Craftsman Footwear & Accessories Limited

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

IPO Proceeds Utilization Report

For the period from 01 November, 2025 to 31 January, 2026

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 November 01, 2025 to January 31, 2026, 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 November 01, 2025 to January 31, 2026.

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 6,947,781 for BMRE (Balancing, Modernization, Rehabilitation and Expansion), representing 34.74% of the budgeted amount as of January 31, 2026. Out of this, during the quarter, the company utilized BDT 2,963,949 for the procurement of molds under the BMRE (Balancing, Modernization, Rehabilitation, and Expansion), and the

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Ref: GKC/26-27/M/007

expenditures were fully paid through bank accounts other than the IPO bank account. However, the payments do not align with the conditions No. 26 outlined in 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 January 31, 2026.
3. The company has utilized BDT 28,601,727 for working capital management, representing 184.76% of the budgeted amount as of January 31, 2026.
4. The Company has utilized BDT 2,710,377 for payment of IQIO expenses, which represents 59.97% of the budgeted amount as of January 31, 2026.
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 a total amount of BDT 8,200,000 from the IPO bank account to another bank account maintained by the Company for the purpose of IPO fund utilization and operational expenses. In addition, the Company was unable to provide us with the bank reconciliation statement relating to the IPO funds.
7. The Company has utilized BDT 48,319,808, representing 96.64% of the total IPO proceeds of BDT 50,000,000 as of January 31, 2026. Accordingly, the Company has been unable to utilize funds allocated to certain specific sections within the timeframe stipulated in the prospectus.

Date: July 12, 2026
Place: Dhaka, Bangladesh

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

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Ref: GKC/26-27/M/007

Statement of IPO Proceeds Utilization
For the period from November 01, 2025 to January 31, 2026

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 October 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	3,983,832	2,963,949	6,947,781	34.74%	13,052,220	65.26%	
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	28,601,727	-	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		**45,355,859**	**2,963,949**	**48,319,808**	**96.64%**	**1,680,192**	**3.36%**	

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** **Chairman**

Regina Begum

Place: Dhaka, Bangladesh
Date: July 09, 2026

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

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Ref : GKC/26-27/M/007