1. COVER PAGE

ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (HEREIN REFERRED TO AS "OFFER DOCUMENT") AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF INVESTORS.

This document is issued for the purpose of providing information to shareholders of the Company and to the public in general in relation to the rights issue of **PKR 3,000,000,000**/- (Pak Rupees Three Billion), consisting of **120,000,000** (One Hundred Twenty Million) Ordinary Shares by **Zarea Limited** at **PKR 25**/- (Pak Rupees Twenty Five) per share. A copy of this document has been registered with the Securities Exchange.

This offer document is valid till February 15, 2027 (i.e., 60 days from the last day of payment of subscription amount).

ZAREA LIMITED

[Circular under section 83 of Companies Act, 2017]
The Companies (Further Issue of Shares) Regulations, 2020
RIGHT SHARE - OFFER DOCUMENT

Date of Incorporation: 16 September 2020

Place of Incorporation: Lahore, Punjab, Pakistan

Company Registration No. (CUIN): 0158011

Registered and Corporate Office: Delta 6, Office No. 6011, NASTP, Abid Majeed Road, Lahore Cantt., Pakistan

Contact Details: Phone +92 42 3217 6455, Email: info@Zarea.com , Website: www.Zarea.com

Contact Person: Syed Muhammad Akram – Company Secretary.

Total issue Size: 120,000,000 (One Hundred Twenty Million) ordinary shares by way of Right Issue (i.e. approximately 45.71% of the existing paid-up capital of **Zarea Limited**), having a face value of PKR 1/- (Pak Rupee One) each, at an offer price of PKR 25/- (Pak Rupees Twenty Five) per share (including a premium of PKR 24/- (Pak Rupees Twenty Four) per share), for an aggregate issue size of PKR 3,000,000,000/- (Pak Rupees Three Billion only), at a ratio of **16 rights shares for every 35 ordinary shares** held.

Website: This offer document is available for download at:

1. https://zarea.com/investor/notices-quick-links
2. www.psx.com.pk

a) Details of Current Right Issue

Description of the Issue	Size of the Issue	Issue Price per Share	No. of Shares	Par Value per Share	Share Premium	Proportion of Right
Issue of ordinary shares by way of right	PKR 3,000,000,000	PKR 25.00 per Share	120,000,000	PKR 1.00 per Share	PKR 24. Per Share	45.71% Right Issue 16 rights shares for every 35 ordinary shares

b) Other Detail

Sr.	Particulars	Details
1.	Date of Final Offer Letter	November 16, 2026
2.	Date of placing offer document on PSX for public comments.	Not opted
3.	Date of Book Closure – From	November 24, 2026
4.	Date of Book Closure – To	November 24, 2026
5.	Commencement of trading of unpaid Rights on the PSX	November 26, 2026
6.	Last date of trading of Rights Letter	December 10, 2026
7.	Subscription amount Payment Date	December 10, 2026
8.	Last date for acceptance and payment of shares in CDC and physical form - Last payment date	December 17, 2026
9.	Website address from where the offer documents can be downloaded	www.zarea.com | www.psx.com.pk

c) Details of the relevant contact persons

Description	Name of person	Designation	Contact Number	Office Address	Email ID
Authorized Officer of the Issuer	Muhammad Usman Ameer, ACA	Chief Financial Officer	+92 42 3217 6455	Delta 6, Office No. 6011, NASTP, Abid Majeed Road, Lahore Cantt., Pakistan	cfo@Zarea.com
Authorized Officer of the Issuer	Syed Muhammad Akram	Company Secretary	+92 42 3217 6455	Delta 6, Office No. 6011, NASTP, Abid Majeed Road, Lahore Cantt., Pakistan	cosecretary@Zarea.com
Dawood Equities Limited Underwriter	Abdul Aziz Habib,	Chief Executive Officer	+92 21 32277881–83	17th Floor, Saima Trade Towers-A, I. I. Chundrigar Road, Karachi	info@dawoodequities.com
Adam Securities Limited Underwriter	Noman Abdul Majeed	Director	+92 21 32413580 / 32420909	Rooms 806–814, 8th Floor, Stock Exchange Building, Stock Exchange Road, Karachi	info@adamsecurities.com.pk

Description	Name of person	Designation	Contact Number	Office Address	Email ID
Pak Libya Holding Company (Private) Limited Underwriter	S.M. Hasan Baqir Rizvi	Head of Operations	+92 21 111 111 115	5th Floor, Block C, Finance and Trade Centre, Shahrah-e-Faisal, Karachi	paklibya@paklibya.com.pk
K-Trade Securities Limited Underwriter	Mahmood Arif Shah Bukhari	Chief Executive Officer	+92 21 111 115272	101–102, 1st Floor, Plot 33-C, Lane 13, Khayaban-e-Bukhari, Phase VI, DHA, Karachi	info@ktradepk.com
United Bank Limited Banker to the Issue	Attique Ur Rehman	Branch Manager	+92 92 323 4344010	Shahrah e Tufail Road Branch, Lahore Branch Code (1121)	attique.urrehman@ubl.com.pk
Faysal Bank Limited Banker to the Issue	Hafiz Imran	Branch Manager	+92 42 35787839	K – Block, Model Town, Lahore Branch Code (3310)	hafizimran@faysalbank.com

E-STAMP

ID:	PB-LHR-A65D46589A321C5D
Type:	Low Denomination
Amount:	Rs 200/-
Description:	CERTIFICATE OR OTHER DOCUMENT - 19
Applicant:	ZAREA LIMITED [35201-6331948-3]
Representative From:	ZAREA LIMITED
Agent:	MOHSIN KHALID [35202-5654040-5]
Address:	LAHORE
Issue Date:	14-Nov-2026 9:52:04 AM
Delisted On/Validity:	21-Nov-2026
Amount In Words:	Two Hundred Rupees Only
Reason:	UNDERTAKING
Vendor Information:	GHULAM ALI| PB-LHR-1158| TUFAIL ROAD LAHORE

Scan for online verification

نوٹ: فراڈ یکشن تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے۔ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ، کیوآر کوڈ یا ایس ایم ایس سے کی جاسکتی ہے۔

ATTESTED
MUHAMMAD ALEEM ADV
OATH COMMISSIONER LHR

UNDERTAKING BY THE ISSUER SIGNED BY CEO & CFO

We, Ali Alam Qamar, the Chief Executive Officer, and Muhammad Usman Ameer, the Chief Financial Officer of the Company, certify that:

i. The offer document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue and that nothing has been concealed in this respect;

ii. The information contained in the Offer Document is true and correct to the best of our knowledge and belief;

iii. The opinions and intentions expressed herein are honestly held;

iv. There are no other facts, the omission of which would make the Offer Document as a whole or any part thereof misleading; and

v. All requirements of the Companies Act, 2017, the Companies (Further Issue of Shares) Regulations, 2020, the Central Depository Company and that of PSX pertaining to the Right Issue have been fulfilled.

For and on behalf of Zarea Limited

Signature: _____

Ali Alam Qamar
Chief Executive Officer

ZAREA LIMITED

Signature: M. Usman. C
AMEER.

Muhammad Usman Ameer
Chief Financial Officer

E-STAMP

ID:	PB-LHR-AS456598831D5AEA
Type:	Low Denomination
Amount:	Rs 200/-
Description:	CERTIFICATE OR OTHER DOCUMENT - 19
Applicant:	ZAREA LIMITED [35201-6331948-3]
Representative From:	ZAREA LIMITED
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Scan for online verification

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ATTESTED

MUHAMMAD ALEEM ARIF
OATH COMMISSIONER, LHR

UNDERTAKING BY THE BOARD OF DIRECTORS (BOARD)

We, the Board of Directors of Zarea Limited, hereby confirm that:

i. All material information as required under the Companies Act, 2017, the Securities Act, 2015, the Companies (Further Issue of Shares) Regulations, 2020, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited, has been disclosed in this Offer Document and that whatever is stated in offer document and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

ii. We undertake that all material information, including risks that would enable the investor to make an informed decision, has been disclosed in the Offer Document.

iii. Right Issue is the discretion of Board of the Issuer and it neither requires the approval of the Commission nor the Securities Exchange.

iv. The draft Offer Document was placed on the website of Securities Exchange and Issuer on November 02, 2026, i.e. within 3 working days of the Board announcement. Public comments are not sought at the Board's discretion.

v. The comments from the Securities Exchange and the SECP were received on November 05, 2026 and November 13, 2026 respectively.

vi. The Board has ensured that the draft Offer Document is updated in the light of the Securities Exchange's and SECP's comments.

vii. The Board has disclosed on PSX's and the Company's website, all the comments received along with the explanations as to how they are addressed.

viii. The final Offer Document was submitted to the Commission and placed on the Securities Exchange's on November 16, 2026, along with the book closure dates and relevant right issuance timelines (i.e. within 5 days from the date of receipt of comments of PSX and SECP).

ix. The statutory auditor, Naveed Zafar Ashfaq Jaffery & Co., Chartered Accountants, of the Issuer shall submit half yearly report to the Issuer regarding utilization of proceeds in the manner referred to in the final Offer Document. The Issuer will include the report of the statutory auditor, along with its comments thereon, if any, in its half yearly and annual financial statements.

x. There was no dissenting vote in the Board Meeting held on October 30, 2026, in which the Board resolved to issue further shares by way of right offering.

