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NZAJ/BFAL/22/26

November 23, 2026

The Board of Directors
Barkat Frisian Agro Limited
Office No: 601, 6th Floor, Balad Trade Center-III,
Khayaban-e-Jami, Clifton, Karachi

Dear Members of Board,

Agreed-Upon Procedures Report on Progress Report for the period as at 30 June 2026

1. Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report is solely for the purpose of assisting Barkat Frisian Agro Limited (the "Company") in meeting the requirements of Clause 16, 'Post Issue Reporting and Disclosures', of the Public Offering Regulations, 2017, and Clause 4.7.1 of the Company's Prospectus dated 11 February 2025.

This report is intended solely for the Company and Pakistan Stock Exchange Limited (PSX), and should not be used by, or distributed to, any other parties. Through issuance of this report, we do not assume any obligation or responsibility to any third party who may receive or have sight of this report.

2. Responsibility of the Engaged Party

The Company's management has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company's management is responsible for the subject matter on which the agreed-upon procedures are performed, including the preparation of the Progress Report and the underlying records and information provided to us.

3. Practitioner's Responsibilities

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 the management of the Company 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.
Had we performed additional procedures, other matters might have come to our attention that would have been reported.

4. Professional Ethics and Quality Management

We have complied with the ethical requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. As the statutory auditors of the Company, we have also complied with the independence requirements of the Code.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or procedures addressing compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Procedures and findings

We have performed the procedures described below, which were agreed upon with the management of the Company in terms of our engagement letter dated 25 June 2026, in respect of the Progress Report containing the implementation status of the projects identified in the Prospectus for the period ended 30 June 2026 (the "Progress Report").

Sr. No	Procedures	Findings
01	Obtained the following from the management: • The Progress Report for the period till 30 June 2026. • Books of account up to 30 June 2026 of the relevant expansion project as identified under the heading 'Implementation status' of the Projects; and • Prospectus for the issue of shares dated 11 February 2025. •	The documents specified in the procedure were obtained from management.
02	Matched the funds required for each expansion project, as disclosed under the heading 'Implementation Status' of the Progress Report, with the corresponding amounts disclosed in the Prospectus.	The amounts were in agreement with the corresponding amounts disclosed in the Prospectus.
03	Matched the actual expenditure incurred up to 30 June 2026 for each relevant expansion project, as disclosed in the Progress Report, with the corresponding amounts recorded in the books of account of the Company.	No discrepancies were found.
04	Obtained the break-up of payments made under each category of utilisation and verified them with the supporting invoices, agreements, payment vouchers and bank statements.	No discrepancies were found.
05	Recalculated the allocation percentage for each expansion project by dividing the funds required for the respective project by the total funds required for all expansion projects, and compared the recalculated percentages with those disclosed in the Progress Report.	No discrepancies were found.
06	Obtained written representation from management confirming that the proceeds received from the Initial Public Offering (IPO) have been utilised solely for the purposes specified in the Prospectus and have not been applied, directly or indirectly, for any other purpose.	Management's written representation was obtained as specified in the procedure.

Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

Barkat Frisian Agro Limited

Progress Report on utilization of IPO proceeds

June 30, 2026

Table of Contents

Content

Preamble 03

Summary of IPO fund utilization 04

Implementation Status 05

1. Plant and Machinery
2. Civil Work and Land Development Charges
3. Mechanical and Electrical Installation
4. Project Support and Infrastructure Costs

Working Capital Requirement 06

Overall Statement on Progress of the Project and Utilization of IPO Proceeds..... 07

Progress Report – June 30, 2026

Preamble

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 4.7.1 of the "Prospectus for Initial Public Offering" of Barkat Frisian Agro Limited ("the Company").

