Three months ended		Nine months ended	
	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000
Profit for the period	10,258,615	8,918,023	24,518,151	19,914,589
-Remeasurement gain/(loss) on defined benefit pension and gratuity plans	-	-	224,653	(162,882)
-Tax (credit)/charge related to remeasurement gain/(loss) on defined benefit plans	-	-	(87,615)	63,524
	-	-	137,038	(99,358)
Total comprehensive income for the period	10,258,615	8,918,023	24,655,189	19,815,231

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

Condensed Interim Statement of Financial Position (Un-audited)

as at September 30, 2025

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
Non current assets			
Property, plant and equipment	12	25,883,342	24,686,758
Advances for capital expenditure		777,692	1,681,630
Long term investment in subsidiary company	13	5,000	5,000
Long term deposits and prepayments		36,599	27,895
		26,702,633	26,401,283
Current assets			
Stock-in-trade		55,418,500	48,841,991
Stores and spares		752,269	605,175
Trade debts		4,200	3,364
Loans and advances	14	3,583,350	273,629
Short term prepayments		112,648	277,399
Other receivables	15	5,340,381	4,771,361
Short term investments	16	3,501,067	-
Cash and bank balances	17	6,034,469	13,302,754
		74,746,884	68,075,673
Current liabilities			
Trade and other payables	18	32,368,768	28,526,300
Other liabilities		2,708,450	2,741,079
Lease liability	20	646,234	719,693
Unpaid dividend		7,808,867	142,980
Unclaimed dividend		179,586	133,968
Current income tax liabilities		6,292,947	4,270,399
		50,004,852	36,534,419
Net current assets		24,742,032	31,541,254
Non current liabilities			
Lease liability	20	3,066,410	3,161,701
Deferred tax liabilities		2,814,597	2,490,869
		5,881,007	5,652,570
Net assets		45,563,658	52,289,967
Share capital and reserves			
Share capital	21	2,554,938	2,554,938
Capital reserve		10,756,197	8,923,501
Revenue reserve - Unappropriated profit		32,252,523	40,811,528
		45,563,658	52,289,967
Contingencies and commitments	22		

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

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

for the Nine months period ended September 30, 2025

	Share capital Rs. '000	Revenue reserves Rs. '000	Capital reserve Rs. '000	Total Rs. '000
Balance at January 1, 2024	2,554,938	44,718,031	4,042,204	51,315,173
Total comprehensive income for the period:				
Profit for the period	-	19,914,589	-	19,914,589
Other comprehensive income	-	(99,358)	-	(99,358)
Total comprehensive income for the period	-	19,815,231	-	19,815,231
Free of cost services and exempted recharges	-	-	3,164,450	3,164,450
Transactions with owners of the Company:				
1st Interim dividend for the year ending December 31, 2024 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
2nd Interim dividend for the year ending December 31, 2024 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
3rd Interim dividend for the year ending December 31, 2024 @ Rs. 35 per share	-	(8,942,283)	-	(8,942,283)
	-	(24,271,911)	-	(24,271,911)
Balance at September 30, 2024	2,554,938	40,261,351	7,206,654	50,022,943
Balance at January 1, 2025	2,554,938	40,811,528	8,923,501	52,289,967
Total comprehensive income for the period:				
Profit for the period	-	24,518,151	-	24,518,151
Other comprehensive income	-	137,038	-	137,038
Total comprehensive income for the period	-	24,655,189	-	24,655,189
Free of cost services and exempted recharges	-	-	1,832,696	1,832,696
Transactions with owners of the Company:				
1st Interim dividend for the year ending December 31, 2025 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
2nd Interim dividend for the year ending December 31, 2025 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)

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

for the Nine months period ended September 30, 2025

	Share capital Rs. '000	Revenue reserves Rs. '000	Capital reserve Rs. '000	Total Rs. '000
3rd Interim dividend for the year ending December 31, 2025 @ Rs. 40 per share	-	(10,219,752)	-	(10,219,752)
4th Interim dividend for the year ending December 31, 2025 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
		(33,214,194)		(33,214,194)
Balance at September 30, 2025	2,554,938	32,252,523	10,756,197	45,563,658

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

Condensed Interim Statement of Cash Flows (Un-audited)
for the Nine months period ended September 30, 2025

	Note	Nine months ended Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000
Cash flows from operating activities			
Cash generated from operations	23	38,140,405	28,228,370
Finance cost paid		(521,150)	(569,580)
Income tax paid		(14,692,961)	(13,844,843)
Contribution to retirement benefit funds		(528,558)	(465,652)
Net cash from operating activities		22,397,736	13,348,295
Cash flows from investing activities			
Purchases of property, plant and equipment		(2,689,521)	(2,462,113)
Advances for capital expenditure		903,938	986,553
Proceeds from sale of property, plant and equipment		875,086	280,239
Interest received		1,685,407	5,898,612
Net cash from investing activities		774,910	4,703,291
Cash flows from financing activities			
Dividends paid		(25,502,689)	(29,838,670)
Lease payments		(1,437,175)	(1,460,469)
Net cash used in financing activities		(26,939,864)	(31,299,139)
Net increase in cash and cash equivalents		(3,767,218)	(13,247,553)
Cash and cash equivalents at January 1		13,302,754	32,496,594
Cash and cash equivalents at Sep 30		9,535,536	19,249,041
Cash and cash equivalents comprise:			
Short-term investments	16	3,501,067	13,410,020
Cash and bank balances	17	6,034,469	5,839,021
		9,535,536	19,249,041

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

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

for the Nine months period ended September 30, 2025

1. The Company and its operations

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on 18 November 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is a subsidiary of the British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The Company is engaged in the manufacture and sale of cigarettes, tobacco and modern oral nicotine products category.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad.

2. Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

3. Basis of preparation

These condensed interim financial statements should be read in conjunction with the Company's latest annual financial statements as at and for the year ended December 31, 2024 ('last annual financial statements'). This condensed interim financial information does not include all of the information required for a complete set of financial statements prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Comparative figures of condensed interim statement of financial position are extracted from annual financial statements as of December 31, 2024 whereas comparative figures of condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited condensed interim financial statements of the Company for the nine months period ended September 30, 2024.

These condensed interim financial statements are un-audited and being submitted to the members of the Company as required under Section 237 of the Companies Act 2017, and the listing regulations of the Pakistan Stock Exchange.

4. Use of judgements and estimates

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty including measurement of fair values were the same as those described in the last annual financial statements.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

for the Nine months period ended September 30, 2025

5. Material accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements as at and for the year ended December 31, 2024.

6. Standards issued but not effective

A number of new accounting standards and amendments to accounting standards are effective for annual reporting periods beginning after January 01, 2025 and earlier application is permitted. However, the Company has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed interim financial statements.

	Three months ended		Nine months ended	
	Sep 30, 2025	Sep 30, 2024	Sep 30, 2025	Sep 30, 2024
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
7. Cost of sales				
Raw material consumed:				
Opening stock of raw materials and work in process	31,847,983	35,023,364	47,691,848	43,531,233
Raw material purchases and expenses	32,228,403	26,871,117	49,307,246	48,189,775
Excise duty, customs duty, regulatory duty and tobacco development cess etc.	295,240	308,087	1,137,377	642,838
Closing stock of raw materials and work in process	(52,768,290)	(51,641,549)	(52,768,290)	(51,641,549)
	11,603,336	10,561,019	45,368,181	40,722,297
Production overheads	2,284,180	1,779,451	5,693,365	5,073,215
	13,887,516	12,340,470	51,061,546	45,795,512
Cost of finished goods				
Opening stock	2,340,555	2,046,045	1,718,694	3,141,068
Closing stock	(2,650,210)	(2,877,597)	(2,650,210)	(2,877,597)
	(309,655)	(831,552)	(931,516)	263,471
	13,577,861	11,508,918	50,130,030	46,058,983
8. Other expenses				
Workers' Profit Participation Fund (WPPF)	908,503	885,164	2,242,150	1,735,905
Workers' Welfare Fund (WWF)	339,679	186,527	873,434	603,375
	1,248,182	1,071,691	3,115,584	2,339,280
9. Other income				
Gain on disposal of property, plant and equipment	199,211	31,557	330,011	132,392
Others	894	854	2,873	2,629
	200,105	32,411	332,884	135,021

Notes to the Condensed Interim Financial Statements (Un-audited)
for the Nine months period ended September 30, 2025

10. Finance income

This includes profit from placement with banks in saving accounts, term deposit and treasury bills earned under interest arrangement. The interest rates range between 8.00% and 13.29% (nine months period ended Sep 30, 2024:16.00% and 22.64%) per annum and is received on maturity.

11. Income tax expense

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

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
12. Property, plant and equipment			
Operating assets	12.1	21,093,438	20,288,997
Capital work in progress	12.2	4,789,904	4,397,761
		25,883,342	24,686,758
12.1 Operating assets			
Carrying amount at January 01		20,288,997	19,029,849
Additions during the period/year:			
- Owned assets			
Building		125,918	88,238
Plant and machinery		1,060,858	1,446,375
Office and household equipment		926,285	489,687
Furniture and fittings		184,317	-
Vehicles		-	56,286
		2,297,378	2,080,586
- Right of use assets IFRS16		225,133	925,030
- Leased assets			
Vehicles		914,382	761,811
		3,436,893	3,767,427

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

for the Nine months period ended September 30, 2025

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
Disposals during the period/year (net book value):			
- Owned assets			
Building		-	-
Plant and machinery		(343,417)	(52,180)
Office and household equipment		-	(22)
Furniture and fittings		-	(346)
Vehicles		-	(10,295)
		(343,417)	(62,843)
- Right of use assets IFRS16		(4,603)	(2,599)
- Leased assets			
Vehicles		(197,055)	(197,804)
		(545,075)	(263,246)
Depreciation/impairment charge for the period/year:		(2,087,377)	(2,245,033)
Carrying amount at September 30/ December 31		21,093,438	20,288,997

12.1.1 During the nine months period ended September 30, 2025, the Company acquired assets, including transfers from capital work in progress, amounting to Rs. 3,436,893 thousand (nine months period ended September 30, 2024: Rs. 2,600,272 thousand). Operating fixed assets having net book value of Rs. 545,075 thousand were disposed off during nine months period ended September 30, 2025 (nine months period ended September 30, 2024: Rs. 147,847 thousand). Depreciation / impairment charge for nine months period ended September 30, 2025 was Rs. 2,087,377 thousand (nine months period ended September 30, 2024: Rs. 1,809,185 thousand).