For and on behalf of the Board of Directors of Zarea Limited

ZAREA LIMITED

Ali Alam Qamar
Chief Executive Officer
(having been authorized by the Board in this respect)

4. DISCLAIMER

In line with the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange (Pakistan Stock Exchange Limited) and the Securities and Exchange Commission of Pakistan (SECP).

The Securities Exchange and the SECP disclaims:

a) Any liability whatsoever for any loss however arising from or in reliance upon this document to anyone, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.

b) Any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.

c) Any responsibility with respect to the quality of the issue.

It is clarified that information in this Offer Document should not be construed as advice on any particular matter by the SECP and the Securities Exchange (PSX) and the same must not be treated as a substitute for the specific advice.

5. GLOSSARY OF TERMS & DEFINITIONS:

Term	Definition
ASBA	Application Supported by Blocked Amount
BoD	Board of Directors
BMR	Balancing modernization and replacement
CDC / CDS	Central Depository Company of Pakistan Limited / Central Depository System
CFO / CEO	Chief Financial Officer / Chief Executive Officer
CUIN	Corporate Unique Identification Number
EPS / NCI	Earnings per share / Non-controlling interest
FZCO	Free Zone Company
FY / PKR	Financial year / Pakistani Rupees
IPO	Initial Public Offering
KIBOR	Karachi Interbank Offered Rate
LoR	Letter of Right
MLS	Minimum level of subscription
NOC	No-objection certificate
NICOP	National Identity Card for Overseas Pakistanis
NCCPL	National Clearing Company of Pakistan Limited
P/E	Price Earning Multiple
PPSTS	Privately Placed Short-Term Sukuk
PSX / Securities Exchange	Pakistan Stock Exchange Limited
SECP	Securities and Exchange Commission of Pakistan
ZAL / Issuer / Company	Zarea Limited
Definitions	
Banker to the Issue	The bank in which the subscription money is received. • Faysal Bank Limited • United Bank Limited have been appointed as banker to the Issue.
Book Closure Date	The Book Closure shall commence from November 24, 2026 to November 24, 2026.
Companies Act	Companies Act, 2017
Issue	Issue of 120,000,000 right shares, representing approximately 45.71% (i.e. 16 rights shares for every 35 ordinary shares) of the existing paid-up capital of the Company.

Term	Definition
Issue Price	PKR 25/- per share, the price at which the right shares of the Company are being offered for subscription to the existing shareholders of the Company.
Market Price	The closing market price of the Company's share on 23 October 2026, being PKR 35.36 per share, used as the reference price when the Board meeting was announced and the working papers were prepared and circulated to the Board of Directors. Closing market price as on November 13, 2026 was PKR 33.06 per share.
Net Worth	Total assets less total liabilities
Ordinary Shares	Ordinary Shares of Zarea Limited, having face value of PKR 1/- each.
Regulations	The Companies (Further Issue of Shares) Regulations, 2020.
Right Issue	Shares offered by a company to its members strictly in proportion to the shares already held in respective kinds and classes.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of directors on the board of the issuing company directly or indirectly. A person who replaces the person referred to above; and a person or group of persons who has control of the issuing company whether directly or indirectly.
Working Capital	That is sum of Inventory, advances to suppliers (on account of inventory), trade receivables less trade creditors (payables)

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7. SALIENT FEATURES OF THE RIGHT ISSUE

i. Brief Terms of the Rights Issue:

Prescribed item	Disclosure
a) Description of issue	Ordinary shares offered by way of right to existing shareholders, as per their proportionate entitlement, which may be subscribed against cash subscription.
b) Size of the proposed issue	The Company shall issue 120,000,000 ordinary shares, having face value of PKR 1/- each, at a price of PKR 25/- each, aggregating to PKR 3,000,000,000/-.
c) Face value of the share	PKR 1/- per share.
d) Basis of determination of price of the Right Issue	PKR 25/- per share, including a premium of PKR 24/- per share. The Company first exceeded PKR 25/- in July 2025, and has consistently closed above that level since 18 August 2025. The offer price is approximately 29.30% below the reference market price of PKR 35.36/- on 23 October 2026. The arithmetic average of daily closing share prices for the six-calendar-month period from 24 April 2026 to 23 October 2026 was PKR 42.24/- per share The price enables the Company to raise the required funds within its existing authorized capital and provides an incentive for shareholder participation.
e) Proportion of new issue to existing issued shares with condition, if any	Approximately 45.71% of the existing paid up share capital of the Company (i.e. 262,500,000 ordinary shares), in the ratio of 16 right shares for every 35 ordinary shares held.
f) Date of Decision of the BOD wherein the right issue was approved	30 October 2026.
g) Name of directors attending the BoD meeting:	The following Directors attended the meeting: 1. Mrs. Misbah Momin (Chairperson / Non-Executive Director) 2. Mr. Ali Alam Qamar (CEO / Executive Director) 3. Mr. Nouman Ul Hassan (Executive Director) 4. Mr. Sohail Wajahat Siddiqui (Independent Director) 5. Mr. Muhammad Afzal Chaudhry (Independent Director) 6. Mr. Juneid Akram (Non-Executive Director) 7. Mrs. Meezan Fahd Mukhtar (Non-Executive Director)

Prescribed item	Disclosure
h) Brief purpose of utilization of right issue proceeds	The Right Issue proceeds (net of right issue expenses) shall primarily be utilized to fund: a) incremental working capital for expansion of the existing business; and b) to repay the Sukuk issued in October 2026. Short Term Sukuk of PKR 2.00 billion was issued primarily to finance the working capital requirements of the Company. Maturity date (i.e. bullet repayment date) is on 05th April 2027. The Right Issue is expected to reduce short-term financing obligations and related finance costs by replacing the outstanding Sukuk principal (i.e. the face value of the Sukuks) with permanent equity. The remaining net proceeds will support expansion of the current business through better utilization of working capital for commodity procurement and trading, subject to effective deployment and business conditions. Bank finance remains in the adjusted financial position.
i) Purpose of the Right Issue – Details of the main objects for raising funds through present Right Issue	The incremental funding requirement is PKR 3,370,941,275/-, comprising additional working capital of PKR 1,370,941,275/- and Sukuk principal repayment (being the face value of the Sukuks) of PKR 2,000,000,000/-. Net Right Issue proceeds will provide an estimated PKR 2,951,500,000/- (87.56%), while internal funds generation of PKR 419,441,275/- (12.44%) will be used for the incremental funding requirement.
j) 'Minimum level of subscription' (MLS)	The Company has not opted to set a separate Minimum Level of Subscription (MLS). The Right Issue requires full subscription, representing 100% of the issue amount of PKR 3,000,000,000.
k) Application Supported by Blocked amount (ASBA) facility, if any, will be provided for subscription of right shares.	Not Applicable.
l) Clear justification for issuance of shares of different class or kind, if applicable.	Not Applicable.

ii. Principal Purpose of the Issue and funding arrangements:

A. Details of the principal purpose of the issue.

The Right Issue will support expansion of the current business through better utilization of working capital, including repayment of the outstanding principal amount of the PKR 2 billion short-term Sukuk (i.e. the face value of the Sukuks), and additional funding for commodity procurement, supplier advances, inventory and receivables.

Use of proceeds	Amount PKR	% of gross	Completion status
Sukuk principal repayment (i.e. face value of the Sukuks)	2,000,000,000	66.66%	Principal repayment after receipt of proceeds and in accordance with Sukuk settlement terms.

Use of proceeds	Amount PKR	% of gross	Completion status
Additional working capital	951,500,000	31.72%	Deployment after receipt of proceeds, according to procurement and operating requirements.
Issue expenses	48,500,000	1.62%	Issue-related expenditure, subject to actual invoices and final terms.
Total gross proceeds	3,000,000,000	100.00%	Right Issue pending subscription.

Net proceeds of PKR 2,951,500,000/- will be applied towards Sukuk principal repayment (i.e. the face value of the Sukuks) and additional working capital. Internal funds generation of PKR 419,441,275/- will meet the balance of the incremental working capital requirement of the Company. Sukuk profit will be paid separately from internal sources.

B. Additional disclosures relating to purpose of the issue shall be made in case of the following:

The planned funding requirement is PKR 3,370,941,275/-, comprising PKR 1,370,941,275 of additional working capital and PKR 2,000,000,000/- to repay the principal portion of the short-term Sukuk (i.e., the face value of the Sukuks). It will be funded by net Right Issue proceeds of PKR 2,951,500,000/- and internal funds generation of PKR 419,441,275/-.

