

At the Heart of the Future

Towards a **Global Consortium**



National Foods Limited
12/CL-6, Claremont Road
Civil Lines, Karachi 75530
www.nfoods.com



Half Yearly Report 2024-25

About the Report

Welcome to the National Foods Limited Half Yearly Report 2024-25

This Half Yearly Report is a testament to our growth, innovation, and unwavering commitment to excellence. As we continue to expand our global footprint, enhance our product offerings, and build stronger routes to markets, our primary focus remains on enriching the lives of our customers and stakeholders, making every effort to bring comfort and joy to lifestyles.

At the core of our mission is you, our valued stakeholder. This Half Yearly Report showcases our unwavering commitment to sustainable and ethical business practices that enhance your lives. It reflects our growth and our ambition to go even further in the future.



Content

About the Company

| | |
|------------------|----|
| Our Story | 03 |
| Business Profile | 04 |
| Vision & Mission | 05 |
| Core Values | 06 |

Stakeholders Information

| | |
|---------------------|----|
| Company Information | 07 |
|---------------------|----|

Business Review

| | |
|---|----|
| Directors' Report | 11 |
| Independent Auditor's Review Report To The Members of National Foods Limited | 15 |

Financial Report

| | |
|--|----|
| Condensed Interim Unconsolidated Financial Statements | 19 |
| Condensed Interim Consolidated Financial Statements | 37 |

At the Heart of Innovation

SEED[®]TABLE

Seed to Table embodies National Foods' visionary stride towards agricultural excellence, facilitated by strategic partnerships and advanced technology integration.

This initiative symbolizes our progressive approach and unyielding dedication, positioning us at the heart of innovation and forefront of agricultural advancements.



Our Story

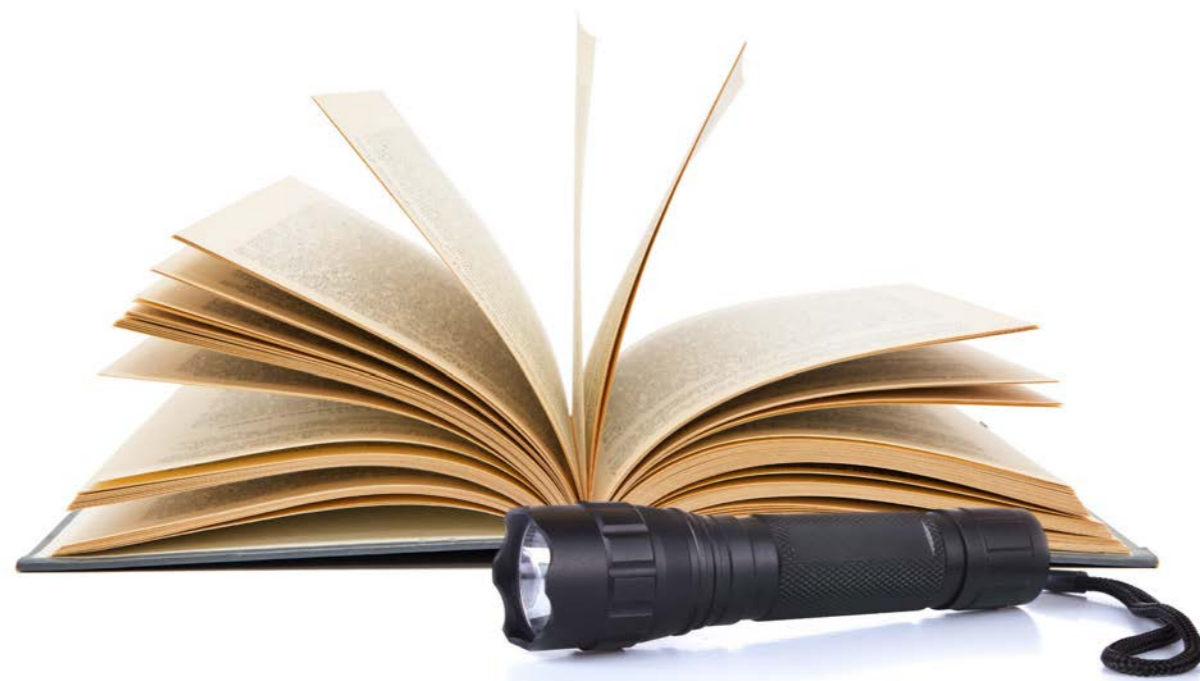
National Foods continues to spread happiness by offering authentic flavors, and re-uniting people with their long standing Pakistani heritage.

We began our journey in 1970 as a spice company with a product that brought the idea of clean and healthy foods to life. Since then, we resolved to make hygienic food, reduce time spent in the kitchens, and foster good health. And on a daily basis, we strive to elevate our communities and create a better lifestyle for those around us.

Since inception in 1970, National Foods has evolved in multiple categories as a leading food manufacturer. We are FSMS (ISO 22000), HALAL . 45001, 14001 , BRC and SEDEX certified along with SAP Business

Technologies to ensure that our customers receive the highest quality products. With a strong commitment to quality and operational excellence, we have integrated our systems with SAP S/4HANA, the latest ERP business suite.

We constantly inspire new traditions and have already successfully expanded our global footprint across 40 countries in 5 continents. At National Foods, we're creating food that enriches the lives of people everywhere.



Business Profile

National Foods Limited has successfully positioned itself as a global player in the food industry, committed to enriching lives everywhere.

The structure comprises of ATC Holdings as the parent company, with its subsidiary National Foods Limited, specializing in offering convenient, healthy, and delicious food choices. To enhance global presence, National Foods DMCC, a Dubai-based subsidiary formed in 2013 for the Middle East, has helped expand our global footprint.

National Epicure Inc. Canada, National Epicure Inc. USA, and National Foods Pakistan UK Limited help us in strategically serving North American and European markets.

In 2017, National Epicure Inc. Canada, made a significant move by acquiring 60% stakes in A-1 Bags and Supplies Inc., a company situated in Canada. A-1 Bags and Supplies Inc. specializes in the distribution of restaurant, industrial, and retail supplies.



Vision

Creating food that enriches the lives of people everywhere.

Mission

We will achieve our vision by designing and manufacturing food and related products, conforming to international standards and guidelines for nutrition, health, wellness and quality, bringing joy and happiness to people everywhere.



Core Values



Passion

Go Above & Beyond



Customer Centric

Prioritize Customer Experience (Internal & External)



Teamwork

Trust Each Other & Achieve Together



Excellence in Execution

Lead, Commit & Deliver the Best



Ownership

Own It & Deliver It

Company Information

Board of Directors

| | |
|--------------------------|-------------------------|
| Mr. Zahid Majeed | Chairman |
| Mr. Abrar Hasan | Chief Executive Officer |
| Mr. Zouhair Abdul Khaliq | Independent Director |
| Mr. Ali H. Shirazi | Independent Director |
| Mr. Adam Fahy Majeed | Executive Director |
| Mrs. Saadia Naveed | Non-Executive Director |
| Mrs. Noreen Hasan | Non-Executive Director |

Audit Committee

| | |
|--------------------------|-----------|
| Mr. Zouhair Abdul Khaliq | Chairman |
| Mrs. Saadia Naveed | Member |
| Mrs. Noreen Hasan | Member |
| Mr. Adam Fahy Majeed | Member |
| Ms. Quratulain Mamsa | Secretary |

Human Resources and Remuneration Committee

| | |
|--------------------------|-----------|
| Mr. Ali H. Shirazi | Chairman |
| Mrs. Noreen Hasan | Member |
| Mrs. Saadia Naveed | Member |
| Mr. Zouhair Abdul Khaliq | Member |
| Ms. Asma Yusuf | Secretary |

Chief Internal Auditor

| | |
|----------------------|-------------------------------------|
| Ms. Quratulain Mamsa | EY Ford Rhodes Chartered Accountant |
|----------------------|-------------------------------------|

Management Committee

| | |
|----------------------------|--|
| Mr. Abrar Hasan | Global Chief Executive Officer |
| Mr. Hasan Sarwat | Chief Operating Officer – Pakistan Operations |
| Syed Farhan Ali Rizvi | Global Chief Financial Officer |
| Ms. Ivana Bajamic | Global Chief People and Corporate Reputation Officer |
| Ms. Asma Yusuf | Sr. Director People & Workplace Services |
| Mr. Saleem Rafi Khilji | Sr. Director Manufacturing |
| Mr. Ali Rashid Khan | Sr. Director Marketing |
| Mr. Naveed Zaffar | Sr. Director Sales |
| Mr. Ahmed Murad Khan | Sr. Director Innovation Research & Development |
| Mr. Shah Abdullah Raza | Sr. Director Digital, Data & Technology |
| Mr. Faraz Khan | Sr. Director Integrated Supply Chain |
| Mr. Adnan Naseer Warsi | Director Quality |
| Mr. Fazal ur Rehman Hajano | Director Legal |

Company Secretary

Mr. Fazal ur Rehman Hajano

Chief Financial Officer

Syed Farhan Ali Rizvi

Auditors

Messrs. KPMG Taseer Hadi
& Co. Chartered Accountant

Shaikh Sultan Trust Building No. 2,
Beaumont Road, Karachi, 75530.

Share Registration Office

CDC Share Registrar
Services Limited

CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi-74400, Pakistan.
Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Company Banks

| | |
|--|------------------------------------|
| Allied Bank Limited | Habib Bank Limited (UAE) |
| Askari Bank Limited | Habib Metropolitan Bank Limited |
| Bank Al Habib Limited | MCB Bank Limited |
| Bank Alfalah Limited (Islamic Banking Group) | MCB Bank Limited - Dubai |
| Bank of Montreal | Meezan Bank Limited |
| Faysal Bank Limited | National Bank of Pakistan |
| Habib Bank AG Zurich - Dubai | Toronto Dominion Canada Trust Bank |
| Habib Bank Limited | United Bank Limited |
| Habib Bank Limited (UK) | |

Web Presence:
Updated company information
and the latest Annual Report
can be accessed at: www.nfoods.com



At the Heart of Excellence

Fueled by an investment of PKR 7 billion, the Faisalabad plant is equipped with cutting-edge technology and marks a significant milestone in our pursuit to bring further innovation and quality to the food industry.

With over 600+ jobs creation, it has production capacity of 6,000 tons/month, and houses production of spices, recipe mixes, ketchups, mayonnaise, Chinese sauces, seasonings and Kasuri Methi.



Directors' Report

Fellow Shareholders,

The Directors of National Foods Limited are pleased to present the unaudited financial results of the Company, which include both stand-alone and consolidated financial statements, for the half year ended December 31, 2024.

Business Performance Overview

Economic environment

The macroeconomic landscape of Pakistan has exhibited substantial improvement in the first half of FY2025, building on the stabilization measures implemented during FY2024. This period witnessed a GDP growth of 2.5%, a testament to the strengthening economic fundamentals.

Inflation experienced a significant reduction, declining sharply to 7.2%, underpinned by easing global prices and a stable exchange rate. Urban food inflation decreased to 2.7%, while rural food inflation plummeted to 0.4% in H1-FY2025, driven by enhanced domestic supplies and favorable global food prices.

With the abatement of inflationary pressures and an upsurge in investor confidence, the economy is poised to sustain its positive trajectory.

