

October 13, 2025

ZAL/PSX/101306-2025

The General Manager

Pakistan Stock Exchange

Stock Exchange Building

Stock Exchange Road Karachi,

Dear Sir,

**Subject: Half Yearly Progress Report as of June 30, 2025**

We are pleased to submit the half yearly progress report as of June 30, 2025, along with the Agreed upon Procedures' Report as issued by our Auditors, M/S Naveed Zafar Ashfaq Jaffery & Co, on the implementation status of the project. This progress report is being submitted in compliance with the requirement of Clause 16(ii) of post-issue reporting and disclosures of the "Public Offering Regulations, 2017" and in pursuance of the requirement specified in clause 4.9 of the prospectus to the issue of the Company.

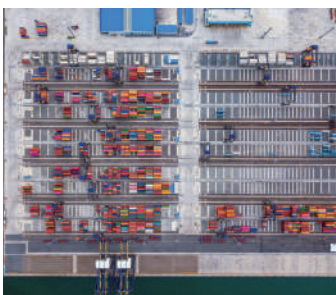
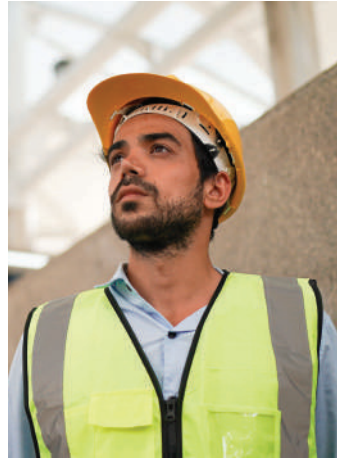
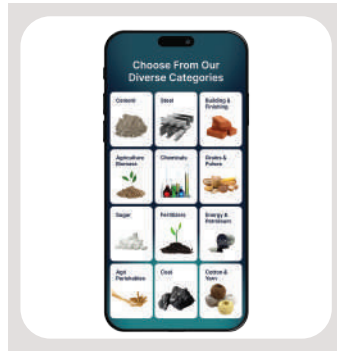
Yours Sincerely,



Muhammad Akram  
Company Secretary



CC: Executive Director/HOD,  
Offsite-II Department, Supervision Division,  
Securities & Exchange Commission of Pakistan,  
63, NIC Building, Jinnah Avenue,  
Blue Area, Islamabad.



Zarea Limited  
**Half Yearly Progress Report**  
on Utilization of IPO Proceeds  
2025

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# Agreed Upon Procedure Auditors Report

## Naveed Zafar Ashfaq Jaffery & Co. Chartered Accountants

A member firm of



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Gulberg-II, Lahore-Pakistan  
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Web: [www.nzaj.com.pk](http://www.nzaj.com.pk)

September 25, 2025  
002/NZAJ/ZAL/2025

### The Board of Directors

Zarea Limited

Delta 6, Office no. 6011, NASTP, Abid Majeed Road  
Lahore

**Subject: Agreed-Upon Procedures Report on Progress Report for the period till 30<sup>th</sup> June, 2025**

#### 1. Purpose of this agreed upon procedures Report

Our report is solely for the purpose of evaluating whether Zarea limited utilized proceeds of IPO in compliance with the principal purpose of the issue as defined under para 2.5 of the prospectus and progress report thereon is in accordance with the Regulation 16 (ii) of Chapter viii of The Public Offering Regulations, 2017 and may not be suitable for another purpose. This report is intended solely for the use of the company and Pakistan Stock Exchange and is not intended for, and should not be used by, any other party or for any other purpose.

#### 2. Responsibility of Zarea Limited

The company has acknowledged that the agreed upon procedures are appropriate for the purpose of engagement.

The company is responsible for the subject matter on which agreed upon procedures are performed.

#### 3. Practitioner's responsibility

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with Zarea Limited, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

#### 4. Professional Ethics and Quality Management

We have complied with the ethical requirements in International Ethics Standard Board for Accountants IASBA as adopted by Institute of Chartered Accountants of Pakistan (Revised 2019) (the code). For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Control (ISQM) 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



## 5. Procedures and Findings

We have performed the following procedures described below which were agreed with the company on utilization of proceeds of Initial Public Offering (IPO).