Prescribed purpose category	Applicability
a. If purpose of the issue is to finance a project	Not applicable.
b. If purpose of the issue is to finance working capital	Applicable: commodity procurement, supplier advances, inventory and receivables.
c. If purposes of the issue is to purchase Plant/Equipment/Technology	Not applicable.
d. If the purpose of the issue is to acquire land	Not applicable.
e. If the purpose of the issue is to acquire intangible assets	Not applicable.
f. If purpose of the issue is loan/debt repayment	Applicable: repayment of the short-term Sukuk. Financing terms are disclosed below.
g. If purposes of the issue is BMR/investment in greenfield project	Not applicable.
h. If purpose of the issue is to acquire a company	Not applicable.

(ii) B. Working capital financing and short-term Sukuk repayment

Business line sales and cost assumptions

Working capital comprises funds deployed in inventory, advances to suppliers and trade debts (receivables), less trade payables. These balances support commodity procurement, stockholding and credit sales in the ordinary course of business.

Particular	Platform fee	Agri-commodities	Total PKR
Sales for FY 2026	454,041,909	2,303,594,297	2,757,636,206
Cost of Sales for FY 2026	(27,529,556)	(1,860,023,175)	(1,887,552,731)
Cost of Sales for FY 2026	6.06%	80.74%	68.45%
Sales Projected for FY 2027	567,552,386	4,026,290,485	4,593,842,871
Cost of Sales Projected for FY 2027	(34,411,945)	(3,251,003,712)	(3,285,415,657)

FY 2027 total sales are projected at PKR 4,593,842,871/-. Consequently, platform fee revenue growth is expected by 25% to PKR 567,552,386/-; agricultural commodity revenue forms the balance of PKR 4,026,290,485/-. Each business line retains its FY 2026 cost-of-sales ratio. Note that these are planning assumptions and do not assure sales or profits.

Planned FY 2027 requirement compared with FY 2026 closing balances

Particular	Expected days	FY 2027 planned PKR	FY 2026 PKR
Trade Receivables	65	818,081,607	362,231,953
Stocks & Advances	175	1,575,199,288	748,212,770
Trade Creditors	23	(206,855,094)	(294,960,197)
Net working capital	217	2,186,425,801	815,484,526

Additional working capital of PKR 1,370,941,275/- supports projected sales growth from PKR 2.758 billion in FY 2026 to PKR 4.594 billion in FY 2027. Receivables assume 65 days of projected sales; stocks and advances assume 175 days of projected cost of sales; and creditors assume 23 days of FY 2027 cost of sales. The projected net operating cycle is 217 days. Short-term investments are excluded from the operating working capital calculation.

Particulars	Amount / funding basis
FY 2027 projected net working capital and funding of the incremental requirement	Projected net working capital is PKR 2,186,425,801, including an incremental requirement of PKR 1,370,941,275, to be funded by PKR 951,500,000 from net Right Issue proceeds and PKR 419,441,275 from internally generated funds.
Bank financing and related margin money	Bank financing for the incremental working capital requirement is Nil. Accordingly, bank-related margin money is not applicable.

Disclaimer

Investment in the Company's shares and rights involves risk. The issue price discount and the theoretical value of the rights do not establish a minimum trading price or guarantee a return. Share and right prices may fluctuate, and future earnings and dividends are not assured.

Management prepared the financial projections using assumptions it considered reasonable at the time. Actual results may differ materially due to market conditions, repayment timing, trading volumes and margins, collections and the availability of internal funds. Historical results and pro forma financial positions do not guarantee future performance. Investors should read the entire Offer Document, including the risk factors in Section 11, before deciding whether to subscribe for, acquire or dispose of rights.

Comparative cash conversion cycle in days

Measure in days	Standalone 2026	2025	2024	Group 2026
Receivables	54.88	84.87	87.24	54.52
Stocks and advances	130.02	170.38	438.54	130.02
Creditors	28.86	18.17	3.61	28.94
Net operating cycle	156.03	237.08	522.16	155.60

The Right Issue proceeds shall primarily be utilized to fund incremental working capital for expansion of the Company's existing business and to repay the Sukuk issued in October 2026. The Company projects an incremental working capital requirement of PKR 1,370.94 million, to be financed through PKR 951.50 million from net Right Issue proceeds and PKR 419.44 million from internal funds. A further PKR 2,000 million from net proceeds will be allocated to Sukuk principal repayment (i.e., the face value of the Sukuks), while the related profit will be paid from internal resources.

The planned cash conversion cycle for FY 2027 is **217 days**, comprising 65 days for receivables and 175 days for stocks and supplier advances, less 23 days for creditors, compared with approximately 156 days in FY 2026. The longer cycle reflects the Company's strategy to strengthen its position across the agricultural commodity supply chain through advance procurement, greater inventory availability and customer credit support. These measures are intended to deepen supplier relationships, secure supply during seasonal procurement periods, improve influence over procurement terms and support higher sales volumes. The additional working capital commitment therefore supports the Company's planned expansion and greater participation across the supply chain.

Historical turnover days use average balances, whereas the FY 2027 plan applies year-end funding assumptions. Projected creditor balances are based on FY 2027 cost of sales, while stocks and advances are based on projected FY 2027 cost of sales; the stated cycles are therefore indicative rather than directly comparable turnover measures.

Short-term Sukuk repayment

The Company's Sukuk issue which is currently outstanding is the PKR 2,000,000,000/- PPSTS issued on 6 October 2026, for six months, @ six-month KIBOR plus 2.50% per annum. Net proceeds from the Right

Issue will be utilized to repay the principal portion of the same (i.e. the face value of the Sukuks), while related profit amounts accruing thereon will be paid from internal sources.

Required disclosure	Particulars
Name of lender or certificate holders and investment agent	Certificate holders of the Sukuk issue, being the PKR 2,000,000,000 Privately Placed Short-Term Sukuk issued on 6 October 2026, are listed below with their subscribed principal amounts (subject to transfer of Sukuk certificates). Investment Agent: Bank Islami Pakistan Limited.
Amount outstanding	PKR 2,000,000,000/- principal / face value. Estimated total Sukuk profit of approximately PKR 148 million will be paid from internal sources. Accrued profit at the payment date: 05th April 2027.
Security pledge and material terms	Six-month tenor from 6 October 2026; profit @ six-month KIBOR plus 2.50% per annum. Security and pledge particulars: Unsecured
Loans from directors	Not applicable.
Reason for repayment through rights	Replace short-term principal financing with permanent equity and reduce refinancing pressure.
Effect of repayment	PKR 2 billion reduction in outstanding Sukuk principal upon settlement; lower associated principal refinancing exposure. Profit and settlement costs require internal cash.

Sr.	Sukuk II certificate holder	Subscription PKR
1	Mahana Islamic Cash Plan	200,000,000
2	Alfalah Islamic Income Growth Fund	300,000,000
3	Alfalah Islamic Money Market Fund	300,000,000
4	Alfalah GHP Income Multiplier Fund	200,000,000
5	Alfalah Islamic Amdani Fund	200,000,000
6	CDC Trustee Pak Qatar Asset Allocation Plan IIA	290,000,000
7	CDC Trustee Pak Qatar Cash Plan	200,000,000
8	CDC Trustee Pak Qatar Income Plan	210,000,000
9	Servis Long March Tyres Private Limited Staff Provident Trust	100,000,000
	Total	**2,000,000,000**

iii. General Requirements:

Requirement	Disclosure
(a) Activity-wise cost	Additional working capital of PKR 1,370,941,275/-; Sukuk principal PKR 2,000,000,000/-; total PKR 3,370,941,275/-.

Requirement	Disclosure
(b) Phased project costs	No phased capital project is financed by this Issue; working capital is deployed through the operating cycle.
(c) Material transactions with promoters directors key management or associates	Historical related-party transactions and balances disclosed in Note 36 of the FY 2026 standalone financial statements comprise investment in Zarea Commerce – FZCO, a receivable from Zarea Agri-Tech (Private) Limited, donations to MM Foundation and dividends paid to Goldfinger (Private) Limited. These do not relate to the proposed incremental working capital requirements of the company. No material related-party transaction involving the Right Issue proceeds is currently envisaged. Should any such transaction arise, the Company shall obtain the requisite approvals under Section 208 or Section 199 of the Companies Act, 2017, if and when applicable.

