Ref: BF/PSX/I-02
Date: October 28, 2026

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

Subject: **Submission of Annual Progress Report – For The Year Ended 30 June 2026**

Dear Sir,

We are pleased to submit the annual progress report for the year ended 30 June 2026, along with the certificate issued by our auditors, M/s KPMG Taseer Hadi & Co. Chartered Accountants, on the implementation status.

This progress report is being submitted in compliance with the requirements of Clause 16 of "Post -Issue Reporting and Disclosures" of the "Public Offering Regulations, 2017" and in pursuance of the requirement specified in clause 4.5.1 of the "Prospectus For Initial Public Offering" of BF Biosciences Limited.

Thank you.

For and on behalf of BF Biosciences Limited

BF Biosciences Limited Rawalpindi

Abdur Rehman
Company Secretary

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Chartered Accountants
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The Board of Directors
BF Biosciences Limited
5-KM - Sundar Raiwind Road Raiwind,
Lahore

Our ref LA-IA-392-26

Contact M. Rehan Chughtai

27 October 2026

Honourable Members of the Board,

BF Biosciences Limited ("the Company")
Statutory auditor's certificate on the Annual Progress Report of the Company for the year ended till 30 June 2026

We have been requested to provide you with a certificate with respect to annexed Annual Progress Report for the year ended 30 June 2026 ("Progress Report") related to utilization of IPO funds by BF Biosciences Limited ("the Company") as required under clause 16 "*Post Issue Reporting and Disclosures*" of the Public Offering Regulations, 2017 and in pursuance of the requirement in clause 4.5.1 of the prospectus of the Company dated 19 September 2024. The relevant page has been initialed by us for identification purposes only.

Scope of certificate

This certificate is being issued for onwards submission to the Securities Exchange Commission of Pakistan (SECP) as required under clause 16 "*Post Issue Reporting and Disclosures*" of the Public Offering Regulations, 2017.

Management responsibility

It is the management's responsibility to prepare the annexed Progress Report and identify the utilization of funds against the commitments mentioned in clause 4.1 of the prospectus of the Company. The management is also responsible to comply with all laws, rules, and regulations applicable to utilization of IPO funds and Public Offering Regulations, 2017.

Auditor's responsibility

Our responsibility is to provide a certificate on utilization of IPO funds as noted in the annexed Progress Report in accordance with the 'Guidelines for issue of Certificate for Special Purpose by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the following procedures:

- Obtained the Annual Progress Report for the year ended 30 June 2026.
- Obtained the Annual Progress Report for the year ended 30 June 2025.
- Obtained the Company's prospectus dated 19 September 2024.

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

KPMG Taseer Hadi & Co.

- Matched the amount aggregating to Rs. 1,925,000,000 shown as '*Allocated cost*' under the heading of '*Summary of IPO Funds Utilization*' as mentioned on page 4 of the Progress Report of 30 June 2026 with the prospectus of the Company dated 19 September 2024.

- For funds utilized as mentioned on page 4 under the heading "*Summary of IPO Funds Utilization*" of the attached Progress Report, matched '*Utilization of funds till 30 June 2025*' amounting to Rs. 1,312,962, 657 with the Annual Progress Report as at 30 June 2025 submitted by the Company with SECP.

- For '*Utilization of funds during the year ended 30 June 2026*', as mentioned on page 4 of the attached progress report of aggregate amount of Rs 388,450,558 which comprises of funds utilized against purchase of Plant and Machinery (Rs. 358,891,845) and obtaining Export related Certifications and New Product Developments (Rs. 29,558,713), we have performed the following procedures:

  i. Inspected the supplier invoices relating to the expenditure incurred during the period.
  ii. Checked that the invoices are in the name of the Company.
  iii. Where invoices have been paid, traced payments of invoices to the bank statements provided by the Company.

Certificate

Based on procedures mentioned above, we confirm that the IPO funds utilized till 30 June 2026 amounts to Rs. 1,701,413,215 as stated on page 4 under the heading "*Summary of IPO Funds Utilization*" of the annexed Progress Report.

