



Silva Pharmaceuticals Limited

**Utilization of IPO Fund Proceeds
for the month ended 28th February 2026**

AUDITORS' REPORT
on
Utilization of IPO Proceeds

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of Silva Pharmaceuticals Limited for the month ended 28th February 2026 as per required by Bangladesh Securities and Exchange Commission (BSEC) under Section 2CC of the Securities and Exchange Ordinance 1969.

Management's Responsibility for the IPO proceeds Utilization

Management is responsible for the preparation and fair presentation of these IPO proceeds utilization statement in accordance with Bangladesh Securities and Exchange Commission Rules 2020, Condition laid down in clause 2, 3, 5 & 6 of PART-C of consent letter # BSEC/CI/IPO-269/2017/429, Dated 28 June 2018 and other applicable laws and regulations.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these Initial Public Offering (IPO) proceeds utilization statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA), Bangladesh Securities and Exchange Commission Rules 2020, Condition laid down in clause 2, 3, 5 & 6 of PART- C of consent letter# BSEC/CI/IPO-269/2017/429, Dated 28 June, 2018 and other applicable laws and regulations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our Opinion, the Statement of Initial Public Offering (IPO) Proceeds Utilization, prepared in accordance with Bangladesh Securities and Exchange Commission Rules 2020 and Condition laid down in clause 2, 3, 5 of PART- C of consent letter # BSEC/CI/IPO-269/2017/429, Dated 28 June, 2018 and other applicable laws and regulations, gives a true and fair view of the statement for the month 28 February 2026.

As per TOR, we draw attention to the following matter:

1. During the month of February 2026, no expenses has been incurred in respect of Civil Construction. However, the company has utilized accumulative amount of Tk. 60,532,650 up to 28 February 2026 which was 104.26% of the amount specified in the prospectus and thereafter revised utilization plan for the purpose of Civil Construction. As such, approval was a pre-requisite from the respected shareholders and concerned regulatory authority for the excess utilized amount of Tk. 2,474,124.
2. During the month of February 2026, as per the resolution of the 9th Extraordinary General Meeting (EGM) dated 30 December 2025, the company decided to reallocate the unutilized IPO principal amounting to Tk. 28,182,638.00 from the head 'Machinery and Equipment' to


‘Working Capital Requirement’. However, the timeline for such reallocation was not specified in the respective EGM resolution. The company had already utilized a cumulative amount of Tk. 94,317,362, representing 76.99% of the allocated fund up to 28 February 2026, for the purchase of Machinery and Equipment. The remaining amount of Tk. 28,182,638 has been transferred to the head ‘Working Capital Requirement’ as per the decision of 9th EGM.

3. The Company has utilized Tk. 99,000,000 which was 100% of the budgeted amount up to 28 February 2026 for the purpose of loan repayment as specified in the prospectus.
4. The Company has utilized Tk. 20,441,474 which was 100% of the budgeted amount up to 28 February 2026 for the purpose of IPO expenses as specified in the prospectus and thereafter revised utilization plan.
5. The company has utilized Tk. 4,900,200 which is 17.39% of the total un-utilized amount up to 28th February 2026 for the purpose of ‘Working Capital Requirement’ as per the decision of 9th EGM dated 30 December 2026.

We also state that:

- a) IPO proceeds have been utilized for the purposes as specified in the prospectus and thereafter revised utilization plan except the above said issues no.1,2 & 5 of the Company;
- b) IPO proceeds have been utilized in so far line with the conditions of the BSEC’s consent letter for the IPO except the above said issues no. 1, 2 & 5.
- c) The time frame for completion of the utilization of IPO proceeds was revised and wasn’t completed within the time frame as specified in the resolution of 23rd Annual General Meeting (AGM).
- d) Utilization of IPO proceeds is accurate for the purpose of the company as mentioned in the prospectus and 18th AGM of the Company and subsequent AGM/EGM.
- e) Audit statement has been made on verification of all necessary documents/papers/vouchers in support of utilization of IPO proceeds making reconciliation with bank statements.