Explanatory notes

1. Short-term investments: The Company intends to continue its investment activities in short term investment portfolio and does not intend for the foreseeable period (subject to the Board's determination) to liquidate that portfolio to fund operating working capital. These investments are excluded from the operating cycle and funding calculations.
2. Sukuk profit: Estimated profit of approximately PKR 148 million on the outstanding Sukuk will be met from internal sources. The allocation of Right Issue proceeds covers the principal portion (i.e. the outstanding face value of the Sukuks) only.
3. **Timelines of Utilization of Funds** (Net of Issue Expenses): The Company plans to utilize the net proceeds of the Right Issue, amounting to PKR 2,951,500,000/-, as follows: (i) PKR 2,000,000,000/- towards repayment of the outstanding Sukuk principal on April 5, 2027 (subject to the terms of the Sukuk documents); and (ii) PKR 951,500,000/- towards additional working capital requirements, including commodity procurement, supplier advances, inventory and receivables, with full utilization planned by June 30, 2027. Profit payable on the Sukuk will be funded separately from the Company's internal sources.

iv. Financial Effects Arising from Right Issue:

		Before Right Issue*	After Right Issue	% change
Authorized Capital	PKR	400,000,000	400,000,000	0.00%
Paid-up Capital	PKR	262,500,000	382,500,000	+45.71%
Net Asset/Break-up value per share	PKR/Share	12.92	16.58	+28.33%
Gearing Ratio	times	0.41	0.05	-87.80%
Production Capacity		Not Applicable	Not Applicable	Not Applicable
Market Share		Indeterminable	Indeterminable	Indeterminable

*Based on Audited Financial Statements as on June 30, 2026.

Production capacity is not applicable to the Company's trading operations, which are conducted through a digital platform. As the Company trades a range of agricultural products across multiple product markets, a single market share figure for its overall operations cannot be meaningfully determined.

v. Total expenses to the issue:

Expense	Estimated amount PKR	Rate	Basis
Consultant to the Issue	5,000,000	0.17%	Based on Total Issue Size payable to K-Trade Securities Limited
Underwriting Commission	14,250,000	0.95%	Based on Underwriting Amount
Take-up commission provision (maximum)	14,250,000	0.95%	Maximum Underwriting Amount; full devolvement assumed
Banker to the Issue	4,500,000	0.15%	Based on Total Issue Size
CDC/PSX etc.	4,500,000	0.15%	Estimated; actual payable by the Company
Misc.	6,000,000	0.20%	Estimated; actual payable by the Company
Total estimated expenses	**48,500,000**	**1.62%**	Based on Total Issue Size

vi. Details of Underwriters:

Name of the Underwriter	Amount Underwritten (PKR)	Associated Company/Associated undertaking of the Issuer (YES/NO)
Dawood Equities Limited	1,000,000,000	No
Adam Securities Limited	100,000,000	No
Pak Libya Holding Company (Private) Limited	200,000,000	No
K-Trade Securities Limited	200,000,000	No
Total	1,500,000,000	—

vii. Commitments from substantial shareholders/directors:

Name	Status	No. of Shares Committed to be Subscribed	Amount Committed to be Subscribed (PKR)	Shareholding % - Pre-Issuance	Shareholding % -Post-Issuance
Mr. Ali Alam Qamar	CEO / Director/Sponsor	18,399,987	459,999,675	41.52%	33.31%
Goldfinger (Private) Limited	Substantial shareholder / Sponsor	41,142,870	1,028,571,750	34.29%	34.29%
Mrs. Misbah Momin	Chairperson / Director	457,143	11,428,575	0.38%	0.38%

Sponsors/Directors have committed to subscribe to 60,000,000 shares aggregating PKR 1.5 billion against their aggregate entitlement of **91,428,598** shares. The remaining PKR 1.5 billion of the Right Issue is covered by the underwriting arrangements stated above. Individual subscription commitments

are supported by written undertakings, with final entitlements subject to the approved rights ratio and applicable fractional adjustments. Sponsor retention shall comply with Regulation 3(2)(viii).

viii. Fractional Rights Shares:

Fractional shares, if any, shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer.

ix. Important Dates:

Zarea Limited

Tentative Schedule for Issuance of Letter of Rights
Book closure: from November 24, 2026 to November 24, 2026 (for One Day)

Sr.	Procedure	Day	Date
1	Date of credit of unpaid Rights into CDC in Book Entry Form	Wednesday	25.11.2026
2	Dispatch of Letter of Right (LOR) to physical shareholders	Not Applicable	Not Applicable*
3	Intimation to Stock Exchange for dispatch of physical Letter of Rights	Not Applicable	Not Applicable*
4	Commencement of trading of unpaid Rights on the Securities Exchange	Thursday	26.11.2026
5	Last date for splitting and deposit of Requests into CDS	Tuesday	01.12.2026
6	Last date of trading of letter of Rights	Thursday	10.12.2026
7	Payment of subscription amount start date	Thursday	26.11.2026
8	Last date for acceptance of payment	Thursday	17.12.2026
9	Allotment of shares and credit of Shares into CDS	Friday	01.01.2027
10	Date of dispatch of physical shares certificates	No Applicable	Not Applicable*
*Zarea Limited was listed on 28 February 2025, and no shares were allotted in physical form.			

8. SUBSCRIPTION AMOUNT PAYMENT PROCEDURE

i. Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "**Zarea Limited - Right Subscription Account**" through any of the authorized branches of:
   - Faysal Bank Limited; or
   - United Bank Limited;

on or before December 17, 2026, along with this Right Subscription Request duly filled in and signed by the subscriber(s).

ii. Right Subscription Request can be downloaded from the Company's website https://zarea.com/investor/notices-quick-links.

iii. In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of the equivalent amount in Pak Rupees should be sent to the Company Secretary, **Zarea Limited** at the registered office of the issuer along with Right Subscription Request (both copies) duly filled and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.

iv. All cheques and drafts must be drawn on above mentioned bank(s) situated in the same city where the Right Subscription Request is deposited. Cheque is subject to realization.

v. The above Banker(s) to the Issue will not accept Right Subscription Requests delivered by post which may reach after the closure of business on December 17, 2026, unless evidence is available that these have been posted before the last date of payment.

vi. Payment of the amount indicated above to the Issuer's Banker(s) to the Issue on or before December 17, 2026, shall be treated as acceptance of the Right offer.

vii. After payment has been received by the Banker(s) to the Issue, the Right Securities will be credited into respective CDS accounts within **10** working days from the last payment date. The final credit date remains subject to applicable holidays. Paid Right Subscription Requests will not be traded or transferred.

9. PROFILE OF MANAGEMENT AND SPONSORS

i. Profile of Board of Directors:

Sr.	Names of Director	Brief Profile	Directorship held in other Companies
1	Mrs. Misbah Momin Chairperson / Non-Executive Director Director since September 2020	President of the Misbah Momin Foundation and MM Talks, with experience in social-impact and community initiatives. She has been associated with CARE Foundation and served as a member of Pakistan's National Commission on the Status of Women. Her experience contributes perspectives on stakeholder engagement, education and social development.	Misbah Momin Foundation; Seven World View SMC (Private) Limited; Mindful Enterprises
2	Mr. Ali Alam Qamar CEO / Executive Director/Sponsor Director since September 2020	Holds a BSc in Management from SOAS, University of London, a master's degree in Finance from the University of Cambridge and has completed a Sustainable Finance course at Harvard University. He leads the Company's strategy and digital procurement business, with a focus on developing a technology-enabled marketplace and commodity trading operations.	Goldfinger (Private) Limited; Zarea Agri-Tech (Private) Limited; Misbah Momin Foundation; Zarea Quantum Technologies (Private) Limited; Gulf Partners (Private) Limited
3	Mr. Nouman Ul Hassan CMO / Executive Director Director since April 2024	Has more than ten years of experience in software development and digital marketing, including experience at IBEX and online professional platforms. His areas of work include search-engine optimization, paid advertising, social media, content marketing and data analytics. He oversees marketing and digital customer acquisition activities.	Zarea Quantum Technologies (Private) Limited

Sr.	Names of Director	Brief Profile	Directorship held in other Companies
4	Mr. Sohail Wajahat Siddiqui Independent Director Director since July 2024	Former Federal Minister and former Managing Director of Siemens Pakistan, with extensive leadership experience in engineering, telecommunications and energy. He has also served as Chairman of Pakistan State Oil and has been awarded the Sitara-e-Imtiaz. His background contributes industrial, commercial and strategic oversight.	Indis (Private) Limited; Alpha Packaging (Private) Limited
5	Mr. Muhammad Afzal Chaudhry Independent Director Director since July 2024	Has more than four decades of domestic and international banking experience, including credit risk and special assets management. Prior roles include Chief of Special Assets Management at UBL, Deputy General Manager at Commercial Bank of Oman and Regional Head of Credit at First Women Bank. He holds postgraduate qualifications in Economics and a banking diploma.	Sitara Petroleum Service Limited
6	Mr. Juneid Akram Non-Executive Director Director since September 2024	Former senior officer of the Federal Board of Revenue with more than thirty years of experience in taxation, customs, administration and risk management. He has served in senior intelligence and customs positions and has worked on modernization of customs processes. His experience supports regulatory, governance and risk oversight.	J Sons Infinite (Private) Limited
7	Mrs. Meezan Fahd Mukhtar Non-Executive Director Director since July 2024	Holds a Bachelor of Arts and Sciences from SOAS, University of London. She has experience in entrepreneurial and fashion ventures and brings a perspective on business development, innovation and customer-facing activities.	None

ii. Profile of Sponsor(s)

Goldfinger (Private) Limited is a sponsor and holds 90,000,000 ordinary shares, representing 34.29% of the existing issued and paid-up capital of the Company. Ali Alam Qamar is the Chief Executive Officer and principal individual shareholder. Planned subscriptions by Ali Alam Qamar, Goldfinger and Misbah Momin are set out in section 7(vii) above, with ownership information in section 10(v).

