



SILVA PHARMACEUTICALS LIMITED

Utilization of IPO Fund Proceeds

for the month ended 30th September 2026

AUDITORS' REPORT

on

Utilization of IPO Proceeds

Qualified Opinion

We have audited the annexed Statement of Initial Public Offering (IPO) Proceeds Utilization of **Silva Pharmaceuticals Limited** for the month ended 30th September 2026 as per required by Bangladesh Securities and Exchange Commission (BSEC) under Section 2CC of the Securities and Exchange Ordinance, 1969.

In our Opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, 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 30th September 2026.

Basis for Qualified Opinion

1. The Company continued to utilize the reallocated IPO principal of BDT 28,182,638, along with accrued profit amounting to BDT 32,221,642, aggregating to BDT 60,404,280, under 'Working Capital Requirement', despite BSEC's rejection of the revised utilization vide letter Ref. No. 53.02.0000.000.192.99.1431.25-63 dated 04 May 2026 due to non-compliance with Condition No. 6 of Part-C of the Commission's Consent Letter No. BSEC/CI/IPO-269/2017/429 dated 28 June 2018. As at 30 September 2026, the entire amount had been utilized without acceptance of the revised utilization by BSEC.

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 30th September 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 period under audit, no further expenditure was incurred in respect of Machinery and Equipment. However, the cumulative amount utilised for this purpose up to 30 September 2026 stood at Tk. 94,317,362, while the remaining amount of Tk. 28,182,638 out of the total allocated fund of Tk. 122,500,000 was transferred to the head "Working Capital Requirement" pursuant to the decision of the 9th EGM. Following this transfer, the amounts allocated between the two heads collectively accounted for 100% of the total allocated fund.

3. The Company has utilized Tk. 99,000,000 which was 100% of the budgeted amount up to 30th September 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 30th September 2026 for the purpose of IPO expenses as specified in the prospectus and thereafter revised utilization plan.
5. During September 2026, the Company utilised the remaining interest income of Tk. 21,373,626 under the head “Working Capital Requirement”, in addition to the previously utilised amount of Tk. 10,849,116. Accordingly, the cumulative utilisation of interest income amounted to Tk. 32,222,742 against the total accrued interest income of Tk. 32,221,642. The difference of Tk. 1,100 represents bank charges borne by the Company from its own funds and does not constitute utilisation of IPO proceeds. After reconciliation of the IPO proceeds and accrued interest, the closing unutilised balance stood at nil as at 30 September 2026. However, the utilisation of the reallocated IPO principal and accrued interest under “Working Capital Requirement” remains subject to the regulatory matter described in the Basis for Qualified Opinion.

Other Matter

We draw attention to Clause 5 of this report and the letters issued by the Bangladesh Securities and Exchange Commission (BSEC), bearing Ref. No. 53.02.0000.000.192.99.1431.25-63 dated 04 May 2026 and Ref. No. 53.02.0000.000.192.99.1431.25 (Part-VI)-99 dated 05 July 2026, concerning the post-facto ratification and revised utilisation of IPO proceeds and guidance regarding the non-submission of monthly IPO proceeds utilisation reports.

Although the Company resolved at its 9th Extraordinary General Meeting (EGM), held on 30 December 2025, to reallocate the remaining IPO proceeds to “Working Capital Requirement”, BSEC declined to accept the proposed reallocation due to irregularities identified in the EGM voting records, whereby the total votes cast exceeded the number of eligible votes.

This matter is highlighted for the attention of the users of this report and does not constitute a separate basis for the modification of our audit opinion.

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.

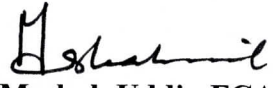
Auditor's Responsibility

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 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: 15 October 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
As at 30th September 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 Reserving 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								Amount as					Stans of Utilization/Transfer of Fund					Remarks		
		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 24th AGM	As per 25th AGM	Amount as per Prospectus	Amount as per 18th AGM	Amount as per 9th EGM	Operating	During the Month	Total Utilized Amount	Utilized %	Excess Utilized amount	Excess-utilized %	Transfer	Total unutilized amount	Un-utilized %	
1	Civil Construction	09/04/2020	09/10/2020	31/12/2022	N/A	N/A	N/A	N/A	N/A	56,000,000	58,058,526	58,058,526	60,532,650	-	60,532,650	104.26	2,474,124	4.26	-	-	-	1. The Company transferred Tk. 24,297,094 from the non-designated bank account to the dedicated ISFC-approved IPO bank account dated 13/08/2026. 2. The principal IPO proceeds had been fully allocated or utilised across the reported fund categories as at 31 August 2026. Subsequent utilisation was met from accumulated interest income following the decision of the 9th EGM held on 30 December 2025. The regulatory stans of the reallocation to "Working Capital Requirement" is addressed in the Auditor's Report. 3. During September 2026, the remaining accrued interest income allocated to "Working Capital Requirement" was utilised. The bank charge of Tk. 1,100 was borne by the Company from its own funds and was excluded from the utilisation of IPO proceeds. Accordingly, the closing unutilised balance of IPO proceeds, including accrued interest, was nil as at 30 September 2026, subject to the supporting fund reconciliation.
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	-	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	99,000,000	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	22,500,000	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	-	-	28,182,638	28,182,638	-	28,182,638	100.00	-	-	-	-	-		
	Interest	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	32,221,642	10,849,116	21,373,626	32,222,742	100.00	1,100	-	-	-	-	-	
Total									300,000,000	300,000,000	332,221,642	313,323,240	21,373,626	334,696,866	100.75	2,475,224	0.75	28,182,638	-	-	-	

Notes:

- Actual application was received almost 25-76 Times.
- The IPO proceeds were utilized under the respective purposes heads specified in the prospectus and the resolutions of the AGM/ECGM, subject to the exceptions described in this report concerning the excess utilization and the reallocation of funds not accepted by the Commission.
- 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 -

(Annexure-A)

32,221,642
(1,100)

Md. Atiqul Hossain
Chartered Accountant
Secretary

Md. Atiqul Hossain
Chartered Accountant
Secretary

Mohammad Enayetur Ullah
DGM (Operations & CEO (c c))

Silvana Mirza
Chairman

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 : 15 October 2026

Silva Pharmaceuticals Limited

IPO Fund Reconciliation Statements

As at 30th September 2026

Annexure-A

Particulars	Amount (Tk.)
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 Requirement	29,748,618
Total Amount Utilized from Interest Income	32,222,742
Net unutilised IPO proceeds, including interest income	(1,100)

Note: Total interest income earned on the IPO proceeds amounted to Tk. 32,221,642, whereas the total amount utilised against interest income amounted to Tk. 32,222,742, resulting in an excess of Tk. 1,100. The excess amount represents a bank charge to be borne by the Company from its own funds and shall not be treated as utilisation of IPO proceeds.

Accordingly, the unutilised balance of IPO proceeds, including interest income, is nil as at 30 September 2026, subject to the settlement of the excess amount from the Company's own funds.



Silva Pharmaceuticals Limited

Reconciliation of Shahjalal Islami Bank PLC, Account No: 401213100009660

As at 30th September 2026

Annexure-B

Particulars	Amount (Tk.)
Balance as on 30-09-2026 as per Bank Statement	40,422
Balance as per IPO fund utilisation reconciliation	
Opening Balance	21,414,048
Less: IPO fund utilisation during September 2026	21,373,626
Total	40,422

Note: The closing balance as per the IPO fund utilisation reconciliation agrees with the balance reported in the bank statement of Shahjalal Islami Bank PLC as at 30 September 2026.