Dhaka, Bangladesh
Dated: 16 March 2026


Mesbah Uddin FCA
Partner
ICAB Enroll No.: 1533
FRC Enlistment No.: CA-001-177
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.: CAF-001-133

**Report on Utilization of IPO Proceeds
For the Month of February 2026**

Name of the Company:
: Silva Pharmaceuticals Limited

Amount (BDT) of capital raised through IPO:
: BDT 300,000,000

Date of Close of Subscription:
: 05 August 2018

Proceeds Receiving Date:
: 10 October 2018

Last Date of Full Utilization of IPO Fund as per Prospectus:
: As stated in time line columns

Name of the Company:
: Silva Pharmaceuticals Limited

Amount (BDT) of capital raised through IPO:
: BDT 300,000,000

Date of Close of Subscription:
: 05 August 2018

Proceeds Receiving Date:
: 10 October 2018

Last Date of Full Utilization of IPO Fund as per Prospectus:
: As stated in time line columns

S/L	Purpose mentioned in the prospectus / 18th AGM	Time Line										Status of Utilization/Transfer of Fund					(Amount in BDT)																
		As per Prospectus	As per 18th AGM	As per 19th AGM	As per 20th AGM	As per 21st AGM	As per 22nd AGM	As per 23rd AGM	As per 9th EGM	Amount as per Prospectus	Amount as per 18th AGM	Amount as per 9th EGM	Opening	During the Month	Total Utilized Amount	Utilized %	Excess Utilized amount	Excess-utilized %	Transfer	Total unutilized amount	Un-utilized %	Closing	Remarks										
1	Civil Construction	09/04/2020	09/10/2020	31/12/2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	56,000,000	58,038,526	58,038,526	60,532,650	104.26	2,474,124	4.26	-	-	-	-	-	-	-	-	-	-	With reference to the 9th EGM dated 30 December 2025, the unutilized amount for Machinery and Equipment of Tk. 28,182,638 has been transferred to a new fund head under Working Capital Requirement.		
2	Machinery and Equipment	09/04/2020	09/10/2020	31/12/2022	31/12/2023	31/12/2024	31/12/2025	N/A	N/A	N/A	N/A	N/A	N/A	122,500,000	122,500,000	94,317,362	94,317,362	100.00	-	-	-	-	-	-	28,182,638	-	-	-	-	-	-	-	
3	Repayment of Bank Borrowing at prospectus	09/01/2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	99,000,000	99,000,000	99,000,000	99,000,000	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	IPO Expenses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	22,500,000	20,441,474	20,441,474	20,441,474	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Working Capital Requirement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	28,182,638	4,900,200	17.39	-	-	-	-	-	-	-	23,282,438	-	-	-	-	-	-	-
Total														300,000,000	300,000,000	300,000,000	274,291,486	93.06	2,474,124	0.82	28,182,638	4,900,200	279,191,686	93.06	23,282,438	7.76	23,282,438	7.76	23,282,438	7.76			

Notes:

a) Actual application was received almost 25.76 Times

b) IPO proceeds have been utilized for the purposes/heads as specified in the prospectus, AGM/EGM and in line with the condition of the Commission's consent letter.


c) Interest on IPO Proceeds in BDT (from FDR & SND) - Net of Charges, Tax and Duties etc.

d) Un-Utilized IPO Proceeds with interest income in BDT

31,843,448

(Annexure-A)


Silvana Mitra
Chairman


Mohammad Enayet Ullah
DCM (Operations & CEO (e.e))


Md. Abul Kasem
Chief Financial Officer


Md. Nazim Hossain
Company Secretary


Mesbah Uddin FCA
Partner
ICAB Enroll. No: 1533
FRC Enlistment No. CA-001-177
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No. CAI-001-133

Dhaka
Dated : 16 March 2026

Silva Pharmaceuticals Limited

IPO Fund Reconciliation Statements

For the Month of February 2026

Annexure-A

Total unutilized amount (Working Capital Requirement)	23,282,438
Add: Interest on IPO Proceeds in BDT (from FDR & SND)-Net of Charges, Tax and Duties etc.	31,843,448
Add: Expense Incurred for Working Capital Requirement	4,900,200
	60,026,086
Less: Excess utilized amount (Civil Construction)	2,474,124
Less: Transferred out of interest of unutilized IPO fund to CD account # 401211100007640	57,551,963
Un-Utilized IPO Proceeds with interest income in BDT	-

Note: During the audit, we observed that the Un-Utilized IPO Proceeds with interest income amount of Tk. 50,910,000, along with accrued profit and after adjustment of bank charges, totaling Tk. 50,995,760, was transferred to A/C No. 401213100009660 and subsequently to A/C No. 401211100007640 for utilization. As per the resolution of the 9th EGM dated 30 December 2025, the unutilized balance under the head 'Machinery and Equipment' was reallocated to 'Working Capital Requirement'.

