

Directors' Report

The Directors are pleased to present the Annual Report together with the audited financial statements of The Magnum Ice Cream Company Pakistan Limited ("the Company") for the year ended December 31, 2025.

Principal Activities

The principal activity of the Company is the manufacturing and marketing of ice cream and frozen dessert products, primarily under the brands Cornetto, Paddle Pop, Magnum, and Wall's.

The year 2025 marked a defining milestone in the Company's journey. On December 6, 2025, the business was successfully demerged from Unilever, and from December 8, 2025, the Company commenced operations as an independent, publicly unlisted entity. This transition enables a singular strategic focus on the ice cream category, positioning the Company to unlock its full growth potential.

Business Performance

During the year, the Company delivered double-digit topline growth, driven by disciplined execution of a competitive pricing strategy, portfolio mix optimization, and improved market availability.

Key Financial Highlights

Sales – PKR million	10,792
Gross Profit – PKR million	3,995
Profit from Operations – PKR million	324
Profit before tax – PKR million	221
Profit after tax – PKR million	59
EPS – PKR	21

Sustainability

Our Planet Matters

At the Magnum Ice Cream Company Pakistan, our sustainability journey is focused on delivering meaningful impact through tangible action on the ground—driving efficiency, reducing emissions, and building long-term resilience across our operations.

Sustainability In The Field

In our field operations, we are actively transitioning towards cleaner and more efficient energy solutions in response to rising energy challenges and increasing electricity costs. This shift reflects our commitment to embedding sustainability at the frontline of our business.

Through our solar energy initiatives, we have successfully converted **6 cold stores to solar power**, enabling a significant reduction in reliance on conventional energy sources. Most importantly, these initiatives have contributed to a reduction of **811 tons of CO₂ emissions**, demonstrating how localized action can create meaningful environmental impact while supporting operational sustainability.

Sustainability At The Plant

At our plant, we are accelerating progress through the adoption of advanced technologies and alternative energy solutions designed to reduce our carbon footprint and improve overall efficiency.

A key milestone is the installation of the **3TPH Biomass Boiler**, which has replaced the Natural Gas Boiler and is expected to **reduce emissions by 1,964 tons of CO₂ annually** positioning it among the most efficient systems in the industry.

In parallel, our **state-of-the-art solar installation**, with an achieved capacity of **4 MW**, is delivering an additional **1,458 tons reduction in CO₂ emissions each year**. Together, these initiatives highlight our commitment to integrating sustainable practices at scale within our manufacturing operations, reinforcing our ambition to drive responsible growth in Pakistan.

Human Resource Management

We have a strong foundation of existing measures of support such as maternity and paternity leave policies, child care policy, a robust anti harassment policy to prevent sexual or other abuse, provision of female accommodation and travel support policies, sabbatical leave policy, as well as a mental wellbeing policy.

Along with these policies that ensure an equitable working environment, we have introduced three new DE&I policies that further enhances inclusivity and agility in a diverse workforce:

- **Bereavement Leave** – Employees may avail paid bereavement leave in case of the death of close family member.
- **Caregiver's Assistance** – Apart from agile working, employees may avail leave to care for dependents during unforeseen critical health issues.
- **Menstrual Leaves** – Female employees may avail menstrual leaves to support their health and wellbeing during menstruation. Gender remains a key area of focus. We have launched an apprenticeship program called to upskill women with industry relevant skills. Additionally, we conduct a quarterly connect with our female employees to provide opportunities to interact and discuss gender relevant issues.

Directors

The following persons are the Executive Directors of the Company:

- Mert Turgut (Chairman & Chief Executive Officer)
- Mohammed Junaid Siddiqi (Chief Financial Officer)
- Syed Siraj Hasan (Company Secretary)

The above-mentioned Directors have been appointed in 2026 after the resignation of the directors below:

- Amir Rasool Paracha
- Muhammad Shahzad
- Aman Ghanchi

Directors Remuneration

Details of the remuneration of the Chief Executive Officer and Directors are disclosed in Note 34 to the financial statements.

Corporate And Financial Reporting Framework

The Directors confirm that:

- The financial statements, prepared in accordance with applicable accounting standards, fairly present the state of affairs of the Company;
- Proper books of accounts have been maintained;
- Appropriate accounting policies have been consistently applied;
- The system of internal control is sound in design and effectively implemented;
- There are no significant doubts upon the Company's ability to continue as a going concern.

Holding Company

The Company is a subsidiary of The Magnum Ice Cream Company Holdco 1 Netherlands B.V., incorporated in the Netherlands, which holds 99.35% of the shares of the Company.

External Auditors

The Auditors, KPMG Taseer Hadi & Co., Chartered Accountants, were appointed for the year ending December 31, 2025.

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report adjusted for in subsequent reporting period.

Principal Risks And Uncertainties

The Company operates in a macroeconomic environment exposed to external volatility, including geopolitical developments affecting global energy prices.

Elevated oil prices may increase logistics and production costs and indirectly impact consumer purchasing power. The Company actively manages these risks through:

- Disciplined pricing strategies,
- Supply chain efficiencies, and
- Ongoing cost optimization initiatives.

Additionally, foreign exchange volatility, inflationary trends, and regulatory developments remain key areas of focus.

Future Outlook

As the Company enters its first full year as an independent entity, the strategic focus remains on sustainable growth and margin expansion through:

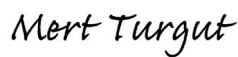
- Portfolio premiumisation and innovation,
- Enhanced distribution and availability,
- Expansion of capacity and freezer deployment,
- Development of new consumption occasions.

While macroeconomic conditions show signs of stabilization, the Company remains cautious and focused on execution excellence. With strong brands, scale, and a clear strategic roadmap, the Company is well positioned to drive long-term value creation.

Acknowledgement

The Board of Directors extends its sincere appreciation to our valued consumers for their continued trust and confidence in our products. We are equally grateful to our shareholders for their unwavering support and faith in the Company's vision and management. Our employees remain the cornerstone of our success, demonstrating exceptional commitment and resilience in overcoming challenges and ensuring uninterrupted product availability. Their dedication continues to drive the Company's growth and long-term sustainability. The Board thanks all stakeholders for their valuable contributions to the Company's ongoing progress.

Thanking you all.
On behalf of the Board



Chief Executive Officer



Director & Chief Financial Officer