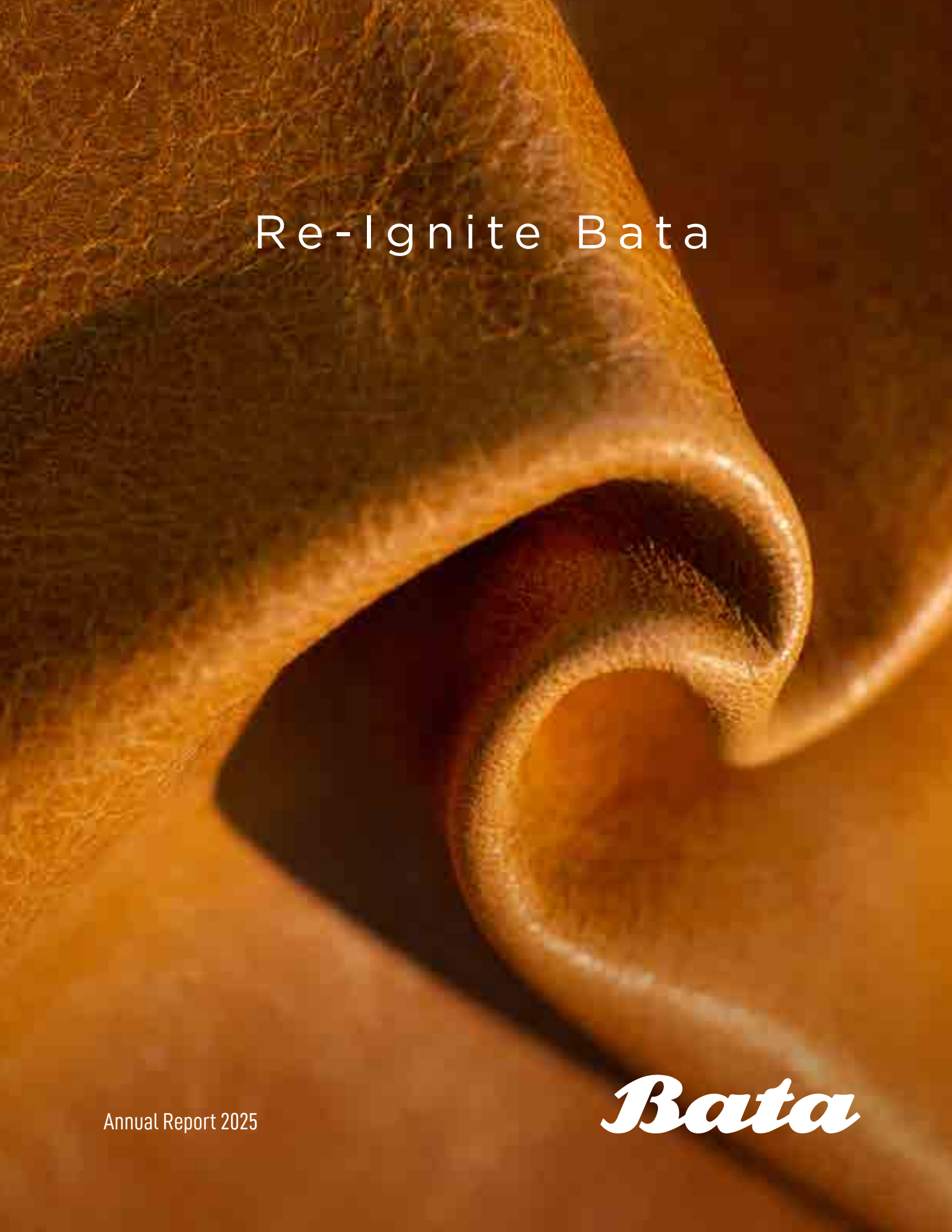


Annual Report 2025

Bata







COMFORT & STYLE SINCE 1894

Bata set out to
'Shoe the World'
that has led us to
where we are now:
One of the largest global
footwear companies and an
international fashion icon!

Bata HERITAGE



It all started in 1894

as a family cobbler business.

COMPANY INFORMATION

কোম্পানি সেক্রেটারি	Company Secretary
রিয়াজুর রেজা মুহাম্মদ ফয়সাল	Riajur Reza Muhammad Faisal

নিরীক্ষক	Auditors
রহমান রহমান হক	Rahman Rahman Huq
চার্টার্ড একাউন্ট্যান্টস	Chartered Accountants
৯ এবং ৫ মহাখালি সি/এ	9 & 5 Mohakhali C/A
ঢাকা-১২১২	Dhaka-1212

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স নিরীক্ষক	Corporate Governance Compliance Auditors
জেসমিন এন্ড এসোসিয়েটস্	Jasmin & Associates
চার্টার্ড সেক্রেটারিস	Chartered Secretaries
৫৫/বি নোয়াখালী টাওয়ার (১০তম তলা), স্যুট: ১১-এফ	55/B Noakhali Tower (10th Floor), Suite: 11-F
পুরানা পল্টন, ঢাকা-১০০০	Purana Paltan, Dhaka-1000

আইন উপদেষ্টা	Legal Advisers
আমিন উদ্দিন এন্ড এসোসিয়েটস্	Amin Uddin & Associates
সল্যুশন ডি লিগ্যাল	Solutions De Legal
দ্যা 'ল স্পার্ট	The Law Spurt

ব্যাংক	Bankers
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক	Standard Chartered Bank
এইচএসবিসি বাংলাদেশ	HSBC Bangladesh
ইস্টার্ন ব্যাংক পিএলসি	Eastern Bank PLC
ডাচ্ বাংলা ব্যাংক পিএলসি	Dutch Bangla Bank PLC
সিটি ব্যাংক পিএলসি	City Bank PLC
ইসলামী ব্যাংক (বাংলাদেশ) পিএলসি	Islami Bank (Bangladesh) PLC
কমার্শিয়াল ব্যাংক অফ সিলন পিএলসি	Commercial Bank of Ceylon PLC
ব্যাংক আলফালাহ্ লিমিটেড	Bank Alfalah Limited

ফ্যাক্টরী	Factories
১. টঙ্গী, গাজীপুর	1. Tongi, Gazipur
২. ধামরাই, ঢাকা	2. Dhamrai, Dhaka

রেজিষ্টার্ড অফিস	Registered Office
বাটা সু কোম্পানি (বাংলাদেশ) লিমিটেড	Bata Shoe Company (Bangladesh) Limited
টঙ্গী শিল্প এলাকা	Tongi Industrial Area
টঙ্গী, গাজীপুর	Tongi, Gazipur

HISTORICAL MILESTONES

1962

- Bata began operations in Bangladesh in 1962, serving local customers with quality footwear.



- Established its manufacturing facility in Tongi, Bangladesh

1971



- Bir Protik: Willem Jacob Ouderland, Managing Director of BATA Bangladesh — the only foreigner awarded Bangladesh's Bir Protik for bravery in the Liberation War.

1972



- Incorporated as Bata Shoe Company (Bangladesh) Limited

1979



- The Bata Shoe Museum in Toronto houses the world's largest footwear collection, featuring over 15,000 artefacts that trace 4,500 years of shoe history.

1985

- Initial Public Offering (IPO) & Listing - Dhaka Stock Exchanges (DSE)

1986 -1987



- Bata Bangladesh successfully Established its second manufacturing factory in Dhamrai.

1986



- Bata was an official sponsor of the FIFA World Cup Mexico 1986

1994

- The year 1994 was a monumental period for the Bata organization, marking its 100th global founding anniversary.

2002

- **Headquarters Relocation:** Headquarters Relocation: In 2002, Bata relocated its global corporate headquarters from Toronto, Canada, to Lausanne, Switzerland.

2004



- Listing- Chittagong Stock Exchange (CSE)

- Bata received global recognition in 2004, being recognised by the Guinness World Records as the world's largest shoe seller and manufacturer

2005 -2007

- Hush Puppies, Scholl, Nike were added to portfolio for local customers.

2009

- In February 2009, Bata Bangladesh opened it's largest mega showroom at Bashundhara City, Dhaka, featuring a wide range of global footwear brands under one roof.
- Bata Bangladesh became the official clothing and kit sponsor for the Bangladesh national cricket teams in 2009



2010

- Bata Bangladesh established the Bata Children's Program (BCP)

2015

- Bata Club was launched in 2015 as Bangladesh's first footwear loyalty program.

2017



- e-commerce channel was launched for Bata Bangladesh customers

2018

- Bata Bangladesh unveiled its first franchise store.

2020

- Bata Bangladesh opened Distribution.

2025

- Bata Bangladesh appointed Faria Yasmin as its Managing Director, making her the first Bangladeshi national to lead the Company

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Bata

Re-ignite Bata

Re-ignite Bata symbolises resilience, transformation and renewed momentum. It represents our courage to navigate uncertainty, the determination to overcome challenges and the intent to spark a new phase of growth. The flame signifies passion, ambition and the enduring spirit of Bata. Much like fire illuminates the path ahead, the visual reflects our commitment to innovation, agility and purposeful progress as we focus on revitalising growth, strengthening market relevance and shaping a future of accelerated value for all our stakeholders.

Bata RE-IGNITE!



At Bata Bangladesh, we are moving forward with clarity and confidence, guided by our bold vision and a strong purpose. As a leading footwear brand of Bangladesh, we are focused on strengthening our relevance, expanding our reach and ensuring sustainable value creation.

FY2025 marked the beginning of our transformation journey captured in 'Re-ignite'. Aligned with a global direction, Re-ignite combines Bata's international capabilities with our local market insights to unlock the Company's next phase of growth.

The Re-ignite strategy reflects our shift from a heritage-led brand to a modern, design-forward and comfort-driven positioning while building on our core strengths of customer trust, product quality and market accessibility. The transformation reflects our key priorities of brand refresh, portfolio transformation, channel evolution and value acceleration.

Re-ignite is thus about converting a reset into renewed relevance, sustained growth and long-term performance.

ABOUT OUR REPORT

Welcome to our Annual Report 2025

With Bata, every step you take reflects comfort, quality and confidence. Built on a legacy of trust, accessibility and choice, we continue to shape the footwear landscape of Bangladesh, one step at a time.

Reporting Scope and Boundary

This Annual Report presents a comprehensive overview of the financial and non-financial performance of Bata Shoe Company (Bangladesh) Limited ("Bata Bangladesh" or "the Company") for the year ended 31 December 2025. The scope takes into account material aspects of the Company's operations in Bangladesh, covering the period from 1 January 2025 to 31 December 2025.

Reporting Frameworks and Standards

The report has been prepared in alignment with the principles of the International <IR> Framework. It also complies with the applicable regulatory requirements of Bangladesh Securities and Exchange Commission (BSEC), the Companies Act and other relevant statutory guidelines. Financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in Bangladesh.

Basis of Preparation

Financial information presented in this report has been derived from the Company's audited financial statements. Non-financial information has been compiled from internal management systems and operational records.

Materiality and Content Determination

The report integrates both quantitative and qualitative information to present a balanced view of our performance. Material matters have been identified through internal assessments considering their relevance to the Company's strategy, performance and stakeholder interests.



Evolving Consumer Preferences

Shifting demand towards casual, comfort-led and sneaker categories

Cost and Margin Management

Minimising the impact of higher input costs, currency movements and operating expenses

Retail Productivity

Focus on store expansion, efficiency and modernisation

Omnichannel and Digital

Enhancing customer engagement across online and offline platforms

MATERIAL MATTERS 2025



Supply Chain

Strengthening local sourcing, inventory control and logistics agility

Portfolio Transformation

Scaling lifestyle and premium segments while sustaining core categories

Talent and Organisational Efficiency

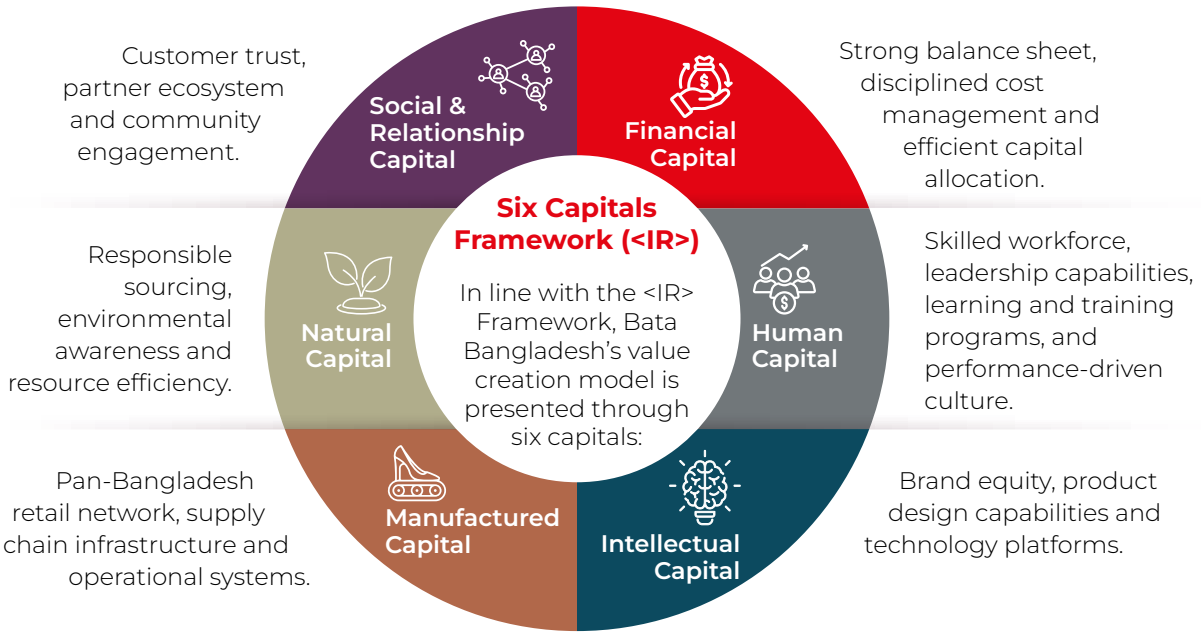
Workforce optimisation and capability building to drive performance

Sustainability and Responsible Operations

Focus on responsible sourcing, waste reduction and environmental awareness

Governance and Compliance

Adherence to government regulations and corporate governance practices



Assurance

The financial statements have been audited by independent external auditors. Non-financial disclosures are based on internal assessments and have not been subject to external assurance, unless otherwise stated.

Responsibility Statement

The Board of Directors and Management believe that the report presents a fair, balanced and comprehensive view of the Company's performance, strategy and prospects, reflecting transparency and accuracy.

For Further Information

For any queries or additional information, please contact Share Department: bd.share@bata.com, Company Secretary: riajur.faisal@bata.com

Forward-Looking Statements

The report contains forward-looking statements based on current expectations and assumptions. These are subject to risks and uncertainties that may cause actual outcomes to differ materially.

THE BATA GROUP



Originating in Central Europe, the 'Bata' trademark has grown into one of the most iconic and widely recognised brand symbols globally.

Bata History

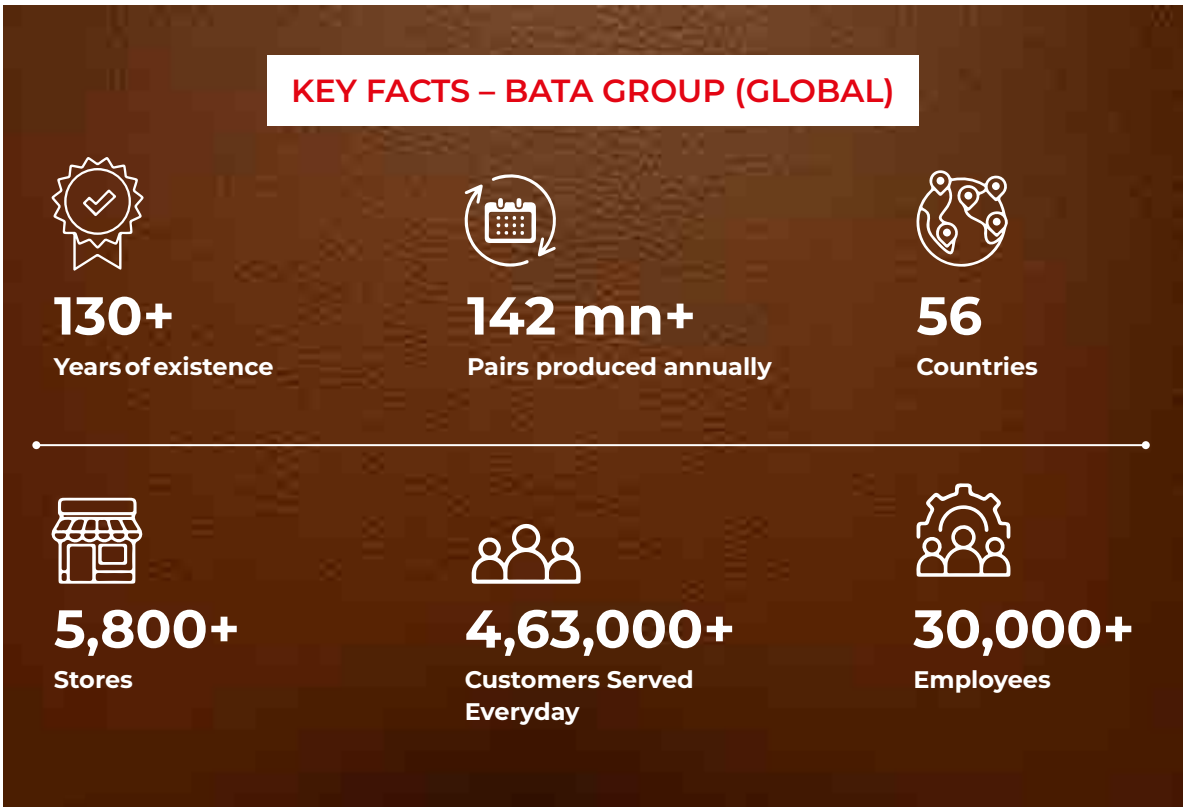
Bata was established in 1894 in Zlín, Czechoslovakia (now in the Czech Republic) by Tomáš Baťa, a ninth-generation shoemaker.

With a bold entrepreneurial spirit, he invested his savings in simple machinery that gradually transformed the shoe manufacturing process, laying the foundation for a legacy of well-designed, durable and affordable footwear.

Today, Bata operates on a global scale with over 5,800 retail stores and 100,000+ independent dealers and franchise partners. Its diverse retail formats including City Stores and Family Stores have made the Bata brand one of the most widely recognised in the world.

As one of the largest footwear manufacturers and marketers globally, Bata is guided by its mission of a dynamic, flexible and market-responsive organisation with footwear at its core. It also operates an International Shoe Innovation Center in Padova, Italy, that supports all Bata companies worldwide and provides training in design and creative skills to both internal teams and external partners.

Bata



Since its inception, Bata has consistently led innovation in product design, manufacturing and retail that has enabled rapid response to evolving consumer needs. Today, it serves 4,63,000 customers daily, employs 30,000+ people, operates in 56 countries and producing around 142 mn pairs annually.

https://www.batabd.com

OUR GUIDING PRINCIPLES

Anchored in Purpose, Aligned in Action.



OUR VISION

To make great shoes accessible to everyone.



OUR MISSION

- **To help people look and feel good**
- **To attract and retain the best people**
- **To be the customer's destination of choice**
- **To remain the most respected footwear company**



OUR VALUES

Improving lives

We are a part of every community in which we operate. This means supporting our consumers, teams and the community itself, providing opportunities for personal and professional growth.

Be bold

Courageous innovation has always been the cornerstone of our Company. We cannot rely on our pioneering past, but must continue to bring fresh ideas and challenge accepted norms every day.

Exceed customer expectations

We know that different customers have different needs, and it is our aim not only to satisfy but to exceed them.

Serve with passion

For Bata, the shoe industry has been a lifelong family passion. It is this desire to continue to offer the best products and services that help keep us at the forefront of our industry.

Count on me

Our founder, Tomáš Baťa, understood that to do a job well, we must lead by example. We hold ourselves accountable, take responsibility for our actions, and make decisions in our Company and our communities' long-term interests, not for short-term gains.

WE ARE BATA BANGLADESH

Legacy of 63 years in Bangladesh

Built on a Rich Heritage

Part of the globally renowned Bata Group, Bata Bangladesh carries forward a legacy of 63 years in the country. Built on the vision to make quality footwear accessible to all, Bata Bangladesh has grown into one of the country's most trusted names, combining craftsmanship, innovation and affordability.

A Trusted Name

Bata Bangladesh is a market leader in the country's footwear industry, serving millions of customers through its extensive retail network. The Company's brands and products are designed to meet the needs of diverse customer segments, from value seekers to style-conscious shoppers.

Extensive Retail Network

The Company's footprint spans a robust network of Bata stores, including modern City Stores and Family Stores, supported by a large base of authorised dealers and franchise partners. This multi-format approach ensures accessibility, convenience and a consistent brand experience nationwide.

Manufacturing Excellence

The Company's operations are supported by efficient local manufacturing units that combine global standards with local expertise. These facilities enable swift response to market trends, maintaining strict quality control and cost efficiency.

Innovation at the Core

Innovation has been central to Bata's growth story. Backed by the group's International Shoe Innovation Center in Italy, Bata continuously evolves its product design, materials and retail concepts to meet consumer expectations. This allows the Company to deliver stylish, durable and comfortable footwear at compelling price points.



Our People and Purpose

Bata Bangladesh has a dedicated workforce committed to customer service, innovation and retail excellence. The Company remains focused on responsible business practices, contributing to community development and stakeholder impact.

A Global Legacy, Delivered Locally

As part of a global network, Bata Bangladesh benefits from international expertise while remaining deeply connected to local consumer needs. With millions of customers served annually, a strong retail presence and a legacy of trust, the Company continues to strengthen its position as a leading footwear brand in Bangladesh.

BATA – HOUSE OF BRANDS

Our portfolio comprises brands spanning lifestyle, sports, outdoor, formal and kids' segments, enabling us to serve consumers across age groups, occasions and price points.

