# Craftsman Footwear & Accessories Limited

47, Lake Circus (6-B), Kalabagan, Dhaka-1212.

## IPO Proceeds Utilization Report

For the period from 01 August, 2025 to 31 October, 2025

# Independent Assurance Report
on
the Initial Public Offering (IPO) Proceeds Utilization of Craftsman Footwear & Accessories Limited

We (G. Kibria & Co.) ("the Practitioner") have been engaged by Craftsman Footwear & Accessories Limited ("the Company") to provide an opinion on whether the company has complied with the conditions of its Initial Public Offering (IPO) regarding the utilization of proceeds from the public offering for the period from August 01, 2025 to October 31, 2025, as mandated by the Bangladesh Securities Exchange Commission (BSEC).

The scope of our work is limited to examining whether the company has utilized the IPO proceeds in accordance with the conditions outlined in the consent letter (Ref. No. BSEC/CI/QIO/SC-49/2023/64 dated March 04, 2024) and other relevant rules and regulations.

**Company's Responsibility**

Those charged with governance and management of the company are responsible for utilizing the proceeds from the IPO in alignment with the terms and conditions stipulated in the IPO, as well as for preparing a status report on the utilization of proceeds from the public offering. This report must adhere to the regulations set forth by the Bangladesh Securities and Exchange Commission (BSEC) Rules, 1987, along with the conditions outlined in clauses 1, 2, 3, 23, 24 and 28 of the consent letter, as well as other relevant rules and regulations.

**Practitioner's Responsibility**

Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from IPO with reference to the terms of reference formulated by BSEC and provide an opinion on whether the proceeds have been utilized and the status report has been prepared in accordance with the conditions of IPO and clauses mentioned in the consent letter, as well as other relevant rules and regulations.

**Conclusion**

We believe that the Statement of IPO Proceeds Utilization, prepared in accordance with the guidelines provided by the Bangladesh Securities and Exchange Commission (BSEC), accurately reflects the status from August 01, 2025 to October 31, 2025.

We have thoroughly reviewed the relevant documents and obtained the information and explanations considered necessary to verify the attached Statement of IPO Proceeds Utilization, to the best of our knowledge and professional judgment.

Accordingly, based on the Consent Letter (Ref. No. BSEC/CI/QIO/SC-49/2023/64 dated March 04, 2024), we noted the following matters:

1. The company has utilized BDT 3,983,832 for BMRE (Balancing, Modernization, Rehabilitation and Expansion), representing 19.92% of the budgeted amount as of October 31, 2025. The company utilized BDT 685,878 for BMRE (Balancing, Modernization, Rehabilitation and Expansion) during the quarter. Out of this;
   a. The company utilized BDT 112,750 for Construction & Renovation.

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Ref: GKC/26-27/M/002

b. The company utilized BDT 573,128 for Production Equipment, of which BDT 36,385 was incurred for repair and maintenance.

However, we noted that these payments were made through bank accounts other than the designated IPO bank account. Furthermore, certain payments did not comply with Condition No. 26 of the Consent Letter (Ref. No. BSEC/CI/QIO/SC-49/2023/64 dated March 04, 2024).

2. The company has utilized BDT 10,059,924 for repayment of bank loan, which represents 100.60% of the budgeted amount as of October 31, 2025.

3. The company has utilized BDT 28,601,727 for working capital management, representing 184.76% of the budgeted amount as of October 31, 2025. The company utilized BDT 2,233,750 for working capital management during the quarter. Out of this;

   a. The company utilized BDT 445,383 for Raw Material Purchase during the quarter, which was fully paid through bank accounts other than the IPO bank account.

   b. The company utilized BDT 1,788,367 for Electricity Bill during the quarter, which was fully paid in the mode of Cash Payment.

   However, Some Payments do not align with the conditions No. 26 outlined in the consent letter, and the Company has overspent BDT 13,121,520 beyond the approved budgeted amount allocated for working capital management, as stated in the prospectus.

4. The Company has utilized BDT 2,710,377 for payment of IQIO expenses, which represents 59.97% of the budgeted amount as of October 31, 2025.

5. The Company did not comply with Condition No. 27 stipulated in the consent letter (Ref. No. BSEC/CI/QIO/SC-49/2023/64 dated March 04, 2024), which mandates the preparation of a quarterly utilization report.