Sponsor incorporated in Pakistan

Required particulars of Goldfinger Private Limited	Disclosure
Date and place of incorporation	Incorporated in Lahore, Pakistan, as a private limited company. Date of incorporation: 22 June 2022.
Names of directors	1) Mr. Ali Alam Qamar (common director of the Company and Goldfinger). 2) Chaudhry Mohammad Rafay Ali

Required particulars of Goldfinger Private Limited	Disclosure
Shareholding in the Issuer	90,000,000 ordinary shares; 34.29% before the Right Issue.
Sponsor profile and ultimate beneficial ownership	The principal line of business of Goldfinger (Private) Limited is to invest its capital in securities and other instruments. It does not operate as an investment company, non-banking finance company or brokerage house, or accept public deposits. Mr. Nouman Ul Hassan is its nominee on the Company's Board. Goldfinger holds 25% of Zarea Agri-Tech (Private) Limited; the Company holds 75%. Its shareholders are Mr. Ali Alam Qamar (399,999,990 shares; 99.9999975%) and Chaudhry Mohammad Rafay Ali (10 shares; 0.0000025%). Mr. Ali Alam Qamar is its controlling shareholder and the ultimate beneficial owner of Goldfinger and the Company.

Foreign registered corporate sponsor

Foreign-registered corporate sponsor: Not applicable.

10. DETAILS OF THE ISSUER

Business overview

Zarea Limited operates an online marketplace connecting buyers and sellers through a proprietary software platform and undertakes direct purchase and sale of agricultural commodities. Revenue from its business operations comprises platform usage fees and agricultural commodity sales. Furthermore, its subsidiaries are Zarea Agri-Tech (Private) Limited (75% owned) and Zarea Commerce - FZCO in the United Arab Emirates (100% owned).

i. Financial highlights of Issuer for last three years:

Particular in PKR (except per share)	FY 2026	FY 2025	FY 2024
Statutory auditor	Naveed Zafar Ashfaq Jaffery & Co.	Naveed Zafar Ashfaq Jaffery & Co.	Naveed Zafar Ashfaq Jaffery & Co.
Gross revenue or sales	2,757,636,206	1,342,929,037	441,761,852
Gross profit	870,083,475	444,762,685	310,744,080
Profit before interest and tax or levy	1,498,341,246	674,358,977	291,865,722
Profit before tax / levy	1,427,938,711	671,051,921	291,786,145
Net profit or loss	1,379,009,636	671,051,921	292,811,085
Accumulated profits or reserves	2,213,135,241	1,097,907,545	426,855,624
Total assets	4,778,124,294	2,409,204,865	629,448,003
Total liabilities	1,386,463,101	132,771,368	2,592,379
Net equity	3,391,661,193	2,276,433,497	626,855,624

Particular in PKR (except per share)	FY 2026	FY 2025	FY 2024
Breakup value per share PKR	12.92	8.67	3.13
Earnings per share PKR	5.25	3.04	3.99
Dividend announced per share PKR	1.00	1.00	0.00
Bonus issue	Nil	Nil	Nil

ii. Financial highlights for preceding one year of consolidated financial statements:

PKR (except per share)	FY 2026 consolidated
Statutory auditor	Naveed Zafar Ashfaq Jaffery & Co.
Gross revenue or sales	2,774,784,634
Gross profit	887,231,903
Profit before interest and tax or levy	1,514,108,448
Profit after tax	1,394,429,301
Net profit or loss	1,394,429,301
Accumulated profits or reserves	2,228,434,765
Total assets	4,792,476,234
Total liabilities	1,387,238,100
Net equity including NCI	3,405,238,134
Breakup value per share PKR	12.97
EPS PKR	5.31
Dividend announced per share PKR	1.00
Bonus issue	Nil

iii. Detail of issue of capital in previous five years:

The following history covers financial years ended 30 June 2022 to 30 June 2026. Paid-up capital is stated in PKR; new share counts and issue prices relate to the transactions disclosed in the financial statements.

Financial year	Closing paid-up capital PKR	New shares issued	Issue price PKR	Nature of capital movement
FY 2022	20,000,000	—	—	No change in paid-up capital reported in the historical financial summary.
FY 2023	20,000,000	—	—	No change in paid-up capital reported in the historical financial summary.
FY 2024	200,000,000	180,000,000	1.00	Rights shares issued through conversion of sponsor, shareholder and related-party loans.

Financial year	Closing paid-up capital PKR	New shares issued	Issue price PKR	Nature of capital movement
FY 2025	262,500,000	62,500,000	16.00 and 16.50	Initial public offering to the general public; listing on PSX on 28 February 2025.
FY 2026	262,500,000	—	—	No further issue of capital reported.

Details of the FY 2025 IPO issue

Purpose	PKR million	Allocation
Working capital for agricultural commodities	450	45%
Logistics expansion	240	24%
Technology development	125	12.5%
Marketing and customer acquisition	75	7.5%
Office infrastructure and cars	60	6%
Human resources	50	5%
Total	1,000	100%

The IPO proceeds (PKR 1,029,550,250 less share issue expenses of PKR 51,024,298) were principally utilized to strengthen the Company's working capital for agricultural commodities, expand logistics capabilities, enhance its technology platform, and fund marketing, office infrastructure, vehicles and human resources. The additional proceeds raised above the floor price were deployed towards working capital and marketing to support business growth.

Details of the FY 2024 rights issue

Particular	Disclosure
Quantum	180,000,000 shares; 900% of the opening 20,000,000 shares on the current PKR 1 nominal-value basis.
Consideration	PKR 180,000,000 through non-cash conversion of loans.
Issue price and premium	PKR 1 per share; no premium.
Utilization	Settlement of the sponsor, shareholder and related-party loans converted into shares.
Unsubscribed shares and Board or underwriter allotments	Not Applicable

iv. Average market price of the share of the Issuer during the last six months:

The average market price of the Company's share during the last six months (from May 12, 2026, to November 13, 2026) was PKR 40.82 per share.

v. Share Capital and Related Matters:

Financial information	30 Jun 2026	30 Jun 2025	30 Jun 2024	30 Jun 2023
Nominal value PKR per share	1.00	1.00	1.00	1.00
Authorized shares	400,000,000	400,000,000	300,000,000	25,000,000
Issued shares	262,500,000	262,500,000	200,000,000	20,000,000
Net share premium PKR	916,025,952	916,025,952	—	—

During the FY 2025, the Company carried out an IPO, in terms of which 62,500,000 shares were issued at PKR 16.00/- and PKR 16.50/- per share. The strike price was determined at PKR 16.50 per share. Shares were allotted to the general public at the strike price of PKR 16.50 per share, except for a portion of the general public subscription that was allotted at PKR 16.00 per share. Gross proceeds were PKR 1,029,550,250/-, including nominal capital of PKR 62,500,000/- and gross premium of PKR 967,050,250/-. Share issue expenses of PKR 51,024,298/- reduced the premium balance to PKR 916,025,952/-, which remain unchanged at 30 June 2026. The FY 2024 rights conversion was at nominal value with no share premium.

Particulars	No of Folio	Balance Share	Percentage
SPONSORS, DIRECTORS, CEO AND CHILDREN	6	110,000,000	41.9048%
ASSOCIATED COMPANIES	1	90,000,000	34.2857%
INSURANCE COMPANIES	1	100,000	0.0381%
GENERAL PUBLIC (LOCAL)	7,443	45,183,473	17.2128%
GENERAL PUBLIC (FOREIGN)	703	9,333,888	3.5558%
OTHERS	30	5,212,639	1.9858%
FOREIGN COMPANIES	1	2,670,000	1.0171%
Company Total	**8,185**	**262,500,000**	**100.0000%**

Directors sponsors and substantial holders	Existing shares	Planned post issue shares	Post Right Shareholding%
Mr. Ali Alam Qamar	108,999,996	127,399,983	33.31%
Goldfinger (Private) Limited	90,000,000	131,142,870	34.29%
Mrs. Misbah Momin	1,000,000	1,457,143	0.38%

Mr. Sohail Wajahat Siddqui	1	1	0.00%
Mr. Muhammad Afzal Chaudhry	1	1	0.00%
Mr. Juneid Akram	1	1	0.00%
Ms. Meezan Fahd Mukhtar	1	1	0.00%
Public/Others	62,500,000	122,500,000	32.02%