	Sep 30, 2025 (Unaudited) Rs. '000	Dec31, 2024 (Audited) Rs. '000
12.2 Capital work in progress		
Carrying value as at the beginning of the period	4,397,761	2,641,929
Additions during the period/year	2,508,157	3,084,243
	6,905,918	5,726,172
Transferred to operating fixed assets	(2,116,014)	(1,328,411)
Carrying value as at end of the period	4,789,904	4,397,761

13. Long term investment in subsidiary company

This represents 500,001 (December 31, 2024: 500,001) fully paid ordinary shares of Rs.10 each in Phoenix (Private) Limited, a wholly owned subsidiary of the Company which has not yet commenced commercial production. The break up value of shares calculated by reference to net assets worked out to be Rs.10 per share based on financial statements for the nine months period ended September 30, 2025.

14. Loans and advances

These include non-interest bearing advances to employees of Rs. 45,845 thousand (December 31, 2024: Rs. 31,953 thousand).

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

for the Nine months period ended September 30, 2025

15. Other receivables

These include following balances due from related parties:

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
Holding company / associated companies		4,025,789	3,614,648
Subsidiary company		20,021	20,021
Employees retirement benefit plans		851,968	473,585

16. Short term investment

At fair value through profit or loss (FVTPL):			
- Market treasury bills		3,501,067	-

The treasury bills are held for trading and have been invested at 11.13% per anum for two days (December 31, 2024 : Nil).

17. Cash and bank balances

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '00
Cash at banks			
- saving accounts		4,017	3,834
- current accounts	17.1	6,030,452	13,298,920
		6,034,469	13,302,754

17.1 These include balances of Rs. 4,438,842 thousand (December 31, 2024: Rs. 3,249,747 thousand) held in foreign currency accounts.

Notes to the Condensed Interim Financial Statements (Un-audited)
for the Nine months period ended September 30, 2025

	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
18. Trade and other payables		
18.1 These include following balances due to related parties:		
Holding company / associated companies	1,967,753	2,955,570
Employees retirement benefit plans	69,523	264,892

18.2 These also include 'contract liabilities' representing advances from customers amounting to Rs 958,742 thousand (December 31, 2024: Rs 107,222 thousand).

19. Short term running finance - secured

Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 18,000 million (December 31, 2024: Rs.18,000 million), which remained unavailed at the period end. These facilities are secured by hypothecation of stock in trade and plant and machinery amounting to Rs.20,002 million (December 31, 2024: Rs.20,002 million). The mark-up ranges between 11.31% and 13.55% (December 31, 2024: 13.40% and 22.54%) per annum and is payable quarterly. The facilities are renewable on annual basis.

20. Lease liability

This represents lease agreements entered into with various lessors on account of vehicle and property leases. Total gross lease rentals due under various lease agreements aggregate to Rs. 3,712,644 thousand - short term Rs. 646,234 thousand and long term Rs. 3,066,410 thousand (December 31, 2024: Rs 3,881,394 thousand - short term Rs 719,693 thousand and long term Rs 3,161,701 thousand).

Financing rates of 9% to 23% (December 31, 2024: 11% to 23%) per annum have been used as discounting factor.

21. Share capital

Authorised share capital of the Company is Rs. 3,000,000 thousand (December 31, 2024: Rs. 3,000,000 thousand) divided into 300,000,000 ordinary shares of Rs. 10 each. Issued, subscribed and paid up capital of the Company is Rs. 2,554,938 thousand (December 31, 2024: Rs. 2,554,938 thousand) divided into 255,493,792 ordinary shares of Rs. 10 each.

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

for the Nine months period ended September 30, 2025

	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
22. Contingencies and commitments		
22.1 Contingencies		
Claims and guarantees		
Claims against the Company not acknowledged as debt	3,024	3,024
Guarantees issued by banks on behalf of the Company	1,335,848	1,229,900
Post dated cheques to the Collector of Customs	6,423,688	6,423,688

Litigation

There is no significant change to status of litigations disclosed in annual financial statements for the year ended 31 December 2024.

	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
22.2 Commitments		
Capital expenditure	3,148,116	-
Letters of credit outstanding	4,671,068	5,239,845

	Nine months ended	
	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000
23. Cash generated from operations		
Profit before income tax	41,557,388	35,615,232
Adjustment for non-cash items:		
- Depreciation/impairment	2,087,377	1,809,185
- (Gain) on disposal of property, plant and equipment	(330,011)	(132,392)
- Finance cost	521,150	569,580
- Finance income	(1,685,407)	(5,898,612)
- Exchange (gain)/loss	(248,257)	512,596
- Information technology cost	1,832,696	3,164,450
- Provision for staff retirement benefit plans	469,011	399,749
	2,646,559	424,556
Changes in working capital:		
- Stock-in-trade	(6,576,509)	(7,846,845)
- Stores and spares	(147,094)	(48,384)
- Trade debts	(836)	2,677,861
- Loans and advances	(3,309,721)	(643,626)
- Short term prepayments	164,751	73,492
- Other receivables	(190,637)	405,126
- Trade and other payables	4,037,837	(2,429,561)
- Other liabilities	(32,629)	(13,981)
	(6,054,838)	(7,825,918)
Changes in long term deposits and prepayments	(8,704)	14,500
	38,140,405	28,228,370

