Craftsman Footwear & Accessories Limited

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

IPO Proceeds Utilization Report

For the period from 01 February, 2025 to 30 April, 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 February 01, 2025 to April 30, 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 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 February 01, 2025 to April 30, 2025. Additionally, it does not aligns with the conditions outlined in the consent letter (Ref. No. BSEC/CI/QIO/SC-49/2023/64 dated March 04, 2024).

We have thoroughly reviewed pertinent documents and gathered information, and explanations deemed essential for verifying the attached status report, and the utilization of IPO proceeds to the best of our judgment.

We also draw attention to the following matters:

1. The company has utilized BDT 2,947,340 for BMRE (Balancing, Modernization, Rehabilitation and Expension), represrenting 14.74% of the budgeted amount as of April 30, 2025.
    a. The company utilized BDT 923,500 for for BMRE (Balancing, Modernization, Rehabilitation and Expension) during the quarter. Out of this, The company utilized BDT

G. KIBRIA & CO. DHAKA CHARTERED ACCOUNTANTS

Ref: GKC/25-26/M/093

100,000 for Construction & Renovation, and BDT 823,500 for Mould Base which were fully paid through bank accounts other than IPO bank account.

2. The company has utilized BDT 10,059,924 for repayment of bank loan, which represent 100.60% of the budgeted amount as on April 30, 2025.

3. The company has utilized BDT 25,330,079 for working capital management, representing 163.63% of the budgeted amount as of April 30, 2025. The company utilized BDT 3,687,430 for working capital management during the quarter. Out of this;

   a. The company utilized BDT 3,200,000 for Salary & allowance during the quarter for factory staff including BDT 3,132,512 through Bank Payment and BDT 67,488 was paid in the mode of Cash Payment.

   b. The company utilized BDT 185,500 for vendor payment during the quarter.

   c. The company utilized BDT 300,980 for Maintenance during the quarter which was fully paid through bank accounts other than IPO bank account.

   However, Some Payments do not aligns with the conditions no. 26 outlined in the consent letter and the Company has overspent BDT 9,849,872 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 represent 59.97% of the budgeted amount as on April 30, 2025.

5. The company did not comply with the conidition 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. The company made a direct transaction from the IPO bank account during the quarter for the purpose other than the IQIO prospectus purposes.

7. The Company has utilized BDT 41,047,720, representing 82.10% of the total IPO proceeds of BDT 50,000,000 as of April 30, 2025. Accordingly, the Company has been unable to utilize funds allocated to certain specific sections within the timeframe stipulated in the prospectus.

Date: June 09, 2026
Place: Dhaka, Bangladesh

G. KIBRIA & CO. DHAKA CHARTERED ACCOUNTANTS

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

Ref: GKC/25-26/M/093

Report on Initial Public Offering (IPO) Proceeds
For the period from February 01, 2025 to April 30, 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 January 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	2,023,840	923,500	2,947,340	14.74%	17,052,660	85.26%	
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	21,642,649	3,687,430	25,330,079	163.63%	(9,849,872)	-63.63%	
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		**36,436,790**	**4,610,930**	**41,047,720**	**82.10%**	**8,952,280**	**17.90%**	

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**

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

G. KIBRIA & CO. ★ DHAKA ★ CHARTERED ACCOUNTANTS

Place: Dhaka, Bangladesh
Date: 08 June, 2026

Ref : GKC/25-26/M/093

IPO Bank account reconciliation as at April 30, 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 Gulshan-1 Branch	00433011245	BDT

IPO Proceed Reconciliation

Particulars	Amount	Remarks
Balance on Bank Asia as of April 30, 2025	10,143,820	
Fund utilized	41,047,720	
Remaining Balance of the Company	(1,191,539)	
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

Place: Dhaka, Bangladesh
Date: 08 June, 2026

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

Ref : GKC/25-26/M/093

G. KIBRIA & CO. DHAKA CHARTERED ACCOUNTANTS