Restriction on use and distribution

This certificate is issued by us in the capacity of the statutory auditor of the Company upon request of the management of the company for onward submission to SECP and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the annexed Progress Report.

The annexed Progress Report prepared by the Company's management has been initialled by us for identification purposes only.

Yours sincerely



BF Biosciences Limited

Annual Progress Report

For The Year Ended 30 June 2026

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Preamble

We are pleased to share the annual progress report for the year ended 30 June 2026. 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 4.5.1 of the "Prospectus For Initial Public Offering" of BF Biosciences Limited ("the Company").

The Company's Initial Public Offering was concluded in October 2024, whereby gross proceeds amounting to Rs. 1,925,000,000 (Rupees One Billion Nine Hundred Twenty-Five Million Only) were raised.

The details of planned purpose along with the breakup of net funds raised is as follows:

Sr. No.	Purpose	Amounts (Rs.)	%
1	Purchase of Plant and Machinery	697,879,105	36.3%
2	Obtaining Export related Certifications and New Product Developments	140,800,000	7.3%
3	Managing Working Capital Requirements	1,086,320,895	56.4%
	Grand Total	**1,925,000,000**	**100.0%**
	Less: Transactions Costs Incurred	**(69,801,865)**	
	Net IPO Proceeds Raised	**1,855,198,135**	

Summary of IPO Funds Utilization

The status of IPO funds utilization as of 30 June 2026 is as follows:

Sr. No.	Purpose	Allocated Costs (Rs.)	Funds Utilized (Rs.)	Funds Available (Rs.)
1	Purchase of Plant and Machinery	697,879,105	(530,767,698)	167,111,407
2	Obtaining Export related Certifications and New Product Developments	140,800,000	(84,324,622)	56,475,378
3	Managing Working Capital Requirements	1,086,320,895	(1,086,320,895)	-
	Grand Total	**1,925,000,000**	**(1,701,413,215)**	**223,586,785**

The movement of IPO funds utilization is as follows:

Description	Amount (Rs.)
Total IPO funds	1,925,000,000
Utilization of funds till 30 June 2025	(1,312,962,657)
Utilization of funds during the year ended 30 June 2026	(388,450,558)
Funds available as of 30 June 2026	**223,586,785**

The utilization of funds during the year ended 30 June 2026 amounts to Rs. 388,450,558 which comprises of Rs. 358,891,845 incurred on the purchase of plant and machinery and Rs. 29,558,713 incurred on obtaining export-related certifications and new product development.

Implementation Status

The implementation status of each planned line item is as follows:

KPMG Taseer Hadi & Co.
Chartered Accountants
Initialed for identification

- Purchase of Plant and Machinery

The summary of asset-wise detail relating to plant and machinery is as follows:

Sr. No.	Commitment made in the Prospectus	Allocated Costs (Rs.)	Funds Utilized (Rs.)	Funds Available (Rs.)	Start Date	Completion Date	Current Status	Rationale for delay, if any
1	Inspection Machine	115,990,875	-	115,990,875	Q3 FY 25	Q1 FY 26	Refer to pt. 1	
2	PFS Machine Cartridge System	126,535,500	(126,535,500)	-	Q3 FY 25	Q1 FY 26	Refer to pt. 2	
3	Change Parts – Filling Machine	35,100,000	(7,202,400)	27,897,600	Q1 FY 25	Q4 FY 25	Refer to pt. 3	
4	Quality Control Equipment	43,082,325	(51,389,798)	(8,307,473)	Q2 FY 25	Q4 FY 25	Refer to pt. 4	
5	Formulation Vessel & UPS	126,535,500	(100,336,904)	26,198,596	Q3 FY 25	Q1 FY 26	Refer to pt. 5	
6	Walkthrough Gates	8,775,000	(4,902,000)	3,873,000	Q2 FY 25	Q4 FY 25	Refer to pt. 6	