- **Bubblegummers:** Fun, colourful and sturdy shoes for young children



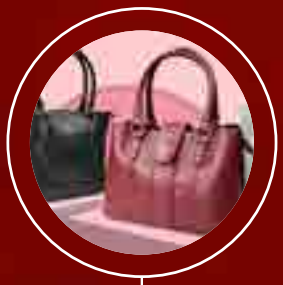
CHILDREN

- **Ambassador:** Classic formal shoes
- **Hush Puppies:** Premium comfort and business-casual shoes
- **Bata Industrials:** Industrial and safety footwear



FORMAL AND WORKWEAR

- Bags, belts, socks and shoe-care products



ACCESSORIES

BATA BANGLADESH KEY STATS

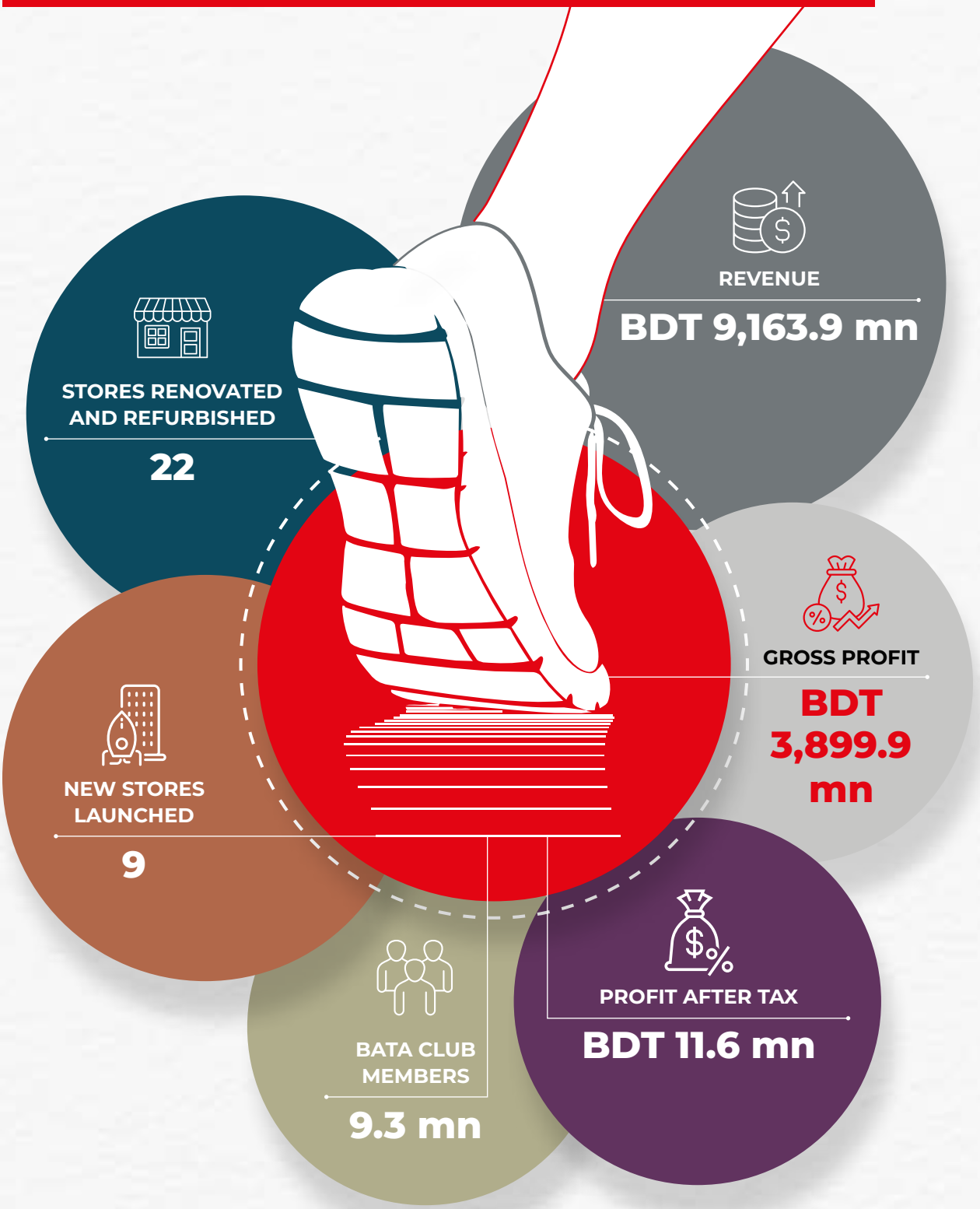
63
Years of presence in Bangladesh

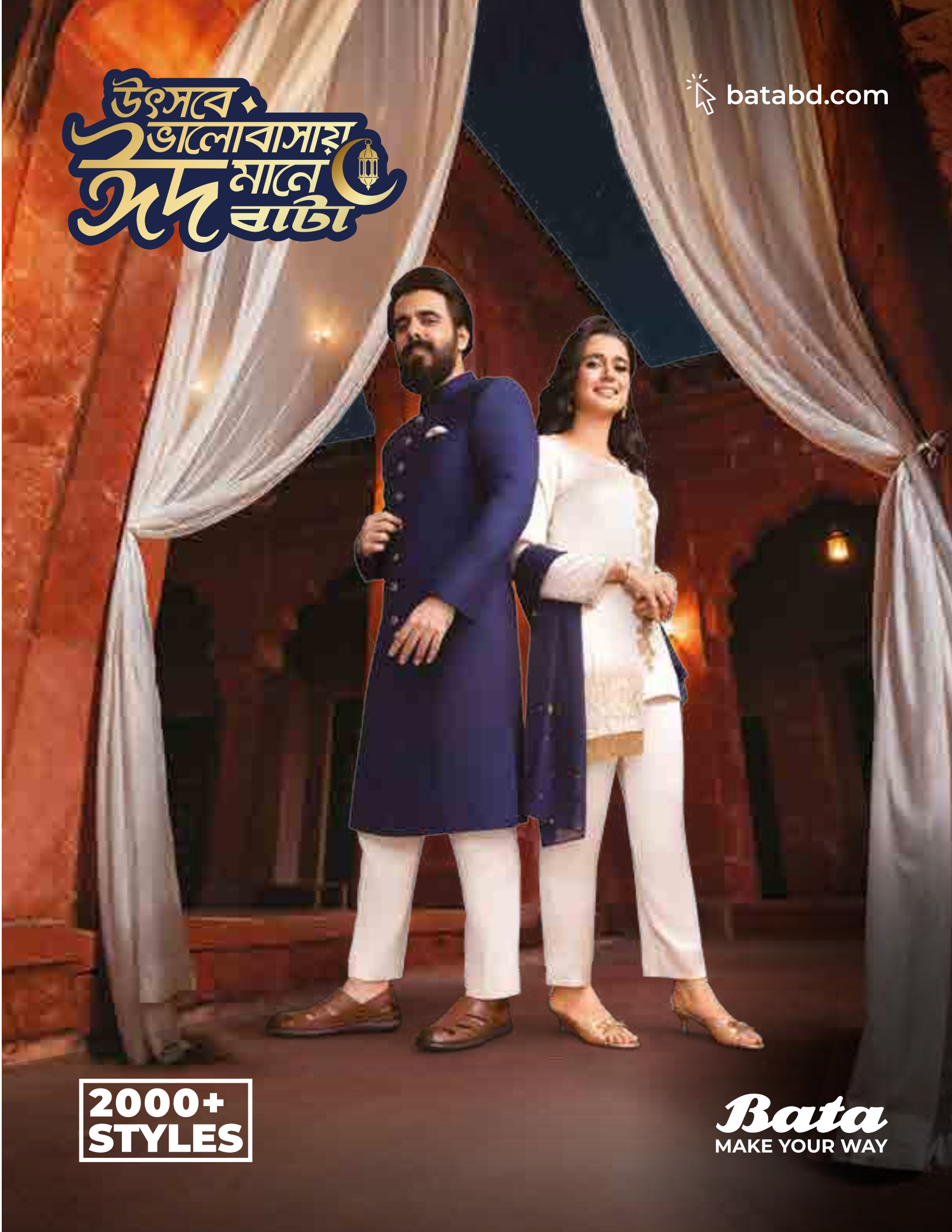
235
Stores

9.3M
Bata Club members

928
Total Workforce

PERFORMANCE DASHBOARD 2025




উৎসবে ভালোবাসায় মানে বাটা
batabd.com
2000+ STYLES
Bata
MAKE YOUR WAY

AWARDS AND RECOGNITION

SDG Brand Champion Award 2025 in "Partnership & Institution" By Bangladesh Brand Forum

SDG Brand Champion Award 2025 in "Sustainable Community" By Bangladesh Brand Forum

SOS Children's - Award



Bangladesh Retail Summit & Awards: “Best Retailer – Footwear” By Bangladesh Brand Forum.

Bangladesh Retail Summit & Awards: “Best Loyalty Campaign for Retail” By Bangladesh Brand Forum.

Bangladesh Retail Summit & Awards: “Best E-commerce Platform (B2C)” By Bangladesh Brand Forum.



CHAIRMAN'S STATEMENT



AS WE ADVANCE OUR 'RE-IGNITE' JOURNEY, OUR GROWTH IS GUIDED BY INTENT, DISCIPLINE AND EXECUTION, ENSURING BRAND RELEVANCE AND CUSTOMER SATISFACTION.

SHAIBAL SINHA
Chairman



Dear Shareholders,

It is my privilege to present Bata Bangladesh's Annual Report for the financial year ended 31 December, 2025.

The year was a period of steady progress for your Company, even as we operated in a dynamic and challenging environment. What stood out was the resilience of our business built on the enduring strength of our brand, a product portfolio that continues to evolve with consumer needs and expectations, and the growing reach of our omnichannel network. Our focus on the key trends of casualisation, sneakerisation and premiumisation is beginning to gain traction too, helping us stay relevant amid evolving market preferences.

At the core of our progress is the continued trust of our customers and partners. Their confidence in us remains our strongest foundation and we are grateful for it.

Bangladesh is a market of high optimism. Despite the challenges, the country's growth story remains compelling, driven by a young and aspirational population, rising incomes, urbanisation and rapid digital adoption. These trends are shaping a new wave of consumer demand that reinforces our confidence in the long-term potential of the footwear market.

The year in review was an important period for Bata Bangladesh as we started to align more closely with Bata's global transformation strategy under 'Re-ignite'. At its core, this is about renewing the brand for a new generation of customers while strengthening the fundamentals of the business.

During the year, we were able to maintain our revenue broadly in line with the previous year, despite soft consumer demand and pressure on discretionary spends. Profitability however, was impacted due to higher cost of sales and restructuring-related expenses. While these factors weighed on our performance, they are

largely transitional and are a part of the broader reset we undertook during the year.

We remain confident that the strategic direction we have undertaken will support a recovery in performance and profitability over the near term.

Re-ignite represents a meaningful shift in our evolution from predominantly heritage-led towards a more modern, design-driven and consumer-focused brand. The transformation is built on key priorities comprising brand refresh, reshaping the portfolio, evolving our sales channels and improving cost efficiency.

We are already seeing this play out in our portfolio. There is a clear trend towards casual, comfort-led and sneaker-inspired footwear, in line with how consumer lifestyles are evolving. At the same time, we continue to strengthen our core categories such as school and formal footwear that remain synonymous with the Bata brand.

On the retail front, our focus remains on store productivity and customer experience. During the year, we expanded our network by launching 9 new stores in various locations with strong retail visibility. Alongside, we undertook a renovation and refurbishment program covering 22 outlets including a flagship franchise outlet at CSD Dhaka, enhancing merchandise presentation and in-store experience. A further notable milestone was the launch of iconic large-format stores at the Bali Arcade Shopping Mall in Chittagong and Centrepoint Dhaka.

We took decisive steps to improve efficiency across the business. The restructuring initiatives undertaken during the year are expected to deliver sustainable benefits over time. Combined with ongoing efforts in sourcing, workforce planning, inventory optimisation and supply chain agility, these actions are aimed at improving margins and creating a leaner organisation.

In many ways, 2025 has been a reset year, one where we made conscious decisions to strengthen the long-term potential of the business. These decisions will position the Company to emerge stronger, more responsive and better aligned with the needs of customers.

On behalf of the Board, I would like to thank our employees for their dedication and resilience through this period of change. I also extend my gratitude to our customers, partners and shareholders for their continued trust and support.

We move forward with confidence and a renewed sense of purpose, focused on delivering long-term value for all who are a part of our journey.

Warm regards,



Shaibal Sinha
Chairman
Date: 14 May 2026

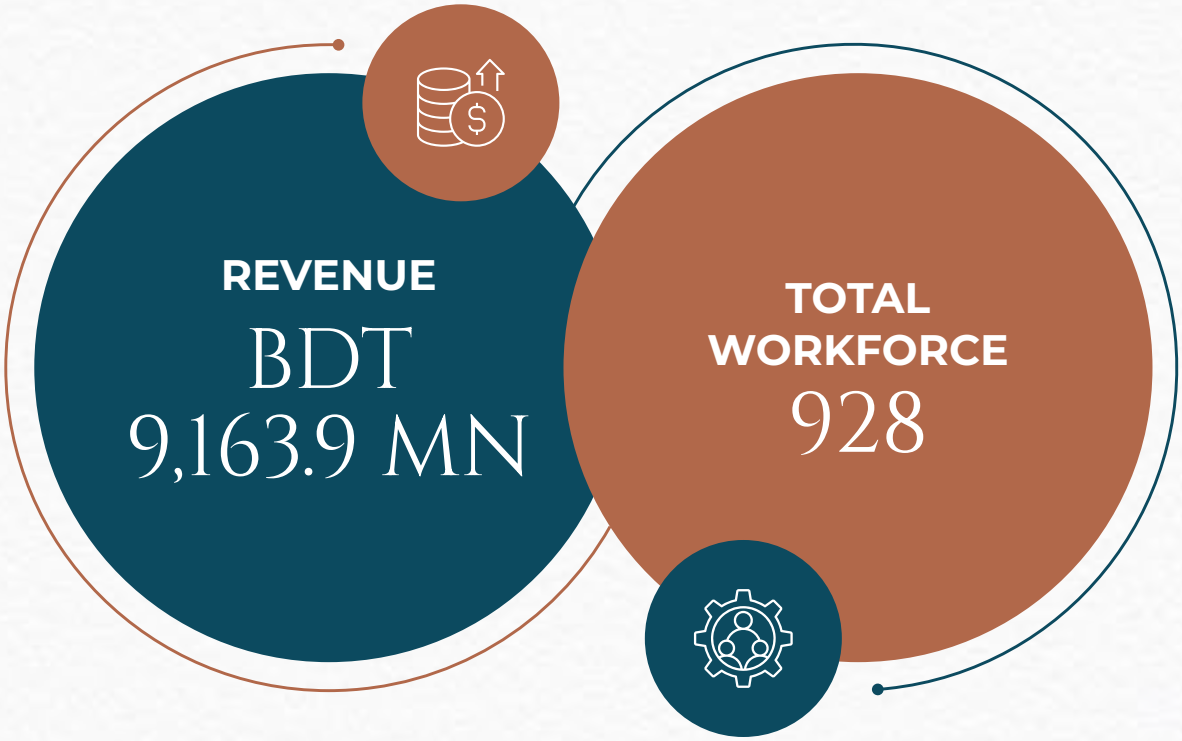

EVERYDAY ESSENTIALS.
RE-INVENTED
Bata
MAKE YOUR WAY

MANAGING DIRECTOR'S MESSAGE



THE 'RE-IGNITE' JOURNEY WILL TRANSFORM BATA, POSITIONING THE COMPANY FOR ITS NEXT PHASE OF GROWTH.

FARIA YASMIN
Managing Director



Dear Shareholders,

At Bata Bangladesh, the year 2025 has been one of resilience and transformation, as we navigated a challenging macroeconomic and operating environment while beginning to advance our strategic 'Re-ignite' journey.

Despite sustained inflationary pressure, particularly with food inflation remaining elevated, and a cautious discretionary spending environment, the Company demonstrated underlying strength in its operations. During the year, we delivered a turnover of BDT 9,163.9 mn, supported by a 17% YoY improvement in conversion rates that reflects strong retail execution and consumer engagement.

Profit moderated during the year to BDT 11.6 mn due to margin compression from higher cost of goods sold, restructuring expenses and lower other income. While some of these factors impacted annual performance, they represent considered actions taken to readjust the cost structure and strengthen long-term competitiveness.

Market Environment

Bangladesh's footwear market in 2025 continued to evolve rapidly, shaped by macroeconomic pressures and structural shifts in consumer behaviour.

Demand remained resilient in the value segment, with consumers prioritising affordability, durability and utility. At the same time, structural trends continued to gain momentum, including casualisation and sneakerisation.

For younger consumers, especially Gen-Z, smart casual is now the default. The rise of hybrid work and the ease of access through digital platforms also boosted demand for comfort-led and lifestyle footwear. A gradual shift is also perceived towards omnichannel and digital discovery journeys.

In this environment, Bata's diversified, multi-category portfolio and brand trust enabled strong consumer engagement across both physical and digital channels, bolstering our ability to maintain our market position during the year.

Portfolio Evolution

A key focus during the year was portfolio realignment towards high-growth and higher-engagement categories.

We continued to scale our presence in sneaker, comfort and premium segments that are increasingly driving demand among urban and fashion-conscious consumers. At the same time, core categories such as school footwear, everyday casuals and value-driven products remained critical to volume, particularly amidst price sensitivity.

Category-level performance was supported by targeted product innovation, including enhanced comfort technologies, improved material quality and sharper design direction across our Power, Ambassador, Weinbrenner, Bubblegummers, Comfit and Floatz brands.

This approach of protecting volume in the mass-affordable segment while building aspiration through lifestyle categories remains central to our portfolio strategy.

Retail Transformation

Retail transformation is a key pillar of execution. During the year, we inaugurated nine new showrooms in high-potential locations, rationalised a few underperforming stores, renovated and modernised key outlets and launched flagship large-format stores (LFS) in Dhaka and Chittagong. Our network strategy enabled improvement in retail efficiency, conversion rates and customer experience.

Our omni-channel capabilities continued to strengthen, with digital channels playing an increasingly important role in customer acquisition and engagement. Additionally, enhanced integration across e-commerce, retail and CRM platforms improved inventory visibility, fulfilment efficiency and customer satisfaction.

Operational Efficiency

The year was characterised by cost pressure across the value chain, including higher raw material costs and retail operating expenses. In response, we implemented key initiatives such as local sourcing, improved demand forecasting, optimised inventory planning and the use of analytics to monitor key performance indicators and drive data-led decisions.

These measures expanded our operational agility and enhanced supply chain responsiveness, positioning the business for performance recovery.

Future Roadmap

As we look ahead to 2026, we see an opportunity to build on the foundations laid this past year and move forward with renewed momentum under Re-ignite.

We will continue to strengthen cross-functional collaboration, invest in capability building and accelerate digital and omnichannel initiatives to enhance both operational efficiency and customer engagement. At the same time, our focus on sourcing optimisation, supply chain agility and retail productivity will improve our operating leverage.

While the market environment remains dynamic with continued pressure on discretionary spending, we remain focused on what matters the most: our customers. Their evolving preferences continue to guide our strategy as we sharpen our portfolio across casual, sneaker and value-driven categories while maintaining the trust and accessibility that have come to define the Bata brand.

In closing, I would like to take the opportunity to express my sincere gratitude to our Board of Directors, employees, valued customers, partners and shareholders for their continued trust and support as we move forward together in our journey of sustainable value creation.

Warm regards,



Faria Yasmin
Managing Director
Date: 14 May 2026



EVERYDAY ESSENTIALS
RE-INVENTED

Bata
MAKE YOUR WAY

FINANCE DIRECTOR'S REVIEW



FOCUSED COST OPTIMISATION, IMPROVED CAPITAL EFFICIENCY AND STRONGER OPERATIONAL DISCIPLINE WILL STRENGTHEN THE FINANCIAL PROFILE OF THE BUSINESS.

ELIAS AHMED
Finance Director

2025 was a year marked by macroeconomic challenges and strategic recalibration for Bata Bangladesh, with financial performance reflecting both external headwinds and deliberate internal actions crafted to strengthen the business for the long term.

Bata Bangladesh registered a turnover of BDT 9,163.9 mn in 2025, representing a marginal 1% YoY decline due to subdued consumer demand on the back of persistent inflationary pressures and cautious spending. Our retail operations continued to perform reasonably well throughout the year, reflecting stable sales momentum.

Gross margins during the year came under pressure due to elevated cost of goods sold. This was driven by a combination of higher raw material costs, currency depreciation impacting import-linked sourcing, and increased logistics and freight expenses. As a result, gross profit margin moderated to 42.6% during the year, with the impact also caused by restructuring-related costs undertaken as part of our transformation agenda.

Profit after tax for the year stood at BDT 11.6 mn, compared to BDT 295.7 mn in the previous year. Margin pressures, restructuring expenses and a decline in other income forced a reduction in overall profitability during the year. While these factors affected near-term earnings, they represent a transitional impact aligned with the Company's efforts to reset the cost structure and improve long-term efficiency.

From a cost perspective, the Company maintained its focus on expense rationalisation and operational discipline. Notably, the occupancy cost ratio improved, reflecting ongoing efforts to optimise the retail network and enhance store productivity. These initiatives were complemented by selective expansion in high-potential locations, targeted store rationalisation and refurbishment of key outlets that will augment capital efficiency.

Working capital management remained a key priority. Enhanced focus on inventory planning, demand forecasting and stock management helped augment efficiency and reduce obsolescence risks. Investments in breakthrough technologies such as WMS (Warehouse Management System) and improved designated system integration enabled smooth running and visibility over the supply chain that supported faster replenishment and tighter control over stock levels, critical for modern retail.

The Company also made progress in strengthening the cost structure through sourcing optimisation and enhanced localised procurement. These initiatives, along with vendor consolidation and logistics efficiencies, are expected to contribute to performance over time.

From a balance sheet perspective, Bata continues to maintain a disciplined financial position. Looking ahead, the financial outlook for 2026 is expected to improve, supported by:

- Benefits from restructuring and cost optimisation
- Improved product mix towards higher-margin categories
- Enhanced retail productivity and operating leverage

Bangladesh is a high-potential consumption market. As purchasing power improves, discretionary spending is expected to grow at pace, supporting long-term growth in organised footwear.

Bata Bangladesh is well-positioned to capitalise on this opportunity, supported by a strong brand, diversified portfolio and nationwide retail presence. With a focus on our key levers of productivity, omnichannel expansion and supply chain efficiency, we remain committed to drive long-term value for all our stakeholders.

Thank you,



Elias Ahmed
Finance Director
Date: 14 May 2026

BOARD OF DIRECTORS

Stewarding Long-Term Success



SHAIBAL SINHA
Chairman &
Nominee Director
Nationality: Indian

Mr. Shaibal Sinha was appointed as a Director of Bata Shoe Company (Bangladesh) Limited in 2012 and was appointed as Chairman of the Board on 1 August 2025. His extensive global experience and expertise in finance have been pivotal to the Company's growth, enhancing operational efficiency and financial strategy.

Mr. Sinha has strong post-qualification experience across various financial leadership roles in India, Singapore, the United Kingdom and the Middle East. Prior to joining Bata, he worked with Reckitt Benckiser. Currently, he serves as the Group Operations Finance Director based in Singapore. His contributions extend across the Bata network, serving as a Board Member for China Footwear Services, Bata Indonesia, Bata Malaysia, Bata Thailand and Bata Sri Lanka.



FARIA YASMIN
Managing Director &
Nominee Director
Nationality: Bangladeshi

Ms. Faria Yasmin was appointed as Managing Director of the Company w.e.f. 20 November 2025. A Bangladeshi national, she is a senior entrepreneurial executive renowned for her ability to drive growth, lead turnarounds and foster organisational excellence.

Celebrated as one of the leading transformational figures in the FMCG sector, Ms. Yasmin brings over 23 years of experience across global MNCs and top local companies. She most recently served as Chief Business Officer at ACI Foods Limited, ACI Pure Flour Limited and ACI Edible Oils Limited, where she held full P&L ownership and end-to-end operational responsibility. During her tenure, she successfully led these companies, scaling and revitalising businesses of diverse sizes and complexities, delivering sustainable growth and strengthening brand equity across operations.

Ms. Yasmin's prior leadership roles include key positions at ACI, Reckitt Benckiser, Marico, Bangladesh Edible Oil and Nestlé, where she managed large portfolios and achieved significant business impact.

An alumna of the Institute of Business Administration (Dhaka University), Ms. Yasmin holds both a BBA and an MBA in Marketing, combining rigorous academic training with proven strategic and operational leadership expertise.



CLIFFORD GARY REUTER
Nominee Director
Nationality: American

Mr. Clifford Gary Reuter joined Bata Shoe Company (Bangladesh) Limited as a Director on August 1, 2025. Mr. Reuter is a seasoned global executive with over 30 years of experience in footwear and equipment product development, sourcing and manufacturing. He began his career at Nike Inc. in 1991, where he held multiple leadership roles for 25 years, including Director roles in both Footwear and Equipment Product Development. He later joined Under Armour as Senior Director of Global Footwear Sourcing posted in the Asia Pacific, where he led strategic sourcing and related initiatives across the region.