Key financial numbers of the Group for the fiscal year are summarized below:

Amounts in PKR Million

| | Group | | | Core Business | | | A1 Bags & Suppliers Inc. | | |
|-------------------------|--------|--------|--------|---------------|--------|--------|--------------------------|--------|--------|
| | H1FY25 | H1FY24 | Change | H1FY25 | H1FY24 | Change | H1FY25 | H1FY24 | Change |
| Net sales | 47,255 | 40,130 | 18% | 19,337 | 16,041 | 21% | 27,942 | 24,104 | 16% |
| Gross profit | 12,786 | 11,039 | 16% | 6,510 | 5,528 | 18% | 6,276 | 5,511 | 14% |
| Operating profit* | 3,483 | 3,160 | 10% | 1,136 | 991 | 15% | 2,347 | 2,169 | 8% |
| Net profit after tax** | 1,609 | 1,500 | 7% | 972 | 559 | 74% | 1,313 | 1,218 | 8% |
| Earnings per share (Rs) | 7.0 | 6.5 | | 4.2 | 2.4 | | | | |
| Gross profit | 27.1% | 27.5% | -0.5% | 33.7% | 34.5% | -0.8% | 22.5% | 22.9% | -0.4% |
| Operating profit | 7.4% | 7.9% | -0.5% | 5.9% | 6.2% | -0.3% | 8.4% | 9.0% | -0.6% |
| Profit after tax | 3.4% | 3.8% | -0.3% | 5.0% | 3.5% | 1.5% | 4.7% | 5.1% | 4.7% |

* Excludes other income and other expenses.

** This includes amortization of Rs. 11 million (H1 FY24: Rs.12 million) on intangible recognized on consolidation of A1 Bags & Suppliers Inc.

*** Group PAT includes A1 at 100% (PAT excluding NCI: 2025 PKR 1,095M, 2023 PKR 1,025M)

**** Group PAT eliminates intercompany dividends of PKR 664M

Operating and financial performance

Core Business

The company achieved remarkable top-line growth of 21% in H1, driven by robust volumetric expansion in both domestic and international markets.

The domestic market growth was bolstered by strategic trade and marketing investments, including trade execution supports and price-off promotions, which significantly boosted consumer demand during H1. Product innovations and focused selling strategies contributed to the company's strong performance. This investment strategy positions the company for future success, with the ongoing trend of declining policy rates expected to positively impact our bottom line. Furthermore, continuous emphasis on operating efficiency through investments in technology and digitalization initiatives has been a key focus.

A1 Bags & Supplies Inc.

A1 Bags & Supplies Inc. reported a robust 16% increase in net sales across all segments, reflecting the business's strong momentum. Profitability improved notably, with Operating Profit and Net Profit both increasing by 8%, underscoring the company's operational efficiency and sustained success.

Marketing and Promotion:

Recipe Mix

We strengthened our core offerings with impactful consumer engagement initiatives. The Karachi Khaas sampling successfully enhanced brand affinity, while the Quick Cook Haleem campaign highlighted convenience and authenticity, driving consumer interest.

Sauces (Ketchup):

- A Price-Off consumer promotion, catering to both loyal customers and value seekers.
- Regional expansion, with over 80 school activations in Faisalabad, boosting consumer and retailer engagement.
- Snackfest in partnership with Menu's frozen food on KraveMart, leading to a 50% sellout uplift.
- Community-focused initiatives, including Children's Day celebrations with Indus Hospital and entrepreneurial empowerment with Bachaa Party's Bachapreneur events.

New Brand Launch: Unlock the World, One Drizz'l at a Time

The launch of Drizz'l sauce category testifies that the NFL has been at the forefront of culinary innovation. Drizz'l blends the trust of National Foods with a modern, edgy personality, bringing globally inspired flavors to the local market.

The launch campaign "**We Are Not Your Basic Sauce**" captured consumer interest, creating buzz through digital activations and in-store promotions. With an initial rollout in 300+ stores, Drizz'l is already reshaping the sauces category. Plans are underway to expand into Faisalabad, Gujranwala, and Multan, reinforcing our commitment to delivering bold flavors and innovative food experiences to consumers nationwide.

Pickle

- Mixed & Mango Pickle drove penetration through a targeted price promotion.
- Crushed Pickle gaining momentum with 750,000+ trials via cross-category promotions, bundling in modern trade, e-commerce interventions, and on-ground sampling at key food spots and festivals.

On behalf of the Board of Directors



Chief Executive Officer

Salt

Our Pink Salt offering was refined with enhanced color grade and packaging, delivering a more authentic look and feel to meet evolving consumer expectations in this growing category.

International Division:

H1 efforts centered on strengthening retail presence in priority channels across key markets through seasonal activations, trade promotions, and enhanced visibility, while driving long-term growth through portfolio optimization and innovation. Building on this momentum, a phased rollout of a new offering is planned over H2, aligning with key consumption periods to maximize awareness and trial.

Future outlook

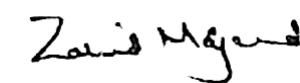
Pakistan's economy is showing signs of steady growth, with trends suggesting a recovery and stabilization. This optimistic outlook is expected to boost investor trust and strengthen consumer purchasing power as inflation decreases. The leadership team is focused on reinforcing business fundamentals and strengthening its position as a market leader across key sectors through strategic contingency planning.

Dividend:

The Board of Directors has recommended an interim cash dividend of Rs. 2 per share. Total standalone profit distributed by way of dividend amounts to Rs.466 million (FY 2024: Rs.1,515 million).

Acknowledgment

I would like to express the Board's sincerest gratitude to all internal and external stakeholders for their continued commitment and trust.



Director

ڈائریکٹرز رپورٹ

ساتھی شیئر ہولڈرز،

نیشنل فوڈ لمیٹڈ کے ڈائریکٹرز باسرت ۳۱ دسمبر ۲۰۲۴ کو ختم ہونے والی ششماہی کے غیر جانچ شدہ نتائج پیش کر رہے ہیں جس میں دونوں یعنی علیحدہ اور مشترکہ فنانشل اسٹیٹمنٹس شامل ہیں۔

کاروباری کارکردگی کا جائزہ

معاشی ماحول

پاکستانی معیشت میں مالی سال ۲۰۲۴ میں معاشی استحکام کے لیے کیے گئے اقدامات کی بدولت مالی سال ۲۰۲۵ کی پہلی ششماہی میں مثبت تبدیلی دکھائی دے رہی ہے، اس عرصے میں جی ڈی پی میں %۲.۵ اضافہ ہوا، جو مضبوط معاشی حالات کی عکاسی کرتا ہے۔ مہنگائی میں نمایاں کمی دیکھی گئی، جو کم ہوکر %۰.۲ پر آگئی، جس کی بنیادی وجہ عالمی قیمتوں میں کمی اور مستحکم زر مبادلہ کی شرح تھی۔ ملکی سطح پر سپلائی میں بہتری اور عالمی خوراک کی قیمتوں میں کمی کی بدولت شہری علاقوں میں خوردنی اشیاء کی مہنگائی %۰.۷ تک محدود رہی، جبکہ دیہی علاقوں میں یہ شرح %۰.۷ تک گر گئی۔ مہنگائی میں کمی اور سرمایہ کاروں کے بڑھتے ہوئے اعتماد کے ساتھ، معیشت مزید ترقی کی راہ پر گامزن ہے۔

گروپ کے مالیاتی سال کے اہم شماریات درج ذیل ہیں:

| گروپ | بنیادی کاروبار | | | اے ون بیگز اینڈ سپلائیز انکارپوریٹڈ | | |
|--------------------------|----------------|--------|--------|-------------------------------------|--------|--------|
| | H1 FY24 | H1FY25 | تبدیلی | H1 FY24 | H1FY25 | تبدیلی |
| خالص فروخت | 40,130 | 47,255 | 18% | 16,041 | 19,337 | 21% |
| مجموعی منافع | 11,039 | 12,786 | 16% | 5,528 | 6,510 | 18% |
| عملی منافع* | 3,160 | 3,483 | 10% | 991 | 1,136 | 15% |
| خالص منافع بعد از ٹیکس** | 1,500 | 1,609 | 7% | 559 | 972 | 74% |
| آمدنی فی حصص (روپے) | 6.5 | 7.0 | | 2.4 | 4.2 | |
| مجموعی منافع | 27.5% | 27.1% | -0.5% | 34.5% | 33.7% | -0.8% |
| عملی منافع | 7.9% | 7.4% | -0.5% | 6.2% | 5.9% | -0.3% |
| منافع بعد از ٹیکس | 3.8% | 3.4% | -0.3% | 3.5% | 5.0% | 1.5% |

* دیگر آمدنی اور اخراجات شامل نہیں ہیں۔

** اس میں اے ون بیگز اینڈ سپلائیز انکارپوریشن کی انضمامی عمل کے نتیجے میں شناخت شدہ ناقابل دست اندازی اثاثوں پر 11 ملین روپے (پہلی ششماہی مالی سال 2024: 12 ملین روپے) کی امونائزیشن شامل ہے۔

*** گروپ اےون کو %100 پر شامل کرتا ہے (اپن سی آئی کے بغیر پی اے ٹی: مالی سال 2025 میں 1095 ملین روپے؛ مالی سال 2023 میں 1025 ملین روپے)۔

**** گروپ پی اے ٹی میں 664 ملین روپے کے اندرونی ڈیویڈنڈز ختم کیے گئے ہیں۔

مارکیٹنگ اور پرموشن

ریسپی مصالحہ :

کمپنی نے اپنے بنیادی پروڈکٹس کو مزید مضبوط بنانے کے لیے صارفین سے براہ راست جُڑنے کے مختلف اقدامات کیے۔

کراچی خاص سیمیپلنگ مہم نے برانڈ سے صارفین کی وابستگی کو بڑھایا، جبکہ کوئیک کٹک حلیم مہم نے اس کی آسانی اور اصل ذائقے کو اجاگر کیا، جس سے صارفین کی دلچسپی بڑھی۔

سازن (کیچپ) :

- نیشنل کیچپ نے قیمت میں خصوصی رعایت کی پرموشنل کمپین کے ذریعے اپنے اعتماد کرنے والے صارفین اور معیار کی تلاش کرنے والوں کو ہدف بناتے ہوئے مارکیٹ لیڈر شپ کو مضبوط بنایا۔
- فیصل آباد میں ۸۰ سے زائد اسکولوں میں خصوصی سرگرمیوں کے ذریعے صارفین اور ریٹیلرز کی شمولیت کو بڑھایا گیا۔
- کریو مارٹ پر Menu’s Frozen Food کے ساتھ اشتراک میں Snackfest مہم سے فروخت میں %۵۰ اضافہ ہوا۔
- کیونٹی کے لیے سرگرمیاں، جن میں انڈس اسپتال کے ساتھ چلڈرن ڈے کی تقریبات اور بچہ پارٹی کے بچاپرینیور ایونٹس میں کاروباری تربیت شامل ہے۔

نئی برانڈ لانچ: دنیا بھر کا ذائقہ ملے ایک ا’Drizz کے ساتھ

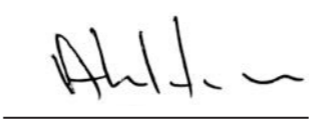
کمپنی نے Drizz 1 ساس کی نئی کیٹیگری متعارف کروائی، جو نیشنل فوڈز کی جدت پسندی کا ثبوت ہے۔ Drizz 1 جدید اور منفرد انداز میں عالمی ذائقوں کو مقامی مارکیٹ تک پہنچا رہا ہے۔