The detail of plan purpose along with Breakup of net funds raised is as follows:

Total proceed from IPO	**1,232,777,001**
less: share issuance cost	**(71,611,128)**
	1,161,165,873

Purpose	**Amount**	**Allocation %**
Proceeds Utilization		
Plant and machinery	446,280,335	50.7%
Civil work and land development charges	166,624,612	18.9%
Mechanical and electrical installation	75,000,000	8.5%
Project supports and infrastructure costs	119,500,053	13.6%
	807,405,000	91.7%
Loan Repayment:		
Plant and Machinery	24,115,229	2.7%
Civil work and Land development charges	46,021,460	5.2%
Project Support and Infrastructure Costs	3,013,311	0.3%
	73,150,000	8.3%
*Additional proceed received from above floor price	**280,610,873**	

* Any additional funds raised above the floor price shall be utilized by the Company in managing its additional working capital needs, which has been explained in section 4.7 of the "Prospectus for Initial Public Offering"

Summary of IPO Fund Utilization

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

S. No.	Commitment made in the prospectus	Allocated Costs (Rs.)	Funds utilized (Rs.)	Percentage of utilization	Status
1	Plant and machinery	470,395,564	(489,623,125)	104.09%	Completed
2	Civil work and land development charges	212,646,072	(236,988,936)	111.45%	In Progress*
3	Mechanical and electrical installation	75,000,000	(63,109,623)	84.15%	Completed
4	Project supports and infrastructure costs	122,513,364	(106,838,755)	87.21%	In Progress**
	Grant Total	**880,555,000**	**(896,560,439)**	**101.81%**	

* Main factory building has been completed; completion of the remaining ancillary facilities / allied buildings is expected within the next 3 - 4 months.
**Major portion of the work completed; completion of the Installation of the solar power system is expected within the next 3 – 4 months.

Implementation Status of IPO Proceeds Utilization
As at June 30, 2026

The Company has been utilizing IPO proceeds in line with the stated objectives in the Prospectus. The current implementation status is as follows:

a) Plant and Machinery

As disclosed in the Prospectus, the Company allocated Rs. 470.396 million from the IPO proceeds towards the procurement and installation of plant and machinery for its egg processing project in Faisalabad – M3 Industrial City. As detailed in the table below, the Company utilized Rs. 489.623 million against the allocated amount, reflecting an excess utilization of Rs. 19.228 million. The procurement and installation of the plant and machinery, including associated infrastructure and supporting equipment, have been completed, thereby establishing the machinery base required for the Company's production operations.

Sr. No.	Purpose	Total Estimated Plant and Machinery Cost (Rs.)	Proportionate Internally Generated Funds (Rs.)	Net Allocation after Deduction of Internally Generated Funds (Rs.)	Allocation Percentage (%)	Actual Funds Utilised (Rs.)	Under/(Over) Utilisation (Rs.)	Implementation Timeline (Start–Completion)	Current Status
1	PEB for Egg processing	45,032,860	1,917,271	43,115,588.58	9.17%	46,096,405	(2,980,816)	Q3 FY 2025- Q4 FY 2026	Completed
2	Food grade sandwich Panels for Egg Processing Building	78,361,491	3,336,236	75,025,255.03	15.95%	70,332,745	4,692,510	Q3 FY 2025- Q1 FY 2026	Completed
3	Machinery for Egg Processing	272,918,844	11,619,504	261,299,339.92	55.55%	281,722,916	(20,423,576)	Q1 FY 2026- Q3 FY 2026	Completed
4	Machinery for Chiller, Heater, air compressor	45,000,000	1,915,872	43,084,127.59	9.16%	49,049,169	(5,965,041)	Q1 FY 2026- Q3 FY 2026	Completed
5	Machinery for Refrigeration	50,000,000	2,128,747	47,871,252.88	10.18%	42,421,891	5,449,362	Q1 FY 2026- Q3 FY 2026	Completed
		491,313,195	**20,917,631**	**470,395,564**	**100%**	**489,623,125**	**(19,227,561)**		

b) Civil work and land development charges

The major civil works and land development activities have been completed, providing the essential infrastructure required for the Company's production and operational activities. The major portion of the allocated funds has been utilized, while the remaining activities primarily relate to ancillary facilities, which are currently in progress and expected to be completed in next 3 – 4 months.

Sr. No.	Purpose	Total Estimated cost of Civil Work and Land Development Charges (Rs.)	Proportionate Internally Generated Funds (Rs.)	Net Allocation after Deduction of Internally Generated Funds (Rs.)	Allocation Percentage (%)	Actual Funds Utilised (Rs.)	Under/(Over) Utilisation (Rs.)	Implementation Timeline (Start–Completion)	Current Status/Expected completion date
1	Project Land	26,000,000	4,109,427	21,890,573	10%	21,409,876	480,697	Q4 FY 2025- Q2 FY 2026	Completed
2	Civil Cost including land development	148,739,718	23,509,040	125,230,678	59%	146,838,994	(21,608,316)	Q2 FY 2025- Q3 FY 2026	Completed
3	Steel and Cement	53,000,000	8,376,909	44,623,091	21%	63,079,762	(18,456,671)	Q1 FY 2026- Q3 FY 2026	Completed
4	Ancillary Facilities / Structures	24,825,526	3,923,796	20,901,730	10%	5,660,304	15,241,426	Q1 FY 2026- Q3 FY 2026	In Progress
		252,565,244	**39,919,172**	**212,646,072**	**100%**	**236,988,936**	**(24,342,864)**		