Currently, Mr. Reuter serves as the Head of Supply Chain at Bata's Global Product Creation Center – China Footwear Services Product (CFS) and Asia Pacific. He leads a large and diverse product creation team in the group's most advanced product creation center, in addition to being responsible for Bata's global supply chain in the Asia Pacific. CFS supports five global regions, delivering innovation, development, costing, logistics and end-to-end product delivery.

Mr. Reuter plays a key role in aligning CFS with global standards in sustainability, compliance and product quality. He holds a Bachelor's degree in Operations and Materials Management from Portland State University, USA, and is also an active community volunteer and youth coach.



FARZANAH CHOWDHURY
Independent Director
Nationality: Bangladeshi

Ms. Farzanah Chowdhury, a Chartered Insurer, joined the Board of Bata Bangladesh as an Independent Director on October 30, 2024. She is the Managing Director and CEO of Green Delta Insurance PLC, Bangladesh's leading non-life insurance company. Along with its subsidiaries, Green Delta's offerings include investment banking, asset management, healthcare management services and a global pharmacy chain, creating a comprehensive financial services conglomerate.

As the first female CEO in Bangladesh's insurance sector, Ms. Chowdhury has significantly advanced financial inclusion through innovative offerings for women and marginalised communities. UN Global Compact recognised her as a Local SDG Pioneer for her initiatives in women's economic security.

Ms. Chowdhury holds an ACII (UK) certification and an MBA from Monash University, Australia. A recognised leader in ESG and inclusive growth, she is the recipient of Asia Insurance Review's 'Woman Leader of the Year' award during the Singapore International Reinsurance Conference (SIRC) at the Asia Insurance Industry Awards 2019. She is also an Independent Director of DESCO and Linde Bangladesh.



REAZUL HAQUE CHOWDHURY
Independent Director
Nationality: Bangladeshi

Mr. Reazul Haque Chowdhury joined the Board of Bata Bangladesh as an Independent Director on April 19, 2026. Mr. Chowdhury is the Group Managing Director of IFAD Group. He is a business leader with wide experience in General Management, Sales, Brand Marketing, Trade Marketing and Shopper Marketing in leading multinational companies in Bangladesh, Sri Lanka, Thailand, the Philippines and IndoChina. He started his career in British American Tobacco and worked for 10 years in different roles in Sales and Marketing functions. He had a very successful stint of 6 years in Unilever Bangladesh Limited as Customer Management Director from 2002 to 2008. He has worked in Reckitt Benckiser as Managing Director from 2008 to 2016 in Sri Lanka, Bangladesh and Thailand Cluster. He also served as General Manager, South Asia (Bangladesh, India and Pakistan) in Avery Dennison RBIS. He also served as Managing Director & CEO Runner Automobiles PLC. He completed his Bachelor and Masters in Marketing from University of Dhaka and Advanced Management Program from INSEAD, France. He previously served as Independent Director of Unilever Consumer Care Ltd., Singer Bangladesh Ltd., Hemas Bangladesh Ltd. and Evercare Bangladesh and presently in Berger Paints Bangladesh Ltd. He is a member of the Audit Committee and Nomination and Remuneration Committee of Bata Shoe Company (Bangladesh) Limited.

BATA BANGLADESH MANAGEMENT



SITTING FROM LEFT

1. **Elias Ahmed**
   (Director of Finance)
2. **Faria Yasmin**
   (Managing Director)
3. **Nabeeul Islam Khan**
   (Supply Chain Director)

STANDING FROM LEFT

1. **Md. Saidur Rahman**
   (Chief of I&D and Franchise)
2. **Muhammad Mustafa Shaheedul Islam**
   (Head of Product Development) - incoming
3. **A. A. Md. Arfanul Hoque**
   (Retail Director)
4. **Malik Mehedi Kabir**
   (Human Resources Director)
5. **Gouranga Dhar**
   (Head of Product Development) - outgoing
6. **Nusrat Hasan**
   (Marketing Manager)
7. **Mizanur Rahman**
   (Chief Collection and Merchandising Manager)
8. **Riajur Reza Muhammad Faisal**
   (Company Secretary)

MANAGEMENT TEAM

Delivering Sustainable Performance



FARIA YASMIN
Managing Director

Nationality: Bangladeshi

Ms. Faria Yasmin was appointed as Managing Director of the Company w.e.f. 20 November 2025. A Bangladeshi national, she is a senior entrepreneurial executive renowned for her ability to drive growth, lead turnarounds and foster organisational excellence.

Celebrated as one of the leading transformational figures in the FMCG sector, Ms. Yasmin brings over 23 years of experience across global MNCs and top local companies. She most recently served as Chief Business Officer at ACI Foods Limited, ACI Pure Flour Limited and ACI Edible Oils Limited, where she held full P&L ownership and end-to-end operational responsibility. During her tenure, she successfully led these companies, scaling and revitalising businesses of diverse sizes and complexity, delivering sustainable growth and strengthening brand equity across operations.

Ms. Yasmin's prior leadership roles include key positions at ACI, Reckitt Benckiser, Marico, Bangladesh Edible Oil and Nestlé, where she managed large portfolios and achieved significant business impact.

An alumna of the Institute of Business Administration (Dhaka University), Ms. Yasmin holds both a BBA and an MBA in Marketing, combining rigorous academic training with proven strategic and operational leadership expertise.



ELIAS AHMED
Director of Finance

Nationality: Bangladeshi

Mr. Elias Ahmed leads the Finance, IT and Legal functions of Bata Shoe Company (Bangladesh) Limited, since his joining in March 2023. He also serves as a key advisor to Senior Management and the Board on regulatory affairs and compliance, contributing to the Company's corporate branding initiatives.

Mr. Ahmed brings over 23 years of experience in financial leadership roles across MNCs and local conglomerates. Before joining Bata, he served as the Chief Financial Officer of Marico Bangladesh and as Finance Director at Coats Bangladesh, a subsidiary of Coats Group Plc. Previously, he was Country CFO at Avery Dennison Bangladesh and has held positions at Bangladesh Edible Oil, Standard Chartered Bank, Novartis Bangladesh and Novartis Asia Pacific Regional Office in Singapore.

Mr. Ahmed is a fellow (FCMA) of the Institute of Cost & Management Accountants, Bangladesh, and holds an MBA and MCom in Finance from the University of Dhaka. He is a member of Trade, Tariff, Taxation & Company Affairs Sub-Committee of FICCI. He is also a Donor member of Uttara Club, Dhaka, and a permanent Member of Dhaka Boat Club. He is also a member of the Finance Committee of Uttara Club.



MALIK MEHEDI KABIR
Human Resources Director

Nationality: Bangladeshi

Mr. Malik Mehedi Kabir assumed the role of Director, Human Resources, at Bata Shoe Company (Bangladesh) Limited since his joining in February 2020. His appointment underscores the Company's commitment to enhancing people strategies and fostering a positive organisational culture.

With over 22 years of experience in human resource management, Mr. Kabir has demonstrated exceptional proficiency across diverse industries, including FMCG, apparel, building materials, real estate and the fashion (footwear) sector. Before joining Bata, he served as General Manager, Group-HR at Anwar Group of Industries and held key HR positions at Avery Dennison Bangladesh, Pran-RFL Group, Coats Bangladesh, Hop Lun Bangladesh and HP Chemicals. Throughout his career, he has implemented innovative HR strategies and driven organisational success through effective leadership.

Mr. Kabir holds an MBA in Human Resource Management from Bangladesh Institute of Human Resource Management and a Master's degree in Personnel Management from Pune University.



A.A. MD. ARFANUL HOQUE
Retail Director

Nationality: Bangladeshi

Mr. A.A. Md. Arfanul Hoque assumed the role of Retail Director at Bata Shoe Company (Bangladesh) Limited since his joining in August 2005. His appointment reflects a commitment to leveraging his vast experience and leadership to enhance the Company's retail operations and strategy.

With an illustrious career spanning over 20 years in retail and merchandising management, Mr. Hoque has consistently demonstrated expertise and leadership across diverse functions within the Company. Having commenced his journey with Bata as a Retail Area Manager in 2005, he ascended the ranks, serving in crucial positions such as Head of Retail Operations. His extensive experience encompasses significant contributions to global and regional projects. His expertise extends beyond core retail functions, encompassing brand strategy and product development through prior positions as Brand Manager and Chief Merchandising Manager.

Prior to his tenure at Bata, Mr. Hoque gained valuable experience at New Zealand Dairy Products Bangladesh, a renowned FMCG company, where he excelled in trade marketing and sales roles. Altogether, Mr. Hoque has 26 years of experience in various capacities.



NABEEUL ISLAM KHAN
Supply Chain Director

Nationality: Bangladeshi

Mr. Nabeeul Islam Khan was appointed as the Supply Chain Director at Bata Shoe Company (Bangladesh) Limited effective from January 2024. His appointment highlights the Company's focus on strengthening its supply chain capabilities with his extensive expertise and leadership.

Mr. Khan brings a wealth of experience in supply chain management, having held key positions in leading organisations. He previously served as the Director of Supply Chain at Coats Bangladesh, Senior Manager of Supply Chain at Avery Dennison and General Manager at Rahimafrooz Distribution. Additionally, he worked at Novartis Bangladesh as a Controller and Business Planning Analyst.

Mr. Khan holds a Bachelor's degree with Honors and a Master's degree in Commerce Majoring in Accounting from the University of Dhaka, along with an MBA in Finance from North South University.



GOURANGA DHAR
Head of Product Development - outgoing

Nationality: Indian

Mr. Gouranga Dhar was appointed as Head of Product Development at Bata Shoe Company (Bangladesh) Limited since his joining in July 2019. His appointment brought decades of expertise in product innovation and development to the Company.

With over 32 years of experience in footwear product development, Mr. Dhar has a proven track record in innovative design, new article introduction and commercialisation, quality performance standards and strategic business planning. Before joining Bata Bangladesh, he served Bata India since 1994, contributing significantly to its product development initiatives.

Mr. Dhar holds a Bachelor of Visual Arts degree from the Government College of Art & Craft, Calcutta University, with a specialisation in drawing and painting.



Muhammad Mustafa Shaheedul Islam
Head of Product Development - incoming

Nationality: Bangladeshi

Mr. Muhammad Mustafa Shaheedul Islam was appointed as Head of Product Development at Bata Shoe Company (Bangladesh) Limited in April 2026. Mr. Shaheed has over 28 years of extensive experience in footwear design, product development, and innovation, with strong expertise in product engineering, design transition, technical excellence, and commercialization.

Prior to joining Bata, he served as DGM – Head of Product Development at Apex Footwear Limited, where he led the end-to-end footwear product development process, managed strategic product planning and introduced new technologies to enhance both product quality and productivity. Before joining Apex, Mr. Shaheed worked with Bata Bangladesh as Designing Superintendent and started his professional journey as a Designer at Youngone Corporation.

Mr. Shaheed holds a Master of Fine Arts and a Bachelor of Fine Arts from the University of Chittagong. Alongside his corporate expertise, he is also an accomplished artist with participation in several international exhibitions across the USA, France, Japan, and the UK, and has received multiple prestigious awards for his artistic excellence.



MIZANUR RAHMAN
Chief Collection and Merchandising Manager

Nationality: Bangladeshi

Mr. Mizanur Rahman has been serving as the Chief Collection and Merchandising Manager at Bata Shoe Company (Bangladesh) Limited since October 2022. He began his career with the Company as Chief Collection Manager in October 2022 and was promoted to his current role on 1 July 2025.

Mr. Rahman's appointment underscores Bata's strategic focus on strengthening its product management and sourcing functions. With over 19 years of industry experience, he has held key leadership roles, including Global Merchandising Manager and Product Manager at H&M in Guangzhou, China, and Operational Process Manager at Decathlon. These roles gave him a global perspective on product lifecycle management, operational efficiency and consumer-driven design.

Earlier in his career, Mr. Rahman worked at FB Footwear as a Merchandising Manager and began his professional journey as a Designer at Leatherex Footwear. His experience spans across product development, sourcing, manufacturing processes and commercial alignment, both in local markets and international supply chains.

Mr. Rahman holds a BSc. degree in Footwear Technology from the University of Dhaka and an MBA from Bangladesh University of Professionals (BUP).



RIAJUR REZA MUHAMMAD FAISAL
Company Secretary

Nationality: Bangladeshi

Mr. Riajur Reza Muhammad Faisal assumed the role of Company Secretary at Bata Shoe Company (Bangladesh) Limited on August 1, 2023. His longstanding tenure with the Company and extensive expertise make him a key part of the organisation's governance and compliance functions.

Mr. Faisal's professional journey with Bata began in 2005, with a cumulative tenure of 21 years within the Company. He has had the privilege of contributing his expertise across various functions, including Accounts, Internal Audit, Treasury, OTB and Financial Control, Finance and Compliance. Prior to his tenure at Bata, he gained invaluable experience at Rupsha Group and PUL, a consultancy Company in Bangladesh. Altogether, he has 22 years of experience in various capacities.

Mr. Faisal holds an impressive educational background, having earned an MBA in Finance and Banking. Furthermore, he holds the prestigious title of Fellow Chartered Secretary (FCS) from the Institute of Chartered Secretaries of Bangladesh (ICSB).



NUSRAT HASAN
Marketing Manager

Nationality: Bangladeshi

Ms. Nusrat Hasan was appointed as Marketing Manager at Bata Shoe Company (Bangladesh) Limited since her joining in February 2022. Her role exemplifies the Company's commitment to dynamic leadership in brand development and marketing strategies. With over 15 years of experience, Ms. Hasan brings expertise in brand and product management, brand communication, consumer research and media management.

Before joining Bata, Ms. Hasan held key roles at Marico Bangladesh, Perfetti Van Melle Bangladesh and Godrej Bangladesh. At Bata, she also acts as the Regional Marketing In-charge for both Bangladesh and Pakistan, executing impactful brand campaigns and implementing best practices across the region. A recognised leader in the marketing community, Ms. Hasan has been featured in leading publications and has served as a judge for both local and international marketing communication awards. She holds a BBA from North South University.



MD. SAIDUR RAHMAN
Chief of ID and Franchise

Nationality: Bangladeshi

Mr. Md. Saidur Rahman was appointed as Chief of ID and Franchise of Bata Shoe Company (Bangladesh) Limited in January 2026. He brings over 19 years of professional experience across leading FMCG organisations, with strong expertise in business operations, marketing management and strategic planning. Throughout his career, he has demonstrated a consistent track record of driving commercial growth, leading cross-functional teams and strengthening market presence through data-driven decision-making.

Before joining Bata, Mr. Rahman served as Business Manager at ACI Foods. During his tenure at ACI, he held several senior leadership positions, including Head of Marketing Operations, Business Operations Manager and Senior Group Product & Operations Manager. Earlier in his career, he worked with PRAN-RFL Group and Meridian Group.

Mr. Rahman holds an MBA in Marketing from Primeasia University and a Bachelor of Science in Statistics from Jagannath University.



RUBAYAT SADIK
Head of Internal Audit

Nationality: Bangladeshi

Mr. Rubayat Sadik was appointed as Head of Internal Audit at Bata Shoe Company (Bangladesh) Limited, since his joining in January 2023. His appointment reflects the Company's focus on ensuring robust internal controls and compliance through experienced leadership.

Mr. Rubayat is a qualified Chartered Accountant from KPMG-Bangladesh under ICAB, with over 16 years of experience in internal audit, compliance, and financial management. Prior to joining Bata, he served as GM & Head of Internal Audit & Compliance at Akij Group of Industries, DGM & Head of Internal Audit & Compliance at Anwar Group of Industries, and AGM & Head of Internal Audit & Compliance at LG Butterfly. He also held key roles at Duncan Brothers (BD) Ltd. and Navana Pharmaceuticals Ltd. Mr. Rubayat holds an MBA and BBA in Accounting and Information Systems from the University of Dhaka. Mr. Sadik resigned in January 2026.

BUSINESS REVIEW

Key Financial Highlights

In BDT

Profit and loss statement – absolutes

Revenue
2025 ⊦ 9,163.88 m
2024 ⊦ 9,275.14 m

Gross profit
2025 ⊦ 3,899.95 m
2024 ⊦ 4,375.35 m

Operating profit
2025 ⊦ 409.20 m
2024 ⊦ 776.06 m

Profit before tax
2025 ⊦ 198.44 m
2024 ⊦ 553.06 m

Net profit
2025 ⊦ 11.58 m
2024 ⊦ 295.74 m

Earnings per share
2025 ⊦ 0.85 BDT
2024 ⊦ 21.62 BDT

Profit and loss statement – derivatives

Gross profit margin
2025 ⊦ 42.6%
2024 ⊦ 47.2%

Operating profit/sales
2025 ⊦ 4.5%
2024 ⊦ 8.4%

Shareholder value creation

Dividend per share
2025 ⊦ 24.8 BDT
2024 ⊦ 44.5 BDT

NAV/share
2025 ⊦ 188.72 BDT
2024 ⊦ 220.22 BDT

Market (Cap)
2025 ⊦ 1100 Cr.
2024 ⊦ 1239 Cr.

Balance Sheet

ROCE
2025 ⊦ 8.9%
2024 ⊦ 15.6%

Debt to equity
2025 ⊦ 0%
2024 ⊦ 0%

Liquid Balances
2025 ⊦ 453 m
2024 ⊦ 591 m

5-YEAR FINANCIAL HIGHLIGHTS (BDT)

	2021	2022	2023	2024	2025
Turnover	7,744,936,100	9,855,149,560	9,877,691,058	9,275,139,842	9,163,876,515
Gross profit	2,818,099,805	4,370,820,118	4,535,855,427	4,375,353,210	3,899,949,125
Profit from operations	194,513,530	1,078,864,687	876,361,961	776,063,075	409,204,711
Profit Before Tax	48,260,933	819,790,333	756,154,115	553,062,806	198,443,794
Profit After Tax	(68,478,817)	410,111,333	400,989,873	295,742,182	11,581,438
Depreciation on PPE	156,969,211	148,491,034	156,314,114	170,907,494	170,463,654
Depreciation on ROU Assets	545,498,465	573,554,447	561,599,962	556,895,706	576,601,029
Amortisation on Intangibles	-	-	45,914	267,613	1,499,118
NAV per share	252	252.16	237.93	220.22	188.72
NOCF per share	92	107.84	93.80	71.42	61.15
EPS	(5)	29.98	29.31	21.62	0.85
EBITDA	896,981,206	1,800,910,168	1,594,321,951	1,504,133,888	1,157,768,512
EBITDA margin	11.6%	18.3%	16.1%	16.2%	12.6%
Gross margin	36.4%	44.4%	45.9%	47.2%	42.6%
Net margin	-0.9%	4.2%	4.1%	3.2%	0.1%
Return on equity	-2.0%	11.9%	12.3%	9.8%	0.4%
Debt to equity ratio	0%	0%	0%	0%	0%
Cash and cash equivalents	622,781,937	1,265,057,145	979,690,893	591,551,059	453,364,296
Current assets	3,656,613,789	4,382,760,019	4,460,815,233	4,246,422,714	3,731,714,333
Current liabilities	1,925,099,854	2,571,732,866	3,043,019,649	2,924,833,802	2,800,201,319
Long term liabilities	1,062,880,077	1,450,503,225	1,836,201,478	1,962,935,852	2,020,862,847
Inventories	2,773,817,825	3,032,204,800	3,395,007,400	3,548,927,423	3,132,665,524
Equity	3,451,876,395	3,449,545,928	3,254,822,626	3,012,664,740	2,581,637,478
Total assets	6,439,856,326	7,471,782,019	8,134,043,753	7,900,434,394	7,402,701,644
Current ratio	1.90	1.70	1.47	1.45	1.33
Quick ratio	0.46	0.53	0.35	0.24	0.21
Return on assets	-1.1%	5.5%	4.9%	3.7%	0.2%
Return on capital employed	4.3%	22.0%	17.2%	15.6%	8.9%

VERTICAL AND HORIZONTAL ANALYSIS

	2025	2024
Income statement		
Revenue	100.00%	100.00%
	100.00%	**100.00%**
Cost of sales	57.44%	52.83%
Other loss	0.00%	-0.08%
Operating expenses	38.10%	38.91%
Reversal of impairment loss on trade receivables	0.00%	-0.03%
Net finance costs	2.19%	2.09%
Contribution to WPPF	0.11%	0.31%
Income tax expense	2.04%	2.77%
Profit for the year	0.13%	3.19%
	100.00%	**100.00%**
Balance sheet		
Non-current assets	49.59%	46.25%
Current assets	50.41%	53.75%
Total	**100.00%**	**100.00%**
Total equity	34.87%	38.13%
Non-current liabilities	27.30%	24.85%
Current liabilities	37.83%	37.02%
Total	**100.00%**	**100.00%**

	2021	2022	2023	2024	2025
Income statement					
Turnover	52%	27%	0%	-6%	-1%
Gross profit	123%	55%	4%	-4%	-11%
Profit from operations	-114%	455%	-19%	-11%	-47%
Profit before tax	-103%	1599%	-8%	-27%	-64%
Profit after tax	95%	699%	-2%	-26%	-96%
EPS	95%	699%	-2%	-26%	-96%
Balance sheet					
Current assets	-1%	20%	2%	-5%	-12%
Total assets	-2%	16%	9%	-3%	-6%
Current liabilities	4%	34%	18%	-4%	-4%
Long term liabilities	-2%	36%	27%	7%	3%

VALUE ADDED STATEMENT

Value Added Statement

	2025	%	2024	%
Turnover	**9,163,876,515**		**9,275,139,842**	
Bought in goods and services	(6,641,288,479)		(6,342,606,950)	
Net finance cost	(200,316,507)		(193,891,700)	
Other loss	425,776		7,190,936	
Reversal of impairment loss on trade receivables	275,000		2,392,720	
Available for distribution	**2,322,972,305**	**100%**	**2,748,224,848**	**100%**
Distributions				
Employees	1,373,651,413	59.13%	1,466,116,095	53.35%
Government	186,862,356	8.04%	257,320,624	9.36%
Shareholders	11,581,438	0.50%	295,742,182	10.76%
Depreciation and other non-cash expenses	750,877,098	32.32%	729,045,947	26.53%
	2,322,972,305	**100%**	**2,748,224,848**	**100%**

Economic Value Added Statement

	2025	2024
Operating profit	**409,204,711**	**776,063,075**
Provision for income tax	196,000,000	283,000,000
Net Operating Profit After Tax (NOPAT)	213,204,711	493,063,075
Charges for capital		
Capital employed	4,471,286,528	4,975,600,592
WACC	18%	9.46%
Capital charges	804,831,575	470,691,816
Economic Value Added (EVA)	**(581,626,864)**	**22,371,259**

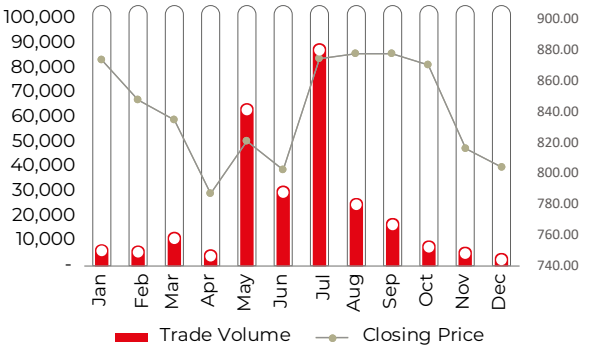
Market Value Added Statement

Market Value Added Statement	2025	2024
Market value of shares outstanding	11,000,088,000	12,385,872,000
Book value of shares outstanding	2,581,637,478	3,012,664,740
Market Value Added (MVA)	**8,418,450,522**	**9,373,207,260**