"We Are Not Your Basic Sauce" مہم کے ذریعے ڈیجیٹل اور اسٹور پرموشنز نے صارفین کی بھرپور توجہ حاصل کی۔ ابتدائی طور پر ۳۰۰ سے زائد اسٹورز میں لانچ ہونے کے بعد، اب یہ ایک نمایاں حیثیت اختیار کر رہا ہے۔ فیصل آباد ، گوجرانوالہ اور ملتان میں جلد توسیع کے منصوبے زیرِ غور ہیں۔

اچار

- کدّ اور آم کا اچار کی قیمت میں خصوصی رعایت کے ذریعے زیادہ سے زیادہ گھروں تک پہنچایا گیا۔

بورڈ آف ڈائریکٹرز کی جانب سے



چیف ایگزیکٹو آفیسر

- کرشڈ اچار تیزی سے مقبول ہو رہا ہے، جسے ۵۰,۰۰۰ سے زائد لوگوں نے آزمایا ، یہ کامیابی مختلف مصنوعات کے ساتھ ساتھ پیکیجنگ، جدید اسٹورز، ای کامرس، اور فیٹیولز میں سیمیپلنگ کے ذریعے ممکن ہوئی۔

نمک

کمپنی نے پنک سالٹ کی کوالٹی کو مزید بہتر بنایا، جس میں رنگ اور پیکیجنگ کو زیادہ قدرتی اور صارفین کی توقعات کے مطابق ڈیزائن کیا گیا، تاکہ بڑھتی ہوئی ڈیمانڈ کو پورا کیا جاسکے۔

انٹرنیشنل ڈویژن:

مالی سال کی پہلی ششماہی میں، کمپنی نے اہم بین الاقوامی مارکیٹوں میں اپنی مصنوعات کی رسائی اور فروخت بڑھانے پر توجہ دی۔ مختلف تجارتی سرگرمیوں اور پرموشنز کے ذریعے صارفین کی دلچسپی میں اضافہ کیا گیا۔ سال کی دوسری ششماہی میں، خریداری کی مدت کو مد نظر رکھتے ہوئے نئی مصنوعات متعارف کروانے کا منصوبہ بنایا جا رہا ہے، تاکہ زیادہ سے زیادہ صارفین تک پہنچا جاسکے۔

مستقبل کا لائحہ عمل:

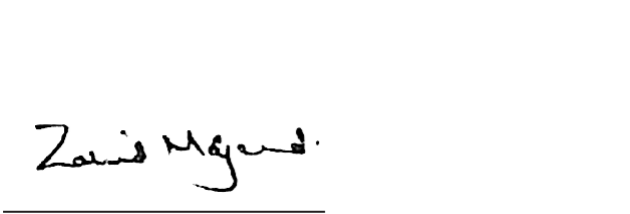
پاکستان کی معیشت ایک مثبت سمت میں گامزن ہے ۔ یہ ماحول سرمایہ کاروں کے اعتماد کو بڑھانے اور صارفین کی خریداری کی طاقت میں اضافہ کرنے کے لیے بہترین ہے جب کہ مہنگائی کی شرح کم ہو رہی ہے ۔ انتظامیہ کاروباری اصولوں پر عمل پیرا رہتے ہوئے تمام اہم کیٹیگریز میں اپنی مارکیٹ میں لیڈر شپ کو مزید مضبوط کرنے کے لیے پرعزم ہے۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے فی حصص ۲ روپے کی عبوری نقد ڈیویڈنڈ کی سفارش کی ہے۔ کمپنی کا مجموعی منافع، جو ڈیویڈنڈ کی صورت میں تقسیم کیا گیا ، ۴۶۶ ملین روپے ہے (مالی سال ۱۵۱۵:۲۰۲۴ ملین روپے تھا)۔

اعتراف:

ہم بورڈ کی جانب سے مخلصانہ طور پر اپنے اندرونی اور بیرونی حصص داران کے مسلسل اعتماد اور پُر عزم ساتھ پر اُن کا شکریہ ادا کرنا چاہتے ہیں۔



ڈائریکٹر

Independent Auditor's Review Report

To The Members of National Foods Limited

Report on Review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of National Foods Limited ("the Company") as at 31 December 2024 and the related condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim unconsolidated financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

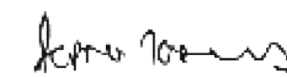
The figures for the quarters ended 31 December 2024 and 31 December 2023 in the condensed interim unconsolidated statement of profit or loss and other comprehensive income have not been reviewed by us and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Aryn Pirani.

Date: 27 February 2025

Karachi

UDIN: RR202410201d2SDvWu3i



KPMG Taseer Hadi & Co.
Chartered Accountants

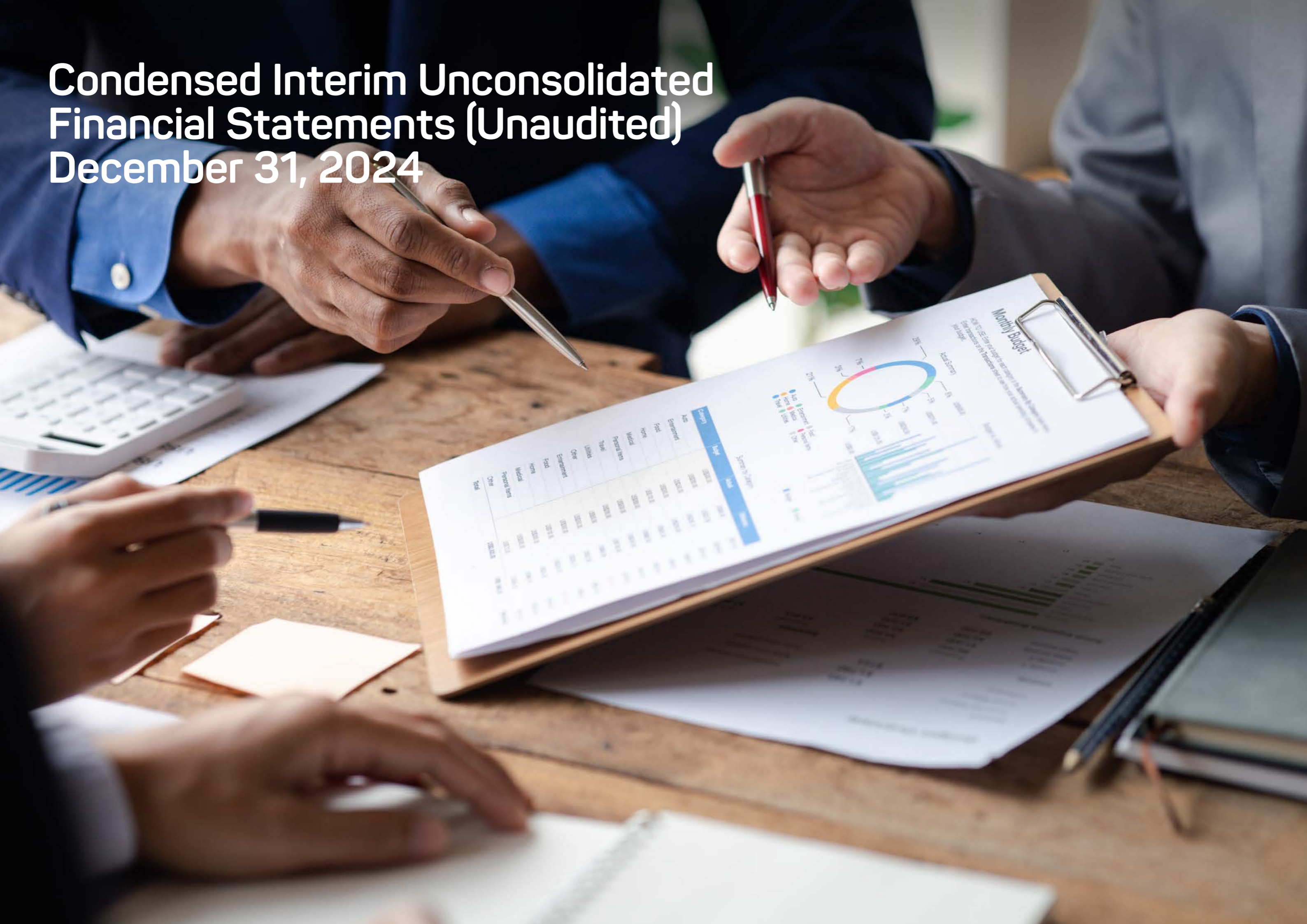
At the Heart of Sustainable Financial Growth

The financial report offers a thorough view of our performance, highlighting key metrics and strategic insights.

The detailed analysis reflects commitment to transparency, showcasing progress, financial health, and the strategic initiatives that continue to drive sustainable growth across the business.



Condensed Interim Unconsolidated Financial Statements (Unaudited) December 31, 2024



Condensed Interim Unconsolidated

Statement of Financial Position (Unaudited)

As at 31 December 2024

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|---|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 11,689,909 | 11,781,424 |
| Intangibles | | 257,274 | 273,167 |
| Long-term investments | | 31,719 | 31,719 |
| Long-term deposits | | 40,017 | 37,050 |
| | | <u>12,018,919</u> | <u>12,123,360</u> |
| Current assets | | | |
| Stores and spare parts | | 433,705 | 316,195 |
| Stock-in-trade | 7 | 8,240,799 | 8,524,856 |
| Trade debts | | 1,846,824 | 1,237,991 |
| Advances | | 449,008 | 484,684 |
| Deposits and prepayments | | 189,045 | 99,972 |
| Other receivables | | 13,713 | - |
| Short-term investments - at fair value through profit or loss | 8 | 1,376 | 738 |
| Cash and bank balances | | 2,654,880 | 4,358,974 |
| | | <u>13,829,350</u> | <u>15,023,410</u> |
| Assets classified as held for sale | 9 | 166,101 | - |
| TOTAL ASSETS | | <u>26,014,370</u> | <u>27,146,770</u> |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorized share capital | | 5,000,000 | 5,000,000 |
| 1,000,000,000 (30 June 2024: 1,000,000,000) ordinary shares of Rs. 5 each | | | |
| Share capital | | 1,165,576 | 1,165,576 |
| Issued, subscribed and paid-up capital | | | |
| Revenue Reserve | | 5,944,290 | 6,428,295 |
| Unappropriated profit | | | |
| | | <u>7,109,866</u> | <u>7,593,871</u> |
| Non - current liabilities | | | |
| Long-term finance - secured | 10 | 6,124,972 | 6,141,638 |
| Lease liabilities | | 87,659 | 38,655 |
| Deferred taxation - net | | 549,165 | 29,537 |
| Deferred liabilities - for retirement benefits | | - | 324,352 |
| | | <u>6,761,796</u> | <u>6,534,182</u> |
| Current liabilities | | | |
| Trade and other payables | | 7,700,337 | 8,118,554 |
| Contract liability | | 568,210 | 264,459 |
| Short-term borrowings | 11 | 3,466,480 | 3,079,997 |
| Unclaimed dividend | | 34,316 | 22,906 |
| Long-term finance classified as current - secured | 10 | 33,333 | 48,333 |
| Current portion of lease liabilities | | 34,754 | 29,262 |
| Mark-up accrued on bank borrowings | | 199,509 | 937,824 |
| Taxation - net | | 105,769 | 517,382 |
| | | <u>12,142,708</u> | <u>13,018,717</u> |
| Contingencies and commitments | 12 | | |
| TOTAL EQUITY AND LIABILITIES | | <u>26,014,370</u> | <u>27,146,770</u> |