24. Financial instruments

24.1 Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Fair value through profit or loss	Amortized cost	Total	Fair value through profit or loss	Amortized cost	Total
	Rs. '000			Rs. '000		
Financial assets measured at fair value						
Short-term investment	3,501,067	-	3,501,067	-	-	-
Financial assets not measured at fair value						
Deposits	-	36,599	36,599	-	27,895	27,895
Trade debts	-	4,200	4,200	-	3,364	3,364
Other recievables	-	4,488,413	4,488,413	-	4,054,209	4,054,209
Cash and bank balances	-	6,034,469	6,034,469	-	13,302,754	13,302,754
	3,501,067	10,563,681	14,064,748	-	17,388,222	17,388,222
Financial liabilities not measured at fair value						
Trade and other payables	-	(20,240,032)	(20,240,032)	-	(15,897,623)	(15,897,623)
Other liabilities	-	(2,708,450)	(2,708,450)	-	(2,741,079)	(2,741,079)
Finance lease obligation	-	(3,712,644)	(3,712,644)	-	(3,881,394)	(3,881,394)
Unpaid dividend	-	(7,808,867)	(7,808,867)	-	(142,980)	(142,980)
Unclaimed dividend	-	(179,586)	(179,586)	-	(133,968)	(133,968)
	-	(34,649,579)	(34,649,579)	-	(22,797,044)	(22,797,044)

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

The Company has not disclosed the fair values of financial assets and financial liabilities as these are for short-term or reprice over short-term. Therefore, the carrying amounts are reasonable approximation of their fair values.

24.2 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended December 31, 2024.

Notes to the Condensed Interim Financial Statements (Un-audited)
for the Nine months period ended September 30, 2025

25. Related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (December 31, 2024: 94.34%) shares of the Company. Therefore, all the subsidiaries and associated undertakings of BAT-IL and the ultimate parent company British American Tobacco, p.l.c (BAT) are related parties of the Company. The related parties also include directors and their relatives, key management personnel and their relatives, entities in which directors have interest or common directorship, subsidiary and associated companies and subsidiaries of holding company, post-employment benefit plans and persons or entities having control or joint control or having significant influence over the Company.

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

	Three months ended		Nine months ended	
	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000
Purchase of goods and services from				
Holding company	63,828	(1,399,187)	(67,118)	(1,400,940)
Associated companies	331,764	203,181	916,227	1,201,531
Sale of goods and services to				
Associated companies	1,571,800	1,092,304	5,534,324	3,139,040
Dividend				
Holding company	16,873,860	15,668,584	31,337,168	22,900,238
Associated companies	55,880	51,888	103,777	75,837
Employees retirement benefit plans - expense				
Staff pension fund	-	2,775	-	18,647
Staff defined contribution pension fund	75,642	64,796	220,312	178,249
Employees' gratuity fund	42,456	37,660	128,462	103,937
Management provident fund	34,421	30,076	101,922	82,673
Employees' provident fund	6,062	5,526	18,315	16,243

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

for the Nine months period ended September 30, 2025

26. Operating segments

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

27. Events after the reporting date

The Board of Directors in its meeting held on October 24, 2025 has declared interim dividend of Rs. 20.00 (2024: Rs. 30.00) per share. This interim dividend of Rs. 5,109,876 thousand (2024: Rs. 7,664,814 thousand) will be recorded as liability in the annual financial statements for the year ending on December 31, 2025 as required by the IAS 10 'Events after the Reporting Period'. These condensed interim financial statements do not reflect this dividend.

28. Comparative figures

The following comparative figures have been reclassified in condensed interim financial statements for the nine months period ended 30 September, 2025. Impact of reclassifications on the comparative figures are disclosed below:

	As previously reported	Reclassification	As reported now
		Rs. '000	
Condensed interim statement of profit or loss for the nine months period ended September 30, 2025			
Other expenses			
Bank charges and fees	63,681	(63,681)	-
Foreign exchange loss	512,596	(512,596)	-
Finance cost			
Bank charges and fees	-	63,681	63,681
Foreign exchange loss	-	512,596	512,596

The purpose of these reclassifications was to improve presentation and facilitate comparison, with no impact on Company's profitability, net assets or equity.

The above reclassifications are not material in the context of overall condensed interim financial statements, therefore a third column of balance sheet has not been presented.

29. Date of authorisation for issue

These condensed interim financial statements have been authorised for issue by the Board of Directors of the Company on October 24, 2025.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

Consolidated Condensed Interim Financial Statements

for the Nine months period ended September 30, 2025

Consolidated Condensed Interim Profit or Loss (Un-audited)

for the Nine months period ended September 30, 2025

	Note	Three months ended Sep 30, 2025 Rs. '000	Three months ended Sep 30, 2024 Rs. '000	Nine months ended Sep 30, 2025 Rs. '000	Nine months ended Sep 30, 2024 Rs. '000
Domestic turnover		89,251,026	76,492,306	263,089,123	255,544,869
Export turnover		1,554,105	4,621,514	11,803,196	6,877,990
Gross turnover		90,805,131	81,113,820	274,892,319	262,422,859
Excise duties		(43,409,471)	(38,990,447)	(130,280,153)	(133,873,541)
Sales tax		(14,240,543)	(12,192,103)	(42,064,030)	(40,430,215)
Net turnover		33,155,117	29,931,270	102,548,136	88,119,103
Cost of sales	7	(13,577,861)	(11,508,918)	(50,130,030)	(46,058,983)
Gross profit		19,577,256	18,422,352	52,418,106	42,060,120
Selling and distribution costs		(1,319,320)	(1,302,367)	(5,007,101)	(5,104,468)
Administrative expenses		(883,785)	(725,866)	(4,165,509)	(3,888,916)
Other expenses	8	(1,248,182)	(1,071,691)	(3,115,584)	(2,339,280)
Other income	9	200,105	32,411	332,884	135,021
		(3,251,182)	(3,067,513)	(11,955,310)	(11,197,643)
Operating profit		16,326,074	15,354,839	40,462,796	30,862,477
Finance income	10	577,225	1,480,971	1,685,407	5,898,612
Finance cost		(191,493)	(386,200)	(590,815)	(1,145,857)
Net finance income		385,732	1,094,771	1,094,592	4,752,755
Profit before income tax		16,711,806	16,449,610	41,557,388	35,615,232
Income tax expense	11	(6,453,191)	(7,531,587)	(17,039,237)	(15,700,643)
Profit for the period		10,258,615	8,918,023	24,518,151	19,914,589
Earnings per share - basic and diluted (Rupees)		40.15	34.91	95.96	77.95

