



Silva Pharmaceuticals Limited

Utilization of IPO Fund Proceeds

For the month ended 31th August 2026

AUDITORS' REPORT

on

Utilization of IPO Proceeds

Opinion

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of **Silva Pharmaceuticals Limited** for the month ended 31th August 2026 as per required by Bangladesh Securities and Exchange Commission (BSEC) under Section 2CC of the Securities and Exchange Ordinance, 1969.

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 & 6 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 ended 31th August 2026.

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

1. During the period under audit, no expenses were incurred in respect of Civil Construction. However, the company has utilized an accumulative amount of Tk. 60,532,650 up to 31th August 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. Based on the resolution of the 9th Extraordinary General Meeting (EGM) dated 30th December 2025, the company reallocated 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 100% of the allocated fund up to 31th August 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 31th August 2026, for the purpose of repayment of bank borrowings as specified in the prospectus.
4. The Company has utilized Tk. 20,441,474 which was 100% of the budgeted amount up to 31th August 2026 for the purpose of IPO expenses as specified in the prospectus and thereafter revised utilization plan.
5. The company has utilized a cumulative amount of Tk. 28,182,638, representing 100% of the allocated fund up to 31th August 2026 for the purpose of 'Working Capital Requirement' as per the decision of the 9th EGM dated 30 December 2025. With this, the total principal IPO proceeds have been fully (100%) utilized. Additionally, during the month of August 2026, an amount of Tk. 1,818,789 was utilized from the interest income earned on IPO proceeds, bringing total interest spending to Tk. 10,849,116 which is 33.67%.

6. The company transferred the un-utilized IPO funds back to the BSEC-approved dedicated bank account on 13 August 2026 from the non-designated operational account. Consequently, the bank statement closing balance now fully reconciles with the un-utilized IPO fund balance as of 31st August 2026, reconciliation attached as Annexure B & C.

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

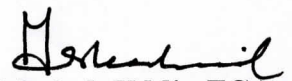
Our responsibility is to express an independent opinion on these Initial Public Offering (IPO) proceeds utilization statement based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs), Bangladesh Securities and Exchange Commission Rules 2020, Condition laid 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 qualified audit opinion.

We also state that:

- 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;
- 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.
- 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).
- 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.
- 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: 14 September 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 August 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

Status of Utilization/Transfer of Fund																		Remarks		
S/L	Purpose mentioned in the prospectus / 18th AGM and subsequent AGM/EGM	Time Line							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 %
		As per Prospectus	As per 18th AGM	As per 19th AGM	As per 21st AGM	As per 22nd AGM	As per 23rd AGM	As per 9th EGM												
1	Civil Construction	09.04.2020	09.10.2020	31.12.2022	N/A	N/A	N/A	N/A	58,038,526	58,038,526	60,532,650	-	60,532,650	104.26	2,474,124	4.26	-	-	-	1. The company has transferred Tk. 24,297,694 back to the dedicated BSEC-approved IPO bank account from the non-designated account.
2	Machinery and Equipment	09.04.2020	09.10.2020	31.12.2022	31.12.2023	31.12.2024	31.12.2025	30.12.2025	122,500,000	122,500,000	94,317,362	-	94,317,362	100.00	-	-	28,182,638	-	-	
3	Repayment of Bank Borrowing as per prospectus	09.01.2019	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	-	-	-	-	-	2. As the principal IPO proceeds have been fully (100%) utilized up to 31st August 2026, subsequent utilization is being met from the accumulated interest income in accordance with the decision of the 9th EGM dated 30 December 2025.
4	IPO Expenses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	20,441,474	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	-	-	21,573,012	6,609,626	28,182,638	100.00	-	-	-	-	-	
	Interest	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	9,030,327	1,818,789	10,849,116	33.67	-	-	-	21,372,526	66.33	
Total									300,000,000	300,000,000	304,894,825	8,428,415	313,323,240	94.31	2,474,124	0.74	28,182,638	21,372,526	6.43	

Notes:

- Actual application was received almost 25.76 Times
- 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. Except the matters described in Auditor Report
- Interest on IPO Proceeds in BDT (from FDR & SND) - Net of Charges, Tax and Duties etc.
- Un-Utilized IPO Proceeds with interest income in BDT -

32,221,642
21,372,526

(Annexure-A)

Md. Hossain
Md. Hossain
Company Secretary

Md. Abul Kasem
Md. Abul Kasem
Chief Financial Officer

Mohammad Enayet Ullah
Mohammad Enayet Ullah
DGM (Operations & CEO (c.c))

Silvana Mirza
Silvana Mirza
Chairman

Mesbah Uddin FCA
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

Dhaka
Dated : 14 September 2026

Silva Pharmaceuticals LimitedIPO Fund Reconciliation Statements
as at 31 August 2026**Annexure-A**

Total unutilized amount (Working Capital Requirement)(Principal Portion)	-
Add: Interest on IPO Proceeds in BDT (from FDR & SND)-Net of Charges, Tax and Duties etc.	32,221,642
	32,221,642
Less: Amount Utilized from Interest:	
as Civil Construction	2,474,124
as working capital (6556203+1818789)	8,374,992
Total Amount Utilized from Interest	10,849,116
Un-Utilized IPO Proceeds only interest income in BDT	21,372,526



Silva Pharmaceuticals Limited

Reconciliation of Shahjalal Islami Bank PLC, Account No: 401211100007640
as at 31 August 2026

(Annexure-B)

Balance as on 31-08-2026 as per Bank Statement

12,025,367

Less: Opening Balance
Amount Of IPO Fund Utilization During The Month
Balance transfer to Account No: 401213100009660
Total

5,503,247
24,297,694

41,826,308

29,800,941

12,025,367



Silva Pharmaceuticals Limited

Reconciliation of Shahjalal Islami Bank PLC, Account No: 401213100009660
as at 31 August 2026

(Annexure-C)

Balance as on 31-08-2026 as per Bank Statement

21,414,048

Opening Balance

41,522

Balance transfer from Account No: 401211100007640

24,297,694

Less: Amount of IPO Fund Utilization During The Month

2,925,168

Total

21,414,048

Details Breakdown of Un-Utilized IPO Proceeds (Interest Income)

Balance as on 31-08-2026 as per Bank Statement

21,414,048

Less: Opening Balance

41,522

Un-Utilized IPO Proceeds only interest income in BDT

21,372,526