c) Mechanical and electrical installation

The mechanical and electrical installation activities, including electrical infrastructure, MEP works, cabling, lighting, firefighting and security systems, have been completed. As detailed in the table below, the Company utilized Rs. 63.11 million against the allocated amount, Rs. 11.89 million less than the anticipated cost of mechanical and electrical installation. These installations have contributed towards establishing the necessary operational infrastructure for the Company's production facilities.

Sr. No.	Purpose	Total Estimated cost of Mechanical and Electrical Installation (Rs.)	Allocation Percentage (%)	Actual Funds Utilised (Rs.)	Under/(Over) Utilisation (Rs.)	Implementation Timeline (Start–Completion)	Current Status
1	Electric - HT/LT/Transformer - 240mm cables	30,000,000	40%	15,378,035	14,621,965	Q1 FY 2026- Q2 FY 2026	Completed
2	Electrical equipment (cabling, lights, firefighting miscellaneous)	20,000,000	27%	20,511,681	(511,681)	Q1 FY 2026- Q2 FY 2026	Completed
3	MEP contracting with supplies	20,000,000	27%	24,991,107	(4,991,107)	Q1 FY 2026- Q2 FY 2026	Completed
4	Networking, cameras, security	5,000,000	7%	2,228,800	2,771,200	Q1 FY 2026- Q2 FY 2026	Completed
		75,000,000	**100%**	**63,109,623**	**11,890,377**		

d) Project supports and infrastructure costs

Significant progress has been made in establishing the project support facilities and infrastructure required for the Company's operations. The major portion of the planned activities has been completed, including furniture and fittings, laboratory equipment, regulatory approvals and other associated facilities. Installation of the solar power system, are still in progress and are expected to be completed in next 3 – 4 months.

Sr. No.	Purpose	Total Estimated cost of Project Support and Infrastructure Cost (Rs.)	Allocation Percentage (%)	Actual Funds Utilised (Rs.)	Under/(Over) Utilisation (Rs.)	Implementation Timeline (Start–Completion)	Current Status/Expected completion date
1	Expenditure Head Solar power system 300 KW	25,000,000	20%	18,965,363	6,034,637	Not specifically stipulated in the Prospectus	Q1 FY 2027
2	NOCs, permits, certification	5,000,000	4%	9,035,328	(4,035,328)		Completed
3	Furniture and fittings	15,000,000	12%	33,181,448	(18,181,448)		Completed
4	Lab equipment	12,500,000	10%	12,330,638	169,362		Completed
5	Travelling and lodging	10,000,000	8%	18,852,147	(8,852,147)		Completed
6	Architect/MEP/HVCAR consultant	12,500,000	10%	7,181,403	5,318,597		Completed
7	Contingencies*	45,127,119	36%	7,292,428	37,834,691		Completed
		125,127,119	**100%**	**106,838,755**	**18,288,364**		

Working Capital Requirement

The Company has utilized Rs. 174.14 million of the IPO proceeds towards meeting its operational working capital requirements, strictly in accordance with the purpose stated in the Prospectus. As of June 30, 2026, the remaining unutilized IPO proceeds amounting to Rs. 90.46 million have been placed in Shariah-compliant low-risk mutual funds. These funds remain fully liquid and shall be utilized during Q1 FY2027 to finance the completion of remaining ancillary facilities, to finalize the installation of the solar power system, and for operational working capital demands.

Overall Statement on Progress of the Project and Utilization of IPO Proceeds

Management is pleased to report that the core implementation phase of the project has been completed successfully, culminating in the formal commencement of commercial production at the Faisalabad facility within the final quarter of FY2026.

For and on behalf of Barkat Frisian Agro Limited

Muhammad Farooq Zafar	Ammad Badar
Chief Financial Officer	Head of Project