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Unconsolidated

Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the period ended 31 December 2024

| | Note | Quarter ended 31 December 2024 (Unaudited) | 31 December 2023 | Six months ended 31 December 2024 (Unaudited) | 31 December 2023 |
|---|------|---|---------------------|--|---------------------|
| (Rupees in '000) | | | | | |
| Sales - net | 13 | 10,238,899 | 8,640,471 | 19,018,479 | 15,586,870 |
| Cost of sales | | (6,637,009) | (5,915,272) | (12,879,868) | (10,605,726) |
| Gross profit | | <u>3,601,890</u> | <u>2,725,199</u> | <u>6,138,611</u> | <u>4,981,144</u> |
| Selling and distribution costs | | (1,729,530) | (1,505,806) | (3,244,386) | (2,841,303) |
| Administrative expenses | | (676,186) | (618,945) | (1,413,442) | (1,260,183) |
| Operating profit | | <u>1,196,174</u> | <u>600,448</u> | <u>1,480,783</u> | <u>879,658</u> |
| Other expenses | | (37,230) | (16,970) | (38,028) | (41,056) |
| Other income | 14 | 109,626 | 57,825 | 253,476 | 105,061 |
| Finance costs | | (342,054) | (385,706) | (785,479) | (599,088) |
| Profit before final taxes, minimum tax differential and income tax | | <u>926,516</u> | <u>255,597</u> | <u>910,752</u> | <u>344,575</u> |
| Final taxes | 15 | 12,800 | (8,143) | (4,179) | (16,239) |
| Minimum tax | 16 | (62,025) | (28,109) | (89,242) | (52,841) |
| | | <u>(49,225)</u> | <u>(36,252)</u> | <u>(93,421)</u> | <u>(69,080)</u> |
| Profit before income tax | | <u>877,291</u> | <u>219,345</u> | <u>817,331</u> | <u>275,495</u> |
| Income Tax | 17 | (117,115) | (51,892) | (135,760) | (52,883) |
| Profit for the period | | <u>760,176</u> | <u>167,453</u> | <u>681,571</u> | <u>222,612</u> |
| Other comprehensive income for the period | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the period | | <u>760,176</u> | <u>167,453</u> | <u>681,571</u> | <u>222,612</u> |
| | | (Rupees) | | (Rupees) | |
| Earnings per share - basic and diluted | 18 | <u>3.26</u> | <u>0.72</u> | <u>2.92</u> | <u>0.95</u> |

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Unconsolidated

Statement of Cash Flows (Unaudited)

For the period ended 31 December 2024

| Note | Six months ended | | |
|--|------------------|--------------------|--------------------|
| | 31 December 2024 | 31 December 2023 | |
| (Unaudited) | | | |
| (Rupees in '000) | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 19 | 1,693,134 | (617,654) |
| Finance cost paid | | (1,512,520) | (289,517) |
| Income taxes paid | | (121,166) | (599,978) |
| (Paid to) / surplus received from retirement benefits fund | | (361,345) | 38,894 |
| Long term deposits - net | | (2,967) | 6,041 |
| Net cash flows from operating activities | | (304,864) | (1,462,214) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (585,110) | (1,809,546) |
| Purchase of intangible assets | | (38,572) | (49,381) |
| Redemption of short term investment - net | | 1,184 | 849,594 |
| Dividend received from subsidiary | | 27,862 | - |
| Proceeds from disposal of operating fixed assets | | 8,782 | 1,831 |
| Net cash flows from investing activities | | (585,854) | (1,007,502) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from short term borrowings - net | | 400,000 | - |
| Lease rental paid | | (14,027) | (8,476) |
| (Repayment) / proceeds from long term finance - net | | (31,666) | 1,553,333 |
| Dividends paid | | (1,154,166) | (581,018) |
| Net cash flows from financing activities | | (799,859) | 963,839 |
| Net (decrease) in cash and cash equivalents | | (1,690,577) | (1,505,877) |
| Cash and cash equivalents at beginning of the period | | 2,228,977 | (2,914,435) |
| Cash and cash equivalents at end of the period | | <u>538,400</u> | <u>(4,420,312)</u> |

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Unconsolidated

Statement of Changes in Equity (Unaudited)

For the period ended 31 December 2024

| | Issued, subscribed and paid-up capital | Revenue reserve - unappropriated profit | Total |
|--|--|---|------------------|
| | (Rupees in '000) | | |
| Balance as at 1 July 2023 | 1,165,576 | 6,096,863 | 7,262,439 |
| Total comprehensive income for the six months period ended 31 December 2023 | | | |
| Profit for the period | - | 222,612 | 222,612 |
| Other comprehensive income for the period | - | - | - |
| | - | 222,612 | 222,612 |
| Total comprehensive income for the six months period ended 30 June 2024 | | | |
| Profit for the period | - | 1,045,956 | 1,045,956 |
| Other comprehensive income for the period | - | (4,675) | (4,675) |
| | - | 1,041,281 | 1,041,281 |
| Transactions with owners recorded directly in equity - distributions | | | |
| Final dividend for the year ended 30 June 2023 @ Rs. 2.5 per share | - | (582,788) | (582,788) |
| Interim dividend for the period ended 31 December 2023 @ Rs. 1.5 per share | - | (349,673) | (349,673) |
| Balance as at 30 June 2024 | <u>1,165,576</u> | <u>6,428,295</u> | <u>7,593,871</u> |
| Balance as at 1 July 2024 | 1,165,576 | 6,428,295 | 7,593,871 |
| Total comprehensive income for the six months period ended 31 December 2024 | | | |
| Profit for the period | - | 681,571 | 681,571 |
| Other comprehensive income for the period | - | - | - |
| | - | 681,571 | 681,571 |
| Transactions with owners recorded directly in equity - distributions | | | |
| Final cash dividend for the year ended 30 June 2024 @ Rs. 5 per share | - | (1,165,576) | (1,165,576) |
| Balance as at 31 December 2024 | <u>1,165,576</u> | <u>5,944,290</u> | <u>7,109,866</u> |

The annexed notes 1 to 24 form an integral part of these condensed interim unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2024

1. THE COMPANY AND ITS OPERATIONS

1.1 National Foods Limited ("the Company") was incorporated in Pakistan on 19 February 1970 as a private limited company under the Companies Act, 1913 and subsequently converted into a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) by a special resolution passed in the extra ordinary general meeting held on 30 March 1988. The Company is principally engaged in the manufacture and sale of convenience based food products. The Company is listed on Pakistan Stock Exchange. The registered office of the Company is situated at 12 / CL - 6, Claremont Road, Civil Lines, Karachi.

1.2 The ultimate parent entity of the Company is ATC Holdings (Private) Limited based on control model as provided under IFRS 10 - 'Consolidated Financial Statements'.

These financial statements are separate financial statements of the Company in which investment in a subsidiary is accounted for on the basis of cost rather than on the basis of reported results. Consolidated financial statements of the Company are prepared separately.

BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated 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 applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the (IAS) 34, 'Interim Financial Reporting' or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim unconsolidated financial statements of the Company do not include all of the information required for unconsolidated financial statements and should be read in conjunction with the unconsolidated financial statements of the Company as at and for the year ended 30 June 2024. However, selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Company's financial position and performance since the last annual audited financial statements.

2.2 Basis of measurement

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except as stated otherwise.

2.3 Functional and presentation currency

These condensed interim unconsolidated financial statements are presented in Pakistani Rupees which is Company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand of rupees, unless stated otherwise.

3. ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to published approved accounting standards that have become effective in the current year

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after 1 July 2024; however, these do not have any significant impact on these condensed interim unconsolidated financial statements and, therefore, have not been detailed here.

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

There are various standards, amendments and interpretations to the accounting and reporting standards as applicable in Pakistan which are not yet effective in the current accounting period. These are not likely to have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim unconsolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements of the Company for the year ended 30 June 2024. However, during the period the Company has adopted the following:

4.2 IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'

The Company has adopted IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations' as stated in Note 9. Non-current assets are classified as held for sale if it is highly probable that they will be recovered principally through a sale transaction rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale, being the difference between the carrying value and fair value less costs to sell, are recognised in profit and loss. Once classified as held for sale, property, plant and equipment are no longer depreciated.

5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

5.1 The significant estimates and judgements made by the management in applying the Company's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual financial statements as at and for the year ended 30 June 2024.

5.2 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited annual financial statements as at and for the year ended 30 June 2024.

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2024

6. PROPERTY, PLANT AND EQUIPMENT

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|--------------------------|----------------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| Operating fixed assets | 6.1 & 6.5 | 11,248,813 | 11,315,472 |
| Capital work in progress | 6.2, 6.3 & 6.4 | 344,108 | 403,577 |
| Right-of-use assets | | 96,988 | 62,375 |
| | | <u>11,689,909</u> | <u>11,781,424</u> |

6.1 Following are the additions and disposals of property, plant and equipment during the period:

| | Six months ended | |
|---|------------------------------------|---------------------|
| | 31 December 2024 (Unaudited) | 31 December 2023 |
| (Rupees in '000) | | |
| Additions / transfers from CWIP | | |
| Buildings | 338,649 | 3,624,624 |
| Plant and machinery | 221,254 | 750,370 |
| Computer equipment | 23,314 | 59,454 |
| Vehicles | 3,872 | 12,020 |
| Furniture and fittings | 14,462 | 41,420 |
| Office, laboratory and other equipments | 76,857 | 24,206 |
| | <u>678,408</u> | <u>4,512,094</u> |

Additions to operating fixed assets include transfers of Rs. 229 million (31 December 2023: Rs. 3,037 million) from capital work in progress balance as at 30 June 2024.

| | Six months ended | |
|---|------------------------------------|---------------------|
| | 31 December 2024 (Unaudited) | 31 December 2023 |
| (Rupees in '000) | | |
| Disposals - Net book value | | |
| Furniture & Fixtures [cost Rs. 7.2 million (31 December 2023: Rs. 33.98 million)] | 3,905 | 5,354 |
| Plant & Machinery [cost Nil (31 December 2023: Rs. 50.05 million)] | - | 2,656 |
| Office Equipment [cost Rs. 6.3 million (31 December 2023: Rs. 35.38 million)] | 517 | 1,311 |
| Computer Equipment [cost Rs. 28.9 million (31 December 2023: Rs. 67.63 million)] | 764 | 843 |
| Laboratory Equipment [cost Rs. Nil (31 December 2023: Rs. 4.66 million)] | - | 549 |
| Buildings [cost Rs. Nil (31 December 2023: Rs. 0.46 million)] | - | 162 |
| Vehicles [cost Rs. 3.3 million (31 December 2023: Rs. 0.44 million)] | 1,329 | 8 |

6.2 This includes civil works of Rs. 44 million (30 June 2024: Rs.40 million) and Plant & Machinery and Other Equipments of Rs. 306 million (30 June 2024: Rs. 364 million).

6.3 During the period, Rs. 11 million (31 December 2023: Rs. 473 million) borrowing cost has been capitalized in Capital Work in Progress.

6.4 This includes borrowing cost amounting to Rs. Nil (30 June 2024: Rs. 12 million).

6.5 Assets with a carrying amount of Rs. 166 million (30 June 2024: Rs. Nil million) were transferred to assets classified as held for sale (see Note 9).