The annexed notes 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

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

for the Nine months period ended September 30, 2025

	Three months ended		Nine months ended	
	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000
Profit for the period	10,258,615	8,918,023	24,518,151	19,914,589
-Remeasurement gain/(loss) on defined benefit pension and gratuity plans	-	-	224,653	(162,882)
-Tax (credit)/charge related to remeasurement gain/(loss) on defined benefit plans	-	-	(87,615)	63,524
	-	-	137,038	(99,358)
Total comprehensive income for the period	10,258,615	8,918,023	24,655,189	19,815,231

The annexed notes 1 to 29 form an integral part of these condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

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

as at September 30, 2025

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
Non current assets			
Property, plant and equipment	12	25,908,390	24,711,806
Advances for capital expenditure		777,692	1,681,630
Long term deposits and prepayments		36,599	27,895
		26,722,681	26,421,331
Current assets			
Stock-in-trade		55,418,500	48,841,991
Stores and spares		752,269	605,175
Trade debts		4,200	3,364
Loans and advances	13	3,583,350	273,629
Short term prepayments		112,648	277,399
Other receivables	14	5,320,360	4,751,340
Short term investments	15	3,501,067	-
Cash and bank balances	16	6,034,469	13,302,754
		74,726,863	68,055,652
Current liabilities			
Trade and other payables	17	32,368,795	28,526,327
Other liabilities		2,708,450	2,741,079
Lease liability	19	646,234	719,693
Unpaid dividend		7,808,867	142,980
Unclaimed dividend		179,586	133,968
Current income tax liabilities		6,292,947	4,270,399
		50,004,879	36,534,446
Net current assets		24,721,984	31,521,206
Non current liabilities			
Lease liability	19	3,066,410	3,161,701
Deferred tax liabilities		2,814,597	2,490,869
		5,881,007	5,652,570
Net assets		45,563,658	52,289,967
Share capital and reserves			
Share capital	20	2,554,938	2,554,938
Capital reserve		10,756,197	8,923,501
Revenue reserve - Unappropriated profit		32,252,523	40,811,528
		45,563,658	52,289,967

Contingencies and commitments 21

The annexed notes 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

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

for the Nine months period ended September 30, 2025

	Share capital Rs. '000	Revenue reserves Rs. '000	Capital reserve Rs. '000	Total Rs. '000
Balance at January 1, 2024	2,554,938	44,718,031	4,042,204	51,315,173
Total comprehensive income for the period:				
Profit for the period	-	19,914,589	-	19,914,589
Other comprehensive income	-	(99,358)	-	(99,358)
Total comprehensive income for the period	-	19,815,231	-	19,815,231
Free of cost services and exempted recharges	-	-	3,164,450	3,164,450
Transactions with owners of the Company:				
1st Interim dividend for the year ending December 31, 2024 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
2nd Interim dividend for the year ending December 31, 2024 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
3rd Interim dividend for the year ending December 31, 2024 @ Rs. 35 per share	-	(8,942,283)	-	(8,942,283)
	-	(24,271,911)	-	(24,271,911)
Balance at September 30, 2024	2,554,938	40,261,351	7,206,654	50,022,943
Balance at January 1, 2025	2,554,938	40,811,528	8,923,501	52,289,967
Total comprehensive income for the period:				
Profit for the period	-	24,518,151	-	24,518,151
Other comprehensive income	-	137,038	-	137,038
Total comprehensive income for the period	-	24,655,189	-	24,655,189
Free of cost services and exempted recharges	-	-	1,832,696	1,832,696
Transactions with owners of the Company:				
1st Interim dividend for the year ending December 31, 2025 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
2nd Interim dividend for the year ending December 31, 2025 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)

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

for the Nine months period ended September 30, 2025

3rd Interim dividend for the year ending December 31, 2025 @ Rs. 40 per share	-	(10,219,752)	-	(10,219,752)
4th Interim dividend for the year ending December 31, 2025 @ Rs. 30 per share	-	(7,664,814)	-	(7,664,814)
		(33,214,194)		(33,214,194)
Balance at September 30, 2025	2,554,938	32,252,523	10,756,197	45,563,658