STOCK PERFORMANCE

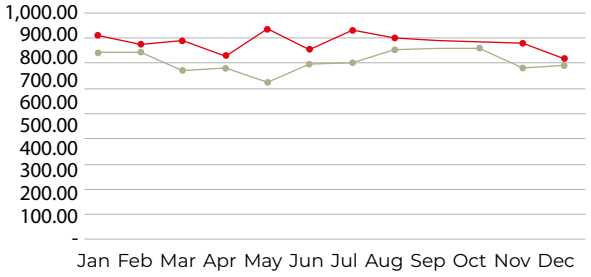
Monthly trading volume for the year 2025

Month	Trade Volume	Closing Price
January	8,881	873.90
February	8,395	847.70
March	14,191	834.70
April	6,698	787.00
May	65,943	821.50
June	32,661	802.70
July	90,591	874.50
August	27,586	877.80
September	19,366	877.70
October	10,423	870.50
November	7,945	816.60
December	5,184	804.10



High Low Share Prices per month (BDT)

Month	High Price	Low Price
January	913.00	845.00
February	872.90	841.5
March	890.00	770.00
April	830.00	782.70
May	936.00	725.00
June	854.90	795.00
July	933.00	800.00
August	898.00	856.00
September	887.50	861.00
October	885.00	860.00
November	879.00	780.00
December	818.00	790.00



Market Capitalization at year end

Year	Taka	Closing Price
2021	1323 Cr	966.9
2022	1303 Cr	952.3
2023	1323 Cr	966.9
2024	1238 Cr	905.4
2025	1100 Cr	804.1

Number of shares Outstanding	13,680,000
Free float	30%
IPO	1985
Stock Exchange	Dhaka Stock Exchange Chittagong Stock Exchange
Stock Symbol	BATASHOE

Cash Dividend for the year 2025



Cash Dividend for the year 2025

Interim	143%
Final	105%

MARKET CONTEXT

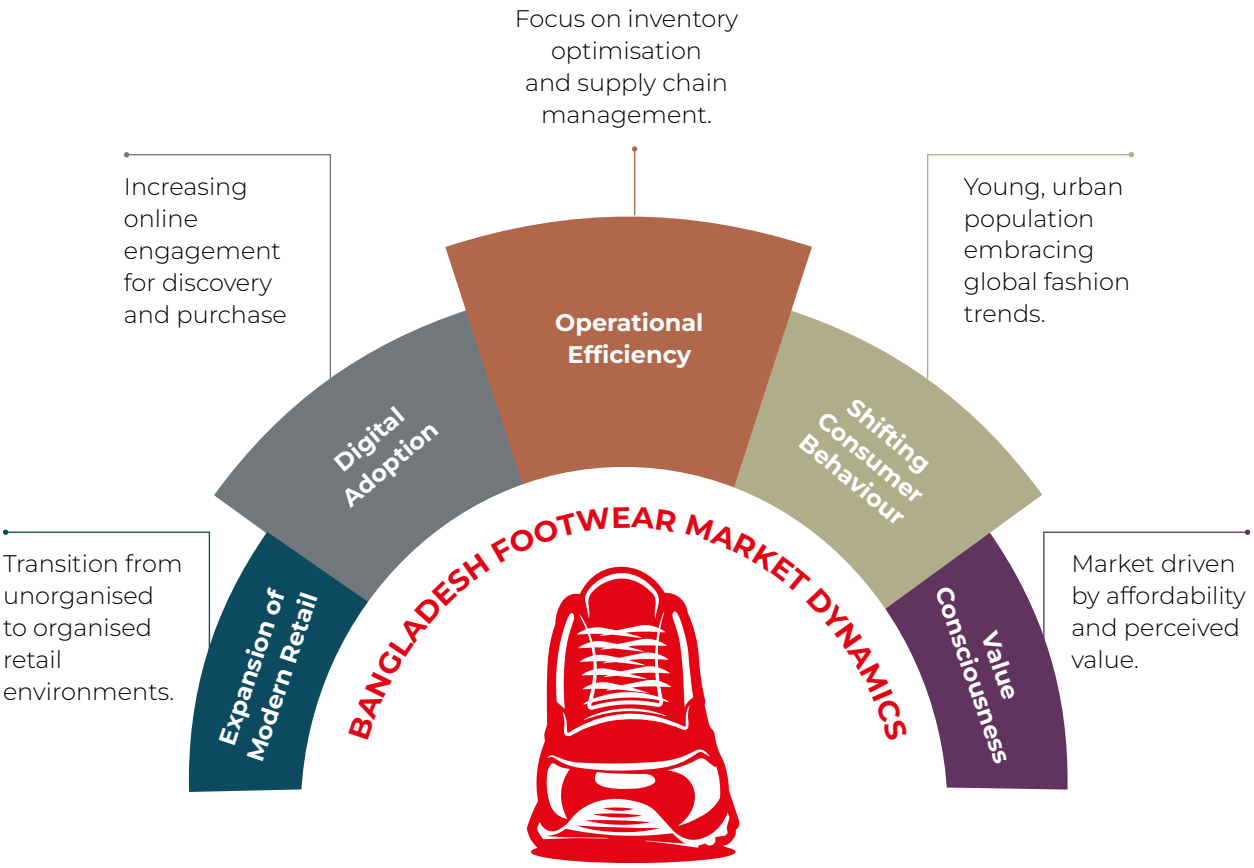
Bangladesh's footwear industry continues to evolve in a dynamic macroeconomic environment. In 2025, the sector faced subdued demand amid inflationary pressure and cautious consumer sentiment. Despite the headwinds, the industry's long-term fundamentals remain strong, supported by favourable demographics, urbanisation and rising brand awareness.

Overview

Bangladesh's footwear industry represents a large and growing consumer market, characterised by demand of 200-300 mn pairs annually and a market size exceeding USD 2 bn. While historically dominated by the unorganised sector, the industry is witnessing a steady shift to organised retail, driven by urbanisation, rising incomes and increasing consumer preference for branded, quality-assured products.

Organised players are benefiting from structural tailwinds such as retail formalisation, expansion of modern trade channels and brand trust. At the same time, evolving consumer behaviour marked by casualisation, comfort-led purchases and value consciousness is reshaping product demand across segments.

These shifts are reinforcing growth in both value-driven and lifestyle categories, creating opportunities for organised players.



Shifting Consumer Behaviour

Consumer preferences in Bangladesh are undergoing a shift, driven by a young and increasingly urban population with rising exposure to fashion trends. Furthermore, footwear is progressively transitioning from a functional necessity to a lifestyle and self-expression category. Key trends include:

- Growing preference for casual and athleisure footwear, reflecting changing lifestyles
- Increased focus on comfort, durability and versatility
- Rising importance of trusted brands offering consistent quality and value
- Perceptible shift in market share from the unorganised to the organised segment

These trends are reinforcing demand for daily and casualwear categories, stimulating innovation in product design and materials. Additionally, non-leather and synthetic footwear have gained traction too, driven by affordability, versatility and evolving consumer preferences.

Value Consciousness and Segment Dynamics

In today's environment, value sensitivity remains a key characteristic. While there is a gradual shift to premium and branded products, a significant portion of demand continues to be driven by affordability and perceived value. This has led to a dual dynamic of steady growth in accessible, value-driven segments, and emerging opportunities in premium lifestyle offerings, particularly in urban centres.

As a result, companies are focusing on balanced portfolios that cater to diverse income segments while maintaining brand integrity and customer experience.

Modern Retail

Bangladesh's footwear market continues to transition from unorganised to organised retail. Consumers are increasingly gravitating towards branded and modern retail environments that offer reliability, variety and a superior shopping experience. Key developments include:

- Expansion of modern retail formats and branded outlets
- Increased penetration in Tier-2 and emerging locations
- Emphasis on store experience and visual merchandising

With its extensive nationwide presence, Bata remains well-positioned to benefit from this structural shift towards organised retail.

Digital Adoption and Omnichannel

Digital adoption is reshaping Bangladesh's retail landscape. Consumers are increasingly engaging with brands through online platforms for discovery, comparison and purchase, particularly in urban areas. This has accelerated the need for integrated omni-channel capabilities, enhanced last-mile delivery and fulfilment, and seamless online-to-offline customer journeys.

While physical stores continue to play a dominant role, digital channels are emerging as an important complement, enabling wider reach and improved customer convenience.

Outlook

Bangladesh's footwear industry maintains a positive long-term outlook. Growth is expected to be supported by urbanisation and rising income levels, preference for branded and quality products, and expansion of organised retail and digital ecosystems. While near-term demand may remain influenced by macroeconomic factors, the sector is well-positioned for sustainable, consumption-led growth in the future.

Bata Bangladesh's Positioning

Amidst the evolving landscape, Bata Bangladesh is uniquely positioned to capitalise on the emerging opportunities through a trusted brand with strong consumer recall, a diversified product portfolio spanning value and premium segments, an extensive retail and distribution network, and continued focus on innovation, affordability and customer experience. Aligning its strategy with consumer preferences and market dynamics, Bata Bangladesh continues to strengthen its pioneering position in the footwear market.

FINANCIAL CAPITAL

Resilient financial performance

In 2025, Bata Bangladesh demonstrated resilience despite persistent inflation, currency volatility and cautious consumer spending. The Company delivered a turnover of BDT 9,163.9 mn, while maintaining profitability with post-tax profit of BDT 11.6 mn.

Revenue performance remained broadly stable, supported by seasonal demand, continued brand trust and consistent execution across key campaigns and categories. Growth was primarily driven by sneakers, comfort and premium segments, alongside essential categories such as school and everyday footwear.

Cost Focus

During the year, profitability was impacted due to rising input costs, particularly on account of foreign exchange volatility affecting imported raw material costs. Increased freight and logistics expenses, higher retail operating costs and wage adjustments further contributed to margin compression. To address the challenges, the Company maintained a disciplined financial approach, focusing on:

- Optimised sourcing and vendor negotiations
- Improved supply chain efficiency
- Tight control over operating expenses
- Balanced pricing strategies to maintain affordability

Working Capital Efficiency

A key financial highlight of 2025 was the improvement in working capital management. The Company strengthened inventory discipline through data-driven demand forecasting, strategic SKU rationalisation, focus on high-rotation product categories and progressive phase-out of slow-moving, obsolete stock. These contributed to improved inventory turns and better cash flow management.

Capital Allocation

Capital expenditure during the year was directed to strengthening long-term competitiveness. Key investments included opening of nine new stores in prime locations, renovation of 22 outlets, launch of launch of large-format stores in Dhaka and Chattogram, and implementation of technology-driven Warehouse Management System (WMS). The Company also rationalised its retail footprint by closing a few underperforming stores and improving capital efficiency.

Outlook

Going forward, our financial strategy will focus on margin recovery, cost optimisation and disciplined capital allocation, supported by expansion of higher-margin product segments, continued investment in digital and omnichannel capabilities, and strengthened sourcing and operational efficiencies. We are committed to performance and profit recovery during the following year.

HUMAN CAPITAL

Operational excellence through our human capital

Overview

In 2025, amid a challenging macroeconomic environment and evolving consumer expectations, Bata Bangladesh's employees remained at the forefront of execution, demonstrating agility, commitment and a strong customer-centric mindset.

The Company employed 928 people (as on end of 2025), constituting a diverse and multi-skilled workforce. We continue to strengthen diversity and inclusion across all levels, with diverse representation in retail, management and factory roles reflecting our commitment to building a more balanced and future-ready organisation.

Building Capability for a Changing Market

In an increasingly competitive and dynamic retail environment, continuous capability-building is a strategic priority. During the year, we delivered 32,000+ man-hours of training, aimed at strengthening frontline excellence, leadership depth and operational capability.

Retail development was a key focus area, with 20,000+ man-hours dedicated to enhancing customer engagement, product knowledge and sales effectiveness. Flagship programs such as Bootcamp, Sales Mastery, Genesis 2.0 and Retail Excellence & Advancement Program (REAP) were instrumental in improving service consistency, conversion rates and store productivity.

At the Management level, targeted interventions supported leadership capability, compliance awareness and cross-functional effectiveness. Programs such as Managerial Leadership Development, Train-the-Trainer and digital learning platforms (Bata e-University) enabled managers to navigate complexity, drive performance and lead teams with confidence.

In manufacturing, training initiatives focused on process optimisation, OHS and technical capability enhancement, reinforcing operational excellence, compliance and production efficiency.

Human Capital 2025

Total workforce

928

Training in man-hours

32,000+

Factories

2

Engagement and Performance

Bata Bangladesh fosters a culture of performance, meritocracy, accountability and collaboration. Engagement platforms such as townhalls, leadership connect sessions and focus group discussions (FGDs) promote transparency and ensure alignment between employees and organisational priorities.

Recognition programs and performance-linked incentives, particularly within retail, reinforce a results-oriented mindset while motivating teams to deliver consistent outcomes. The introduction of targeted incentive frameworks and on-the-job training has further strengthened store-level productivity, improving customer experience and operational efficiency.

Employee well-being remains an integral part of our people strategy. We continue to prioritise a safe working environment, work-life balance and inclusive workplace practices, ensuring that employees feel supported and valued across all functions.

Talent Development

In a competitive talent landscape, Bata Bangladesh has adopted a holistic approach to talent management, combining competitive compensation, defined career pathways and continuous learning opportunities.

Our strong employer brand built on trust, stability and a legacy of excellence continues to attract talent across retail and manufacturing. Learner-oriented development programs, cross-functional exposures and mentoring initiatives further support career progression, enabling employees to build long-term careers with the organisation.

Retention is strengthened through a combination of engagement initiatives, recognition platforms and a focus on employee growth and wellbeing, enabling the Company to maintain a stable and motivated workforce.

Occupational Health and Safety (OHS)

Bata Bangladesh places emphasis on OHS as a core component of its operations and business strategy. The Company is committed to safety and wellbeing of all employees, contractors and visitors.

A Health and Safety Committee comprising senior leaders provide cross-functional oversight and accountability. The Committee meets at least once a quarter, with additional sessions as required, ensuring continuous monitoring of safety performance, regulatory compliance and emerging risks.



Training on Chemical Handling

In 2025, the Company conducted chemical handling training across its manufacturing and warehouse operations. The programs focused on safe storage, handling and disposal of chemicals, use of personal protective equipment, hazard identification and emergency response procedures. Employees were trained on global safety protocols such as MSDS/SDS guidelines, labelling, spill management and compliance.

INTELLECTUAL CAPITAL

Enabling business transformation through smart capabilities and consumer insights

Digital Transformation and IT

In 2025, Bata Bangladesh advanced its intellectual capital through continued investments in digital transformation, data systems and technology platforms. Core systems including WMS (Warehouse Management System), POS (Point of Sale) and OMS (Order Management System) were upgraded and integrated to enable real-time data flow across retail, supply chain and e-commerce operations. The integrations enhanced operational visibility, improved decision-making and reduced manual intervention, creating an efficient digital backbone for the business.

Data-Driven Decisions

The Company leverages analytics and business intelligence tools to monitor KPIs such as footfall and conversion rates, sales per square foot, inventory turnover and average transaction value. This data-driven approach enables agile decision-making across merchandising, retail and supply chain, improving both customer experience and operational efficiency.

Merchandising

We utilise a data-led demand forecasting approach that combines historical sales performance, seasonal trends and real-time retail insights to enhance planning accuracy. Close alignment across merchandising, finance and supply chain functions enables agile supply planning, optimised inventory allocation and timely replenishment across channels, supporting improved product availability and working capital efficiency.

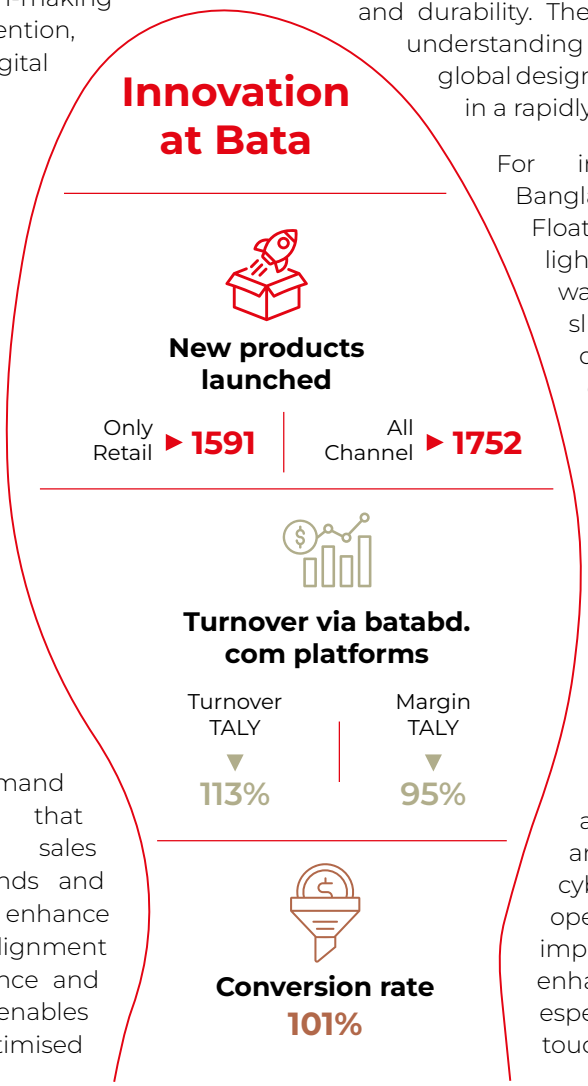
Product and Design Innovation

As a consumer products company, we focus on continuous product innovation. Key developments include performance-driven design in sports and sneaker categories, comfort technologies such as enhanced cushioning and ergonomic support, and material innovation anchored on breathability and durability. These innovations reflect our understanding of consumer needs and global design trends, ensuring relevance in a rapidly evolving market.

For instance, designed for Bangladesh's climate, our Floatz brand combines ultra-lightweight construction with water-friendly materials and slip-resistant soles, thus delivering all-day comfort, quick drying ease and reliable grip through rain and everyday wear.

Capability Building and IT

The Company continues to invest in automation and process optimisation, e-commerce platform enhancements, AI-enabled product content and merchandising tools, and IT infrastructure and cybersecurity. These support operational excellence, improve system reliability and enhance the customer journey, especially across digital touchpoints.



MANUFACTURED CAPITAL

Delivering efficiency through optimised infrastructure and systems

Integrated Supply Chain

Bata Bangladesh's manufactured capital comprises an integrated supply chain ecosystem, encompassing manufacturing facilities, central distribution centres (CDCs), warehouses and logistics. These ensure efficient product flow from sourcing to final retail delivery. Our assets provide a foundation for operational efficiency, customer satisfaction and sustainable growth, enabling us to deliver products efficiently across our nationwide network.

In a key development of the year, the Company strengthened its infrastructure through the implementation of a Warehouse Management System (WMS), improving inventory accuracy, material flow and efficiency.

Warehouse and CDCs Efficiency

Our CDCs and warehouse network play an important role in timely product availability across our retail network. Key improvements during the year included real-time stock visibility across locations, barcode-enabled inventory tracking, faster goods receiving and dispatch processes, reduced manual errors and improved accuracy.

Manufactured Capital 2025

Total Retail
235

Total Franchise
131

New Stores
9

Total Factories
2

Inventory and Logistics

Inventory and logistics optimisation is critical for Bata to ensure that the right products are available at the right place and the right time across our retail network. In a market driven by seasonality and value-conscious consumption, efficient stock allocation and faster replenishment helps reduce stock-outs and excess inventory. It also enhances customer satisfaction through better product availability.

Retail Infrastructure

An important part of our manufactured capital is our retail network comprising flagship stores and city stores, franchisee and partner outlets, and upgraded store formats with modern layouts and contemporary visual merchandising standards. In 2025, the Company augmented its retail infrastructure through:

- Establishing nine new stores
- Store renovated & Refurbishing 22 stores
- Introducing exclusive brand zones within stores for premium products such as Hush Puppies and Shoemaker

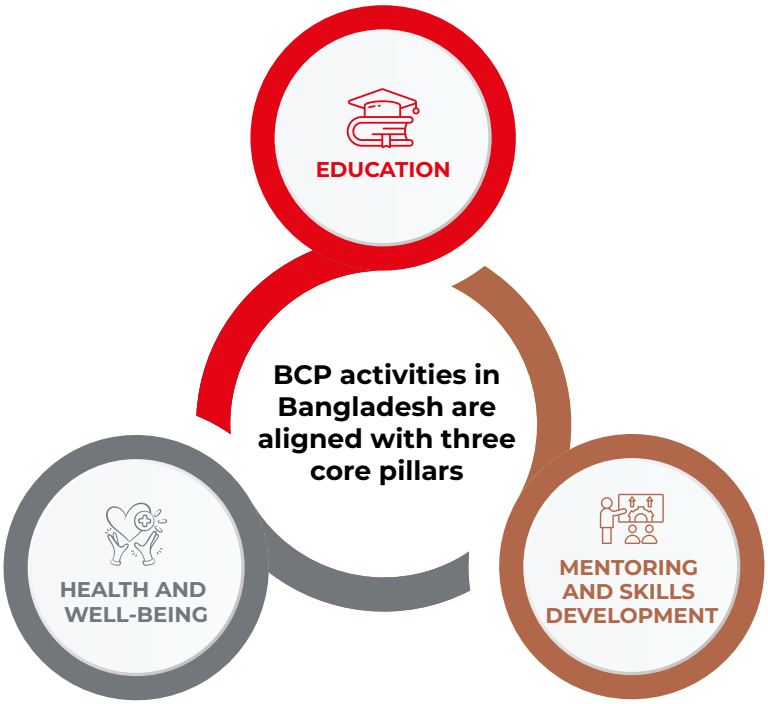
SOCIAL & RELATIONSHIP CAPITAL

Community Engagement through Bata Children's Program

Bata Children's Program (BCP) is Bata's flagship social initiative focused on empowering children and youth through education, skills development and community engagement.

BCP's mission is to support children and inspire employees to volunteer by helping children realise their potential and we strive to amplify the impact by forging partnerships with local communities and institutions.

In Bangladesh, the program continued its commitment towards creating meaningful and sustainable impact through employee volunteering, strategic partnerships and child-focused community development initiatives.



Education

Under the Education pillar, BCP's initiatives are focused on infrastructure and digital learning, art and literature, supportive learning, life skills, inclusion, environmental awareness and childcare education.

To promote gender equality and girls' empowerment, BCP organised mentoring initiatives through the 'Big Sister' platform during International Women's Day. Employee volunteers engaged with adolescent girls from schools and community organisations, providing guidance on education, financial literacy, human rights, personal safety and confidence-building.





BCP also sponsored a girls' football tournament to encourage female participation in sports, helping challenge social barriers and inspiring them to pursue opportunities with confidence.



In support of youth creativity, innovation and future-ready learning, BCP sponsored the National Art and Space Summit organised by students and youth groups, fostering inquiry-based learning, creative thinking and innovation among young minds. Reinforcing our commitment to inclusive education, we also partnered with the Blind Education and Rehabilitation Development Organization by donating Braille papers to support the educational needs of visually-impaired children.

Health and Well-Being

Under the Health and Well-Being pillar, activities are focused on preventive care, nutrition and WASH, mental health, sports, and child wellness.

On World Environment Day 2025, employee volunteers conducted awareness workshops in schools on reducing single-use plastics and protecting the environment. The initiative included hands-on activities and distribution of cleaning materials to encourage environmentally-responsible practices among children.





BCP also partnered with the Bangladesh Cancer Aid Trust to support child cancer survivors by establishing a child-friendly corner in their rehabilitation center. The space was designed to promote psycho-social well-being through art, creative activities, peer interactions and nutritious snacks, helping children experience moments of joy and emotional comfort during recovery.