7	Stability Chambers	7,020,000	(7,301,250)	(281,250)	Q4 FY 24	Q2 FY 25	Refer to pt. 7
8	Filling Line System Upgradation for Line I	46,396,350	(112,608,736)	(66,212,386)	Q2 FY 25	Q4 FY 25	Refer to pt. 8
9	Cart. Machine for PFS	137,500,000	(65,189,502)	72,310,498	Q3 FY 25	Q1 FY 26	Refer to pt. 9
10	Installation / Contingency	50,943,555	(55,301,608)	(4,358,053)	Q2 FY 25	Q1 FY 26	Refer to pt. 10
	Grand Total	**697,879,105**	**(530,767,698)**	**167,111,407**			

The progress report of each asset is explained below:

1. Inspection Machine

The User Requirement Specifications (URS) were finalized, and negotiations were initiated with a Chinese supplier. However, during the due diligence process, the Company's technical team concluded that, given the complexity of the process, none of the Chinese manufacturers meet the URS requirements.

Although the IPO proceeds were initially budgeted for the procurement of Chinese equipment, Management is now evaluating European alternatives. Discussions with European vendors are ongoing; however, the quoted prices are significantly higher than the initial budget estimates. Management is negotiating with the vendors to minimize the additional budgetary impact, following which the purchase order will be placed.

2. Pre-filled Syringes Machine Cartridge System

The Company is pleased to report that the equipment parts have been successfully procured and commissioned. Furthermore, the production from the said system has also been commenced.

3. Change Parts – Filling Machine

The Company is pleased to report that procurement of change parts has been completed. Furthermore, the savings generated will be utilized to procure other IPO-related equipment, in line with the budget heads as described in the IPO prospectus.

4. Quality Control Equipment

The Company is pleased to report that the procurement of quality control equipment has been completed.

5. Formulation Vessel & UPS

The Company is pleased to report that procurement of majority equipment related to formulation vessels and UPS has been completed. However, procurement of certain remaining equipment is still in progress and is expected to be completed by Q3 FY 2027.

6. Walkthrough Gates

The Company is pleased to report that the procurement of walkthrough gates has been completed. Furthermore, the savings generated will be utilized to procure other IPO-related equipment, in line with the budget heads as described in the IPO prospectus.

7. Stability Chambers

The Company is pleased to report that the procurement of stability chambers has been completed.

8. Filling Line System Upgradation for Line I

The Company is pleased to report that the Filling Line System Upgrade for Line I has been successfully procured and commissioned.

9. Cartridge Machine for Pre-filled Syringes Machine

This relates to point 2 above. Initially, this was planned to be financed internally in case IPO had been subscribed at the floor price. However, since the IPO was subscribed above the floor price, additional funds raised for same project have been shown separately. The current status of equipment has been explained in point 2 above. Furthermore, the savings generated will be utilized to procure other IPO-related equipment, in line with the budget heads as described in the IPO prospectus.

10. Installation / Contingency

As briefed in our last progress report, several other ancillary equipment / spares are being purchased on as and when required basis. Based on recent assessment, since these items are procured on case-to-case basis, management expects that procurement may last till Q1 of FY 27 instead of Q1 of FY 26.

- Obtaining Export related Certifications and New Product Developments

The management is pleased to announce successful launch of Tirzeptide (GLP-1, GIP) under the brand name Zeptide®. This is in addition to several other products launched by the Company including Insulin Glargine etc.

Regarding plant certifications, we are pleased to inform that Computer System Validation has been successfully completed, and the Company has also appointed an EU GMP consultant, who is actively working on the EMEA certification.

Furthermore, subsequent to the year end, the Company has also passed GMP audits conducted by respective drug ministries of Tanzania and Yemen as well.

- Managing Working Capital Requirements

The Company is continuously procuring raw and packing materials for managing its market needs. As of reporting date, 100% of the planned IPO funds have been duly utilized for managing working capital needs.

BF Biosciences Limited Rawalpindi

Abdur Rehman
CFO & Company Secretary

Muhammad Farhan Rafiq
Chief Executive Officer