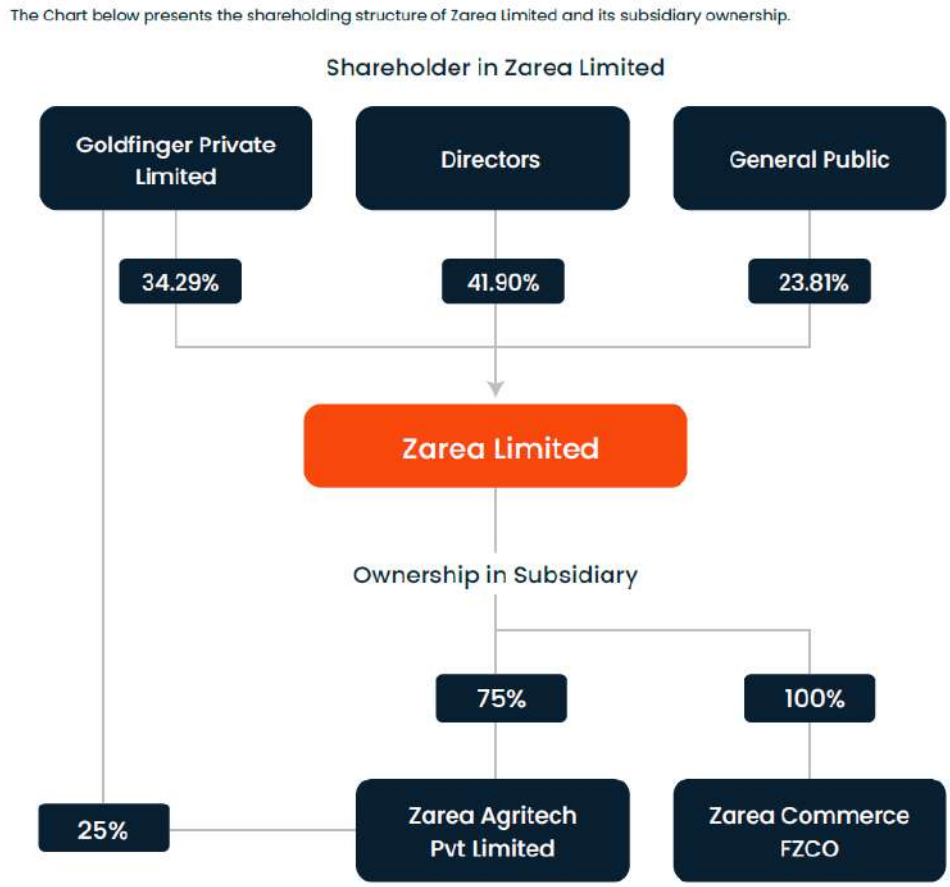
One of the director is executive director (i.e. Mr. Nouman Ul Hassan) who is nominated by Goldfinger (Private) Limited.

Pre-issue holdings: Ali Alam Qamar 41.52%; Goldfinger 34.29%; Misbah Momin 0.38%; other directors collectively less than 0.0001%; public/others 23.81%. Post-issue holdings are illustrative model allocations. The Public/Others row includes residual subscriptions and any underwriter take-up; final beneficial holdings depend on subscription, renunciation and allotment.

Goldfinger (Private) Limited is a corporate sponsor holding 90,000,000 shares (34.29%). Ali Alam Qamar controls Goldfinger and is the ultimate individual sponsor, holding 108,999,996 Zarea shares directly in addition to his indirect interest through Goldfinger.

vi. Group Structure of the Company (associated and subsidiary companies) till date:

Group Structure



At 30 June 2026, the parent's cost of investment in Zarea Agri-Tech was PKR 750,000 and in Zarea Commerce - FZCO was PKR 116,550,000, totaling PKR 117,300,000/-. Intercompany balances and transactions are eliminated on consolidation; non-controlling interests are presented separately.

Goldfinger is owned by Ali Alam Qamar, holding 399,999,990 shares (99.9999975%), and Chaudhry Mohammad Rafay Ali, holding 10 shares (0.0000025%). Ali Alam Qamar is the controlling shareholder and ultimate beneficial owner of Goldfinger and holds 108,999,996 shares directly in the Company, in addition to his indirect interest through Goldfinger's 90,000,000 shares. Goldfinger also holds 25% of Zarea Agri-Tech (Private) Limited, alongside the Company's 75% interest. Common and other directorships are disclosed in section 9.

vii. Defaults, overdue, restructuring and recovery proceedings:

Prescribed matter	Disclosure
(a) Defaults or overdue principal and interest at filing date and in the last three financial years	Not applicable.
(b) Carrying amount of loans payable in default	Not applicable.
(c) Remedy or renegotiation of defaults	Not applicable.
(d) Details and status of debt restructuring	Not applicable.
(e) Issue proceeds for overdue amounts	Not applicable.
(f) Financial institution NOCs for CIB-reported overdues or defaults	Not applicable.
(g) Recovery proceedings	Not applicable.

11. RISK FACTORS

A. RISKS ASSOCIATED WITH THE RIGHTS ISSUE

A.1. UNDERSUBSCRIPTION RISK

Directors and sponsors have provided irrevocable letters of intent for planned subscriptions of PKR 1.5 billion, representing 50% of the Right Issue. The remaining PKR 1.5 billion is underwritten by Dawood Equities Limited, Adam Securities Limited, Pak Libya Holding Company (Private) Limited and K-Trade Securities Limited. These arrangements mitigate undersubscription risk and the Right Issue has been announced at a price which is below the current share trading price in the market; hence there is minimal investment risk associated with the Right Issue.

B. RISKS ASSOCIATED WITH THE ISSUER

(in the descending order of materiality)

B.1. INTERNAL RISK FACTORS

B.1.1. OPERATIONAL RISK

Operational risk refers to the potential for loss arising from inadequate or failed internal processes, systems, human resources, or external events.

Disruptions in supply chain operations, technology platforms, or third-party service providers may result in delayed deliveries, increased costs, or loss of customer confidence. In addition, inefficiencies in internal controls, system failures, or cybersecurity incidents may adversely impact operations and financial performance.

The Company mitigates these risks through process automation, system monitoring, internal controls, and continuous operational oversight.

B.1.2. PROCUREMENT AND SUPPLY CHAIN RISK

The Company is exposed to procurement and supply chain risks arising from volatility in agricultural commodity availability, seasonal variations, quality inconsistencies, and disruptions in transportation. Any interruption in supply from suppliers, or delays in logistics, may affect the Company's ability to fulfill customer demand and impact margins. The Company mitigate these risks through effective internal controls and supply chain planning.

B.1.3. TECHNOLOGY AND PLATFORM RISK

The Company's operations rely significantly on its digital platform and supporting IT infrastructure. System outages, software defects, data breaches, or cybersecurity threats could disrupt operations, compromise sensitive data, and damage the Company's reputation.

The Company mitigates these risks through data security protocols, system backups, access controls, and regular monitoring of IT systems.

B.1.4. CREDIT RISK

Credit risk represents the risk that counterparties may fail to meet their contractual payment obligations. The Company is exposed to credit risk primarily in respect of trade receivables, advances to suppliers, deposits, and bank balances. A significant portion of sales may involve extended credit periods, particularly with institutional or large customers.

The Company manages this risk through customer credit assessments, monitoring of receivable aging, and provisioning in line with applicable accounting standards.

B.1.5. LIQUIDITY RISK

Liquidity risk arises when the Company may face difficulty in meeting its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash balances and ensuring access to short-term financing facilities.

At 30 June 2026, current assets were PKR 4,070.502 million and current liabilities PKR 1,368.397 million, giving a current ratio of 2.97 times. The subsequent PKR 2 billion Sukuk requires timely settlement. Liquidity also depends on collections, realizable investment values and the internal funding contribution; historical ratios do not assure cash availability when obligations fall due.

The financial standing of the Company indicated by its Current Ratio, Interest Coverage and Debt Service Coverage ratios demonstrates that the Company has the ability to fulfil its financial obligations on time. Further, clean eCIB of the Company also demonstrates that the Company has not defaulted or dishonoured its financial obligations.

B.1.6. VENDOR CONCENTRATION RISK

Reliance on a limited number of vendors for any commodity could disrupt supply or increase procurement costs if a major vendor fails to deliver, affecting the Company's ability to fulfil customer orders.

The Company mitigates this risk through diversified sourcing and proposes to monitor supplier concentration by commodity and maintain alternative sources for key commodities.

B.1.6. NEGATIVE CASHFLOW FROM OPERATING ACTIVITIES IN THE LAST THREE PRECEDING FINANCIAL YEARS.

	2026	2025	2024
	PKR (million)	PKR (million)	PKR (million)
Net Cash used in Operating Activities	(135.75)	(642.51)	(28.86)

Net cash used in operating activities in FY 2026 was PKR 135.75 million, reflecting net outflows of PKR 1,240.80 million towards short-term investments. Excluding these investment outflows, operating cash flow would have been positive at PKR 1,105.05 million. Continued business expansion and sales growth nevertheless require additional working capital for procurement, inventory and receivables, which may place pressure on liquidity.