In partnership with SOS Children's Villages, BCP continued with activities on psycho-social wellness, mentoring and early childhood engagement. Employees volunteered their time with children through storytelling, reading sessions and interactive learning activities during World Children's Day 2025 celebrations.

Mentoring and Skills Development

Under the Mentoring and Skills Development pillar, BCP has given emphasis to youth empowerment, entrepreneurship, innovation and employability skills.

Through the Youth-Led Innovation Lab created in partnership with Save the Children, marginalised youth receive training and mentorship to identify social challenges, develop innovative solutions and explore sustainable livelihood opportunities. Selected youth participants also receive seed funding and mentorship support to help them transform their ideas into impactful initiatives.







During International Youth Day 2025, BCP organised mentoring sessions for young people, focusing on entrepreneurship, teamwork, financial literacy, financial planning and leadership development. These initiatives aimed to equip youth with practical skills and confidence for future career and business opportunities.







Recognition

BCP's impact was recognised through the prestigious SDG Brand Champion Awards 2025, organised by the Bangladesh Brand Forum. Bata Bangladesh received Honorable Mention in the categories of Community Development and Sustainable Partnership, recognising the Company's continued efforts in creating meaningful social impact through collaborative, inclusive and sustainability-driven community initiatives aligned with the SDGs.



Through these initiatives, Bata Children's Program Bangladesh continued to strengthen its commitment to child development, youth empowerment, employee volunteering, and community partnership. By creating opportunities for learning, inclusion, health, and innovation, BCP remains dedicated to building a more equitable and sustainable future for children and young people across Bangladesh.

Bata Children's Program – Three Pillars

Education

- Big Sister platform for girls' empowerment
- Inclusive and supportive learning initiatives
- Art, innovation and future-ready learning
- Girls' sports engagement · Support for visually-impaired children

Health & Well-Being

- Preventive health and WASH awareness
- Mental health and psycho-social wellness
- Environmental awareness activities
- Child-friendly rehabilitation support
- Storytelling and interactive engagement sessions

Mentoring & Skills Development

- Youth-Led Innovation Lab
- Entrepreneurship and employability support
- Leadership and innovation mentoring
- Seed funding for youth initiatives
- Linguistic and digital literacy development

Bata Children's Program – Key Impacts

Big Sister Platform

- Financial literacy and budgeting
- Understanding rights, equity and advocacy
- Building confidence and communication skills
- Awareness on personal safety and boundaries
- Introducing technology and future-ready skills

Start-up for Success

- Youth innovation
- Showcase employee volunteer support
- Leadership as judges
- Seed funding awarded

Youth-led Innovation

- Marginalised youth participation
- Community problem solving
- Team-based project approach
- Employee volunteer mentoring
- Best ideas get a Yes Card

Linguistic and Digital Literacy

- Enhancing English communication skills
- Building digital literacy foundation
- Employee volunteers as mentors
- Empowering students for the future


ANNUAL PICNIC
Day
THIS IS A BEAUTIFUL DAY
AND LET'S ENJOY IT.


BENGALI
NEW YEAR Celebration
THE START OF A NEW BEGINNING
Bata


Women's
Day
#GivetoGain


SUPER
SAVER!
SUPER SAVING MODE: ENGAGED!
Bata


CRICKET Tournament
WHERE CHAMPIONS ARE MADE.


FOOTBALL Tournament
WHERE CHAMPIONS ARE MADE.


YOUR INVOICES NOW IN
DIGITAL FORM
Bata

NATURAL CAPITAL

Stewarding a responsible business

Improving Resource Efficiency

We focus on improving resource efficiency through disciplined material utilisation, process optimisation and effective inventory management. These initiatives help minimise excess consumption, reduce operational inefficiencies and support cost optimisation towards resource conservation.

Operational Efficiency

The Company undertakes measures to improve operational efficiency across its facilities and retail network. This includes better monitoring of energy use, preventive maintenance of equipment and ongoing efforts to reduce inefficiencies in day-to-day operations. These actions contribute to improved resource utilisation while supporting overall operational performance.

Supply Chain Optimisation

Efforts to strengthen supply chain efficiency have also contributed to improved environmental performance. Enhanced demand forecasting, better inventory planning and optimised logistics reduces unnecessary stock movement, minimises excess inventory and improves overall system efficiency.

Recycling and Waste Management

Bata Bangladesh follows responsible waste management practices across its operations, with a focus on reducing waste and promoting recycling, wherever feasible. Materials generated through operational processes are systematically managed to minimise environmental impacts. While the Company continues to strengthen its approach to recycling and resource efficiency, disclosures remain aligned with internal validation and audit guidelines.

Paper Conservation

As part of operational efficiency and environmental responsibility, the Company has accelerated the transition from paper-based to digital processes. During the year, majority of invoices were generated digitally, thus reducing paper consumption. This shift has not only improved process efficiency but has also contributed to resource conservation, supporting the Company's broader sustainability goals.

Governance and Compliance

Bata Bangladesh operates under established sustainability is integrated frameworks to ensure compliance with applicable regulations and internal standards. Regular monitoring, process controls and employee awareness initiatives support safe and responsible operations across its facilities.

RETAIL EXCELLENCE

Delivering superior experiences across our store network

In 2025, Bata Bangladesh undertook a transformation of its retail operations, focused on enhancing productivity, strengthening customer experience and building a more resilient, future-ready store network.

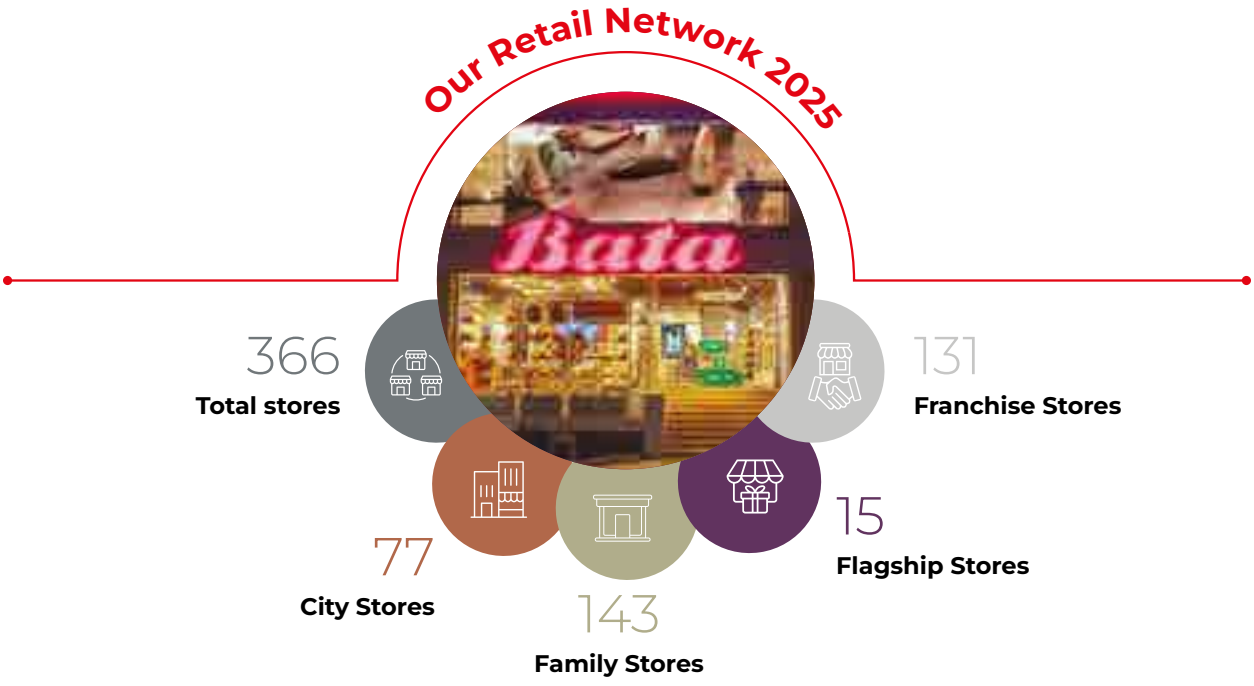
Driving Performance through Strategic Transformation

Operating in a dynamic environment marked by inflationary pressures and evolving consumer expectations, the Company delivered a stable retail performance through disciplined execution, data-driven decision-making and a sharpened focus on quality.

During the year, we focused on enhancing retail productivity through network optimisation, including expansion into high-potential locations alongside the rationalisation of underperforming stores. We maintained a strong value proposition by ensuring affordability at key price points while progressively strengthening our premium and lifestyle offerings. At the same time, investment in data-based decision-making, inventory optimisation and store-level execution improved conversion, customer experience and overall profitability.

Optimising the Retail Footprint

A strategic priority in 2025 was the optimisation of the retail network. The Company expanded its footprint by opening nine new stores in high-potential, high-footfall locations, including large-format stores in Dhaka and Chittagong. At the same time, a rigorous performance review led to the closure of 15 underperforming and cash-draining locations, enabling the reallocation of capital and resources towards more productive stores.



Enhancing Store Productivity

Bata Bangladesh continued to strengthen store-level productivity through improved operational discipline. Key improvements included optimised manpower deployment, tighter inventory control and enhanced conversion management through better merchandising and frontline engagement. These translated into measurable outcomes, including a 20 bps improvement in conversion rates, reflecting stronger selling effectiveness and customer engagement.

Cost efficiency also improved during the year, with the occupancy cost ratio reducing by 1%, demonstrating enhanced rental efficiency and improved store-level profitability.

Elevating Customer Experience

Customer experience remained at the core of Bata's retail transformation. During the year, the Company invested in modernising its store network, renovating 22 key outlets to align with contemporary retail standards and consumer expectations.

These upgraded stores featured improved layouts, enhanced lighting, better navigation and dedicated experience zones, creating a more engaging and intuitive shopping journey. The impact of this initiative was evident, with renovated stores delivering remarkable YoY growth, validating the effectiveness of experience-led retail investments.

Another key highlight of the year was visual merchandising transformation and brand elevation, which lifted in-store aesthetics through immersive storytelling, curated product displays and premium design elements aligned with global retail benchmarks. Dedicated brand corners for premium offerings such as Hush Puppies and Shoemaker further enhanced the customer journey, improving product visibility and contributing to higher average transaction values.

Retail Execution

Recognising that frontline teams are critical to delivering superior customer experience, Bata invested in capability-building and performance management. Structured training programs focused on product knowledge, customer engagement and sales effectiveness were complemented by real-time coaching, role-play and on-the-job training. Performance-driven incentive programs were also introduced to align individual and store-level goals with business objectives, fostering a culture of accountability and performance.

Integrated Demand Activation

Retail performance during the year was supported by integrated marketing and demand-generation initiatives. Seasonal campaigns such as Eid, Back to School and Winter activations, along with targeted local outreach and hyper-local marketing, helped drive footfall and customer engagement across our stores.

Road Ahead

Looking ahead, Bata Bangladesh will continue to redefine its retail formats to align with the shift from transactional shopping to experienced engagement.

Going forward, stores will be progressively designed to deliver greater visual clarity, intuitive category navigation and compelling product storytelling, enabling customers to interact more seamlessly with key collections. Enhanced visual merchandising and curated product displays will further strengthen in-store experience.

At the same time, physical retail will be increasingly integrated within a broader omnichannel ecosystem, enabling seamless interaction across stores, e-commerce and CRM platforms. This will allow customers to move fluidly across channels, in line with evolving expectations around convenience and flexibility. Through this transformation, we aim to build a retail network that is customer-centric, digitally-connected and future-ready, ensuring relevance while complementing the growing role of online channels.

CUSTOMER INNOVATION

Serving the Evolving Needs of our Customers

In 2025, Bata strengthened its customer-centric innovation by aligning product design, portfolio strategy and retail execution with evolving consumer needs, preferences and expectations.

Overview

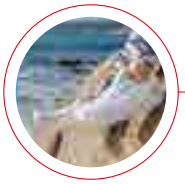
Amid rising price sensitivity and evolving lifestyles, the Company delivered value-driven, functional and versatile footwear, while expanding into fast-growing lifestyle segments such as sneakers and casual wear.

Consumer demand reflected a shift to comfort, durability and multi-purpose usage, with increasing preference for footwear that could transition across work, travel and everyday activities.

In response, we expanded our offerings across sneakers, comfort and premium categories, key contributors to growth during the year, while maintaining a strong presence in essential segments such as school and everyday footwear.

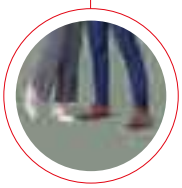
Portfolio Innovation

The Company's portfolio strategy is built on the double focus of relevance and scale. Core categories continue to drive consistent volumes through affordable, durable and accessible products, while lifestyle and fashion-led segments enhance brand perception and attract younger consumers. In 2025, Bata strengthened its multi-brand architecture, with each brand playing a distinct role:



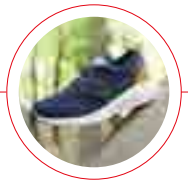
Power – Performance meets everyday movement

Advanced cushioning, breathable design and easy step-in functionality for active lifestyles.



Ambassador – Timeless craftsmanship

Premium leather, handcrafted construction and refined formal silhouettes for modern professionals.



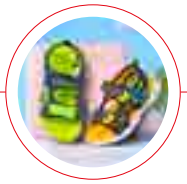
Weinbrenner – Wild outdoor

Outdoor-ready footwear with superior grip, comfortable insoles and rugged versatility.



Comfit – Engineered comfort

Shock absorption, ergonomic support and all-day wearability for urban consumers.



Bubblegummers – Designed for growing feet

Breathability, antibacterial protection and cushioned support for children.



Floatz – Lightweight everyday ease

Ultra-light construction with antimicrobial features for daily comfort.

- Performance-led innovation under sports and sneaker categories
- Premium craftsmanship and formal elegance
- Comfort-driven everyday footwear
- Functional and seasonal product lines

This well-defined portfolio enables the Company to cater to diverse consumer needs across price-points, occasions and channels, ensuring both reach and conversion.

Product Innovation and Tech Integration

Innovation remains a key differentiator across our product categories, with continued focus on comfort, performance and functionality. New products incorporated advanced features such as:

- Enhanced cushioning and energy response for improved performance
- Breathable materials for extended wear comfort
- Lightweight constructions for everyday usability
- High-traction outsoles for stability and durability

These innovations have been embedded across our brands, enabling us to deliver globally-aligned product standards at accessible price-points, while maintaining relevance in a competitive and trend-driven market.

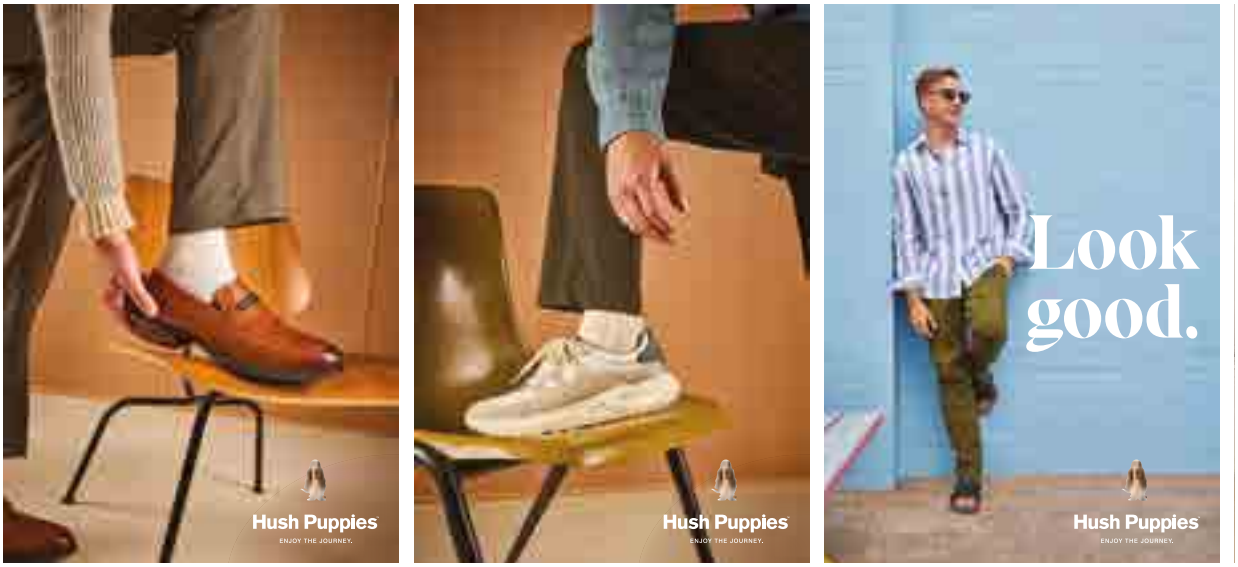
Data-Driven Merchandising

Customer innovation extends beyond products to how assortments are planned, distributed and replenished. We utilise a data-driven demand forecasting framework, integrating historical sales data, seasonal trends and real-time retail signals across channels. Furthermore, close coordination between merchandising, finance, supply chain and retail enables dynamic supply adjustments. Inventory is actively managed through:

- Optimised stock allocation across stores
- Timely replenishment of key styles and sizes
- Continuous monitoring of sell-through and inventory ageing

Enhancing Customer Experience

Bata Bangladesh continues to elevate customer experience through integrated retail and digital initiatives. Store formats are being redesigned to improve customer navigation, product discovery and category storytelling, while digital platforms are enhancing accessibility and convenience. This omnichannel approach ensures a seamless and consistent customer journey, enabling consumers to engage with the brand across physical and digital touchpoints.



MARKET COMMUNICATIONS

Redefining customer engagement in the new era of modern retail

At Bata Bangladesh, we remain steadfast in our commitment to making quality footwear accessible to all, ensuring our journey aligns with the diverse needs of our customers across the nation. Our comprehensive marketing strategy employs a blend of offline and online initiatives, designed to maximise outreach and sales across multiple demographics.

Overview

To strengthen its market position, the Company implemented ongoing marketing initiatives in brand relevance, highlighting product quality and comfort, and engaging consumers through campaigns and seasonal activations. The Company also invested in supply chain efficiency, product development and retail network to support long-term brand leadership.

A key pillar of our market communications strategy has comprised culturally-relevant marketing activities designed to enhance brand visibility and consumer connect. Particularly, our festival-centric approach included campaigns for Eid-ul-Fitr, Eid-ul-Adha, Durga Puja and the wedding season, alongside strategic school campaigns, end-of-season sales, new store opening promotions and new product launch initiatives.

During the year, the Company maximised nationwide engagement by transforming traditional sales events into community celebrations, including:

- **Founder's Day 2025:** Celebrated with a 'Shoe for a Cause' campaign, pledging BDT 21 for every pair sold on September 21 to SOS Children's Village
- **Seasonal Dominance:** Campaigns like 'Winter in Sneaker for All' and 'Back to School' initiative (featuring B-First Anti-Bacterial shoes) successfully captured diverse market segments through omnichannel integration

Demand Generation

In 2025, Bata adopted a coordinated approach to communications, driving brand visibility and demand generation across the consumer journey. Growth was supported by synchronous execution across retail, ATL, digital, PR and CRM touchpoints, ensuring that communications remained continuous rather than campaign-led alone.

Always-On Campaign Strategy

A key driver of performance was the execution of seasonal and thematic campaigns aligned with key consumption moments. Campaigns such as Eid, Back to School, Summer, Monsoon and sneaker-led activations were crafted to address specific consumer needs, ensuring year-round relevance and engagement. These campaigns were category-led, with clear segmentation across families, youth and value-conscious consumers, enabling sharper messaging and improved retail conversion.

Month	Campaign / Theme	Focus Segment
January	Sneaker Fest / AR Experience	Youth, sneaker consumers
February	Valentine Collection	Young, fashion-conscious
March	Ramadan Lifestyle	Family, value-driven

Month	Campaign / Theme	Focus Segment
April	Eid-ul-Fitr Festive	Mass festive demand
May	Summer Comfort	Students, office-goers
June	Eid-ul-Adha Lifestyle	Families, professionals
July	Monsoon Collection	Urban, functional buyers
August	Back to Campus	Youth, students
September	Puja / Festive Season	Urban families
October	Durga Puja Lifestyle	Women, urban shoppers
November	Sneakers for All	Gen-Z, fitness-conscious
December	Back to School	Parents, children

Omnichannel Media Deployment

During the year, market communications were delivered through a multi-channel media mix, combining scale and precision. High-impact ATL visibility through hoardings, LED placements and television spots ensured nationwide reach, while digital platforms, performance marketing and influencer collaborations enabled targeted engagement, particularly among younger and urban consumers.

Digital Engagement and Content Strategy

The Company continued to strengthen digital communication through content-driven storytelling and platform-specific engagement. Social media campaigns, product-focused narratives and influencer-led activations helped drive brand affinity and product discovery, particularly in sneakers and casual footwear categories.

Customer-Centric Communication

Customer engagement remained a core pillar of our marketing strategy. Through Bata Club (loyalty program), CRM-led campaigns and cashback partnerships, the Company enhanced engagement with both active and lapsed customers. Specific communication enabled more personalised outreach, improving repeat purchase behaviour.

Purpose-Led Brand Building

Beyond commercial communication, Bata strengthened the emotional connect with customers through purpose-driven initiatives. Programs under the Bata Children's Program (BCP), along with partnerships with organisations such as SOS Children's Villages and Save the Children, were actively communicated across platforms, showcasing the brand's message on community development, youth empowerment and sustainability.

E-COMMERCE OPERATIONS

Stepping Forward with Confidence in Digital Footwear Retail

At Bata Bangladesh, we deliver a seamless and personalised online shopping experience that brings together convenience, choice and service excellence. As digital adoption accelerates, we are strengthening this channel while preserving brand integrity and sustainable growth.

A Growing Online Retail Business

E-commerce continues to emerge as an important growth lever for Bata, complementing its extensive physical retail network. While offline channels remain dominant, online sales are contributing an increasing share of revenue, supported by rising internet penetration, smartphone adoption and acceptance of digital payments. Industry estimates indicate that e-commerce accounts for 10-15% of the total footwear market sales, highlighting significant headroom for growth.

Strengthening Our Omnichannel Capabilities

During the year, the Company strengthened its omnichannel strategy by integrating physical stores with digital platforms to deliver seamless and consistent customer experiences. Customers increasingly engaged with the brand across multiple touchpoints, from product discovery online to purchase through both digital and retail channels.



Enhancing Digital Experience

Bata Bangladesh continues to invest in enhancing its e-commerce platform, focusing on improved website functionality, better product merchandising and enhanced search visibility. The use of advanced digital tools, including AI-enabled solutions, has helped optimise product content, personalise customer journeys and improve conversion rates. These enhancements are enabling a more intuitive and engaging online shopping experience.

Expanding Reach through Digital

The Company leverages a multi-channel digital approach to maximise reach and engagement. In addition to its own platform, the Company also engages customers through selected third-party e-comm marketplaces and digital marketing channels. Targeted campaigns, influencer collaborations and performance marketing initiatives have helped expand brand visibility and attract younger, digitally-active consumers across the country.

Future Outlook

Bata Bangladesh continues to strengthen its digital capabilities as part of a broader transition to an integrated omnichannel business model. While physical retail will remain the primary revenue driver, online channels are playing an increasingly important complementary role, contributing to incremental growth, wider reach and enhanced customer accessibility. Our strategic priorities include:

- Strengthening mobile-first platforms and enhancing digital touchpoints for online consumers
- Integrating online and offline channels to enable a unified customer experience
- Expanding delivery capabilities and improving last-mile efficiency to meet rising expectations for speed, reliability and ease of access
- Leveraging advanced digital tools to enhance search, merchandising and personalisation, enabling more intuitive and engaging shopping experiences
- Supporting a wider range of payment solutions to improve accessibility and transaction convenience



ENTERPRISE RISK MANAGEMENT

Delivering efficiency through optimised infrastructure and systems

Bata Bangladesh has adopted a robust enterprise-wide approach to risk management, crafted to identify, assess and mitigate risks that may impact the achievement of our strategic objectives. The framework is aligned with enterprise risk management principles, integrating risk considerations into business planning, operations and decision-making.