Sr. No.	Procedures Performed	Findings
1	Obtained the bank statements & details of amounts received against IPO and traced the amounts received in respect of IPO from bank statements	No discrepancies were found
2	Obtained <ul style="list-style-type: none"> <li>• The Progress Report for the period till 30 June 2025.</li> <li>• Books of account of the relevant expansion project as identified under the heading 'Implementation status' of the Projects; and</li> <li>• Prospectus for the issue of shares.</li> </ul>	No discrepancies were found
3	Recalculation of the current status percentage as shown under the heading of 'Implementation status' by dividing 'Funds deployed' against each expansion project with the 'Total Funds' required for completion of project.	No discrepancies were found
4	Obtained details of profits earned on mutual funds	No discrepancies were found
5	Obtained & verified details of utilization as mentioned in Note 4.3 of the prospectus	No discrepancies were found

*Naveed Zafar Ashfaq Jaffery & Co.*

**Naveed Zafar Ashfaq Jaffery & Co.**  
Chartered Accountants  
25<sup>th</sup> September, 2025



# Progress Report on Utilization of Proceeds of Initial Public Offering (IPO)

## PROGRESS REPORT ON UTILIZATION OF PROCEEDS OF INITIAL PUBLIC OFFERING (IPO), UNDER REGULATION 16 (ii) OF CHAPTER VIII OF THE PUBLIC OFFERING REGULATIONS, 2017, REVIEWED BY AUDITORS

September 22, 2025

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Stock Exchange Road, Karachi

## PROGRESS REPORT ON UTILIZATION OF PROCEEDS OF INITIAL PUBLIC OFFERING (IPO), UNDER REGULATION 16(ii) OF CHAPTER VIII OF THE PUBLIC OFFERING REGULATIONS, 2017, REVIEWED BY AUDITORS

Dear Sir,

We are pleased to share the half yearly progress report on utilization of proceeds of initial Public Offering (IPO), under regulations 16 (ii) of Chapter VIII of the public offering regulations, 2017, along with agreed upon procedures report thereon by the external auditors of the Company M/s. Naveed Zafar Ashfaq Jaffery & Company

### Brief Introduction

Zarea Limited ("the company") successfully raised funds through an Initial Public Offering (IPO) to fuel the expansion of its existing business. The IPO involved the issuance of 62,500,000 ordinary shares (face value of Re. 1 each), raising a total of Rs. 1,029,579,750 (Which Include share premium). As a result, 23.81% of the Company's post-IPO share capital was made available to the public and institutional investors. The process of listing the shares on the Pakistan Stock Exchange and commencing trading was successfully completed on February 28, 2025.

The current status of the project's implementation, as outlined in Note 4.3 of the prospectus, is summarized in the table below:

a) Half yearly implementation status of the project/commitment made in the Prospectus is given below:

Sr. No.	Commitment made in the prospectus	Start Date	Completion date	Current Status	Rational for delay (if any)
1	Working Capital	Q2 FY 2025	Q3 FY 2025	Completed	N/A
2	Logistics	Q2 FY 2025	Q3 FY 2025	Yet to be Initiated	N/A
3	Technology	Q3 FY 2025	Q2 FY 2026	15% Completed	N/A
4	Marketing	Q2 FY 2025	Q3 FY 2025	37% Completed	N/A
5	Office and Cars	Q2 FY 2025	Q3 FY 2025	43% Completed	N/A
6	Human Resource	Q2 FY 2025	Q3 FY 2025	25% Completed	N/A

b) Detailed Break up of utilization of the proceeds raised from the IPO:

Detail	Rs.
Receipt against issuance of 62,500,000 ordinary shares	1,029,579,750
Return on investments in mutual funds	35,414,758

Share issuance expense	(51,024,298)
Net IPO Proceeds available for utilization	1,013,970,210
Less: Working capital settlement	(450,000,000)
Less: Expenditures incurred till 30 June 2025 (W-1)	(84,178,530)
Un-utilized IPO proceeds as at 30 June 2025	<b>479,791,680</b>

W-1

Logistics	0
Technology	18,238,400
Marketing	27,455,010
Office CAPEX and Vehicles	26,055,320
Human Resource	12,429,800
<b>Total</b>	<b>84,178,530</b>

*M. USMAN  
AMEER*

For and on behalf of Zarea Limited  
Muhammad Usman Ameer  
Chief Financial Officer



Enclosed: External Auditors (Naveed Zafar Ashfaq Jaffery & Company) agreed upon procedures reports on utilization of IPO Proceeds.