The annexed notes 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

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

for the Nine months period ended September 30, 2025

	Note	Nine months ended Sep 30, 2025 Rs. '000	Nine months ended Sep 30, 2024 Rs. '000
Cash flows from operating activities			
Cash generated from operations	22	38,140,405	28,228,370
Finance cost paid		(521,150)	(569,580)
Income tax paid		(14,692,961)	(13,844,843)
Contribution to retirement benefit funds		(528,558)	(465,652)
Net cash from operating activities		22,397,736	13,348,295
Cash flows from investing activities			
Purchases of property, plant and equipment		(2,689,521)	(2,462,113)
Advances for capital expenditure		903,938	986,553
Proceeds from sale of property, plant and equipment		875,086	280,239
Interest received		1,685,407	5,898,612
Net cash from investing activities		774,910	4,703,291
Cash flows from financing activities			
Dividends paid		(25,502,689)	(29,838,670)
Lease payments		(1,437,175)	(1,460,469)
Net cash used in financing activities		(26,939,864)	(31,299,139)
Net increase in cash and cash equivalents		(3,767,218)	(13,247,553)
Cash and cash equivalents at January 1		13,302,754	32,496,594
Cash and cash equivalents at Sep 30		9,535,536	19,249,041
Cash and cash equivalents comprise:			
Short-term investments	15	3,501,067	13,410,020
Cash and bank balances	16	6,034,469	5,839,021
		9,535,536	19,249,041

The annexed notes 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

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

for the Nine months period ended September 30, 2025

1. **The Group and its operations**

Pakistan Tobacco Company Limited (the Company) is a public listed company incorporated in Pakistan on 18 November 1947 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is a subsidiary of the British American Tobacco (Investments) Limited, United Kingdom, whereas its ultimate parent company is British American Tobacco p.l.c, United Kingdom. The Company is engaged in the manufacture and sale of cigarettes, tobacco and modern oral nicotine products category.

The registered office of the Company is situated at Serena Business Complex, Khayaban-e-Suharwardy, Islamabad.

Phoenix (Private) Limited (PPL) is a private limited company incorporated on March 9, 1992 in Azad Jammu and Kashmir under the Companies Ordinance, 1984. The registered office of PPL is situated at Bun Khurma, Chichian Road, Mirpur, Azad Jamu and Kashmir. The object for which the PPL has been incorporated is to operate and manage an industrial undertaking in Azad Jammu and Kashmir to deal in Tobacco products. PPL is dormant and has not commenced its commercial operations.

For the purpose of these consolidated financial statements, the Company and its wholly owned subsidiary PPL is referred to as the Group.

2. **Statement of compliance**

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

3. **Basis of preparation**

These condensed interim financial statements should be read in conjunction with the Group's latest annual financial statements as at and for the year ended December 31, 2024 ('last annual financial statements'). This condensed interim financial information does not include all of the information required for a complete set of financial statements prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

Comparative figures of condensed interim statement of financial position are extracted from annual financial statements as of December 31, 2024 whereas comparative figures of condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows are extracted from un-audited consolidated condensed interim financial statements of the Group for the nine months period ended September 30, 2024.

These condensed interim financial statements are un-audited and being submitted to the members of the Group as required under Section 237 of the Companies Act 2017, and the listing regulations of the Pakistan Stock Exchange.

4. **Use of judgements and estimates**

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty including measurement of fair values were the same as those described in the last annual financial statements.

Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or

liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5. Material accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements as at and for the year ended December 31, 2024.

6. Standards issued but not effective

A number of new accounting standards and amendments to accounting standards are effective for annual reporting periods beginning after January 01, 2025 and earlier application is permitted. However, the Group has not early adopted any of the forthcoming new or amended accounting standards in preparing these condensed interim financial statements.

	Three months ended		Nine months ended	
	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000
7. Cost of sales				
Raw material consumed:				
Opening stock of raw materials and work in process	31,847,983	35,023,364	47,691,848	43,531,233
Raw material purchases and expenses	32,228,403	26,871,117	49,307,246	48,189,775
Excise duty, customs duty, regulatory duty and tobacco development cess etc.	295,240	308,087	1,137,377	642,838
Closing stock of raw materials and work in process	(52,768,290)	(51,641,549)	(52,768,290)	(51,641,549)
	11,603,336	10,561,019	45,368,181	40,722,297
Production overheads	2,284,180	1,779,451	5,693,365	5,073,215
	13,887,516	12,340,470	51,061,546	45,795,512
Cost of finished goods				
Opening stock	2,340,555	2,046,045	1,718,694	3,141,068
Closing stock	(2,650,210)	(2,877,597)	(2,650,210)	(2,877,597)
	(309,655)	(831,552)	(931,516)	263,471
	13,577,861	11,508,918	50,130,030	46,058,983
8. Other expenses				
Workers' Profit Participation Fund (WPPF)	908,503	885,164	2,242,150	1,735,905
Workers' Welfare Fund (WWF)	339,679	186,527	873,434	603,375
	1,248,182	1,071,691	3,115,584	2,339,280
9. Other income				
Gain on disposal of property, plant and equipment	199,211	31,557	330,011	132,392
Others	894	854	2,873	2,629
	200,105	32,411	332,884	135,021

10. Finance income

This includes profit from placement with banks in saving accounts, term deposit and treasury bills earned under interest arrangement. The interest rates range between 8.00% and 13.29% (nine months period ended Sep 30, 2024:16.00% and 22.64%) per annum and is received on maturity.