7. STOCK-IN-TRADE

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|---|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| Raw materials | | 2,977,979 | 3,239,970 |
| Provision for write-down of inventory to net realizable value | 7.1 | (76,989) | (96,628) |
| | | <u>2,900,990</u> | <u>3,143,342</u> |
| Packing materials | | 1,033,338 | 850,265 |
| Provision for write-down of inventory to net realizable value | 7.1 | (63,335) | (43,416) |
| | | <u>970,003</u> | <u>806,849</u> |
| Work in process | | 2,323,586 | 3,264,881 |
| Provision for write-down of inventory to net realizable value | 7.1 | (209,912) | (252,042) |
| | | <u>2,113,674</u> | <u>3,012,839</u> |
| Finished goods | | 2,300,721 | 1,663,243 |
| Provision for write-down of inventory to net realizable value | 7.1 | (44,589) | (101,417) |
| | | <u>2,256,132</u> | <u>1,561,826</u> |
| | | <u>8,240,799</u> | <u>8,524,856</u> |

7.1 During the period, the Company recorded reversal (30 June 2024: charge) of provision for write-down of inventory to net realizable value of Rs. 98.68 million (30 June 2024: Rs. 236.68 million) and has written off stocks against provision amounting to Rs. 344.66 million (30 June 2024: Rs.205.69 million).

8. SHORT-TERM INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|-----------------------------|------------------------------------|------------------------------|
| (Rupees in '000) | | |
| Investments in mutual funds | 1,376 | 738 |

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2024

9. ASSETS CLASSIFIED AS HELD FOR SALE

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|-----------------------------|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| Leasehold Land | 9.1 | 2,255 | - |
| Buildings on leasehold land | 9.1 | 163,846 | - |
| | | 166,101 | - |

9.1 The Company has stopped its manufacturing operations at the SITE plant. The Company is committed to a plan to sell the leasehold land and the buildings situated on the leasehold land at the SITE plant. As a result, these assets have been classified as "Assets Held for Sale" in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

The leasehold land and buildings have been measured at their carrying value as of 31 December 2024, which is lower than their fair value less costs to sell. Efforts to sell these assets have started, and the sale is expected to be completed within one year from the date of classification.

10. LONG TERM FINANCE - SECURED

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|--|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| Secured long-term finances utilised under mark-up arrangements | 10.1 | 6,158,305 | 6,189,971 |
| Long-term finance classified as current - secured | | (33,333) | (48,333) |
| | | 6,124,972 | 6,141,638 |

10.1 This represents original long term finance facilities of Rs. 3,300 million and Rs. 3,000 million obtained from conventional and Islamic banks respectively. These finances carry markup ranging from 3 months KIBOR + 0.2% to 3 months KIBOR + 0.4%. The loans are secured by way of hypothecation of Company's present and future fixed assets. Loan tenures range from 5 years to 10 years. These loans are fully repayable in quarterly installments of Rs. 8.33 million, 187.5 million and 187.5 million until November 2029.

11. SHORT TERM BORROWINGS

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|--|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| <i>Conventional</i> | | | |
| Running finance under mark up arrangements | 11.1 | - | 1,245,302 |
| Export re-finance | 11.2 | 1,350,000 | 950,000 |
| <i>Islamic</i> | | | |
| Running finance under Musharakah | 11.3 | 2,116,480 | 884,695 |
| | | 3,466,480 | 3,079,997 |

11.1 The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 14.86% to 20.85% (30 June 2024: 22.03% to 22.12%) per annum. The facilities are valid upto 30 June 2025 and are generally renewable.

11.2 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The effective rate of mark-up on this facility is 15.1% (30 June 2024: 18%) per annum. The facilities offer are valid upto 02 March 2025 and are generally renewable.

11.3 The Company has obtained facilities for short-term finance under Running Musharakah. The rate of profit ranges from 10.14% to 20.9% (30 June 2024: 22.15% to 22.86%) per annum. These facilities mature within twelve months and are renewable. The facility offers are valid upto 30 June 2025.

11.4 The facilities available from various banks amount to Rs. 9.1 billion (30 June 2024: Rs. 9.1 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's current and future movable assets having aggregate charge amounting to Rs. 12.19 billion.

12. CONTINGENCIES AND COMMITMENTS

12.1 There are cases against the Company which are outstanding as at 31 December 2024. The management is confident that the decision will be in favor of the Company.

12.2 The facilities for opening letters of credit amount to Rs. 4.2 billion (30 June 2024: Rs. 4.2 billion) and for letters of guarantee amount to Rs. 1,095 million (30 June 2024: Rs. 1,095 million) as at 31 December 2024 of which the amount remaining unutilized at period end were Rs 3.2 billion (30 June 2024: Rs. 3.6 billion) and 641 million (30 June 2024: Rs. 926 million) respectively. The guarantees have mainly been given to utility companies, Collector of Customs and an oil marketing Company, etc.

12.3 Aggregate commitments for capital expenditure as at 31 December 2024 amount to Rs. 319 million (30 June 2024: Rs. 369 million).

12.4 Aggregate commitments in respect of ujah payments for ijarah financing of motor vehicles from a Modaraba bearing profit rate at 3 months KIBOR + 0.90% (30 June 2024: 3 months KIBOR + 0.90%) and from a Islamic bank bearing profit rate at 3 months KIBOR + 1.25% (30 June 2024: 3 months KIBOR + 1.25%) per annum for rentals payable monthly as at 31 December 2024 amount to:

| | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|---|------------------------------------|------------------------------|
| (Rupees in '000) | | |
| Not later than one year | 422,597 | 417,451 |
| Later than one year but not later than five years | 590,795 | 768,719 |
| | 1,013,392 | 1,186,170 |

Total sanctioned facilities from banks amount to Rs. 1,996 million, out of which Rs. 1,013 million has been utilized by the company.

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2024

13. SALES - NET

| | Note | Six months ended | |
|------------------------------------|------|--------------------|--------------------|
| | | 31 December 2024 | 31 December 2023 |
| | | (Unaudited) | |
| | | (Rupees in '000) | |
| Local sales | | 24,967,278 | 20,653,175 |
| Export sales | 13.1 | 2,136,768 | 1,363,312 |
| | | <u>27,104,046</u> | <u>22,016,487</u> |
| Sales tax | | (3,521,942) | (2,868,100) |
| | | <u>23,582,104</u> | <u>19,148,387</u> |
| Less: | | | |
| - Discount, rebates and allowances | | (4,467,033) | (3,085,914) |
| - Sales return | | (96,592) | (475,603) |
| | | <u>(4,563,625)</u> | <u>(3,561,517)</u> |
| | | <u>19,018,479</u> | <u>15,586,870</u> |

13.1 Exports sales mainly represents sales made to National Foods DMCC - a wholly owned subsidiary of the Company.

13.2 Management reviews revenue and other financial results based on major product division. During the six months period ended 31 December 2024, revenue of the Condiments division was Rs. 11,610 million (31 December 2023: Rs. 10,097 million), and Culinary division was Rs. 15,494 million (31 December 2023: Rs. 11,920 million).

13.3 Revenue is disaggregated by primary geographical market. The Company's customer base is diverse with no single customer accounting for more than 10% of net sales. Sales to domestic customers in Pakistan are 92.12% (31 December 2023: 93.81%) and to customers outside Pakistan are 7.88% (31 December 2023: 6.19%) of the revenue.

14. OTHER INCOME

This mainly includes interest income from savings accounts amounting to Rs. 94 million (31 December 2023: Rs. 6 million) and dividend received from NF DMCC (wholly owned subsidiary) amounting to Rs. 28 million (31 December 2023: Rs. Nil).

15. FINAL TAXES

This represents final tax payable under section 150 of Income Tax Ordinance, 2001 (final tax regime).

16. MINIMUM TAX

This represents minimum tax payable under section 113 and final taxes paid under section 154 of Income Tax Ordinance, 2001.

17. INCOME TAX

| | | Six months ended | |
|------------|------|------------------|------------------|
| | | 31 December 2024 | 31 December 2023 |
| | | (Unaudited) | |
| | | (Rupees in '000) | |
| Current | | - | 173,658 |
| Deferred | 17.1 | 519,628 | (120,775) |
| Prior year | 17.2 | (383,868) | - |
| | | <u>135,760</u> | <u>52,883</u> |

17.1 The Company has not recognized deferred tax asset in the condensed interim unconsolidated statement of financial position for unused tax losses amounting to Rs. 724.94 million, minimum tax amounting to Rs. 65.09 million and deductible temporary differences amounting to Rs. 512.30 million. The Company has not recorded deferred tax asset on the above amounts in view of the uncertainty of its realization.

17.2 This includes prior-year tax reversals of Rs. 181.52 million based on the finalized tax assessments.

18. EARNINGS PER SHARE - BASIC AND DILUTED

| | Six months ended | |
|--|--------------------|------------------|
| | 31 December 2024 | 31 December 2023 |
| | (Unaudited) | |
| | (Rupees in '000) | |
| Profit after taxation attributable to ordinary shareholders | 681,571 | 222,612 |
| | (Number of shares) | |
| | (In '000) | |
| Weighted average number of ordinary shares outstanding during the period | 233,115 | 233,115 |
| | (Rupees) | |
| Earnings per share - basic and diluted | 2.92 | 0.95 |

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2024

19. CASH GENERATED FROM OPERATIONS

| | Six months ended | |
|--|------------------|------------------|
| | 31 December 2024 | 31 December 2023 |
| | (Unaudited) | |
| | (Rupees in '000) | |
| Profit before taxation | 910,752 | 344,575 |
| Adjustment for non-cash charges and other items | | |
| Depreciation | 572,648 | 345,635 |
| Amortisation | 54,465 | 10,524 |
| Depreciation - right of use asset | 23,220 | 8,742 |
| (Gain) / loss on disposal of property, plant and equipment | (36,877) | 345 |
| (Reversal) / charge of provision for write-down of inventory to net realizable value | (98,678) | 106,142 |
| Income from short term investments at FVTPL | (1,822) | (17,372) |
| Dividend income from subsidiary | (27,862) | - |
| Finance cost | 774,205 | 595,580 |
| Interest expense - right of use asset | 11,274 | 3,508 |
| Retirement benefits expense | 36,993 | 5,264 |
| | 1,307,566 | 1,058,368 |
| | 2,218,318 | 1,402,943 |
| Working capital changes | | |
| <i>(Increase) / decrease in current assets</i> | | |
| Stores and spare parts | (117,510) | (26,466) |
| Stock-in-trade | 382,735 | (1,259,977) |
| Trade debts | (608,833) | 395,834 |
| Advances | 35,676 | 102,817 |
| Deposits and prepayments | (89,073) | (98,279) |
| Other receivables | (13,713) | 28,583 |
| | (410,718) | (857,488) |
| <i>Increase / (decrease) in current liabilities</i> | | |
| Trade and other payables | (418,217) | (1,252,622) |
| Contract liability | 303,751 | 89,513 |
| | (114,466) | (1,163,109) |
| | 1,693,134 | (617,654) |

20. CASH AND CASH EQUIVALENTS

| Note | Six months ended | |
|------------------------|------------------|------------------|
| | 31 December 2024 | 31 December 2023 |
| | (Unaudited) | |
| | (Rupees in '000) | |
| Cash and bank balances | 2,654,880 | 1,285,923 |
| Running finance | (2,116,480) | (5,706,235) |
| | 538,400 | (4,420,312) |

21. RELATED PARTY DISCLOSURE

Related parties comprise the holding company, subsidiaries (direct and indirect), staff retirement funds, directors, major shareholders and key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and Departmental Heads to be its key management personnel. Transactions with key management personnel are in accordance with their terms of employment / entitlement. Contribution charged for retirement benefit plan are in accordance with the terms of the service rules / trust deed and actuarial valuation as relevant. Other transactions are in accordance with the agreed terms.

