THE ORGANIC MEAT COMPANY LIMITED

PROGRESS REPORT

FOR THE HALF YEAR ENDED DECEMBER 31, 2020

Contents

PROGRESS REPORT

INTRODUCTION

This progress report is being submitted in compliance with the requirement of Clause 16(i)(ii) of post issue reporting and disclosures of the "Public Offering Regulations, 2017" and in pursuance of the requirement specified in the clause 4(ii)(2)(b)(2) of the prospectus to the issue of the Company.

The Company carried out a successful IPO in July 2020, to finance its expansions, at estimated costs, as detailed below:

- Facility for local Offal at Korangi Industrial Areas - Rs. 167.20 million
- Facility in Export Processing Zone (EPZ), Karachi – Rs.104.45 million
- Utilization in Working Capital – Rs.448.35 million

We are pleased to share the first semi-annual progress report after the listing on PSX and in accordance with half yearly results uploaded at PSX, in respect of the aforementioned projects, in the ensuing pages.

SUMMARY OF IPO FUNDS GENERATED

Description	Rupees
Issuance of 40 million ordinary shares at floor price of Rs. 18 per share	720,000,000
Excess funds received – Share Premium at Rs. 2 per share	80,000,000
Less: Share issuance costs	(23,769,303)
Net IPO Proceeds	**776,230,697**

IMPLEMENTATION STATUS

1. FACILITY FOR LOCAL OFFAL IN KORANGI INDUSTRIAL AREA

The Company has successfully acquired a partially-constructed building at an ideal location in the Korangi Industrial Area, with a total area of 1,067 square yard. The building has a total covered area of around 18,000 square ft, which is under additional civil-works for installation of plant and related machinery to enable its utilization as an offal processing plant.

The Company has over-spent an amount of around Rs. 19.99 million for acquisition of land and building as against planned expenditure of Rs.131 million. The increase is due to 50% additional built-up area of the acquired property, as against the construction plan mentioned in the prospectus.

Further, the major portion of the cold-chain management machinery is being imported vide firm Letter of Credits amounting to around Rs.38 million, as detailed in Annexure-I. The machinery is expected to arrive by the end of third quarter of FY21.

Implementation status

Particulars	**Commitment**	**Completed**
Acquisition of property	Q1 FY 21	Yes
Approval of construction drawings	Q1 FY 21	In process
Construction	Q4 FY 21	In process
Application for completion	Q1 FY 22	No
Installation of machinery and commission	Q1 FY 22	No
Test run	Q1 FY 22	No
Commencement of production	Q2 FY 22	No

Please refer '*Annexure – II'* for pictorial representation of the new property and the under-process civil works would give an idea over pace of progress.

2. FACILITY FOR EXPORT PROCESSING ZONE

The Company is still in process of procuring suitable land in the Export Processing Zone (EPZ) to construct the offal processing plant.

Approved intended utilization as per the prospectus is as under.

Description	Funds Allocated	Allocation %	Incurred costs
Land (1000 to 1200 Sq. yards)	60,000,000	57%	-
Construction of Office Building (12000 Sq. Feet)	22,000,000	21%	-
Equipment (Chillers + freezers Storages)	19,948,556	19%	-
Machinery	2,500,000	2%	-
Total	**104,448,556**	**100%**	**-**

3. INVESTMENT IN WORKING CAPITAL

The Company had evaluated its working capital requirement based on previous trends, requirements and future business outlook and the expected amount was allocated in the prospectus.

The Company has over spent on working capital in order to secure a contract with one of the leading food processors in the Middle East, National Foods Company – Americana, as was disclosed on December 07, 2020 as material information.

The mix of working capital within the product mix is mentioned as below:

Description	Funds Allocated	Allocation %	Actually incurred	(Short)/Over
Fresh chilled meat via-sea and air	187,586,833	42%	183,525,000	(4,061,833)
Fresh chilled boneless vacuum-packed meat	151,141,391	34%	-	(151,141,391)
Frozen meat via-sea	-	0%	175,472,163	175,472,163
Fresh and frozen white and red Offal	109,623,220	24%	96,397,145	(13,226,075)
Total	**448,351,444**	**100%**	**455,394,308**	**7,042,864**