B.2. EXTERNAL RISKS

B.2.1. BUSINESS RISK

The Company's performance may be adversely affected by fluctuations in agricultural commodity prices, changes in demand patterns, increased competition, or reduced purchasing power of customers. Adverse weather conditions or crop failures may also impact supply volumes. The Company seeks to mitigate these risks through commodity price forecasting, crop monitoring, data-driven demand and supply planning, and efficient supply chain management.

B.2.2. INTEREST RATE RISK

As at 30 June 2026, the Company's long-term bank finance, including its current portion, amounted to PKR 27.646 million and carried fixed rates. The PKR 2 billion Sukuk issued in October 2026 carries profit at six-month KIBOR plus 2.50% per annum. A higher applicable KIBOR would increase the Company's financing costs and cash outflows.

The Company plans to apply PKR 2 billion of the net Right Issue proceeds to repay the Sukuk principal on 5 April 2027, subject to the terms of the Sukuk documents, and to pay the related profit from internal funds. Repayment of the principal will end the Company's exposure under the Sukuk.

B.2.3. FOREIGN EXCHANGE RISK

Where the Company enters into foreign-currency transactions or holds foreign-currency monetary balances, exchange-rate movements may increase the PKR cost of settling payables or reduce the PKR value of receivables and collections.

The Company proposes to monitor net exposures by currency and settlement date, use PKR-denominated terms where commercially practicable, and match foreign-currency receipts against payments in the same currency where their timing permits.

B.2.4. REGULATORY RISK

Changes in applicable securities laws or SECP and PSX requirements may increase compliance costs. Failure to meet listing or disclosure obligations may result in penalties or suspension of trading in the Company's shares.

The Company proposes to track regulatory changes, assign responsibility for each filing and disclosure, and review submissions before the applicable deadlines.

B.3. ADDITIONAL RISKS

B.3.1 SEASONALITY OF THE BUSINESS

The Company's agricultural commodity and biomass business is exposed to seasonal variations in harvest cycles, supply availability and customer demand. Procurement during peak harvest periods may require higher supplier advances and inventory holdings, increasing working capital requirements. Delayed harvests, supply shortages or slower inventory sales may adversely affect trading volumes, margins and cash flows. The Company mitigates these risks through diversified sourcing, data collection, advance procurement planning, efficient inventory management and working capital arrangements to manage seasonal fluctuations and maintain operational continuity.

B.3.2 COMMODITY PRICE VOLATILITY

A decline in selling prices after the Company has committed to purchase agricultural commodities or biomass, including through supplier advances, may compress trading margins or result in losses on resale.

The Company proposes to monitor market prices and align purchase commitments, supplier advances and inventory levels with expected sales to limit exposure to adverse price movements.

RISKS THAT ARE NOT RELEVANT/APPLICABLE

Risk factor	Disclosure
Approvals that are yet to be received by the issuer;	No such risk is involved
Risk associated with orders not having been placed for plant and machinery in relation to the principal purpose of the issue;	Not Applicable
Lack of experience of the Management to run the business;	Not Applicable
If the issuer has incurred losses in the last three financial years;	Not Applicable
Dependence of the issuer or any of its business segments upon a single customer or a few customers	No such risk is involved
Loans, if any, taken by the issuer and its subsidiaries that can be recalled at any time.	No such risk is involved
In case of outstanding debt instruments, any default in compliance with the material covenants;	Not Applicable
Default in repayment of loan by the issuer and associated group companies, if any.	Not Applicable
Potential conflict of interest of the Sponsors, substantial shareholders or directors of the issuer if involved with one or more ventures which are in the same line of activity or business as that of the issuer.	Not Applicable
Excessive dependence on any key managerial personnel for the project for which the issue is being made.	No such risk is involved
Any material investment in debt instruments by the issuer which are unsecured.	Not Applicable
Pending legal Proceeding against the issuer and associated group companies, which could have material adverse comments.	Nil
Any restrictive covenant that could hamper the interest of the equity shareholders.	Not Applicable
Low credit rating of the Issuer.	Not Applicable
Dependence of the issuer or any of its business upon a single customer or few customers, loss of any one or more may have material adverse effect on the issuer.	No such risk is involved
Any portion of the issue proceed that is proposed to be paid by the issuer to the sponsors, directors or key management personnel of the issuer.	Not Applicable

DECLARATION

IT IS STATED THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF, ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

Ali Alam Qamar
Chief Executive Officer

12.LEGAL PROCEEDINGS:

i. Any outstanding legal proceeding other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, that could have material impact on the Issuer.

Nil

ii. Action taken by the Securities Exchange against the issuer or associated listed companies of the Issuer during the last three years due to noncompliance of its Regulations.

Nil

iii. Outstanding Legal Proceedings. **Nil**

Legal order dated	Issuing authority	Tax period if any	Order amount or financial impact PKR million	Current status	Management stance
Nil					

13.SIGNATORIES TO THE OFFER DOCUMENTS

For and on behalf of **Zarea Limited**

Ali Alam Qamar
CEO/Director

Nouman Ul Hassan
Director

Witnesses:

Muhammad Usman Ameer
Chief Financial Officer

Syed Muhammad Akram
Company Secretary

Dated: November 16, 2026
Lahore

Zarea Limited

Schedule II

The Companies (Further Issue of Shares) Regulations, 2020

Sr. No.	Name of person	Comment received	Agree / Disagree	Proposed change, if agreed	Rationale
1	PSX	3(iv) · Draft offer document placement on issuer/Exchange website and date, if public comments sought	Disagree		The 2 November 2026 posting was within three working days of the Board announcement. Public comments were not sought. The three-working-day wording appears in Schedule I, clause 3(iv), as amended by S.R.O. 64(I)/2026.
2	PSX	3(ix) · Final document submitted to SECP/placed on Exchange site with book closure and rights timetable	Agree	Clause 3(ix) records final submission to SECP and posting on PSX on 16 November 2026, with the book closure and right issue timetable.	
3	PSX	5 · Glossary defining technical terms and abbreviations used	Agree	The glossary defines LoR, P/E, IPO and NICOP.	
4	PSX	7(i)(j) · Minimum level of subscription and Board option if not achieved	Agree	Clause 7(i)(j) states that the PKR 3 billion issue requires full subscription and that the Company set no separate minimum.	
5	PSX	7(ii)(B)(b)-4 · If financing working capital: table of total need, margin money and bank/other funding	Agree	Clause 7(ii)(B)(b) shows FY2027 net working capital of PKR 2,186.43 million and incremental needs of PKR 1,370.94 million, funded by PKR 951.50 million in net issue proceeds and PKR 419.44 million in internal funds. Bank financing is nil and margin money is inapplicable.	
6	PSX	7(iv) · Financial effects: authorized capital, paid-up capital, breakup value, gearing, capacity and market share pre/post	Agree	Clause 7(iv) shows pre- and post-issue figures and percentage changes for authorized capital (0.00%), paid-up capital (+45.71%), break-up value per share (+28.33%) and gearing (−87.80%). It also addresses production capacity and market share.	
7	PSX	8(i) · Payment: permitted instruments, designated account/bank and deadline	Agree	Clause 8(i) identifies the designated subscription account, Faysal Bank Limited and United Bank Limited, the accepted payment instruments and the deadline.	
8	PSX	8(v) · Late postal request treatment and closure date	Agree	Clause 8(v) specifies the postal cut-off and the exception where there is evidence of timely posting.	
9	PSX	8(vi) · Payment deadline as acceptance of rights offer	Agree	Clause 8(vi) specifies the deadline by which payment constitutes acceptance.	

Sr. No.	Name of person	Comment received	Agree / Disagree	Proposed change, if agreed	Rationale
10	PSX	8(vii) · Credit to CDS within 14 business days; paid request not tradable/transferable	Disagree		Schedule I, clause 8(vii), specifies 10 working days from the last payment date. Paid requests cannot be traded or transferred.
11	PSX	10(ii) · Preceding-year consolidated financial highlights	Disagree		Clause 10(ii) gives the FY2026 consolidated highlights required under Schedule I, including profit before interest and tax and profit after tax.
12	PSX	10(v)(b) · Directors/sponsors/substantial shareholders' holdings, existing and post-rights	Agree	Clause 10(v) shows existing and illustrative post-issue holdings by name.	
13	PSX	10(vi) · Group structure and subsidiary/associate shareholdings	Disagree		The group chart under clause 10(vi) already shows Zarea's 75% interest in Zarea Agri-Tech (Private) Limited and 100% interest in Zarea Commerce – FZCO.
14	PSX	11(i) · Each risk: risk plus proposal to address it	Agree	Section 11 expands mitigation disclosures, including currency monitoring and matching for FX exposure and planned Sukuk repayment for interest rate exposure.	
15	PSX	11(iv) · Disclose relevant business, project, technology, competition, supplier, customer, industry, liquidity, regulatory, policy, law-and-order, capital-market, litigation and default risks.	Agree	Section 11 adds regulatory and commodity price risks and mitigation measures. Sections 11 and 12 address defaults and material litigation.	
16	PSX	13(i) · Offer-document signatories: all directors or authorized officer; original dated and witnessed signatures	Agree	Section 13 lists Ali Alam Qamar and Nouman Ul Hassan as signatories, names both witnesses and gives the execution date.	
17	PSX	1(ii)-b · Cover validity date: 60 days from last subscription-payment date	Agree	The cover states the validity date, 60 days from the final subscription payment date.	
18	PSX	1(vi) · Final Offer Letter, book closure, subscription-payment and LOR-trading dates	Agree	The cover and clause 7(ix) specify the final Offer Letter, book closure, rights trading and subscription dates.	
19	PSX	3(vi) · Date SECP and Exchange comments received	Agree	Clause 3(vi) records receipt of PSX comments on 5 November 2026 and SECP comments on 13 November 2026.	
20	PSX	7(ix) · Important dates: full tentative Letter of Rights schedule	Agree	Clause 7(ix) sets out the dated Letter of Rights timetable, from book closure through allotment and dispatch.	