21.1 Balances outstanding

| | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|--|------------------------------|------------------------|
| | (Rupees in '000) | |
| Receivable from the parent company | 4,143 | 5,160 |
| Payable to the parent company | 4,654 | 7,607 |
| Trade receivable from the subsidiary company | 1,421,414 | 679,480 |
| Payable to the subsidiary company | 225,577 | 117,889 |
| Other receivable from the subsidiary company | 8,373 | - |
| Payable to associated companies | 44,537 | 55,250 |

Notes to the Condensed Interim

Unconsolidated Financial Statements (Unaudited)

For the period ended 31 December 2024

21.2 Transactions during the period

| | Six months ended | |
|---|------------------|------------------|
| | 31 December 2024 | 31 December 2023 |
| | (Unaudited) | |
| | (Rupees in '000) | |
| Parent company: | | |
| Rental income | 1,819 | 1,819 |
| Rental expense | - | 2,507 |
| Reimbursement of expenses | 8,695 | 4,760 |
| Dividend paid | 396,812 | 198,279 |
| Subsidiary company: | | |
| Sale of goods - net | 1,868,762 | 1,221,245 |
| Purchase of goods - net | 572,681 | 571,200 |
| Reimbursement of expenses | 8,373 | - |
| Dividend received | 27,862 | - |
| Associated Companies / Undertakings: | | |
| Annual subscription | 2,520 | 2,500 |
| Purchases | 126,417 | 125,903 |
| Dividend paid | 167,132 | - |
| Directors and their family members: | | |
| Dividend paid | 461,100 | 229,006 |
| Staff retirement funds: | | |
| Expense charged for defined contribution plan | 78,642 | 54,486 |
| Payment to defined contribution plan | 78,642 | 54,486 |
| Charge during the period to the defined benefit plan | 36,993 | 5,264 |
| Payment during the period to the defined benefit plan | 361,345 | 5,264 |
| Key management personnel and their family members: | | |
| Salaries and other short-term employee benefits | 646,582 | 535,086 |
| Reimbursement of expenses | 16,587 | 21,339 |
| Directors' Fee | 7,600 | 1,900 |
| Contribution to the Provident Fund | 21,572 | 14,705 |

22. CORRESPONDING FIGURES

Comparative figures have been re-arranged and reclassified, where necessary, for the purpose of comparison and better presentation and the effect of which is immaterial to the financial statements.

23. EVENS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on 24 February 2025, has declared a cash dividend of Rs. 2 per share for the period ended 31 December 2024 (31 December 2023: Rs. 1.50 per share). These condensed interim unconsolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

24. GENERAL

These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors in their meeting held on 24 February 2025.



Chief Executive Officer



Chief Financial Officer



Director

Condensed Interim Consolidated Financial Statements (Unaudited) 31 December 2024



Condensed Interim Consolidated

Statement of Financial Position (Unaudited)

As at December 31, 2024

| Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|---|---------------------------------|---------------------------|
| (Rupees in '000) | | |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 18,252,488 | 19,196,344 |
| Intangibles and goodwill | 1,450,643 | 1,543,624 |
| Long-term deposits | 40,017 | 37,050 |
| Deferred taxation - net | - | 33,372 |
| | 19,743,148 | 20,810,390 |
| Current assets | | |
| Stores and spare parts | 433,705 | 316,195 |
| Stock-in-trade | 14,601,855 | 13,802,201 |
| Trade debts | 3,344,550 | 3,240,433 |
| Advances | 720,391 | 575,375 |
| Deposits and prepayments | 1,396,924 | 1,612,568 |
| Other receivables | 21,261 | 55,961 |
| Short-term investments - at fair value through profit or loss | 1,376 | 738 |
| Cash and bank balances | 4,015,864 | 4,832,346 |
| | 24,535,926 | 24,435,817 |
| Assets classified as held for sale | 166,101 | - |
| | 44,445,175 | 45,246,207 |
| TOTAL ASSETS | | |
| EQUITY AND LIABILITIES | | |
| Share capital and reserves | | |
| Authorised share capital | | |
| 1,000,000,000 (30 June 2024: 1,000,000,000) ordinary shares of Rs. 5 each | 5,000,000 | 5,000,000 |
| Share capital | | |
| Issued, subscribed and paid-up capital | 1,165,576 | 1,165,576 |
| Revenue Reserve | | |
| Unappropriated profit | 9,634,663 | 9,711,611 |
| Foreign exchange translation reserve | 786,035 | 956,749 |
| Equity attributable to owners of the Company | 11,586,274 | 11,833,936 |
| Non-controlling interest | 2,202,978 | 2,222,085 |
| Total equity | 13,789,252 | 14,056,021 |
| Non-current liabilities | | |
| Long-term finance - secured | 6,651,649 | 6,717,423 |
| Lease liabilities | 3,723,329 | 4,598,366 |
| Deferred taxation - net | 455,609 | - |
| Deferred liabilities - for retirement benefits | 37,014 | 370,606 |
| | 10,867,601 | 11,686,395 |
| Current liabilities | | |
| Trade and other payables | 11,861,814 | 11,949,269 |
| Contract liabilities | 622,117 | 308,907 |
| Short-term borrowings | 5,444,504 | 4,055,513 |
| Long-term finance classified as current - secured | 297,077 | 293,616 |
| Current portion of lease liabilities | 1,113,566 | 1,239,268 |
| Mark-up accrued on bank borrowings | 199,509 | 937,824 |
| Unclaimed dividend | 34,316 | 22,906 |
| Taxation - net | 215,419 | 696,488 |
| | 19,788,322 | 19,503,791 |
| Contingencies and commitments | | |
| | 44,445,175 | 45,246,207 |
| TOTAL EQUITY AND LIABILITIES | | |

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

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Consolidated

Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the period ended December 31, 2024

| Note | Quarter ended 31 December 2024 | 31 December 2023 | Six months ended 31 December 2024 | 31 December 2023 |
|--|-----------------------------------|------------------|--------------------------------------|------------------|
| (Rupees in '000) | | | | |
| Sales - net | 24,005,867 | 20,175,273 | 47,255,470 | 40,129,537 |
| Cost of sales | (17,267,786) | (14,548,280) | (34,469,778) | (29,091,104) |
| Gross profit | 6,738,081 | 5,626,993 | 12,785,692 | 11,038,433 |
| Selling and distribution costs | (3,606,088) | (3,107,265) | (6,823,038) | (5,919,921) |
| Impairment loss on trade debts | 6,309 | 1,699 | (16,658) | (20,898) |
| Administrative expenses | (1,205,020) | (949,518) | (2,458,177) | (1,930,104) |
| Operating profit | 1,933,282 | 1,571,909 | 3,487,819 | 3,167,510 |
| Other expenses | (39,442) | (16,970) | (43,066) | (41,056) |
| Other income | 108,878 | 57,030 | 237,524 | 97,223 |
| Finance costs | (660,024) | (623,324) | (1,413,785) | (1,089,529) |
| Profit before final taxes, minimum tax differential and income tax | 1,342,694 | 988,645 | 2,268,492 | 2,134,148 |
| Final taxes | 12,800 | (8,143) | (4,179) | (16,239) |
| Minimum tax | (62,025) | (28,109) | (89,242) | (52,841) |
| | (49,225) | (36,252) | (93,421) | (69,080) |
| Profit before income tax | 1,293,469 | 952,393 | 2,175,071 | 2,065,068 |
| Income Tax | (273,130) | (282,099) | (565,634) | (565,393) |
| Profit for the period | 1,020,338 | 670,294 | 1,609,436 | 1,499,675 |
| Other comprehensive income for the period | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Foreign operations - Exchange differences on translation of foreign operations | (423,348) | 292 | (270,847) | (86,244) |
| Total comprehensive income for the period | 596,990 | 670,586 | 1,338,589 | 1,413,431 |
| Profit attributable to: | | | | |
| Owners of the Holding Company | 819,002 | 453,047 | 1,088,628 | 1,016,888 |
| Non-controlling interest | 201,336 | 217,247 | 520,808 | 482,787 |
| | 1,020,338 | 670,294 | 1,609,436 | 1,499,675 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Holding Company | 528,499 | 412,789 | 917,914 | 925,944 |
| Non-controlling interest | 68,491 | 257,797 | 420,675 | 487,487 |
| | 596,990 | 670,586 | 1,338,589 | 1,413,431 |
| Earnings per share (basic and diluted) | | | | |
| | 3.51 | 1.94 | 4.67 | 4.36 |

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

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Consolidated

Statement of Cash Flows (Unaudited)

For the period ended December 31, 2024

| | Note | Six months ended | |
|---|------|--------------------|--------------------|
| | | 31 December 2024 | 31 December 2023 |
| | | (Unaudited) | |
| (Rupees in '000) | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 18 | 4,328,555 | 849,937 |
| Finance cost paid | | (2,133,289) | (779,958) |
| Income tax paid | | (646,086) | (1,145,766) |
| (Paid to) / surplus received from retirement benefits obligations | | (361,345) | 38,894 |
| Long term deposits | | (2,967) | 6,041 |
| Net cash flows from operating activities | | 1,184,868 | (1,030,852) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (1,057,513) | (2,313,338) |
| Proceeds from disposal of fixed assets | | 8,782 | 1,831 |
| Purchase of intangible assets | | (38,572) | (56,331) |
| Redemption of short term investment - net | | 1,184 | 849,594 |
| Net cash used in investing activities | | (1,086,119) | (1,518,244) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds of short term borrowings - net | | 1,610,855 | 951,020 |
| (Repayment) / proceeds of long term finance - net | | (24,196) | 1,589,907 |
| Lease rental paid | | (676,836) | (502,250) |
| Dividend paid | | (1,621,741) | (780,595) |
| Net cash (used in) / from financing activities | | (711,918) | 1,258,082 |
| Net decrease in cash and cash equivalents | | (613,169) | (1,291,014) |
| Cash and cash equivalents at beginning of the period | | 2,123,736 | (2,392,534) |
| Currency translation difference on cash and cash equivalents | | (37,976) | (3,964) |
| Cash and cash equivalents at end of the period | 19 | 1,472,591 | (3,687,512) |

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

Chief Executive Officer

Chief Financial Officer

Director

Condensed Interim Consolidated

Statement of Changes in Equity (Unaudited)