11. Income tax expense

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

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
12. Property, plant and equipment			
Operating assets	12.1	21,096,802	20,292,361
Capital work in progress	12.2	4,811,588	4,419,445
		25,908,390	24,711,806
12.1 Operating assets			
Carrying amount at January 01		20,292,361	19,033,213
Additions during the period/year:			
- Owned assets			
Building		125,918	88,238
Plant and machinery		1,060,858	1,446,375
Office and household equipment		926,285	489,687
Furniture and fittings		184,317	-
Vehicles		-	56,286
		2,297,378	2,080,586
- Right of use assets IFRS16		225,133	925,030
- Leased assets			
Vehicles		914,382	761,811
		3,436,893	3,767,427

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
Disposals during the period/year (net book value):			
- Owned assets			
Building		-	-
Plant and machinery		(343,417)	(52,180)
Office and household equipment		-	(22)
Furniture and fittings		-	(346)
Vehicles		-	(10,295)
		(343,417)	(62,843)
- Right of use assets IFRS16		(4,603)	(2,599)
- Leased assets			
Vehicles		(197,055)	(197,804)
		(545,075)	(263,246)
Depreciation/impairment charge for the period/year:		(2,087,377)	(2,245,033)
Carrying amount at September 30/ December 31		21,096,802	20,292,361

12.1.1 During the nine months period ended September 30, 2025, the Company acquired assets, including transfers from capital work in progress, amounting to Rs. 3,436,893 thousand (nine months period ended September 30, 2024: Rs. 2,600,272 thousand). Operating fixed assets having net book value of Rs. 545,075 thousand were disposed off during nine months period ended September 30, 2025 (nine months period ended September 30, 2024: Rs. 147,847 thousand). Depreciation / impairment charge for nine months period ended September 30, 2025 was Rs. 2,087,377 thousand (nine months period ended September 30, 2024: Rs. 1,809,185 thousand).

	Sep 30, 2025 (Unaudited) Rs. '000	Dec31, 2024 (Audited) Rs. '000
12.2 Capital work in progress		
Carrying value as at the beginning of the period	4,419,445	2,663,613
Additions during the period/year	2,508,157	3,084,243
	6,927,602	5,747,856
Transferred to operating fixed assets	(2,116,014)	(1,328,411)
Carrying value as at end of the period	4,811,588	4,419,445

13. Loans and advances

These include non-interest bearing advances to employees of Rs. 45,845 thousand (December 31, 2024: Rs. 31,953 thousand).

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

for the Nine months period ended September 30, 2024

14. Other receivables

These include following balances due from related parties:

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
Holding company / associated companies		4,025,789	3,614,648
Employees retirement benefit plans		851,968	473,585

15. Short term investment

At fair value through profit or loss (FVTPL):			
- Market treasury bills		3,501,067	-

The treasury bills are held for trading and have been invested at 11.13% per anum for two days (December 31, 2024 : Nil).

16. Cash and bank balances

	Note	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '00
Cash at banks			
- saving accounts		4,017	3,834
- current accounts	16.1	6,030,452	13,298,920
		6,034,469	13,302,754

16.1 These include balances of Rs. 4,438,842 thousand (December 31, 2024: Rs. 3,249,747 thousand) held in foreign currency accounts.

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

for the Nine months period ended September 30, 2024

	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000

17. Trade and other payables

17.1 These include following balances due to related parties:

Holding company / associated companies	1,967,753	2,955,570
Employees retirement benefit plans	69,523	264,892

17.2 These also include 'contract liabilities' representing advances from customers amounting to Rs 958,742 thousand (December 31, 2024: Rs 107,222 thousand).

18. Short term running finance - secured

Short term running finance facilities available under mark-up arrangements with banks amount to Rs. 18,000 million (December 31, 2024: Rs.18,000 million), which remained unavailed at the period end. These facilities are secured by hypothecation of stock in trade and plant and machinery amounting to Rs.20,002 million (December 31, 2024: Rs.20,002 million). The mark-up ranges between 11.31% and 13.55% (December 31, 2024: 13.40% and 22.54%) per annum and is payable quarterly. The facilities are renewable on annual basis.

19. Lease liability

This represents lease agreements entered into with various lessors on account of vehicle and property leases. Total gross lease rentals due under various lease agreements aggregate to Rs. 3,712,644 thousand - short term Rs. 646,234 thousand and long term Rs. 3,066,410 thousand (December 31, 2024: Rs 3,881,394 thousand - short term Rs 719,693 thousand and long term Rs 3,161,701 thousand).

Financing rates of 9% to 23% (December 31, 2024: 11% to 23%) per annum have been used as discounting factor.

20. Share capital

Authorised share capital of the Company is Rs. 3,000,000 thousand (December 31, 2024: Rs. 3,000,000 thousand) divided into 300,000,000 ordinary shares of Rs. 10 each. Issued, subscribed and paid up capital of the Company is Rs. 2,554,938 thousand (December 31, 2024: Rs. 2,554,938 thousand) divided into 255,493,792 ordinary shares of Rs. 10 each.

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

for the Nine months period ended September 30, 2024

	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
21. Contingencies and commitments		
21.1 Contingencies		
Claims and guarantees		
Claims against the Group not acknowledged as debt	3,024	3,024
Guarantees issued by banks on behalf of the Group	1,335,848	1,229,900
Post dated cheques to the Collector of Customs	6,423,688	6,423,688

Litigation

There is no significant change to status of litigations disclosed in annual financial statements for the year ended 31 December 2024.