6. During the quarter, the Company transferred BDT 100,000 from the IPO bank account to another bank account maintained by the Company to meet its operating expenses. We noted that the IPO bank account contained the Company's own funds amounting to BDT 3,623,489, separate from the IPO proceeds, and the transfer was made from these Company funds.

7. The Company has utilized BDT 45,355,859, representing 90.71% of the total IPO proceeds of BDT 50,000,000 as of October 31, 2025. Accordingly, the Company has been unable to utilize funds allocated to certain specific sections within the timeframe stipulated in the prospectus.

Date: July 07, 2026
Place: Dhaka, Bangladesh

**AK Gulam Kibria, FCA**
Enrolment No: 0392
**G. Kibria & Co.**
Chartered Accountants

Ref: GKC/26-27/M/002

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## Statement of IPO Proceeds Utilization
## For the period from August 01, 2025 to October 31, 2025

| | | |
|---|---|---|
| Name of the Company | : | Craftsman Footwear and Accessories Limited |
| Amount (BDT) of Capital Raised Through IPO | : | 50,000,000 |
| Date of Close Subscription | : | April 25, 2024 |
| Proceeds Receiving Date | : | May 2, 2024 |
| Last Date of Full Utilization of Fund as Per Consent Letter | : | As Mention below |

All the Figures are in BDT

| Sl. No. | Purpose Mentioned in the Prospectus | Investment so far made | | | | | | Investment yet to be made | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Amount as per Prospectus | Time line as per Prospectus | Utilized up to July 2025 | During the Quarter | Total Utilized Amount | Utilized (%) | Total Un-Utilized Amount | Un-utilized (%) | |
| 1 | BMRE (Balancing, Modernization, Rehabilitation and Expansion) | 20,000,000 | 1-May-26 | 3,297,954 | 685,878 | 3,983,832 | 19.92% | 16,016,168 | 80.08% | |
| 2 | Repayment of Bank Loan | 10,000,000 | 1-Jul-24 | 10,059,924 | - | 10,059,924 | 100.60% | (59,924) | -0.60% | |
| 3 | Working capital management | 15,480,207 | 2-Jul-24 | 26,367,976 | 2,233,750 | 28,601,727 | 184.76% | (13,121,520) | -84.76% | |
| 4 | IQIO Expenses | 4,519,793 | 1-Jun-24 | 2,710,377 | - | 2,710,377 | 59.97% | 1,809,417 | 40.03% | |
| | | **50,000,000** | | **42,436,231** | **2,919,628** | **45,355,859** | **90.71%** | **4,644,141** | **9.29%** | |

**Note:**

a) This status report of utilization of initial public offering proceeds has been approved by the board of directors and signed by the authorized signatories.
b) The reconciliation of the IPO amount is attached within.

**Chief Financial Officer** | **Company Secretary** | **Director** | **Managing Director** | Regina Begum **Chairman**

**Place:** Dhaka, Bangladesh
**Date:** 06 July, 2026

**A.K Gulam Kibria, FCA (#0392)**
Engagement Partner
**G. KIBRIA & CO.**
Chartered Accountants

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Ref: GKC/26-27/M/002

**IPO Bank account reconciliation as at October 31, 2025**

| | | |
|---|---|---|
| Name of the Company | : | Craftsman Footwear & Accessories Limited |
| Amount (BDT) of Capital Raised Through IPO | : | BDT. 50,000,000 |
| Date of Close Subscription | : | April 25, 2024 |
| Proceeds Receiving Date | : | May 2, 2024 |

| Bank and branch name | Account No. | Currency |
|---|---|---|
| Bank Asia PLC<br>Gulshan-1 Branch | 00433011245 | BDT |

**IPO Proceed Reconciliation**

| Particulars | Amount | Remarks |
|---|---|---|
| Balance on Bank Asia as of October 31, 2025 | 8,267,630 | |
| Fund utilized | 45,355,859 | |
| Remaining Balance of the Company | (3,623,489) | |
| **Total** | **50,000,000** | |

Amount (BDT) of Capital Raised Through IPO 50,000,000

Director

Managing Director

Regina Begum

Chairman

Chief Financial Officer

Company Secretary

G. K

A.K Gulam Kibria, FCA (#0392),
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

**Place:** Dhaka, Bangladesh
**Date:** 06 July, 2026

Ref: GKC/26-27/M/002

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DHAKA
CHARTERED ACCOUNTANTS