For the period ended December 31, 2024

| | Attributable to shareholders of the Parent Company | | | | Non controlling interest | Total Equity |
|--|--|-------------------|--------------------------------------|-------------------|--------------------------|-------------------|
| | Share capital | Retained earnings | Foreign currency translation reserve | Sub-total | | |
| (Rupees in '000) | | | | | | |
| Balance as at 1 July 2023 | 1,165,576 | 8,738,565 | 1,270,516 | 11,174,657 | 1,780,155 | 12,954,812 |
| Total comprehensive income for the six months period ended 31 December 2023 | | | | | | |
| Profit for the period | - | 1,016,888 | - | 1,016,888 | 482,787 | 1,499,675 |
| Other comprehensive income for the period | - | - | (90,944) | (90,944) | 4,700 | (86,244) |
| | - | 1,016,888 | (90,944) | 925,944 | 487,487 | 1,413,431 |
| Total comprehensive income for the six months period ended 30 June 2024 | | | | | | |
| Profit for the period | - | 893,294 | - | 893,294 | 401,941 | 1,295,235 |
| Other comprehensive income for the period | - | (4,675) | (222,823) | (227,498) | (67,393) | (294,891) |
| | - | 888,619 | (222,823) | 665,796 | 334,548 | 1,000,344 |
| Transaction with owners | | | | | | |
| Final cash dividend for the year ended 30 June 2023 @ Rs. 2.5 per ordinary share | - | (582,788) | - | (582,788) | - | (582,788) |
| Interim cash dividend for the period ended 31 December 2023 @ Rs. 1.5 per share | - | (349,673) | - | (349,673) | - | (349,673) |
| Dividend paid to NCI | - | - | - | - | (380,105) | (380,105) |
| Balance as at 30 June 2024 | 1,165,576 | 9,711,611 | 956,749 | 11,833,936 | 2,222,085 | 14,056,021 |
| Balance as at 1 July 2024 | 1,165,576 | 9,711,611 | 956,749 | 11,833,936 | 2,222,085 | 14,056,021 |
| Total comprehensive income for the period ended 31 December 2024 | | | | | | |
| Profit for the period | - | 1,088,628 | - | 1,088,628 | 520,808 | 1,609,436 |
| Other comprehensive income for the period | - | - | (170,714) | (170,714) | (100,133) | (270,847) |
| | - | 1,088,628 | (170,714) | 917,914 | 420,675 | 1,338,589 |
| Transaction with owners | | | | | | |
| Final cash dividend for the year ended 30 June 2024 @ Rs. 5 per ordinary share | - | (1,165,576) | - | (1,165,576) | - | (1,165,576) |
| Dividend paid to NCI | - | - | - | - | (439,782) | (439,782) |
| Balance as at 31 December 2024 | 1,165,576 | 9,634,663 | 786,035 | 11,586,274 | 2,202,978 | 13,789,252 |

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

Chief Executive Officer

Chief Financial Officer

Director

Notes to the Condensed Interim

Consolidated Financial Statements (Unaudited)

For the period ended December 31, 2024

1. THE GROUP AND ITS OPERATIONS

1.1 The group consists of:

- i) Parent Company - National Foods Limited
- ii) Subsidiary Company - National Foods DMCC, Dubai, United Arab Emirates.

National Foods Limited

National Foods Limited ("Parent Company") was incorporated in Pakistan on February 19, 1970 as a private limited company under the Companies Act, 1913 and subsequently converted into a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) by special resolution passed in the extra ordinary general meeting held on 30 March 1988. The Holding Company is principally engaged in the manufacture and sale of convenience based food products. The Company is listed on Pakistan Stock Exchange. The registered office of the Parent Company is situated at 12 / CL - 6, Claremont Road, Civil Lines, Karachi.

1.2 The ultimate parent entity of the National Foods Limited is ATC parents (Private) Limited based on control model as provided under IFRS10 - 'Consolidated Financial Statements'.

1.3 Details of the subsidiary companies are as follows:

National Foods DMCC

"The Parent Company has a wholly owned (100%) subsidiary which was set up in United Arab Emirates in 2012 and is carried at cost. The subsidiary was formed as a limited liability company and commenced operations from March 2013. National Foods DMCC (NF DMCC) was registered on 7 November 2012 in Dubai Multi Commodities Centre ("DMCC") pursuant to Dubai (DMCC) Law No. 4 of 2001 and operates in the United Arab Emirates ("UAE") under a trade license issued by DMCC. The registered address of the Company is Unit No. 2404-19, Reef Tower, Plot No. JLT-Ph 2-01A, Jumeirah Lake Towers, Dubai, United Arab Emirates."

The primary objective of NF DMCC is to boost export sales of its parent company through trading in food stuff and other services. NF DMCC also has following two wholly owned direct subsidiaries and one new established subsidiary, two indirect subsidiaries of the group Company as follows:

National Foods Pakistan (UK) Limited

National Foods Pakistan (UK) Limited was incorporated in United Kingdom on 29 May 2013 as a private company under the UK Companies Act, 2006. The company is a wholly owned subsidiary of National Foods DMCC and will be principally engaged in the trading of food products, although currently it is not operational.

National Epicure Inc.

National Epicure Inc. ("NEI") was incorporated in Canada on 16 October 2013 under the Canada Business Corporations Act. NEI is a wholly owned subsidiary of National Foods DMCC and is principally engaged in the trading of food products. NEI is the holding company of A-1 Bags & Supplies Inc. and National Epicure USA Inc. as mentioned below.

A-1 Bags & Supplies Inc.

A-1 Bags & Supplies Inc. was incorporated under the Business Corporations Act of Ontario on March 14, 2001. National Epicure Inc. acquired 60% parent in A-1 Bags and Supplies Inc. in the year 2017 and is principally engaged in distribution and wholesale of food products, disposables, janitorial and sanitation products.

National Epicure USA Inc.

National Epicure USA Inc. was incorporated in USA on 1 December 2021 under the General Corporation Law of the State of Delaware, USA with an authorized share capital of 500 shares with a par value of \$0.0001 per share. Shares have not yet been issued by this entity and has not commenced its operations. The company is a subsidiary of National Epicure Inc - Canada.

National Foods (FZE).

National Foods (FZE) has been established in Sharjah, United Arab Emirates on 23 November 2023. The company is a wholly owned subsidiary of National Foods DMCC and will be principally engaged in the manufacturing of food products, although the entity has not commenced its operations. Following a strategic review, the Management has resolved to liquidate the Company. The liquidation process has been completed in January 2025.

National Epicure Limited

National Epicure Limited has been established in Canada on 19 December 2024. The company is a wholly owned subsidiary of National Foods DMCC and will be principally engaged in the trading of food products, although the entity has not commenced its operations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim consolidated 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:

Notes to the Condensed Interim

Consolidated Financial Statements (Unaudited)

For the period ended December 31, 2024

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the (IAS) 34, 'Interim Financial Reporting' or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim consolidated financial statements of the Group do not include all of the information required for consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2024. However, selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Group's financial position and performance since the last annual audited financial statements.

2.2 Basis of consolidation

2.2.1 The condensed interim financial statements of the subsidiary company has been consolidated on line by line basis. The carrying value of investments held by the holding company is eliminated against the subsidiary's share capital and pre-acquisition reserve.

2.2.2 Non-controlling interest has been presented as a separate line item in these condensed interim consolidated financial statements. All material intercompany transactions/ balances have been eliminated.

2.3 Functional and presentation currency

These condensed interim consolidated financial statements are presented in Pakistani Rupees which is Group's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand of rupees, unless stated otherwise.

3. ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to published approved accounting standards that have become effective in the current year

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for accounting periods beginning on or after 1 July 2024; however, these do not have any significant impact on these condensed interim consolidated financial statements and, therefore, have not been detailed here.

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

There are various standards, amendments and interpretations to the accounting and reporting standards as applicable in Pakistan which are not yet effective in the current accounting period. These are not likely to have any significant impact on the Group's financial reporting and, therefore, have not been detailed in these condensed interim consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended 30 June 2024. However, during the period the Group has adopted the following:

4.2 IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'

The Company has adopted IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations' as stated in Note 9. Non-current assets are classified as held for sale if it is highly probable that they will be recovered principally through a sale transaction rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale, being the difference between the carrying value and fair value less costs to sell, are recognised in profit and loss. Once classified as held for sale, property, plant and equipment are no longer depreciated.

5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

5.1 The significant estimates and judgements made by the management in applying the Group's accounting policies and the key sources of estimating the uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 30 June 2024.

5.2 The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the audited annual consolidated financial statements as at and for the year ended 30 June 2024.

6. PROPERTY, PLANT AND EQUIPMENT

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|--------------------------|----------------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| Operating fixed assets | 6.1 & 6.5 | 13,274,878 | 13,138,271 |
| Capital work-in-progress | 6.2, 6.3 & 6.4 | 344,108 | 403,577 |
| Right-of-use assets | 6.6 | 4,633,502 | 5,654,496 |
| | | <u>18,252,488</u> | <u>19,196,344</u> |

6.1 Following are the additions and disposals of property, plant and equipment during the period:

Notes to the Condensed Interim

Consolidated Financial Statements (Unaudited)

For the period ended December 31, 2024

7. STOCK IN TRADE

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|---|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| Raw materials | | 2,983,198 | 3,239,970 |
| Provision for write-down of inventory to net realizable value | 7.1 | (76,989) | (96,628) |
| | | 2,906,209 | 3,143,342 |
| Packing materials | | 1,033,338 | 850,265 |
| Provision for write-down of inventory to net realizable value | 7.1 | (63,335) | (43,416) |
| | | 970,003 | 806,849 |
| Work-in-process | | 2,323,586 | 3,264,881 |
| Provision for write-down of inventory to net realizable value | 7.1 | (209,912) | (252,042) |
| | | 2,113,674 | 3,012,839 |
| Finished goods | | 8,847,074 | 7,135,730 |
| Provision for write-down of inventory to net realizable value | 7.1 | (235,105) | (296,559) |
| | | 8,611,969 | 6,839,171 |
| | | 14,601,855 | 13,802,201 |

7.1 During the period, the Company recorded reversal (30 June 2024: charge) of provision for obsolescence of Rs. 94.31 million (30 June 2024: Rs. 301.49 million) and has written off stocks against provision amounting to Rs. 344.66 million (30 June 2024: Rs.205.69 million).

8. SHORT-TERM INVESTMENTS - AT FAIR VALUE THROUGH PROFIT OR LOSS

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|-----------------------------|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| Investments in mutual funds | | 1,376 | 738 |

9. ASSETS CLASSIFIED AS HELD FOR SALE

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|-----------------------------|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| Leasehold Land | 9.1 | 2,255 | - |
| Buildings on leasehold land | 9.1 | 163,846 | - |
| | | 166,101 | - |

9.1 The Company has stopped its manufacturing operations at the SITE plant. The Company is committed to a plan to sell the leasehold land and the buildings situated on the leasehold land at the SITE plant. As a result, these assets have been classified as "Assets Held for Sale" in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations.

The leasehold land and buildings have been measured at their carrying value as of 31 December 2024, which is lower than their fair value less costs to sell. Efforts to sell these assets have started, and the sale is expected to be completed within one year from the date of classification.

10. LONG TERM FINANCE

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|------------------------------------|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| Local currency | 10.1 | 6,158,305 | 6,189,971 |
| Foreign currency | | 790,421 | 821,068 |
| | | 6,948,726 | 7,011,039 |
| Classified under current liability | | (297,077) | (293,616) |
| | | 6,651,649 | 6,717,423 |

10.1 This represents original long term finance facilities of Rs. 3,300 million and Rs. 3,000 million obtained from conventional and Islamic banks respectively. These finances carry markup ranging from 3 months KIBOR + 0.2% to 3 months KIBOR + 0.4%. The loans are secured by way of hypothecation of Company's present and future fixed assets. Loan tenures range from 5 years to 10 years. These loans are fully repayable in quarterly installments of Rs. 8.33 million, 187.5 million and 187.5 million until November 2029.

