



BARKAT FRISIAN AGRO LIMITED

July 6, 2026

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

Dear Sir,

Initial Entity Credit Rating

We are pleased to inform you that VIS Credit Rating Company Limited (VIS) has assigned initial entity ratings of 'A / A1' (Single A / A One) with a Stable Outlook to Barkat Frisian Agro Limited. Please find enclosed the Press Release issued by VIS Credit Rating Company Limited.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Sincerely,

Muhammad Adil Ali
Chief Executive Officer

Press Release

VIS Assigns Initial Entity Rating to Barkat Frisian Agro Limited

Karachi, July 03, 2026: VIS Credit Rating Company Limited ('VIS') has assigned an initial entity ratings of 'A/A1' (Single A /A One) to Barkat Frisian Agro Limited Limited ('BFAL' or 'the Company'). Medium to long term rating of 'A' indicates good credit quality; protection factors are adequate. Risk factors may vary with possible changes in the economy. Short-term rating of 'A1' suggests strong likelihood of timely repayment of short-term obligations with excellent liquidity factors. Outlook on the assigned ratings is 'Stable'.

BFAL is a Pakistani-Dutch joint venture between the Buksh Group and the Frisian Egg Group and is principally engaged in the processing and marketing of value-added egg products, catering to a diverse customer base comprising large-scale food manufacturers, bakeries, confectionery producers, hospitality businesses, and other food processing enterprises. The Company's product portfolio includes pasteurized whole eggs, egg yolks, egg whites, and customized egg-based solutions developed to meet specific customer requirements. Through its focus on food safety, quality assurance, and product innovation, BFAL has established itself as a leading participant in Pakistan's organized egg-processing industry. The Company operates a production facility at Bin Qasim Industrial Park, Karachi, and during the current year successfully commissioned a new state-of-the-art processing facility located on M-3 Industrial Road, Faisalabad.

The assigned ratings reflect The Company's strong market position as a pioneer in Pakistan's organized pasteurized egg processing industry, supported by its strategic partnership between the Buksh Group and the Frisian Egg Group. The Company benefits from established technical expertise, a growing customer base comprising leading food manufacturers, and a diversified portfolio of value-added egg products. Business risk is underpinned by favorable industry fundamentals, characterized by rising protein consumption, increasing food safety awareness, and the gradual shift of institutional customers towards processed and traceable food ingredients.

The ratings further incorporate the Company's demonstrated growth trajectory, evidenced by strong revenue expansion, improving capacity utilization levels, and healthy profitability metrics. The recent commissioning of the Faisalabad production facility is expected to enhance production capacity and strengthen the Company's ability to capitalize on growing demand from both domestic and export markets. Planned product diversification into dried egg powder and backward integration through poultry layer farming operations are expected to further strengthen the business profile by expanding revenue streams, enhancing supply chain control, and supporting margin sustainability.

The financial risk profile is considered strong. The Company's capitalization has strengthened significantly following the IPO and earnings retention, resulting in low leverage. Liquidity and debt coverage indicators remain robust, supported by a modest debt burden, healthy operating cash flows, and the availability of liquid investments. The ratings remain constrained by the relatively nascent nature of Pakistan's processed egg industry, customer concentration risk arising from reliance on a limited number of large institutional clients, and exposure to volatility in egg prices, disease outbreaks, and adverse weather conditions affecting the poultry sector. Additionally, successful execution of the Company's expansion and diversification initiatives, along with maintenance of profitability, liquidity, and coverage metrics together with manageable leverage indicators will remain important rating considerations going forward.

For further information on this rating announcement, please contact at 021-35311861-64 or email at info@vis.com.pk.

Applicable Rating Criteria:

Corporate Rating

<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

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