The Company's risk management framework encompasses strategic, operational, financial and compliance risks, ensuring a comprehensive view of the risk landscape. A defined governance structure, led by Senior Management and overseen by the Board, supports effective risk oversight and accountability.

KEY ELEMENTS OF THE FRAMEWORK INCLUDE



The framework is dynamic and continuously refined to reflect evolving industry conditions, regulatory requirements and emerging risks. This disciplined approach enables the Company to proactively manage uncertainties while safeguarding sustainable growth and stakeholder value.

RISK MITIGATION

Bata Bangladesh operates in a dynamic environment where external and internal risks can influence performance. The Company has embraced a proactive approach to risk mitigation, supported by operational discipline and strategic agility.

Competition Risk

The Company faces stiff competition from unorganised players, established domestic brands, emerging players and international entrants, which exerts pressure on pricing and margins. However, as a speciality retailer with a large product portfolio, Bata maintains its competitive edge by strengthening its multi-channel presence, diversifying sales platforms and expanding its footprint across its e-commerce channels. A loyal customer base, supported by the Bata Club loyalty program, provides valuable insights that enable optimised product offerings and targeted customer engagement.

Vendor Concentration

Dependence on vendors concentrated in specific regions presents a potential risk to supply chain stability. Bata Bangladesh addresses this by fostering long-term relationships with over 1000+ vendors across Bangladesh and abroad, ensuring diversified sourcing. Regular engagement with varied vendor groups has enhanced product efficiency and streamlined supply operations.

Margin Risk in Online Business

The online segment is susceptible to margin pressure due to promotional discounts and competitive pricing aimed at sales stimulation. Despite this, Bata Bangladesh's online business is growing steadily. The Company is focused on improving margins by strategically curbing discounts and enhancing operational efficiencies. Moreover, a strong physical retail presence continues to grow online visibility.

Rapidly Evolving Trends

To stay ahead of shifting consumer preferences, Bata swiftly adapts its product range and marketing strategies. As a one-stop shop, it regularly updates its assortment to reflect emerging trends and cater to diverse customer segments. Digital marketing and e-commerce platforms are leveraged to boost brand visibility and meet consumer demands.

Geopolitical Volatility

Evolving geopolitical developments continue to influence global trade dynamics, currency movements and sourcing costs. The Company closely monitors these developments and has adopted a diversified sourcing strategy to mitigate potential disruptions. Proactive inventory planning and strong supplier relationships enable the Company to maintain operational continuity and minimise exposure to external shocks.

Supply Chain Complexity

Given the reliance on global sourcing and imported inputs, supply chain disruptions may impact product availability and cost efficiency. To address this, the Company strengthens supplier partnerships, enhances local sourcing (where feasible) and leverages digital tools such as demand forecasting and Warehouse Management System (WMS) to improve inventory visibility, reduce lead times and ensure seamless product flow across the network.

Inflationary Pressures

Persistent inflation and currency volatility continues to exert pressure on input costs, operating expenses and consumer purchasing power. We respond to this through disciplined cost management, optimisation of sourcing strategies and a balanced product mix. Furthermore, a calibrated pricing approach ensures competitiveness while protecting margins in a price-sensitive market.

Shifting Consumer Demand

Changing consumer preferences and cautious discretionary spending patterns present ongoing demand-side challenges. Bata actively adapts its product portfolio to emphasise value-driven,

durable and versatile footwear, while expanding lifestyle and casual categories. Besides, targeted marketing initiatives, seasonal campaigns and an integrated omnichannel presence helps sustain consumer engagement and demand.

Talent and Workforce

Attracting and retaining skilled talent is critical in a competitive retail and manufacturing landscape. Bata addresses this through a strong employer value proposition, competitive compensation and structured career development. Continuous investment in training, employee engagement and workplace culture helps enhance retention, productivity and stability.

Climate and Environmental Risk

Increasing climate-related risks may impact operations and supply chains. Bata Bangladesh integrates responsible manufacturing practices, improves resource efficiency and implements waste reduction initiatives to minimise environmental impacts. Besides, ongoing compliance with environmental standards and further adoption of sustainable practices will strengthen long-term climate resilience.

Cybersecurity risk

The cybersecurity factors impacting Bata Bangladesh include organizational policies, employee awareness, technical security measures, third-party vendor security, compliance with local laws, incident response capabilities, investment in cybersecurity resources, physical security controls, and the overall security culture within the organization. These elements collectively influence how well the Company can protect its data, assets, and operations from cyber threats.

Bata Bangladesh's cybersecurity mitigation focus includes key areas such as strengthening network security, protecting customer and business data through encryption and access controls, regular system updates and patch management, staff training on cybersecurity best practices, and establishing incident response plans. We also emphasise monitoring threats proactively and ensuring third-party vendors adhere to security standards to mitigate supply chain risks. Overall, the goal is to safeguard digital assets, maintain operational continuity, and protect customer trust amid evolving cyber threats.



SUSTAINABILITY

Sustainability is structurally integrated into Bata Bangladesh's core business strategy through robust governance frameworks and strict institutional oversight. Guided by our mission to foster ethical practices and minimize our environmental footprint, we enforce total accountability across our entire value chain—from the factory floor to the retail outlet. To institutionalize this commitment and mandate continuous progress, our strategy is anchored in four interconnected pillars: Safety at Bata, Social Responsibility, Sustainable Product, and Climate Resilience. Together, these pillars provide the structural framework that dictates executive decision-making and fortifies enterprise risk management. This framework ensures we fulfill our vision of leaving a positive, lasting impact by driving social responsibility for People, environmental stewardship for the Planet, and sustained economic Prosperity.



1. Sustainability & Responsible Manufacturing

Guided by Bata's vision of creating products that leave a positive and lasting impact, Bata Bangladesh is committed to responsible manufacturing and long-term value creation across every dimension of its business — from the factory floor to the retail outlet. Our approach integrates ethical practices, environmental stewardship, social impact, and capital-efficient innovation, underpinned by a commitment to minimizing our operational footprint and advancing responsible business conduct. Anchored in the Bata Group's global framework, our strategy is structured around four interconnected pillars: Safety at Bata, Social Responsibility, Sustainable Product, and Climate Resilience. Together, these pillars guide decision-making, strengthen risk management, and drive continuous progress towards a future-ready business — one that delivers enduring value for our customers, employees, communities, and the planet.

2. Health & Safety

At Bata Bangladesh, we believe that a safe workplace is the foundation of a productive and dignified working life. Physical, mental, and social well-being are each treated as integral to long-term performance — and our approach is built on prevention, structured education, and a culture of continuous improvement. Our programmes are designed to be inclusive, responsive to operational context, and tailored to the distinct needs of our employees across manufacturing, distribution, and retail functions.

Health & Safety Governance Structure

In compliance with the Bangladesh Labour Act, Bata Bangladesh has established statutory Health & Safety (H&S) Committees at its in-house manufacturing units, with structured worker participation to ensure workplace safety and meaningful employee engagement. To strengthen institutional oversight, the Company has also constituted a leadership-level H&S Working Committee that reports directly to the Board of Directors. This Committee holds oversight responsibility for H&S programmes, regulatory compliance, and continuous improvement initiatives across all business functions — ensuring that safety governance is embedded at the highest level of corporate decision-making.

Training & Awareness

Health and safety training is conducted regularly across all business functions through both statutory and non-statutory programmes. As part of the Company's ongoing efforts to strengthen governance and execution rigor in this area, a structured annual training calendar has been introduced to ensure consistent scheduling, systematic delivery, and proper documentation of all training activities. This initiative reinforces the Company's commitment to sustained compliance, proactive safety awareness, and a culture of preparedness that goes beyond minimum regulatory requirements.

3. Environmental Stewardship

Bata Bangladesh is taking deliberate steps to reduce its operational footprint and improve resource efficiency across all areas of its business. Focused action spans energy conservation, waste reduction, and responsible materials management — each supported by structured monitoring processes. These efforts reflect the Company's commitment to integrating environmental considerations into both day-to-day operations and long-term strategic planning.

Energy Efficiency & Resource Management

The Company has deployed energy monitoring sensors across its manufacturing operations to enable real-time tracking of energy consumption, support proactive maintenance, and reduce unplanned downtime. This investment in smart monitoring infrastructure is expected to yield measurable improvements in energy efficiency and deliver meaningful cost savings over time. Quantified energy data is currently tracked internally and will be subject to external review as the programme matures.

In parallel, the Company is advancing the integration of lower-impact energy sources into its operations. The condensate recovery project strengthens resource efficiency by enabling the reuse of thermal energy, reducing fuel consumption, and improving boiler performance. The initiative also supports responsible water stewardship by reducing dependence on freshwater inputs and contributes to a lower greenhouse gas emissions profile. Going forward, the Company is committed to a progressive transition to cleaner, operationally viable energy solutions aligned with its long-term objectives.

Waste Reduction & Material Efficiency

A step forward in responsible production has been the introduction of a manufacturing offcuts utilization initiative, alongside a structured process to measure, monitor, and reduce pre-consumer PVC and EVA waste generated during manufacturing operations. Residual and scrap materials are recycled, reintegrated, and repurposed into commercially viable super-economy products — including lightweight and flexible footwear — extending the lifecycle of raw materials, reducing the volume of waste directed to disposal, and ensuring affordable products remain accessible across all market segments. This initiative demonstrates how resource-smart innovation can simultaneously advance material efficiency, reduce environmental impact, and deliver tangible commercial value.

Digital Invoicing & Paper Reduction

Bata Bangladesh has made demonstrable progress in reducing paper consumption through the accelerated adoption of digital invoicing. Approximately 71% of all invoices are now processed digitally — a significant operational milestone that substantially reduces the Company's reliance on paper-based documentation across its billing and distribution operations. This shift delivers a dual benefit: an environmental gain through reduced paper use, and a measurable improvement in operational efficiency through faster processing times, reduced storage requirements, and a lower administrative burden.

The Company is committed to sustaining this momentum and extending the adoption of digital processes across its administrative and supply chain functions. As penetration continues to grow, the initiative is expected to deliver further reductions in resource consumption, waste generation, and operational carbon intensity — contributing meaningfully to the Company's broader commitment to embedding efficiency-through-design into its day-to-day business practices.

Chemical Management

During the year, the Company completed the managed disposal of 20.23 metric tonnes of chemicals across two structured phases. This exercise was conducted in full compliance with applicable environmental regulations and reflects the Company's commitment to responsible handling and disposal of hazardous substances. Ongoing efforts are directed at reducing chemical inventories, substituting hazardous inputs with safer alternatives where feasible, and maintaining robust compliance with both national regulatory requirements and Bata Group standards. Detailed chemical usage data is tracked internally as part of the Company's chemical management system.

4. Social Responsibility & Workforce Development

Bata Bangladesh recognizes that the well-being and development of its people are fundamental to enduring business success. The Company's social responsibility approach is anchored in fair labour practices, structured workforce development, and active community engagement — sustained through robust HR governance, supplier engagement processes, and internal monitoring systems aligned with national labour regulations and Bata Group standards.

Bata Bangladesh's ESG initiatives are aligned with key UN Sustainable Development Goals (SDGs). The Company's activities contribute directly and meaningfully to the following goals.

SDG ALIGNMENT & SUSTAINABLE DEVELOPMENT GOALS

Bata Bangladesh recognizes that responsible business practices should extend beyond internal operations to create measurable positive impact on society and the environment. Our sustainability commitment operates on two integrated fronts: strengthening our corporate operations through four interconnected pillars—Safety at Bata, Social Responsibility, Sustainable Product, and Climate Resilience—while simultaneously advancing community development through the Bata Children's Program (BCP).

Our corporate sustainability pillars ensure ethical practices, environmental stewardship, and operational excellence across our manufacturing, distribution, and retail functions. Complementing this, the BCP creates transformative opportunities for learning, health, and skills development across vulnerable and marginalized communities through three focused pillars: Education, Health & Well-Being, and Mentoring & Skills Development. Together, these integrated approaches support the Sustainable Development Goals. Bata Bangladesh's commitment to this dual approach has earned recognition through the prestigious SDG Brand Champion Awards 2025 (Honorable Mention in Community Development and Sustainable Partnership), affirming our dedication to meaningful social and environmental impact.



Corporate Operations & Workplace Health

- Structured health and safety programmes across manufacturing, distribution, and retail operations with Board-level H&S oversight via the H&S Working Committee.
- Statutory and non-statutory training delivered through annual calendar ensuring employee wellness and occupational safety.

Community Health Initiatives - BCP

- Mental Health Support: Child-friendly rehabilitation corner established through Bangladesh Cancer Aid Trust partnership, promoting psycho-social wellbeing through art and creative activities.
- Preventive Health Awareness: Environmental workshops and WASH initiatives conducted during World Environment Day, promoting preventive care and child wellness through employee volunteering.



BCP Education Pillar

- Inclusive Education Support: Partnership with Blind Education and Rehabilitation Development Organization through Braille paper donations supporting visually impaired children's education.
- Digital & Future-Ready Learning: National Art and Space Summit sponsorship fostering inquiry-based learning, creative thinking, and innovation among young minds.

Learning Infrastructure

- Art and literature initiatives complementing digital and supportive learning programs building comprehensive educational outcomes.
- Infrastructure and digital learning initiatives addressing supportive learning, life skills, and inclusion across schools and communities.



Girls' Empowerment Initiatives - BCP

- Big Sister Platform: Through International Women's Day mentoring sessions, BCP engages adolescent girls from schools and community organizations, providing guidance on education, financial literacy, human rights, and personal safety while building confidence and communication skills
- Female Sports Participation: Sponsorship of girls' football tournaments challenging social barriers and inspiring girls to pursue opportunities with confidence, supported by employee volunteer mentorship that strengthens gender equality across communities.



WASH Awareness Programs - BCP

- Employee volunteer-led hands-on awareness activities during environmental campaigns; distribution of cleaning materials to schools while educating children on maintaining clean and hygienic environments for better sanitation practices and water quality protection.
- Single-use plastic reduction initiatives, integrated with WASH awareness programs, promoting sustainable practices and protecting water sources, reinforcing environmental responsibility among communities.



Fair Labour Practices & Workforce Development

- Fair labour practices upheld through structured HR governance, compliance monitoring, and supplier engagement aligned with national regulations and Bata Group standards.
- Worker participation embedded in governance through statutory H&S Committees, ensuring employee voice is reflected in workplace safety decisions.



Smart Energy & Resource Innovation

- Deployment of smart energy monitoring sensors across manufacturing operations enabling real-time consumption tracking, proactive maintenance, and measurable reduction in energy waste.
- Condensate recovery project and manufacturing offcuts utilisation initiative reflecting broader commitment to resource-smart innovation and next-generation production practices.



Marginalized Youth Support - BCP

- Youth-Led Innovation Lab: Partnership with Save the Children providing training, mentorship, and seed funding to marginalized youth for innovative social solutions.
- Sustainable livelihood opportunities and support to transform youth ideas into impactful initiatives addressing economic inequality.

Inclusive Community Development

- Support for visually-impaired childrens' education and psycho-social wellness for vulnerable populations.
- Child-friendly rehabilitation spaces for underprivileged groups ensuring no child is left behind.

Circular Economy & Waste Management

- Pre-consumer PVC and EVA manufacturing waste is systematically measured, monitored, and repurposed into commercially viable super-economy footwear, supporting closed-loop production practices.
- Digital invoicing adoption has reached 71% of all invoices processed, directly reducing paper consumption; responsible chemical disposal and inventory management

Sustainable Practices

- Manufacturing waste reduction and resource optimization across all operations.
- Supply chain responsibility ensuring sustainable practices throughout Bata Bangladesh's value chain.

Environmental Innovation

- Condensate recovery projects and energy efficiency measures have reduced fuel consumption and greenhouse gas emissions across manufacturing operations.
- Smart energy monitoring sensors enable real-time tracking and measurable reduction in energy waste. Manufacturing offcuts utilization supports resource-smart innovation.

Community Climate Engagement - BCP

- Youth environmental engagement through National Art and Space Summit promoting innovation for climate solutions and environmental consciousness.
- World Environment Day workshops on plastic reduction and resource protection building next-generation climate action mindset among children.

Forward Roadmap

We recognise that our sustainability journey is ongoing. The current priority remains on strengthening our internal capabilities, enhancing data systems and building a robust foundation for future ESG disclosures. Over time, the Company aims to move towards more quantified targets, deeper SDG integration and expanded sustainability initiatives aligned with best practices.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Bata Shoe Company (Bangladesh) Limited is pleased to present the Directors' Report on the Company's operational and financial performance, along with the Audited Financial Statements for the year ended 31st December 2025. This report has been prepared in compliance with Section 184 of the Companies Act, 1994 and Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission (BSEC) and BSEC notification dated 03 June 2018.

INDUSTRY OUTLOOK

The year was challenging for both Bata Bangladesh and the retail industry amid a difficult macroeconomic environment.

The key challenges of persistent inflationary pressures, currency depreciation, supply chain disruptions and subdued consumer sentiment significantly affected economic activity. Further, political uncertainty since 2024, elevated energy costs, slower private sector investment and reduced infrastructure spending further impacted overall market conditions. Consequently, GDP growth moderated to approximately 3.49% [Bangladesh Bureau of Statistics (BBS) Dec.'25], while inflation remained close to 8.49% [Bangladesh Bank, Dec.'25], exerting pressure on consumer income and affecting discretionary spending.

In addition, global geopolitical developments and congestion at Chattogram Port increased lead times and import costs for raw materials and finished goods, creating additional pressure across the retail sector. Despite these headwinds, Bata Bangladesh demonstrated resilience through disciplined execution, cost-efficiency initiatives and a continued focus on strengthening its product portfolio and retail operations.

The Company reported a turnover of BDT 9,163.9 million in 2025, reflecting a marginal year-on-year decline of 1%. Consumer preferences continued shifting toward casual, comfort-led and sneaker-inspired footwear, in line with evolving lifestyles. At the same time, Bata maintained its strong position in core categories such as school and formal footwear.

On the retail front, your company expanded its footprint through the opening of 9 new stores and the renovation of 22 outlets to enhance customer experience and store productivity. A significant milestone during the year was the launch of an iconic large-format store at Bali Arcade Shopping Mall in Chattogram, reinforcing the Company's long-term commitment to growth and retail excellence.

Your Company remained steadfast in its commitment to "Re-ignite" by creating sustainable value for consumers, stakeholders and society at large. Guided by the Company's mission and vision, the Company continued to focus on operational excellence, customer-centric innovation and long-term business resilience throughout 2025, while also emphasizing innovation, market expansion and sustainability initiatives to drive resilient growth and ensure long-term value creation for all stakeholders.

SEGMENT-WISE PERFORMANCE

In accordance with IFRS 8 – Operating Segments, the Company has two operating segments

Domestic and Other Segments, the Company's segment-wise performance is detailed in Note 6 of this annual report.

The segments are managed separately due to their distinct capital allocation frameworks, and technological and marketing requirements. Management reviews internal reports for each strategic division on at least a monthly basis to assess performance and support decision-making. Of the two segments, only the domestic segment is considered reportable. It primarily comprises the manufacturing and marketing of leather, rubber, plastic and canvas footwear, and hosiery products and accessories in the domestic market.

RISKS AND CONCERNS

Bata Bangladesh operates in a dynamic business environment where both external

and internal risks may impact performance. The Company proactively manages these risks through operational discipline, diversified sourcing strategies, strong supplier relationships and continuous business adaptation. Intense competition from local and international players, evolving consumer preferences, inflationary pressures and margin challenges in online business remain key concerns.

In response, Bata continues to strengthen its multi-channel presence, optimize product offerings and enhance customer engagement through digital platforms and the Bata Club loyalty program. The Company mitigates supply chain and geopolitical risks through diversified vendor networks, proactive inventory planning and technology-driven tools such as Warehouse Management Systems (WMS). The Company also focuses on cost optimization, balanced pricing, talent development and sustainable business practices to maintain operational resilience, protect margins and support long-term growth in an increasingly competitive and rapidly evolving market environment.

EXTERNAL FACTORS

The Company's performance may be influenced by various external factors beyond its control, including global economic uncertainties, geopolitical conflicts, regulatory changes, evolving customer needs and preferences, fashion trends, global trade and tariff developments, demographic shifts, political unrest, strikes, civil commotions and acts of terrorism.

During 2025, Bangladesh's economy demonstrated early signs of stabilization, supported by moderating inflation and a gradual recovery in foreign currency reserves. However, GDP growth remained subdued as tight financial conditions, external vulnerabilities and cautious consumer spending weighed on overall economic activity. As a result, the Company experienced a small decline in revenue, alongside increase in operating costs, during the year.

In addition to the macroeconomic challenges, the geopolitical situation stemming from the Israel-Gaza conflict during the past year adversely impacted consumer sentiment and footfall in certain Bata stores, particularly during periods of heightened uncertainty.

Despite these challenges, the Company continued to focus on operational resilience, cost optimization and customer engagement to mitigate external disruptions and maintain business continuity.

CHANGES IN INCOME TAX AND VALUEADDED TAX

Changes in income tax and VAT laws, as well as sudden, unpredictable changes in other business-related laws, may adversely impact on the results of operations and cash flows.

CHANGES IN CLIMATE AND ENVIRONMENTAL, HEALTH AND SAFETY LAWS AND REGULATIONS

Increasing climate-related risks may impact operations and supply chains. Bata Bangladesh integrates responsible manufacturing practices, improves resource efficiency and implements waste reduction initiatives to minimize environmental impacts. Besides, ongoing compliance with environmental standards and further adoption of sustainable practices will strengthen long-term climate resilience.

EXCHANGE RATE FLUCTUATION

Since a large proportion of the raw materials are imported, changes in currency exchange rates have influenced operations during the reporting year.

MANAGEMENT PERCEPTION OF THE RISKS

While many of the risk areas are beyond the control of any single Company, Bata Bangladesh closely monitors trends and developments in each of the risk areas and takes the best possible measures to mitigate them. These measures include product and market diversification; efficient material sourcing, including local procurement; use of technology to drive efficiency; focus on quality and pricing; occupational health and safety; and investment in R&D to drive a sustained competitive edge.

As a company committed to strict regulatory compliance, Bata remains aligned with global good practices in environmentally responsible manufacturing processes. The Company played a pioneering role in establishing globally standardized incineration facilities at its plants in line with environmental regulations. Management continuously evaluates and mitigates potential

risks to ensure business resilience, operational continuity and long-term sustainability. At present, no material threat to the sustainability of the business has been identified.

REVENUE AND COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN FOR THE YEAR 2025

In 2025, Bangladesh's economy faced significant challenges, elevated energy costs, slower private sector investment and reduced infrastructure spending affecting consumers' discretionary spending.

Bangladesh's economy faced significant challenges, including a sharp decline in GDP growth during the July-September quarter, double-digit inflation and pressures on foreign exchange reserves, primarily due to political instability, which led to the business decline by 1.2% in revenue compared to last year.

EXTRAORDINARY GAIN OR LOSS

As per IAS 1, presentation of financial statements, except Note 31 (C) for Gain on Remeasurement of Lease Liabilities, no items of income and expenses are to be presented as 'extraordinary gain or loss' in the financial statements. Accordingly, no extraordinary gain or loss has been recognized in the financial statements.

