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Annual Benefit Report
Other Half Processing, SBC
A Minnesota Specific Public Benefit Corporation

March 20, 2023

Other Half Processing was incorporated on July 16, 2017, as a Specific Benefit Corporation under Minnesota's Public Benefit Corporation Act (the "Act"). Pursuant to Section 304A.101 of the Act, Other Half Processing's specific public benefit purpose as stated in its Articles of Incorporation is:

To create high value and high-quality products in ways that are ethical and respectful to the animal, and support regenerative farmers, ranchers and agricultural systems.

Throughout this report, Other Half Processing will be referred to as OHP or may refer to itself as "we", or "our" or "us."

OTHER HALF PROCESSING SBC

Other Half Processing SBC (OHP) partners with US farmers and ranchers to source and market identity-preserved byproducts from the "other half" of US livestock raised under regenerative and organic systems.

The following is a description of how we believe we succeeded in achieving the goals of our specific public benefit purpose.

OHP had continuing success in 2022 building demand for traceable and verified regenerative hides for leather. Timberland® remains a key customer and market partner, but OHP has expanded work with other brands as well. In 2022, more boots and shoes made from OHP sourced leather were produced and sold, but other leather goods using our leather also continued to emerge on the market (e.g. Range Revolution) and there is growing demand and use of regenerative leather in apparel and other industries. OHP also continued sourcing and selling byproducts for pet food and other markets in 2022, further increasing the valuation and utilization of regenerative livestock and through that, bring additional revenue back to the farmers and ranchers.

As a result of the growing market demand and our expanded supply partnerships, OHP was able to make payments back to farmers and ranchers that help fulfill our specific public benefit purpose. In 2022, OHP paid partnering regenerative farmers and ranchers and/or their aggregation partners approximately \$197,400 in direct premiums for the value of their regenerative production and the farm/ranch traceability.

In 2022 in addition to the growing value returned to farmers and ranchers, in 2022, together with the American Sustainable Business Initiative and many other partners, OHP secured a USDA Climate Smart Commodity grant. Work will kick off in 2023, and a significant amount of the granted funds will go directly to farmers and ranchers in Minnesota and throughout the country to increase incentives and value from regenerative grazing systems.

OHP did not encounter any circumstances that hindered achieving our specific public benefit purpose in 2022.

CERTIFICATION BY THE BOARD OF DIRECTORS The undersigned, being all the directors of Other Half Processing, hereby acknowledge and certify that we have reviewed and approved the enclosed Annual Benefit Report.


James Kleinschmit


Mark Kleinschmit

SUBMISSION:

1, the undersigned, certify that I am the Chief Executive Officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have provided all required information and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.


James Kleinschmit, CEO



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A handwritten signature in black ink that reads "Steve Simon".

Steve Simon
Secretary of State