SYED IMRAN ALI
Chief Financial Officer

ABDUL QUADIR
Company Secretary

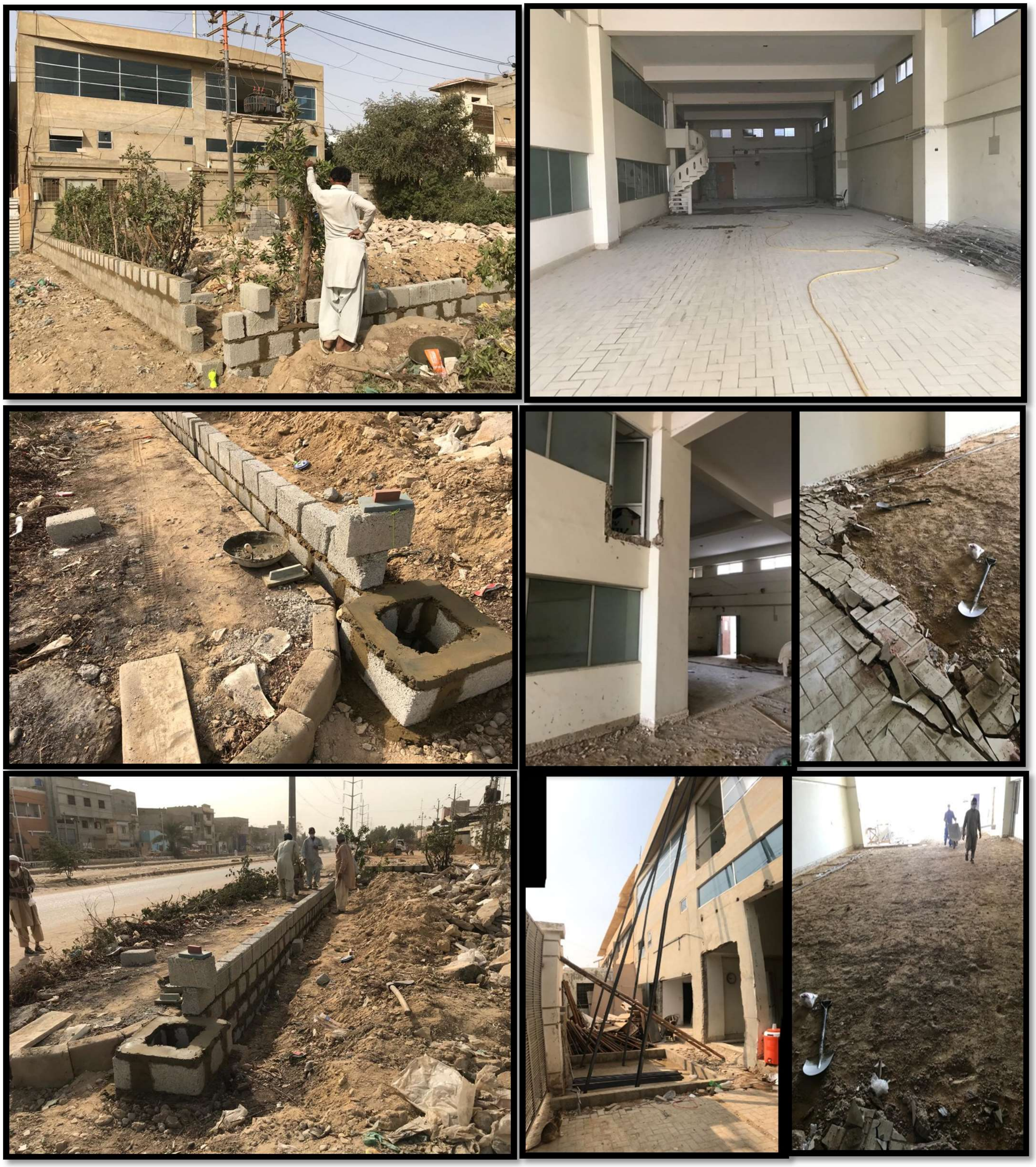
ANNEXURE - I

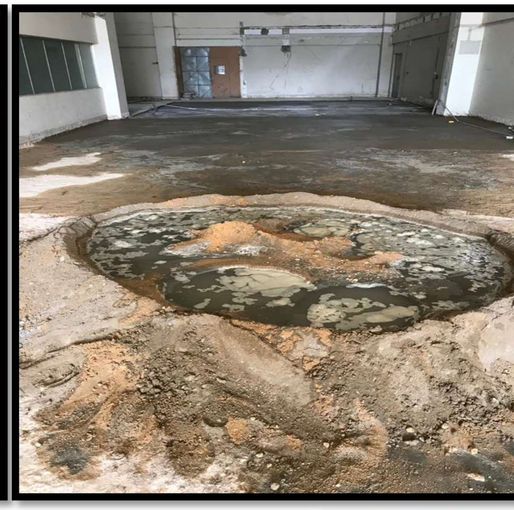
DETAILS OF COLD CHAIN MACHINERY

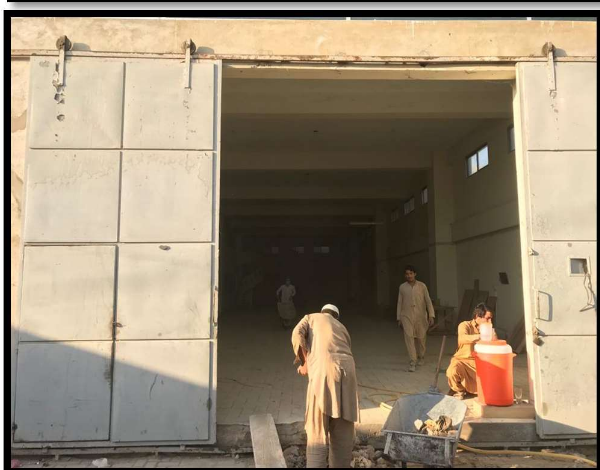
LC #	Value in FCY	Beneficiary	Product Description
TF2032875330	US$ 179,845/-	Emerson Climate Technologies	Cold Chain Machinery with standard accessories and attachments for freezing and chilling applications, comprising of compressors, evaporators, condensing units, heat exchangers monitoring systems, and related accessories.
TF2032831726	US$ 59,400/-	Kelvin Controls LLC.	Insulated sandwich panels with standard accessories and attachments

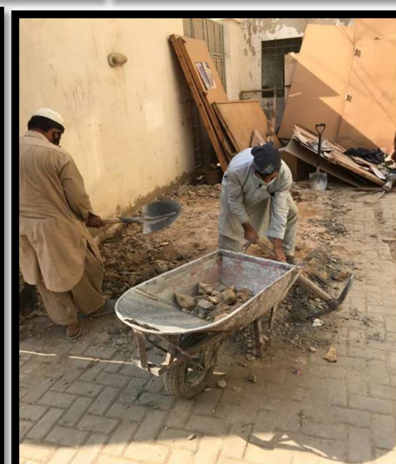
ANNEXURE - II

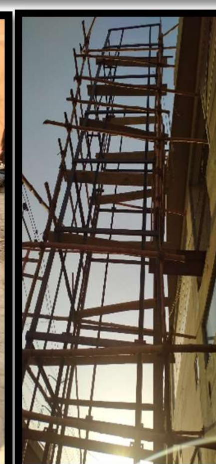