RELATED PARTY TRANSACTIONS

Detailed list of the related parties with whom transactions have taken place and their relationship, as identified and certified by Management, is disclosed in the related disclosures under IAS 24 in Note no 36 in this Annual Report.

STATEMENT OF DIRECTOR REMUNERATION

Detailed disclosure of remuneration paid to Directors is disclosed in Note no 16 in this Annual Report.

GOING CONCERN

The Directors believe that the Company is a going concern entity and there are no significant doubts about the Company's ability to continue as a going concern. Accordingly, financial statements have been prepared on a going-concern basis.

BUSINESS ANALYSIS

The year 2025 presented a challenging socioeconomic and geopolitical landscape, marked by inflationary pressures, currency devaluation and constrained consumer purchasing power. The global economic slowdown and rising costs of raw materials added further complexities to the operating environment.

The business environment during the year remained challenging amid inflationary pressures, elevated fuel and food costs, and soft consumer sentiment. In response, Bata Bangladesh adopted a measured and prudent approach to business operations, reflecting broader trends across the footwear industry. Despite the challenges, the Company remained focused on sustaining operational resilience and business continuity through disciplined strategic actions, effective forecasting and prudent resource allocation.

COMPANY'S PERFORMANCE, 2025

2025 was a challenging year for Bata Bangladesh, shaped by macroeconomic pressures, subdued consumer spending and strategic business transformation initiatives. Despite a difficult operating environment, the Company remained focused on strengthening long-term resilience and operational efficiency.

The Company recorded a turnover of BDT 9,163.9 million in 2025, reflecting a marginal decline of 1.2% year-on-year. However, sales volume remained stable, demonstrating continued brand strength and retail excellence.

Gross profit margin moderated to 42.6% during the year due to higher raw material costs, currency depreciation, elevated freight expenses and restructuring-related costs undertaken as part of the Company's transformation agenda. Consequently, profit after tax stood at BDT 11.6 million compared to BDT 295.7 million in the previous year.

During the year, the Company continued to prioritize cost optimization, retail productivity and working capital efficiency. Occupancy cost improved in 2025, supported by selective store rationalization, refurbishment initiatives and improved retail efficiency. Enhanced inventory planning, sourcing optimization and investments in WMS and Designated Software integration further strengthened supply chain visibility and inventory control.

Looking ahead, Bata Bangladesh remains focused on improving operational efficiency, strengthening margins and driving sustainable growth through restructuring benefits, improved product mix and enhanced retail productivity.

OPERATIONAL RESULTS

The Directors take the opportunity to report on the Financial Results of the Company for the year ended 31 December 2025 as following:

OPERATIONAL RESULTS

Operational Results-BDT '000	2025	2024	Changed
Revenue	9,163,877	9,275,140	-1.2
Cost of sales	(5,263,927)	(4,899,786)	7.4
Gross profit	3,899,949	4,375,353	-10.9
Profit/(loss) for the year	11,581	295,742	-96.1
Total comprehensive income/(loss)	(91,763)	366,602	-125.0

In 2025, Bangladesh's economy faced significant challenges, including a sharp decline in GDP growth and persistently high inflation that eroded consumer spending. As a participant in the discretionary consumer segment, Bata was affected by this broad market condition, while performance was also impacted due to restructuring costs undertaken by the Company during the year.

FINANCIAL PERFORMANCE

For the year ended 31 December

	2025	2024
Earnings per share (EPS) (Taka)*	0.85	21.62
Net Operating Cash Flow Per Share (NOCFPS) (Taka)*	61.15	71.42
Net Asset Value Per Share (Taka)	188.72	220.22
Gross Profit Margin (%)	42.56	47.17
PAT margin (%)	0.13	3.19

*In FY 2025, the Company's earnings per share (EPS) reduce against last year.

Amid continued inflationary pressures, particularly elevated food inflation, and subdued discretionary consumer spending, the Company maintained resilient operational performance during the year. The Company recorded a turnover of BDT 9,163.9 mn, driven by strong retail execution and enhanced consumer engagement, as reflected in a 17% year-on-year improvement in conversion rates.

KEY OPERATING & FINANCIAL INFORMATION

Key operating and financial information of the Company for the year ended 31 December 2025, along with the preceding five-years' data, is presented below:

Financial results-BDT'000	2025	2024	2023	2022	2021
Net profit before tax	198,443	553,063	756,154	819,790	48,261
Income Tax (expense)/income	(186,862)	(257,321)	(355,164)	(409,679)	(116,740)
Net profit after tax	**11,581**	**295,742**	**400,990**	**410,111**	**(68,479)**
Un-appropriated profit brought forward	2,765,371	3,007,530	3,202,253	3,204,583	3,447,580
Earlier year adjustment		-	-	-	-
Other comprehensive Income/(Loss)	(103,344)	70,860	(633)	(22,561)	(37,718)
Profit available for appropriation	**2,673,608**	**3,374,132**	**3,602,610**	**3,592,133**	**3,341,383**

CAPITAL EXPENDITURE (CAPEX)

In 2025, Bata Bangladesh reported BDT 157 million as capital expenditure (2024: BDT 165 million). During the year, a major part of the investment was related to retail store expansion, factory capacity enhancement and upgradation of IT infrastructure.

BATA'S CONTRIBUTION TO THE ECONOMY OF BANGLADESH

In 2025, Bata Bangladesh deposited BDT 226 million to the government exchequer as corporate income tax, BDT 1,384 million as VAT against revenue, BDT 280 million as customs duty, BDT 242 million as supplementary duty, BDT 20 million as municipal and/or city corporation tax, BDT 1 million as land taxes and BDT 697 million was collected and deposited to the exchequer as withholding tax, totaling to an aggregate amount of BDT 2,849 million during the year.

Tax, VAT and Duty paid to the Government

In a noteworthy development of the year, Bata Bangladesh was honored with a Special Award from the Large Tax Payers' Unit as the first and highest taxpayer in the leather and footwear category in the country for the fiscal year 2024.

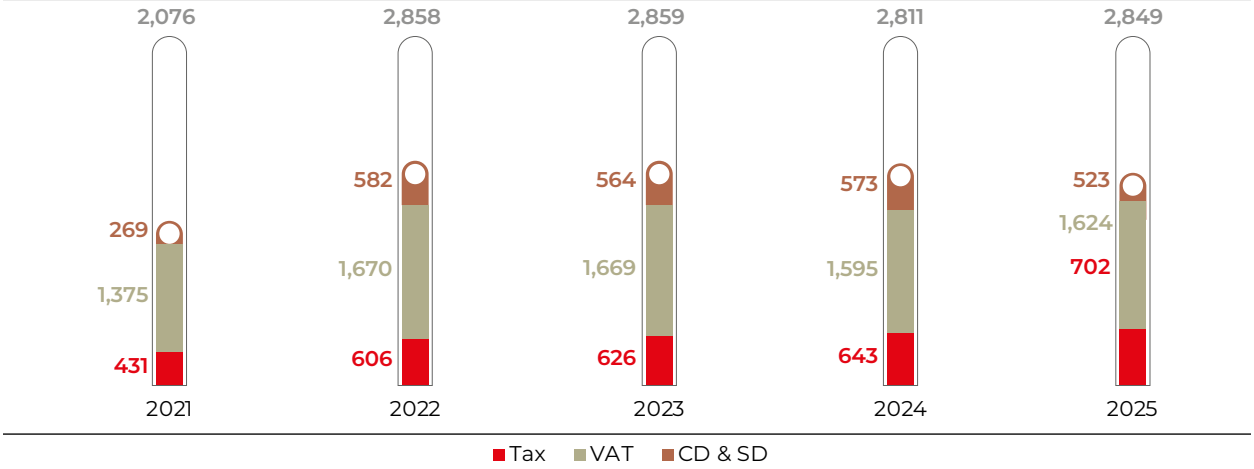
As the NBR has not yet conducted a subsequent award program, the Company continues to hold this prestigious recognition, marking its achievement for seven consecutive years.

This demonstrates our commitment to the government exchequer and contribution to national development. Corporate income taxes paid reached BDT 225.5 million in FY 2025, representing a 37% increase compared to the previous year. This reflects our strong commitment to contributing to the government exchequer and supporting national economic development.

However, the composition of contribution has remained consistent. This is a result of the changes brought about by the Finance Act 2025 which has expanded the tax net and increased the withholding tax and VAT collected at source.

Tax, VAT and Duty paid to the Government

BDT.Mn



ELECTRONIC (ONLINE) SUBMISSION OF RETURN FOR EMPLOYEES OF BATA BANGLADESH

Bata Bangladesh has demonstrated full compliance with regulatory requirements by achieving 100% electronic (online) submission of employee returns, in alignment with the latest initiative of the NBR. This accomplishment reflects the Company's commitment to lawful and transparent business practices, while supporting the NBR's ongoing digital transformation efforts. By leveraging technology-driven processes, Bata Bangladesh has enhanced operational efficiency, transparency and accountability, reinforcing its commitment to corporate compliance and regulatory alignment.

SIGNIFICANT VARIANCE OF FINANCIAL STATEMENTS

No significant variation has occurred between the quarterly and final financial performance of the Company during the year 2025, except for the following:

Revenue and profit for the year 2025

In 2025, Bangladesh's economy showed gradual signs of recovery despite subdued GDP growth, ongoing cost pressures and cautious consumer spending. Against this backdrop, the Company recorded a marginal 1.2% decline in revenue growth, while geopolitical uncertainties, including the Israel-Gaza conflict, also affected store performance in certain areas that pulled down the overall performance during the year.

Other, income/(loss) for the year 2025

Other income/(loss) has decreased significantly compared to the prior year, primarily due to reduced gains from disposal of store assets, following extensive retail store renovations undertaken during the year.

Other comprehensive income/(loss), net of tax for the year 2025

The Company recorded other comprehensive loss in 2025, compared to a gain in the previous year, primarily due to restructuring costs incurred during the year.

Trade and other receivables

T Trade and other receivables increased compared to the last year mainly because of dues from institutional sales, especially from government institutions (including Defense).

Advances, deposits and prepayments

Advances, deposits and prepayments declined compared to the prior year mainly because of low LC (Letter of Credit) margin at year-end compared to the last year.

Cash and cash equivalents

Cash and cash equivalents moderated significantly compared to the last year primarily because of low turnover and various remittance payments.

Inventories

Inventories at year-end were lower compared to the previous year due to improved inventory management and tighter stock control across stores and distribution centers. Despite a marginal decline in turnover of around 1%, the Company maintained lean stock levels through better demand planning and optimized replenishment, resulting in reduced closing inventory.

Earnings per share

Earnings per share (EPS) declined significantly in 2025 as net profit moderated during the year vs. 2024. The reduction is primarily attributable to lower turnover arising from macroeconomic challenges and political uncertainty that adversely affected consumer footfall and overall sales performance.

The Directors recommended the following appropriations:

Dividend payment-BDT'000	2025	2024	2023	2022	2021
Final dividend paid (previous year)	(143,640)	(143,640)	(143,640)	(34,200)	(34,200)
Interim dividend paid (current year)	(195,624)	(465,120)	(451,440)	(355,680)	(102,600)
Total dividend	(339,264)	(608,760)	(595,080)	(389,880)	(136,800)
Un-appropriated profit carried forward	2,334,344	2,765,372	3,007,530	3,202,253	3,204,583

MANAGEMENT DISCUSSION & ANALYSIS

(Please See Page no. 89)

AUDIT COMMITTEE REPORT

(Please See Page no. 93)

NRC REPORT

(Please See Page no. 96)

PATTERN OF SHAREHOLDING

(Please See Page no. 99)

SUMMARIZED STATEMENT OF UNCLAIMED DIVIDEND

(Please See Page no. 100)

COMPLIANCE CERTIFICATE- ANNEXURE-B

(Please See Page no. 101)

CORPORATE GOVERNANCE REPORT, ANNEXURE – C

(Please See Page no. 102)

BAPLC CERTIFICATE

(Please See Page no. 117)

CREDIT RATING CERTIFICATE

(Please See Page no. 118)

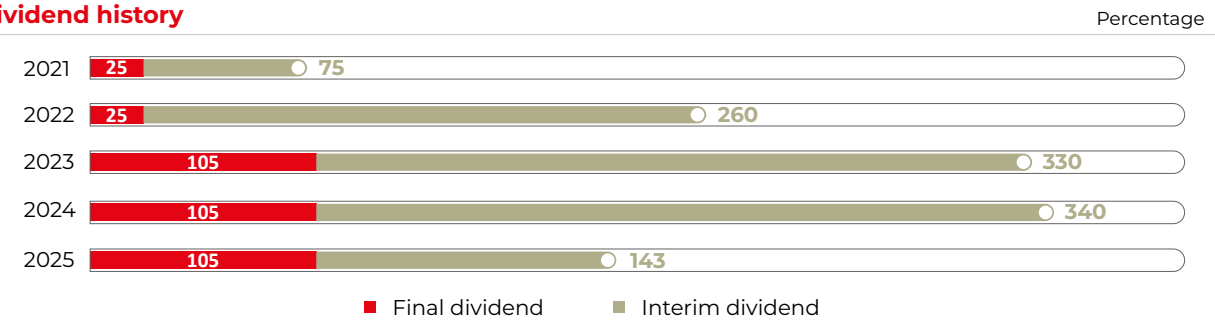
DECLARATION BY CEO AND CFO- ANNEXURE-A

(Please See Page no. 120)

DIVIDEND

For the year ended 31 December 2025, the Board of Directors recommended on 28th Oct. 2025 an interim dividend of BDT 14.30 per share, amounting to BDT 195,624,000. It also recommended a final dividend of BDT 10.50 per share, amounting to BDT 143,640,000, thus making a total dividend of BDT 24.80 per share amounting to BDT 339,264,000.

Dividend history



DIRECTORS PROPOSED FOR RE-ELECTION

According to Section 91(2) of the Companies Act, 1994 and Article 104 of the Company's Articles of Association, all Directors other than the Managing Director shall hold office for a one year period and shall retire at the ensuing Annual General Meeting and shall be eligible for reappointment for a further one-year period thereof.

BOARD OF DIRECTORS OF THE COMPANY

The Board is comprised of:

Name of Members	Status of the Board
Rajeev Gopalakrishnan (resigned on 1 August 2025)	Former Chairman
Shaibal Sinha (appointed on 1 August 2025)	Current Chairman
Debabrata Mukherjee (resigned on 20 November 2025)	Former Managing Director and Nominee Director
Faria Yasmin (appointed on 20 November 2025)	Managing Director and Nominee Director
Clifford Gary Reuter (Nominated on 1 August 2025)	Nominee Director
Rupali Haque Chowdhury (resigned on 31 March 2026)	Former Independent Director
Reazul Haque Chowdhury (appointed on 19 April 2026)	Present Independent Director
Farzanah Chowdhury	Present Independent Director
Riajur Reza Muhammad Faisal	Company Secretary

The Board met 4 (four) times during the year 2025. The Company Secretary, Chief Financial Officer and Head of Internal Audit were also present at the Board meetings. The attendance by each Director is stated below:

Attended Directors' Name	No. of Attendance
Rajeev Gopalakrishnan (resigned from Board on 1 August 2025)	1 meeting
Shaibal Sinha (appointed as Chairman on 1 August 2025)	4 meetings
Debabrata Mukherjee (resigned from Board on 20 November 2025)	4 meetings
Faria Yasmin (appointed on 20 November 2025)	0 meeting
Clifford Gary Reuter (Nominated on 1 August 2025)	1 meeting
Rupali Haque Chowdhury (resigned on 31 March 2026)	4 meetings
Reazul Haque Chowdhury (Appointed on 19 April 2026)	0 meeting
Farzanah Chowdhury	3 meeting
Riajur Reza Muhammad Faisal	4 meetings

Attended Directors' Name	267th BM	268th BM	269th BM	270th BM
Rajeev Gopalakrishnan (excluded on 1 August 2025)		√		
Debabrata Mukherjee (excluded on 20 November 2025)	√	√	√	√
Faria Yasmin (appointed on 20 November 2025)				
Rupali Haque Chowdhury	√	√	√	√
Farzanah Chowdhury	√	√	√	
Clifford Gary Reuter (Appointed on 9 October 2025)			√	√
Riajur Reza Muhammad Faisal	√	√	√	√

Additional statements on regulatory disclosure:

The Directors of the Company have included the other following disclosures:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRSs) have been followed in the preparation of the Financial Statements and any departure therefrom has been adequately disclosed.
- Applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.
- No situation has arisen with minority shareholders who are protected from abusive actions by or in the interest of, controlling shareholders acting either directly or have effective means of redress.
- All deviations from last year's operating results of the Company have been highlighted under the above Financial Results.
- Utilization of proceeds from public issues is not applicable.
- Explanation of financial results after IPO is not applicable.
- No significant deviation in operation results of those quarterly and year-end operational results is noticed as a whole.
- The 'Management Discussion and Analysis required by condition 1(5)(xxv) of BSEC notification BSEC/CMRRCD/2006-158/207/ Admin/80 of 3 June 2018 is an integral part of this report.

The Directors also report that:

- The Managing Director and Finance Director have certified to the Board that they have reviewed the financial statements for the year and to the best of their knowledge believe that these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
- The Managing Director and Finance Director have certified to the Board that they have reviewed the financial statements for the year and to the best of their knowledge believe that these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- The Managing Director and Finance Director have certified to the Board that there are to the best of their knowledge and beliefs no transactions entered by the Company during the year, which is fraudulent, illegal, or in violation of the Company's Code of Conduct.

External auditors

As per the Companies Act 1994 and Bangladesh Securities and Exchange Commission's order no. BSEC/CMRRCD/2006-158/207/Admin/80 of 3 June 2018, the statutory auditors of Bata Shoe Company Bangladesh Ltd., Rahman Rahman Huq, Chartered Accountants (a member firm of KPMG International) shall retire at the 54th Annual General Meeting. They have expressed their willingness to be reappointed for the year 2026. Based on suggestions of the Audit Committee, the Board recommended the re- appointment of Rahman Rahman Huq, Chartered Accountants (a member firm of KPMG International), as the statutory auditors of the Company for the year 2026 and continuation up to the next AGM and requests shareholders to approve the appointment.

Compliance auditor

Pursuant to code 9.2 of the Corporate Governance Code 2018 issued by BSEC, the shareholders at the 53rd Annual General Meeting (AGM) had appointed Jasmin & Associates, Chartered Secretaries as the Compliance Auditor of the Company for the year 2025. The Board of Directors recommended and the shareholders in the 54th AGM will approve the appointment of Jasmin & Associates, Chartered Secretaries as the Company's Compliance Auditor for the year 2026.



Shaibal Sinha
Chairman



Faria Yasmin
Managing Director



Riajur Reza Muhammad Faisal
Company Secretary

Date: 14 May 2026

MANAGEMENT DISCUSSION & ANALYSIS

In 2025, Bangladesh faced a challenging economic environment driven by inflation, unstable commodity prices and geopolitical tensions. Despite these hurdles, Bata Bangladesh demonstrated resilience, recording a turnover of BDT 9,163.9 million—almost close to the previous year.

The Israel-Gaza conflict adversely impacted certain Bata stores during the year, resulting in reduced operating days and lower consumer footfall, which affected retail sales performance during the year. Despite these mid-year disruptions, the broader economy showed gradual signs of recovery, supported by steady remittance inflows, stable export earnings and supportive government measures. Against this backdrop, this Management Discussion & Analysis outlines the Company's performance, key risks and strategic priorities during the reporting year.

a) ACCOUNTING POLICIES AND ESTIMATION FOR PREPARATION OF FINANCIAL STATEMENTS:

The financial statements have been prepared in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations in Bangladesh. Cash flow from operating activities are prepared under the direct method as prescribed by the Securities and Exchange Rules, 2020. The financial statements have been prepared on a historical cost basis. Financial statements provide comparative information in respect of the previous period. Details of the significant accounting policies are available in Note 50 of the financial statements.

b) CHANGES IN ACCOUNTING POLICIES AND ESTIMATION

In 2025, there were no major changes in accounting policies and estimations except for some amendments and interpretations applied. However, this does not have any material impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

c) COMPARISON OF FINANCIAL PERFORMANCE, FINANCIAL POSITION AND CASH FLOWS

Detailed comparison of financial performance, financial position and cash flows are presented as part of the financial statements including notes. The Directors' Report also provides an in-depth analysis of the Company's business performance for the year 2025. Key performance indicators for the last Five- years are given below:

Financial performance (BDT in million)	2025	2024	2023	2022	2021
Revenue	9,164	9,275	9,878	9,855	7,745
Cost of Goods Sold	(5,264)	(4,900)	(5,342)	(5,484)	(4,927)
Gross profit	**3,900**	**4,375**	**4,536**	**4,371**	**2,818**
Operating expenses net of income	(3,491)	(3,599)	(3,660)	(3,292)	(2,633)
Operating profit	**409**	**776**	**876**	**1,079**	**185**
Finance Cost/Income	(200)	(194)	(80)	(216)	(134)
Profit before contribution to WPPF	**209**	**582**	**796**	**863**	**51**
Contribution to WPPF	(10)	(29)	(40)	(43)	(3)
Profit/(loss) before Tax	**198**	**553**	**756**	**820**	**48**
Tax	(187)	(257)	(355)	(410)	(117)
Profit/(loss) after Tax	**11**	**295**	**401**	**410**	**(69)**
EPS (BDT)	**0.85**	**21.6**	**29.3**	**29.9**	**(5.0)**

Operational Results	2025	2024	2023	2022	2021
Equity Share Capital (BDT in million)	137	137	137	137	137
No. of employees	928	1,063	1,097	1,107	1,062
Total contribution to exchequer (BDT in million)	2,849	2,811	2,638	2,650	1,916

Cash Flow (BDT in million)	2025	2024	2023	2022	2021
Cash generated from operating activities	**1,266**	**1,265**	**1,558**	**1,849**	**1,501**
Interest received	57	50	74	48	20
Interest paid	(228)	(185)	(174)	(263)	(157)
Income tax paid	(259)	(153)	(175)	(159)	(110)
Net cash from operating activities	**836**	**976**	**1,283**	**1,475**	**1,254**
Net cash used in investing activities	(153)	(162)	(328)	(230)	(69)
Net cash used in financing activities	(820)	(1,206)	(1,239)	(602)	(692)
Net cash increase/ decrease in cash and cash equivalents	(137)	(391)	(285)	642	497
Cash and cash equivalents on 1 January	591	980	1,265	623	126
Cash and cash equivalents on 31 December	**453**	**592**	**980**	**1,265**	**623**

d) COMPARISON OF FINANCIAL PERFORMANCE WITH THE PEER INDUSTRY SCENARIO:

Bata Bangladesh is the only listed Multinational leather and footwear Company in Bangladesh. Also, the reporting period of financial statements of the Company differs from other footwear companies and hence it is not possible to compare the financial position and cash flow with peer companies.

e) THE FINANCIAL AND ECONOMIC SCENARIO OF THE COUNTRY AND THE GLOBE

GLOBAL ECONOMY

The global economy in 2025 continued to navigate a challenging environment shaped by the ongoing Ukraine-Russia conflict, moderating inflation and persistent geopolitical and trade-related uncertainties. According to the International Monetary Fund (IMF), global GDP growth is projected at around 3.2% in 2025 (WEO October 2025), remaining below historical averages amid tighter financial conditions, trade frictions and subdued global demand.

Advanced economies continued to experience relatively slower growth due to the lingering effects of elevated interest rates and structural pressures, while emerging economies demonstrated comparatively stronger resilience despite financing constraints, debt pressures and weaker global trade activity. At the same time, geopolitical tensions, protectionist trade measures and policy uncertainties remained key risks to global economic stability, with potential implications for energy markets, investment flows and business confidence.