Sr. No.	Name of person	Comment received	Agree / Disagree	Proposed change, if agreed	Rationale
21	PSX	10(v)(c) · Holding company details and shareholding, if any	Disagree		Clauses 9 and 10(v) disclose Goldfinger (Private) Limited as a corporate sponsor with 90 million shares (34.29%) and identify Ali Alam Qamar as the ultimate controlling shareholder.
22	PSX	11(iii) · Risks in descending materiality order	Agree	Section 11(B) identifies the issuer risks as ordered by descending materiality.	
23	PSX	11(v)(a) · Additional risk: approvals yet to be received	Agree	The Section 11 table identifies no risk from pending approvals.	
24	PSX	11(v)(d) · Additional risk: management lacks experience for business	Agree	The Section 11 table records management inexperience as not applicable.	
25	PSX	11(v)(f) · Additional risk: dependence on a single/few customers	Agree	The Section 11 table identifies no material customer concentration risk.	
26	PSX	11(v)(g) · Additional risk: loans recallable at any time	Agree	The Section 11 table identifies no risk from loans recallable at any time.	
27	PSX	11(v)(h) · Additional risk: default under material covenants of outstanding debt instruments	Agree	The Section 11 table records defaults under material debt covenants as not applicable.	
28	PSX	11(v)(i) · Additional risk: loan-repayment defaults of issuer/associated group	Agree	The Section 11 table records loan repayment defaults by the issuer or associated group companies as not applicable.	
29	PSX	11(v)(j) · Additional risk: sponsors/directors' conflict of interest in same-line ventures	Agree	The Section 11 table records conflicts arising from similar business activities as not applicable.	
30	PSX	11(v)(k) · Additional risk: excessive dependence on key management for project	Agree	The Section 11 table identifies no risk from excessive dependence on key personnel.	
31	PSX	11(v)(l) · Additional risk: material unsecured debt-instrument investments	Agree	The Section 11 table records material investments in unsecured debt instruments as not applicable.	
32	PSX	11(v)(m) · Additional risk: pending legal proceedings with material adverse impact	Agree	Sections 11 and 12 report nil material pending legal proceedings.	
33	PSX	11(v)(n) · Additional risk: negative operating cash flow in last 3 years	Agree	Section 11 discloses net cash used in operating activities of PKR 135.75 million in FY2026, PKR 642.51 million in FY2025 and PKR 28.86 million in FY2024. It explains the FY2026 short-term investment outflow and the liquidity implications of expansion.	
34	PSX	11(v)(o) · Additional risk: restrictive covenant harming equity holders	Agree	The Section 11 table records restrictive covenants affecting equity holders as not applicable.	

Sr. No.	Name of person	Comment received	Agree / Disagree	Proposed change, if agreed	Rationale
35	PSX	11(v)(p) · Additional risk: low issuer credit rating	Agree	The Section 11 table records low issuer credit rating as not applicable.	
36	PSX	11(v)(q) · Additional risk: single/few-customer dependence and impact of loss	Agree	The Section 11 table identifies no material risk from the loss of one or a few customers.	
37	PSX	12(iii) · Legal-proceedings summary: order date, authority, tax period, amount/impact, current status, management stance	Agree	Clause 12(iii) includes the legal-order summary table and reports nil proceedings.	
38	SECP	1. Update all dates, verify all figures, follow the Schedule I format and obtain any required regulatory approvals.	Agree	The Offer Document includes the updated dates and issuer certifications. The Company will obtain any regulatory approvals required.	
39	SECP	2. Provide the full Offer Document download link on the cover.	Agree	The cover lists https://zarea.com/investor/notices-quick-links and the PSX website for the Offer Document.	
40	SECP	3. Obtain the CEO’s and CFO’s signatures on their undertaking.	Agree	The undertaking provides separate signature lines for the CEO and CFO.	
41	SECP	4. Obtain the signature of the Board-authorized officer on the Board undertaking under Schedule I, clause 3.	Agree	The Board undertaking names Ali Alam Qamar, CEO, as the authorized officer.	
42	SECP	5. Remove the investment risk and shareholder returns disclaimer and the financial projections disclaimer. Follow the prescribed format.	Agree	The Disclaimer section retains the prescribed disclaimer. The financial projection caveat appears alongside the projections in Section 7.	
43	SECP	6. Define all technical terms and abbreviations used in the Offer Document.	Agree	The glossary defines LoR, P/E, IPO and NICOP.	
44	SECP	7. Add a separate Definitions heading and include the book closure dates in the final Offer Document.	Agree	The glossary table includes a Definitions heading and states book closure on 24 November 2026.	
45	SECP	8. Disclose the use of right issue proceeds for working capital expansion and Sukuk repayment under clause 7(ii)(B). State the original Sukuk purpose, itemized use of its proceeds and full repayment schedule.	Agree	Clause 7 allocates PKR 951.50 million of net proceeds to incremental working capital and PKR 2 billion to Sukuk principal. The October 2026 Sukuk financed working capital. Principal falls due in a single payment on 5 April 2027. Estimated profit of PKR 148 million is payable from internal funds.	
46	SECP	9. Disclose production capacity and market share under clause 7(iv), where applicable.	Agree	Clause 7(iv) records production capacity as inapplicable to the trading business and market share as indeterminable across the markets in which it operates.	
47	SECP	10. Ensure underwriters are unassociated under Regulation 3(6)(ii).	Agree	Clause 7(vi) identifies all four underwriters and shows each as unassociated with the Company.	
48	SECP	11. Reconcile shareholdings to the latest records maintained by CDC.	Agree	Clauses 7(vii) and 10(v) show subscription commitments and existing and illustrative post-issue holdings.	

Sr. No.	Name of person	Comment received	Agree / Disagree	Proposed change, if agreed	Rationale
49	SECP	12. Use the wording prescribed in Schedule I for fractional shares.	Agree	Clause 7(viii) provides for consolidation and disposal of fractions and payment of proceeds to entitled shareholders who accepted the offer.	
50	SECP	13. State the day and date of each right issue procedure.	Agree	The cover and clause 7(ix) set out the days and dates for the right issue procedures.	
51	SECP	14. Give the payment deadline in clause 8(i), the full download link in clause 8(ii), the bankers and relevant dates in clauses 8(iv)–(vi), and the bankers in clause 8(vii).	Agree	Section 8 gives the payment deadline and related dates and identifies Faysal Bank Limited and United Bank Limited as bankers to the issue. Clause 8(ii) provides the full download link for the Right Subscription Request.	
52	SECP	15. Present the five-year capital history in the clause 10(iii) format and verify the financial highlights.	Agree	Clause 10(iii) presents the five-year capital history and details of the FY2025 IPO and FY2024 rights issue. Clauses 10(i)–(ii) present standalone and consolidated financial highlights.	
53	SECP	16. Update the six-month average share price as of the Offer Document date.	Agree	Clause 10(iv) reports PKR 40.82 per share for 12 May to 13 November 2026.	
54	SECP	17. Disclose individual pre- and post-issue holdings of directors, sponsors and substantial shareholders.	Agree	Clause 10(v) shows existing and illustrative post-issue shareholdings by name.	
55	SECP	18. Order risks by materiality. Give FX and interest rate mitigations. Address regulatory, policy, law-and-order, capital-market, litigation and default risks, pending approvals and customer concentration, with mitigations where applicable.	Agree	Section 11 identifies the issuer risk order and describes FX and interest rate mitigations. Sections 11 and 12 cover regulatory risk, pending approvals, customer concentration, defaults and litigation.	
56	SECP	19. Disclose legal proceedings under Schedule I, clauses 12(i)–(iii).	Agree	Section 12 reports nil material proceedings and relevant Exchange action and includes the legal-order summary table.	
57	SECP	20. Have all directors or a Board-authorized officer sign the Offer Document under Schedule I, clause 13.	Agree	Section 13 lists the signatories and witnesses and gives the execution date.	