LOCAL OFFAL PROCESSING PLANT – KORANGI INDUSTRIAL AREA

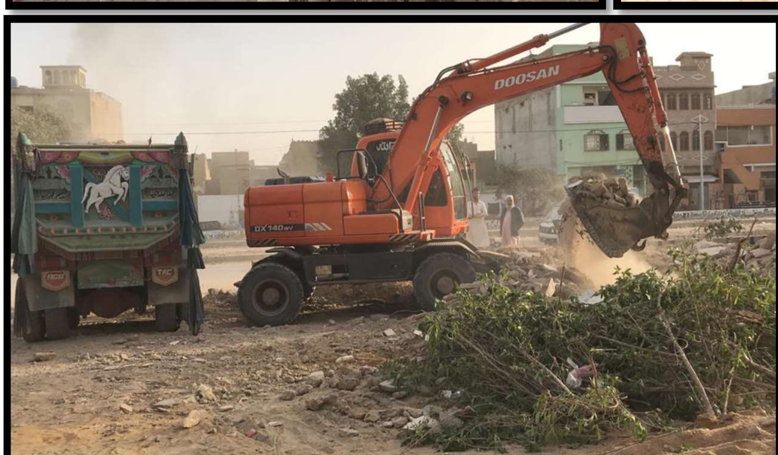


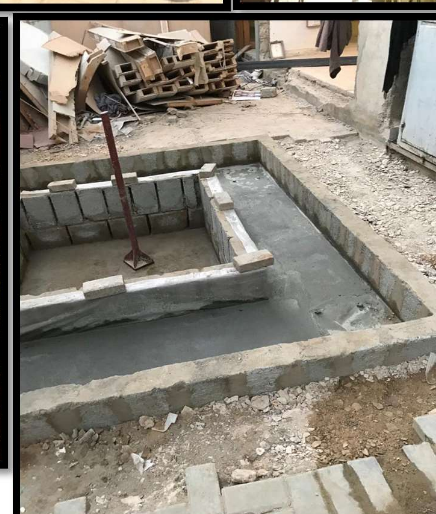









DOOSAN



ANNEXURE - III

STATUS OF THE PROJECTS AS MENTIONED IN THE PROSPECTUS

(Under regulation 16(i)(ii) of "Public Offering Regulations, 2017")

Commitment made in the prospectus	Start date	Completion date	Current status	Rationale for delay (If any)
Utilization in Working Capital	August 04, 2020	Not Applicable	Company invested in Working Capital to increase current product output	Not Applicable
Facility for local offal	August 06, 2020	Expected completion by end of Q1 FY 22	Work in Progress	On schedule
Facility in EPZ, Karachi	Not yet started	Not Applicable	Delayed	Company is in search for suitable land in KEPZA