	Sep 30, 2025 (Unaudited) Rs. '000	Dec 31, 2024 (Audited) Rs. '000
21.2 Commitments		
Capital expenditure	3,148,116	-
Letters of credit outstanding	4,671,068	5,239,845

	Nine months ended	
	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000
22. Cash generated from operations		
Profit before income tax	41,557,388	35,615,232
Adjustment for non-cash items:		
- Depreciation/impairment	2,087,377	1,809,185
- (Gain) on disposal of property, plant and equipment	(330,011)	(132,392)
- Finance cost	521,150	569,580
- Finance income	(1,685,407)	(5,898,612)
- Exchange (gain)/loss	(248,257)	512,596
- Information technology cost	1,832,696	3,164,450
- Provision for staff retirement benefit plans	469,011	399,749
	2,646,559	424,556
Changes in working capital:		
- Stock-in-trade	(6,576,509)	(7,846,845)
- Stores and spares	(147,094)	(48,384)
- Trade debts	(836)	2,677,861
- Loans and advances	(3,309,721)	(643,626)
- Short term prepayments	164,751	73,492
- Other receivables	(190,637)	405,126
- Trade and other payables	4,037,837	(2,429,561)
- Other liabilities	(32,629)	(13,981)
	(6,054,838)	(7,825,918)
Changes in long term deposits and prepayments	(8,704)	14,500
	38,140,405	28,228,370

23. Financial instruments

23.1 Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	September 30, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Fair value through profit or loss	Amortized cost	Total	Fair value through profit or loss	Amortized cost	Total
	Rs. '000			Rs. '000		
Financial assets measured at fair value						
Short-term investment	3,501,067	-	3,501,067	-	-	-
Financial assets not measured at fair value						
Deposits	-	36,599	36,599	-	27,895	27,895
Trade debts	-	4,200	4,200	-	3,364	3,364
Other recievables	-	4,468,392	4,468,392	-	4,034,188	4,034,188
Cash and bank balances	-	6,034,469	6,034,469	-	13,302,754	13,302,754
	3,501,067	10,543,660	14,044,727	-	17,368,201	17,368,201
Financial liabilities not measured at fair value						
Trade and other payables	-	(20,240,059)	(20,240,059)	-	(15,897,650)	(15,897,650)
Other liabilities	-	(2,708,450)	(2,708,450)	-	(2,741,079)	(2,741,079)
Finance lease obligation	-	(3,712,644)	(3,712,644)	-	(3,881,394)	(3,881,394)
Unpaid dividend	-	(7,808,867)	(7,808,867)	-	(142,980)	(142,980)
Unclaimed dividend	-	(179,586)	(179,586)	-	(133,968)	(133,968)
	-	(34,649,606)	(34,649,606)	-	(22,797,071)	(22,797,071)

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

The Group has not disclosed the fair values of financial assets and financial liabilities as these are for short-term or reprice over short-term. Therefore, the carrying amounts are reasonable approximation of their fair values.

23.2 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements for the year ended December 31, 2024.

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
for the Nine months period ended September 30, 2025

24. Related parties

British American Tobacco (Investments) Limited (BAT-IL) holds 94.34% (December 31, 2024: 94.34%) shares of the Company. Therefore, all the subsidiaries and associated undertakings of BAT-IL and the ultimate parent company British American Tobacco, p.l.c (BAT) are related parties of the Company. The related parties also include directors and their relatives, key management personnel and their relatives, entities in which directors have interest or common directorship, subsidiary and associated companies and subsidiaries of holding company, post-employment benefit plans and persons or entities having control or joint control or having significant influence over the Company.

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

	Three months ended		Nine months ended	
	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000	Sep 30, 2025 Rs. '000	Sep 30, 2024 Rs. '000
Purchase of goods and services from				
Holding company	63,828	(1,399,187)	(67,118)	(1,400,940)
Associated companies	331,764	203,181	916,227	1,201,531
Sale of goods and services to				
Associated companies	1,571,800	1,092,304	5,534,324	3,139,040
Dividend				
Holding company	16,873,860	15,668,584	31,337,168	22,900,238
Associated companies	55,880	51,888	103,777	75,837
Employees retirement benefit plans - expense				
Staff pension fund	-	2,775	-	18,647
Staff defined contribution pension fund	75,642	64,796	220,312	178,249
Employees' gratuity fund	42,456	37,660	128,462	103,937
Management provident fund	34,421	30,076	101,922	82,673
Employees' provident fund	6,062	5,526	18,315	16,243

Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
for the Nine months period ended September 30, 2024

25. Operating segments

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

26. Events after the reporting date

The Board of Directors in its meeting held on October 24, 2025 has declared interim dividend of Rs. 20.00 (2024: Rs. 30.00) per share. This interim dividend of Rs. 5,109,876 thousand (2024: Rs. 7,664,814 thousand) will be recorded as liability in the annual financial statements for the year ending on December 31, 2025 as required by the IAS 10 'Events after the Reporting Period'. These condensed interim financial statements do not reflect this dividend.

27. Comparative figures

The following comparative figures have been reclassified in condensed interim financial statements for the nine months period ended 30 September, 2025. Impact of reclassifications on the comparative figures are disclosed below:

	As previously reported	Reclassification	As reported now
		Rs. '000	
Consolidated Condensed interim statement of profit or loss for the nine months period ended September 30, 2025			
Other expenses			
Bank charges and fees	63,681	(63,681)	-
Foreign exchange loss	512,596	(512,596)	-
Finance cost			
Bank charges and fees	-	63,681	63,681
Foreign exchange loss	-	512,596	512,596

The purpose of these reclassifications was to improve presentation and facilitate comparison, with no impact on Group's profitability, net assets or equity.

The above reclassifications are not material in the context of overall condensed interim financial statements, therefore a third column of balance sheet has not been presented.

28. Date of authorisation for issue

These consolidated condensed interim financial statements have been authorised for issue by the Board of Directors of the Group on October 24, 2025.

Syed Ali Akbar
MD & Chief Executive Officer

Ahad Khan
Chief Financial Officer & Director

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