11. SHORT TERM BORROWINGS

| | Note | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|--|------|------------------------------------|------------------------------|
| (Rupees in '000) | | | |
| <i>Conventional - local currency</i> | | | |
| Running finance under mark up arrangements | 11.1 | - | 1,245,302 |
| Export re-finance | 11.2 | 1,350,000 | 950,000 |
| <i>Conventional - foreign currency</i> | | | |
| Demand operating loan | | 1,380,981 | 264,217 |
| Running finance | | 537,634 | 578,613 |
| Short term loan | | 170,250 | 132,686 |
| <i>Islamic</i> | | | |
| Running finance under Musharakah | 11.3 | 2,005,639 | 884,695 |
| | | 5,444,504 | 4,055,513 |

Notes to the Condensed Interim

Consolidated Financial Statements (Unaudited)

For the period ended December 31, 2024

11.1 The facilities for running finance available from various commercial banks are for the purpose of meeting working capital requirements. The effective rates of mark-up on these finances range from 14.86% to 20.85% (30 June 2024: 22.03% to 22.12%) per annum. The facilities are valid upto 30 June 2025 and are generally renewable.

11.2 The Company has short term running finance facility under Export Refinance Scheme of the State Bank of Pakistan from commercial banks. The effective rate of mark-up on this facility is 15.1% (30 June 2024: 18%) per annum. The facilities offer are valid upto 02 March 2025 and are generally renewable.

11.3 The Company has obtained facilities for short-term finance under Running Musharakah. The rate of profit ranges from 10.14% to 20.9% (30 June 2024: 22.15% to 22.86%) per annum. These facilities mature within twelve months and are renewable. The facility offers are valid upto 30 June 2025.

11.4 The facilities available from various banks amount to Rs. 9.1 billion (30 June 2024: Rs. 9.1 billion). The arrangements are secured by way of pari-passu charge against hypothecation of Company's current and future movable assets having aggregate charge amounting to Rs. 12.19 billion.

12. CONTINGENCIES AND COMMITMENTS

12.1 There are cases against the Company which are outstanding as at 31 December 2024. The management is confident that the decision will be in favor of the Company.

12.2 The facilities for opening letters of credit amount to Rs. 4.2 billion (30 June 2024: Rs. 4.2 billion) and for letters of guarantee amount to Rs. 1,095 million (30 June 2024: Rs. 1,095 million) as at 31 December 2024 of which the amount remaining unutilized at period end were Rs 3.2 billion (30 June 2024: Rs. 3.6 billion) and 641 million (30 June 2024: Rs. 926 million) respectively. The guarantees have mainly been given to utility companies, Collector of Customs and an oil marketing Company, etc.

12.3 Aggregate commitments for capital expenditure as at 31 December 2024 amount to Rs. 319 million (30 June 2024: Rs. 369 million).

12.4 Aggregate commitments in respect of ujarah payments for ijarah financing of motor vehicles from a Modaraba bearing profit rate at 3 months KIBOR + 0.90% (30 June 2024: 3 months KIBOR + 0.90%) and from a Islamic bank bearing profit rate at 3 months KIBOR + 1.25% (30 June 2024: 3 months KIBOR + 1.25%) per annum for rentals payable monthly as at 31 December 2024 amount to:

| | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|---|---|------------------------------|
| | (Rupees in '000) | |
| Not later than one year | 422,597 | 417,451 |
| Later than one year but not later than five years | 590,795 | 768,719 |
| | 1,013,392 | 1,186,170 |

Total sanctioned facilities from banks amount to Rs. 1,996 million, out of which Rs. 1,013 million has been utilized by the Group.

13. SALES - NET

| | Six months ended | |
|------------------------------------|-----------------------------|---------------------|
| | 31 December 2024 | 31 December 2023 |
| | (Unaudited) | |
| | (Rupees in '000) | |
| Local sales | 24,967,278 | 20,653,175 |
| Export sales | 31,984,437 | 27,390,038 |
| | 56,951,715 | 48,043,213 |
| Sales tax | (4,843,629) | (4,040,067) |
| | 52,108,086 | 44,003,146 |
| Less: | | |
| - Discount, rebates and allowances | (4,700,126) | (3,342,231) |
| - Sales return | (152,490) | (531,378) |
| | (4,852,616) | (3,873,609) |
| | 47,255,470 | 40,129,537 |

13.1 Revenue is disaggregated by primary geographical market.

13.2 Management reviews revenue and other financial results based on major product division. During the three months period ended 31 December 2024, revenue of the Condiments division was Rs. 11,876 million (31 December 2023: Rs. 10,341 million) and Culinary division was Rs. 15,812 million (31 December 2023: Rs. 12,426 million). Revenue from A1 amounted to Rs. 29,264 million (31 December 2023: Rs. 25,275 million).

14. FINAL TAXES

This represents final tax payable under section 150 of Income Tax Ordinance, 2001 (final tax regime)

15. MINIMUM TAX

This represents minimum tax payable under section 113 and final taxes paid under section 154 of Income Tax Ordinance, 2001.

Notes to the Condensed Interim

Consolidated Financial Statements (Unaudited)

For the period ended December 31, 2024

16. INCOME TAX

| Note | Six months ended | |
|------------|------------------|------------------|
| | 31 December 2024 | 31 December 2023 |
| | (Unaudited) | |
| | (Rupees in '000) | |
| Current | 429,874 | 686,168 |
| Deferred | 519,628 | (120,775) |
| Prior year | (383,868) | - |
| | 565,634 | 565,393 |

16.1 The Group has not recognized deferred tax asset in the condensed interim consolidated statement of financial position for unused tax losses amounting to Rs. 724.94 million, minimum tax amounting to Rs. 65.09 million and deductible temporary differences amounting to Rs. 512.30 million. The Company has not recorded deferred tax asset on the above amounts in view of the uncertainty of its realization.

16.2 This includes prior-year tax reversals of Rs. 181.52 million based on the finalized tax assessments.

17. EARNINGS PER SHARE

| | Six months ended | |
|--|--------------------|------------------|
| | 31 December 2024 | 31 December 2023 |
| | (Unaudited) | |
| | (Rupees in '000) | |
| Profit after taxation attributable to owners of the Parent Company | 1,088,628 | 1,016,888 |
| | (Number of shares) | |
| | (In '000) | |
| Weighted average number of ordinary shares outstanding during the period | 233,115 | 233,115 |
| | (Rupees) | |
| Earning per share - basic and diluted | 4.67 | 4.36 |

18. CASH GENERATED FROM OPERATIONS

| | Six months ended | |
|--|------------------|------------------|
| | 31 December 2024 | 31 December 2023 |
| | (Unaudited) | |
| | (Rupees in '000) | |
| Profit before taxation | 2,268,492 | 2,134,148 |
| Adjustments for non-cash charges and other items | | |
| Depreciation | 722,923 | 486,669 |
| Amortisation | 73,741 | 22,055 |
| Depreciation - right of use asset | 715,246 | 498,438 |
| (Gain) / loss on disposal of property, plant and equipment | (41,167) | 345 |
| (Reversal) / charge of provision for write-down of inventory to net realizable value | (98,678) | 106,142 |
| Income from short term investments at FVTPL | (1,822) | (17,372) |
| Finance cost | 1,241,622 | 963,976 |
| Interest expense - right of use asset | 172,164 | 125,553 |
| Provision for doubtful debts | 16,658 | 20,898 |
| Retirement benefits expense | 27,732 | 8,149 |
| | 2,828,419 | 2,214,853 |
| Working capital changes | 5,096,911 | 4,349,001 |
| <i>(Increase) in current assets</i> | | |
| Stores and spare parts | (117,510) | (26,466) |
| Stock-in-trade | (920,289) | (2,383,161) |
| Trade debts | 363,508 | 1,227,659 |
| Advances | (97,410) | (36,503) |
| Deposits and prepayments | (89,073) | (98,279) |
| Other receivables | 594,038 | 24,960 |
| | (266,736) | (1,291,790) |
| <i>(Decrease) / Increase in current liabilities</i> | | |
| Trade and other payables | (805,371) | (2,296,787) |
| Contract Liability | 303,751 | 89,513 |
| | (501,620) | (2,207,274) |
| | 4,328,555 | 849,937 |

Notes to the Condensed Interim

Consolidated Financial Statements (Unaudited)

For the period ended December 31, 2024

19. CASH AND CASH EQUIVALENTS

| | Six months ended | |
|------------------------|------------------|------------------|
| | 31 December 2024 | 31 December 2023 |
| | (Unaudited) | |
| | (Rupees in '000) | |
| Cash and bank balances | 4,015,864 | 2,155,941 |
| Running finance | (2,543,273) | (5,843,453) |
| | 1,472,591 | (3,687,512) |

20. RELATED PARTY DISCLOSURE

Related parties comprise the holding company, subsidiaries (direct and indirect), staff retirement funds, directors, major shareholders and key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Company Secretary, Non-Executive Directors and Departmental Heads to be its key management personnel. Transactions with key management personnel are in accordance with their terms of employment / entitlement. Contribution charged for retirement benefit plan are in accordance with the terms of the service rules / trust deed and actuarial valuation as relevant. Other transactions are in accordance with the agreed terms.

20.1 Balance outstanding

| | 31 December 2024 (Unaudited) | 30 June 2024 (Audited) |
|---------------------------------------|---------------------------------|---------------------------|
| | (Rupees in '000) | |
| Receivable from the parent company | 4,143 | 5,160 |
| Payable to parent company | 4,654 | 7,607 |
| Payable to associated companies - net | 44,537 | 55,250 |

20.2 Transactions during the period

Parent company

| | | |
|---|---------|---------|
| Rental income | 1,819 | 1,819 |
| Rental expense | - | 2,507 |
| Reimbursement of expenses from Parent Company | 8,695 | 4,760 |
| Dividend paid | 396,812 | 198,279 |

Associated companies / Undertakings

| | | |
|---------------------|---------|---------|
| Annual Subscription | 2,520 | 2,500 |
| Purchases | 126,417 | 125,903 |
| Dividend paid | 167,132 | - |

Directors and their family members:

| | | |
|---------------|---------|---------|
| Dividend paid | 461,100 | 229,006 |
|---------------|---------|---------|

Staff retirement funds

| | | |
|---|---------|--------|
| Expense charged for defined contribution plan | 78,642 | 54,486 |
| Payment to defined contribution plan | 78,642 | 54,486 |
| Charge during the period to the defined benefit plan | 36,993 | 5,264 |
| Payment during the period to the defined benefit plan | 361,345 | 5,264 |

Key management personnel:

| | | |
|---|-----------|---------|
| Salaries and other short-term employee benefits | 1,187,290 | 823,820 |
| Reimbursement of expenses | 16,587 | 21,339 |
| Directors' Fee | 17,028 | 8,221 |
| Retainers Fee | 51,740 | 7,183 |
| Contribution to the Provident Fund | 21,572 | 14,705 |

21. CORRESPONDING FIGURES

Comparative figures have been re-arranged and reclassified, where necessary, for the purpose of comparison and better presentation and the effect of which is immaterial to the financial statements.

22. EVENS OCCURRING AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in their meeting held on 24 February 2025, has declared a cash dividend of Rs. 2 per share for the period ended 31 December 2024 (31 December 2023: Rs. 1.50 per share). These condensed interim consolidated financial statements do not include the effect of this appropriation which will be accounted for subsequent to the period end.

23. GENERAL

This condensed interim consolidated financial statement has been authorised for issue by the Board of Directors of the Holding Company in their meeting held on 24 February 2025.



Chief Executive Officer



Chief Financial Officer



Director