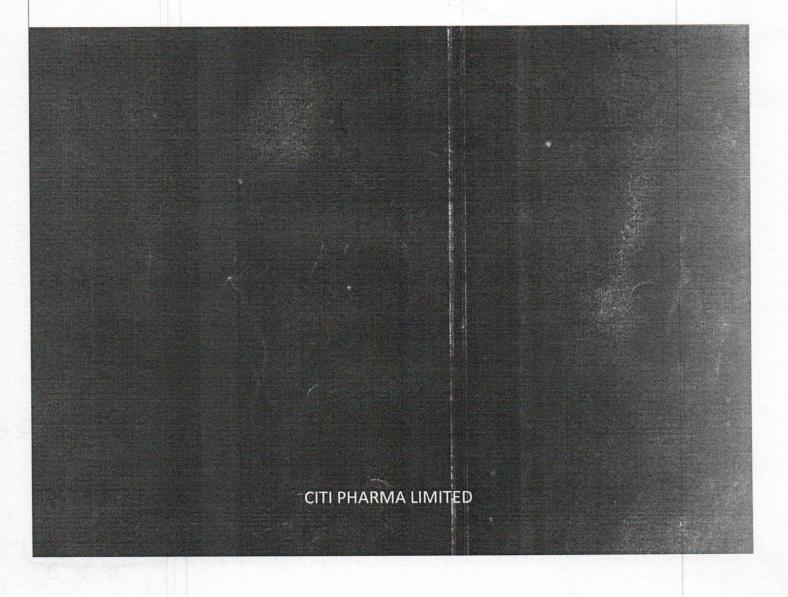
UTILIZATION OF IPO PROCEEDS HALF YEALY PROGRESS REPORT AS AT DECEMBER 31, 2021



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Introduction

This annual 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 2021, to finance its expansions, at estimated costs, as detailed below:

Description	Funds Required (Rupees)	Allocation (%)
API Segment		
Civil Works	150,000,000	7%
Procurement of Plant and Machinery	405,194,500	20%
	555,194,500	27.28%
Formulation Segment	252 222 222	4.20/
Civil Works	250,000,000	12%
Procurement of Plant and Machinery	307,630,000	15%
	557,630,000	27.40%
Hospital Facility		
Civil Work of Hospital Building (incl. Electrical and Mechanical work)	668,000,000	33%
Plant and Machinery for Hospital	254,551,500	13%
	922,551,500	45.33%

Summary of Funds Generated

Description	Rupees
Issuance of 72,692,000 shares at a floor price of Rs. 28 per share	2,035,376,000
Excess funds received Share Premium at Rs. 4 per share	290,768,000
Less: IPO Expenses	(127,667,864)
Net IPO Proceeds	2,198,476,136
Less: Funds utilized for repayment of borrowings and for working capital	(163,100,136)
Net Funds Available	2,035,376,000

1. Expansion in API Segment

As of December 31, 2021, Civil work for new multi-purpose API facility for new APIs Ascorbic acid is under progress. Orders for plant & machinery for API Segment has been placed and expected to be received within this financial year.

Implementation Status

Particulars	Start Date (As per Prospectus)	Completion Date (As per Prospectus)	Completion
Civil Work of API Segment	3QFY21	2QFY22	No
Plant & machinery for API Segment	3QFY21	3QFY22	No
Trial Production of New APIs	1QFY22	3QFY22	No

2. Expansion in Formulation Segment

As of December 31, 2021, Civil work for Cephalosporin has been work in progress. Civil work has been carried out by our in-house engineering team. Orders for Formulation Segment plant & machinery has been placed and expected to be received within this financial year.

Implementation Status

Particulars	Start Date (As per Prospectus)	Completion Date (As per Prospectus)	Completion
Civil Work of Formulation Segment	3QFY21	2QFY22	No
Plant & Machinery of Formulation Segment	1QFY22	1QFY23	No
Trial Production of New Formulation Drugs	3QFY22	4QFY22	No

3. Establishment of Hospital

State of the Art Hospital Project is in approval process. Once the company got approval from all the relevant departments, the civil work same will be started.

Implementation Status

Particulars	Start Date (As per Prospectus)	Completion Date (A	s Current Status
Completion of Civil Work	1QFY22	1QFY23	Not Started
Procurement of Medical Equipment	3QFY22	1QFY23	Not Started
Procurement of Fixtures and Fittings	4QFY22	1QFY23	Not Started

4. 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.

As at December 31, 2021, the funds allocated for the working capital have been fully utilized, and have been rolled over multiple times in the working capital cycle.

Muhammad Riaz Company Secretary

Asif Iqbal

Chief Financial Officer

Asolikal.