The world economy in 2026 has entered a period of heightened uncertainty amid geopolitical tensions, including the Iran-US conflict, which has intensified volatility across global financial and energy markets. Rising crude oil prices and concerns over potential supply disruptions have increased inflationary pressures and weakened

business confidence worldwide.

According to the IMF, global growth is expected to remain moderate and below historical averages, as economies continue to face the combined impact of geopolitical instability, tight financial conditions, trade fragmentation and cautious consumer demand.

Nevertheless, the medium-term outlook will remain cautiously optimistic on early resolution to the west Asia conflict. Furthermore, sustainable long-term growth will also depend on structural reforms, productivity enhancement, fiscal resilience and continued investment in energy security, climate adaptation and resilient infrastructure

BANGLADESH ECONOMY

The business landscape in Bangladesh continued to evolve significantly during 2025 and into early 2026, shaped by political transition, macroeconomic pressures and operational disruptions across several sectors, including retail. The economy experienced subdued growth amid persistent inflation, tight financial conditions and cautious consumer spending, which affected overall business sentiment and private sector activity. Weak domestic demand, constrained investment appetite and elevated operating costs continued to weigh on economic performance during the period.

At the same time, Bangladesh continued to implement IMF-supported economic and financial sector reforms aimed at strengthening foreign exchange reserves, improving fiscal discipline and enhancing macroeconomic stability. The post-election environment in 2026 has brought renewed focus on governance reforms, institutional strengthening, economic recovery and private sector confidence under the new government.

Despite ongoing structural challenges, external vulnerabilities and global geopolitical uncertainties, the economy has shown early signs of gradual stabilization, supported by improving remittance inflows, relatively stable export performance, policy support measures and continued international financial cooperation. Over the long term, sustained reforms, financial sector resilience and improvement in business confidence are expected to support recovery in economic activity and investment sentiment.

However, the evolving US-Iran conflict in 2026 has added pressure to Bangladesh's economic environment, particularly through rising global energy prices and increased volatility in international commodity markets. As a net energy-importing country, Bangladesh remains vulnerable to external oil price shocks, which have contributed to higher import costs, inflationary pressures and increased strain on foreign exchange reserves. Escalating tensions in the Middle East and disruptions surrounding key global shipping routes have also heightened concerns over supply chain stability, fuel availability and transportation costs.

Despite these pressures, Bangladesh's economy continues to demonstrate resilience, supported by steady remittance inflows, export earnings, ongoing policy reforms and continued international financial support.

f) RISKS AND CONCERNS RELATED TO THE FINANCIAL STATEMENTS

Bata Bangladesh has instituted a robust governance framework to ensure the accuracy, reliability and integrity of its financial reporting. The Company maintains policies, internal controls and monitoring mechanisms that are continuously reviewed to mitigate risks associated with financial misstatements, evolving accounting standards and changes in business dynamics.

The Finance Director is mandated to annually affirm to the Audit Committee and the Board that all material information pertinent to the statutory audit has been disclosed and that all reasonable measures have been undertaken to ensure transparency and completeness in responses to external audit queries.

As part of its internal financial control practices, account reconciliations are reviewed on a bi-annual basis by the Finance Director to uphold consistency and accuracy. Additionally, financial reporting risks are assessed annually in collaboration with relevant control and process owners, ensuring that financial statement assertions are appropriately addressed.

The integrity of the Company's financial disclosures is further reinforced through a multi-layered review structure that includes validation by internal stakeholders, recommendations by the Audit Committee and final approval by the Board. These measures collectively provide a strong

foundation for reliable public financial reporting.

g) FUTURE PLAN OF BATA BANGLADESH

As we look ahead to 2026, we see a meaningful opportunity to build on the foundations established over the past year and move forward with renewed momentum under “Re-ignite”. We will continue to strengthen cross-functional collaboration, invest in capability development and accelerate our digital and omnichannel initiatives to enhance operational efficiency and customer engagement. At the same time, our focus on sourcing optimisation, supply chain agility and retail productivity is expected to further strengthen operating leverage and business resilience.

While the operating environment is expected to remain dynamic amid continued pressure on discretionary spending and ongoing global uncertainties, including geopolitical and energy market volatility, we remain focused on our customers. Their evolving preferences continue to shape our strategic direction as we sharpen our portfolio across casual, sneaker and value-driven categories, while continuing to uphold the trust, accessibility and reliability that define the Bata brand.

h) RELATED PARTY TRANSACTIONS

Detailed list of the related parties with whom transactions have taken place and their relationship as identified and certified by management is disclosed in related part disclosures under IAS 24 in Note no 36 in this annual report.



Faria Yasmin
Managing Director
Date: 14 May 2026

AUDIT COMMITTEE REPORT

The Board of Directors of Bata Shoe Company (Bangladesh) Limited has constituted an Audit Committee to support the Board in fulfilling its oversight responsibilities.

The Audit Committee is a sub-committee of the Board. All members of the Audit Committee were appointed by the Board of Directors from among the members. The Company Secretary is the Secretary of the Committee. The Audit Committee is comprised of:

Name of Members	Status of the Board	Status of the Audit Committee
Rupali Haque Chowdhury (Resigned on 31 March 2026)	Independent Director	Chairman
Reazul Haque Chowdhury (Appointed on 19 April 2026)	Independent Director	Chairman
Farzanah Chowdhury	Independent Director	Member
Debabrata Mukherjee (Resigned on 9 October 2025)	Managing Director	Member
Clifford Gary Reuter (Appointed on 9 October 2025)	Nominee Director	Member
Riajur Reza Muhammad Faisal	Secretary	Secretary

The Audit Committee meeting was held four times for the year 2025. The Audit Committee convened its meeting during 2025 as follows:

Sl no.	Meeting	Date of Meeting
1	46th Audit Committee Meeting	22 April 2025
2	47th Audit Committee Meeting	14 May 2025
3	48th Audit Committee Meeting	30 July 2025
4	49th Audit Committee Meeting	28 October 2025

The attendance by each Director at the Audit Committee Meeting (ACM) is stated below:

Attended Directors' Name	No. of Attendance
Rupali Haque Chowdhury (Resigned on 31 March 2026)	4
Reazul Haque Chowdhury (Appointed on 19 April 2026)	0
Farzanah Chowdhury	4
Debabrata Mukherjee (Resigned on 9 October 2025)	4
Clifford Gary Reuter (Appointed on 9 October 2025)	0

Attended Directors' Name	46th ACM	47th ACM	48th ACM	49th ACM
Rupali Haque Chowdhury (Resigned on 31 March 2026)	√	√	√	√
Reazul Haque Chowdhury (Appointed on 19 April 2026)				
Farzanah Chowdhury	√	√	√	√
Debabrata Mukherjee (Resigned on 9 October 2025)	√	√	√	√
Clifford Gary Reuter (Appointed on 9 October 2025)				

Purpose of the Audit Committee

The role of the Audit Committee is to monitor the integrity of the financial statements of the company and review and, when appropriate, make recommendations to the main board on business risks, internal controls, and compliance. The Committee satisfies itself by means of suitable steps and appropriate information, that a proper and satisfactory internal control system is in place to identify and contain business risks and the company's business is conducted in a proper and financially appropriate manner.

Terms of Reference

The terms of reference of the Audit Committee have been determined by the Board and are aligned with the Corporate Governance Code, 2018 (CG Code, 2018) of Bangladesh Securities and Exchange Commission, dated June 03, 2018, Vide Ref. No: BSEC/CMRRCD/2006-158/207/Admin/80. The Audit Committee is responsible to and reports to the Board of Directors. The functions of the Committee are regulated by the rules governing the Audit Committee as specified by the said "Corporate Governance Code" issued by the Bangladesh Securities and Exchange Commission (BSEC).

Major Responsibilities of the Audit Committee

In 2025, the Audit Committee reviewed its terms of reference in line with requirements of the Bangladesh Securities and Exchange Commission's (BSEC) notification on corporate governance. The Committee carried out its duties in accordance with the terms of reference of the Audit Committee. Some of the major responsibilities of the Audit Committee are as follows:

- Review the annual, half-yearly, and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommend the same to the Board.
- Review the adequacy and effectiveness of the financial reporting process, internal control system, risk management, auditing matters, and the company's processes for monitoring compliance with laws and regulations and the Codes of Conduct.
- Recommend appointment, termination, and determination of audit fees for statutory auditors. Consider the scope of work, and oversee and evaluate the work performed by statutory auditors. Review permitted non-audit services performed by statutory auditors.
- Exercise its oversight of the work of the Internal Audit department of the company. Review the effectiveness of the Internal Audit function including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and material weaknesses and monitor implementation of audit action plans.

Major Activities of the Audit Committee for 2025

- Reviewed and recommended to the Board the quarterly and annual financial statements for the year ended 31 December 2025.
- Considered and made a recommendation to the Board on the reappointment and remuneration of external auditors, Rahman Rahman Huq, Chartered Accountants, member of KPMG for the year 2026.
- Reviewed the management letter from external auditors for the year 2025 together with management's responses to the findings.

- Approved the Internal Audit Plan for 2026, monitored progress, and effected revisions when necessary.
- Discussed Internal Audit reports and findings in detail with auditors and members of management and monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans.
- Reviewed the activities of the compliance function, incidence reporting and actions, and the status of enforcement of the company's Codes of Conduct.
- Reviewed the Internal Audit Charter.
- Reviewed and received a report on the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).



Reazul Haque Chowdhury
Independent Director
Chairman - Audit Committee

Internal Control

The Company maintains a sound internal control system that provides reasonable assurance that the Company's resources are safeguarded, and its financial position is well managed. The internal control framework is regularly reviewed by the audit committee at each meeting and reported to the Board of Directors. The group internal audit team conducts an audit to evaluate the appropriateness of internal control. The findings and subsequent follow-up with remedial status are reported to the audit committee and are escalated to the group internal audit. This report also includes a detailed discussion on corporate governance.

The above matters are significant recommendations for continuous improvement and therefore noted.



Riajur Reza Muhammad Faisal
Company Secretary

NOMINATION AND REMUNERATION COMMITTEE (NRC) REPORT

The Board formed a Nomination and Remuneration Committee in its 240th Board Meeting dated 28 October 2018. The Company Secretary is the Secretary of NRC. Now the NRC is comprised of:

Name of Members	Status of the Board	Status of the NRC
Farzanah Chowdhury	Independent Director	Chairman
Rupali Haque Chowdhury (Resigned on 31 March 2026)	Independent Director	Member
Reazul Haque Chowdhury (Appointed on 19 April 2026)	Independent Director	Chairman
Debabrata Mukherjee (Resigned on 9 October 2025)	Managing Director	Member
Clifford Gary Reuter (Appointed on 9 October 2025)	Nominee Director	Member
Riajur Reza Muhammad Faisal	Secretary	Secretary

The NRC meeting was held three times for the year 2025. The NRC meeting convened its meetings during 2025 as follows:

SL No.	Meeting	Date of Meeting
1	9th Nomination and Remuneration Committee meeting	22 April 2025
2	10th Nomination and Remuneration Committee meeting	30 July 2025
3	11th Nomination and Remuneration Committee meeting	28 October 2025

During the year 2025, three meetings were held of the committee. The Finance Director was invitees to the NRC meeting. The attendance by each Director is stated below:

Attended Directors' Name	No. of Attendance
Rupali Haque Chowdhury (Resigned on 31 March 2026)	3 meetings
Reazul Haque Chowdhury (Appointed on 19 April 2026)	0 meeting
Debabrata Mukherjee (Resigned on 9 October 2025)	3 meetings
Farzanah Chowdhury	3 meetings
Clifford Gary Reuter (appointed on 9 October 2025)	0 meeting
Riajur Reza Muhammad Faisal	3 meetings

Attended Directors' Name	9th NRCM	10th NRCM	11th NRCM
Rupali Haque Chowdhury (Resigned on 31 March 2026)	√	√	√
Reazul Haque Chowdhury (Appointed on 19 April 2026)			
Farzanah Chowdhury	√	√	√
Debabrata Mukherjee (Resigned on 9 October 2025)	√	√	√
Clifford Gary Reuter (Appointed on 9 October 2025)			

Terms of Reference of NRC

[as per Condition no. 6(1)(c) of Notification dated 03 June 2018]

In compliance with Condition no. 6(1)(c) of Notification dated 03 June 2018 issued by the Bangladesh Securities and Exchange Commission in relation to the Role of the Nomination and Remuneration Committee ("NRC") shall be formulated in writing for ensuring the corporate governance of the Company. Thus, this Terms of Reference ("ToR") is being prepared to mention the Role of the Committee covering the areas of role of NRC which has been described as follows:

Roles of NRC:

The NRC shall administer the following matters and make a report with a recommendation to the Board:

(i) Formulating the criteria for determining qualifications, positive attributes, and independence of a director and recommend a policy to the Board relating to the remuneration of the directors, top-level executive considering the following terms:

(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

(b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to directors, top-level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

(ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background, and nationality;

(iii) Identifying persons who are qualified to become directors and who may be appointed in a top-level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

(iv) Formulating the criteria for evaluation of the performance of independent directors and the Board;

(v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement, and promotion criteria; and

(vi) Developing, recommending, and reviewing annually the company's human resources and training policies.

Major activities during the year 2025

During the year under review, the Committee carried out the following major activities:

- Reviewed and recommended to the Board to update the remuneration, benefits etc. of Deepak Kumar Sachdeva, merchandising manager of the company.
- Reviewed and recommended to the Board to update the remuneration, benefits etc.

of Gouranga Dhar, product development manager of the company.

- Reviewed and recommended to the Board to accept appointment of Clifford Gary Reuter as Nominee Director from the NRC committee.
- Reviewed and recommended to the Board to renew the work permit of Gouranga Dhar, product development manager of the company.
- Reviewed and recommended to the Board to accept the resignation of Debabrata Mukherjee from the NRC committee.
- Reviewed and recommended to the Board to review the remuneration and appointment of Ms Faria Yasmin, Managing Director of the Company.
- Reviewed the key Managements remunerations during the year 2025.

Farzanah Chowdhury
Independent Director
Chairman - NRC Committee

Date: 14 May 2026

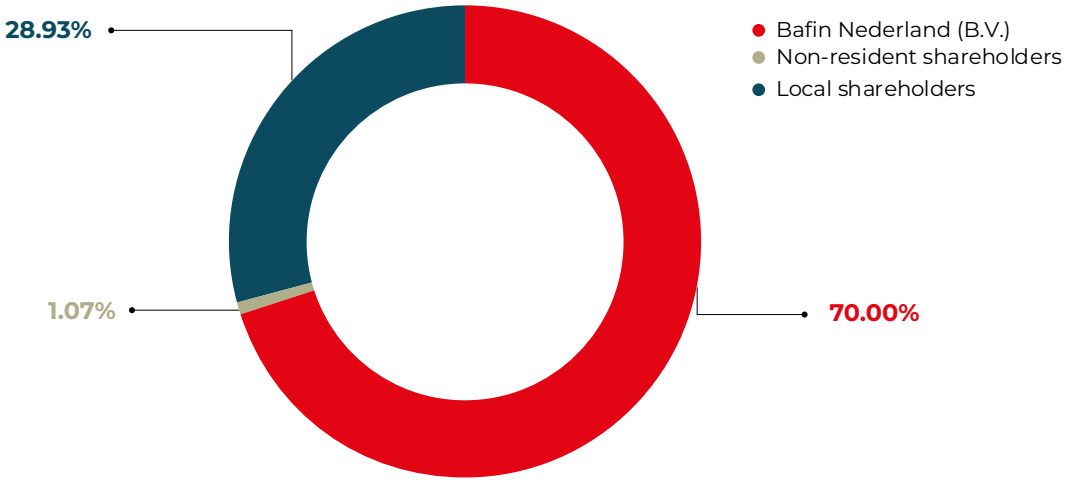
Riajur Reza Muhammad Faisal
Company Secretary



PATTERN OF SHAREHOLDINGS

Attended Directors' Name	Number of shares held	% of holding
i. Parent/subsidiary/associate/related parties. Bafin Nederland (B.V)	9,576,000	70.00
ii. Directors/CEO/CFO/CS/Audit Head and their spouses and minor children	nil	nil
iii. Executives (Head of Functions)	nil	Nil
iv. Shareholders, who hold 10% or more	nil	Nil
v. Other shareholders, who hold less than 10% · Non-resident shareholders · Local shareholders	 146,336 3,957,664	 1.07 28.93
TOTAL	13,680,000	100.00

Pattern of shareholdings



SUMMARIZED STATEMENT OF UNCLAIMED DIVIDEND

The year-wise summary of unclaimed cash dividends which were transferred to the Capital Market Stabilization Fund (CMSF) is given below:

SL	Dividend for the year	Dividend Type	Taka	Transfer date to CMSF
1	1985 to 2017	Interim & Final	33,936,060.57	26 September 2021
2	2018	Interim & Final	5,494,139.75	4 July 2022
3	2019	Interim & Final	2,109,134.83	10 September 2023
4	2020	Final	483,504.82	1 September 2024
5	2021	Interim & Final	1,699,980.77	2 July 2025

The year-wise summary of unclaimed cash dividends as on 31 December 2025:

SL	Dividend for the year	Dividend Type	Taka	Transfer date to CMSF
1.	2022	Interim	4,118,875.80	To be transferred after 13 July 2026
2.	2022	Final	1,746,733.12	To be transferred after 13 July 2026
3.	2023	Interim	5,596,593.75	To be transferred after 29 July 2027
4.	2023	Final	1,757,312.36	To be transferred after 29 July 2027
5.	2024	Interim	5,693,286.40	To be transferred after 26 June 2028
6.	2024	Final	1,787,053.63	To be transferred after 26 June 2028
7.	2025	Interim	2,955,817.68	To be transferred after 30 June 2029

COMPLIANCE CERTIFICATE

Annexure-B

As per Condition No.1 (5) (xxvii)



Jasmin&Associates
Chartered Secretaries

Report to the Shareholders of
Bata Shoe Company (Bangladesh) Limited
on Compliance on the Corporate Governance Code
[Certificate as per Condition No.1(5)(XXVII)]

We have examined the Compliance status to the Corporate Governance Code by Bata Shoe Company (Bangladesh) Limited for the year ended on December 31, 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 09 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column in Annexure-C;
(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
(d) The Governance of the company is satisfactory.

For: **Jasmin & Associates**
Chartered Secretaries

Jasmin Akter, FCS
Managing Partner

Place : Dhaka, Bangladesh
Dated : May 17, 2026

55/B Nowshah Tower (10th Floor), Suite : 11-F, Purana Paltan, Dhaka-1000, www.jasminandassociates.com
E-mail: jasminandassociates@gmail.com, jasminmisan123@yahoo.com, Phone : 02-9574135, 01712644460, 01711-078815

CORPORATE GOVERNANCE REPORT

Annexure-C

As per Condition No.1 (5) (xxvii)

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/ CMRRCD/2006-158/207/ Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969:

(Report under Condition No.9)

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	**Board Of Directors**			
1(1)	**Board's Size**			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		The Board is comprised of 5 Directors.
1(2)	**Independent Directors**			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1 (one) female independent director in the Board of Directors of the Company;	√		At present the Board of Directors comprises with five members, including two Independent Directors one of whom is female
1(2)(b)(i)	Who either does not hold share in the Company or holds less than one (1%) share of the total paid up shares of the Company;	√		They don't have any share of Bata Shoe Company and declared accordingly.
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		DO
1(2)(b)(iii)	Who has not been an executive of the company immediately preceding 2 (two) financial years;	√		DO
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		DO
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		DO

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		DO
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		DO
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		DO
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non- payment of any loan or advance or obligation to a bank or a financial institution; and"	√		DO
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		DO
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM) : Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		Newly appointed independent director Reazul Haque Chowthury to be approved in the upcoming AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	N/A		No such vacancy created 2025
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:		√	Tenure of Rupali Chowdhury was more than 6 years, which was reviewed & ratified by BSEC. The present Independent Directors (IDs) are in their first term of office
1(3)	**Qualification of Independent Director (ID)**			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws regulatory requirements and can make meaningful contribution to business;	√		The qualification and background of IDs justified.
1.3 (b)	**Independent director shall have following qualifications:**			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	N/A		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	N/A		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	N/A		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	N/A		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		Existing Independent Directors are Corporate Leader have more than 10 years of experience.
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A		
1(4)	**Duality of chairperson of the Board of Directors and Managing Director of chief Executive Officer**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		Compliance declared.
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		The roles and responsibilities of the Chairperson and MD are clearly defined.
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		In practice.
1(5)	**The Director's Report to Shareholders**			
1(5)(i)	An Industry outlook and possible future developments in the industry;	√		DO
1(5)(ii)	The Segment-wise or product-wise performance;	√		DO
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		Discussed at Management Discussion & Analysis.
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		Presented in the Financial Statement
1(5)(v)	A Discussion on continuity of any Extra-Ordinary activities and their implication (gain or loss);	N/A		Bata shoe company (BD) No such gain/ loss
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		Presented in the Financial Statement
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	N/A		During 2025 there were no public or right issue of share
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	N/A		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	N/A		No such variance occurred
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A Statement that proper books of account of the issuer Company have been maintained.	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons If the issuer company has not declared dividend (cash or stock) for the year;	N/A		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		Presented in the Financial Statement
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		The Board of Directors meet 04 times during the year.
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	N/A		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		Does not hold any share.
1(5)(xxiii) (c)	Executives;	√		Top Management of the Company do not hold any shares
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		Stated in Pattern of shareholdings
1(5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5)(xxiv)(a)	A brief resume of the director;	√		Stated in Board of Directors
1(5)(xxiv)(b)	Nature of his / her expertise in specific functional areas;	√		DO

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		DO
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	Meetings of the Board of Directors; The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		Company Maintain a book for Board Meeting Minutes

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		A code of conduct set based on the recommendation of (NRC).
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		DO
2	**Governance of Board of Directors of Subsidiary Company**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	N/A		There is no subsidiary company of Bata Bangladesh
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	N/A		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	N/A		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	N/A		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3(1)	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		The Company has MD, CFO, CS and HIAC.
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		They are different individuals.

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;"	√		In Practice
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		Roles, responsibilities and duties of them are clearly defined
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		Complied In Practice
3(2)	**Requirement to attend Board of Directors' Meetings** The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		Complied In Practice
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)	**The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:**			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		In Practice
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		Disclosed in the Annual Report
4	**Board of Directors' Committee-For ensuring good governance in the company, the Board shall have at least following sub-committees**			
4(i)	Audit Committee; and	√		Already in place.
4(ii)	Nomination and Remuneration Committee	√		Already in place

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5	**Audit Committee**			
5(1)	**Responsibility to the Board of Directors**			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors;	√		Already in place
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		In practice
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		Already in place
5(2)	**Constitution of the Audit Committee**			
5(2)(a)	The Audit Committees shall be composed of at least 3 (three) members;	√		The committee is comprised of 03 members.
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non executive directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director;	√		
5(2)(c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		ID Farzanah Chowdhury has Finance background.
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		In Practice
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		In Practice
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without independent director.	√		In Practice
5(3)	**Chairperson of the Audit Committee**			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		Reazul Haque Chowdhury has been appointed as Chairman of Audit Committee who is an Independent Director

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		In practice
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		Chairperson of the Audit Committee was overseas at the relevant time, participating in an official government delegation program Although she attended before the meeting virtually but the internet connection in Bangladesh was unstable, which limited her ability to participate fully and effectively in the meeting time.
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		The AC conducted 04 meetings during the year.
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		In practice
5(5)	**Role of Audit Committee** **The Audit Committee shall:-**			
5(5)(a)	Oversee the financial reporting process;	√		In practice
5(5)(b)	Monitor choice of accounting policies and principles;	√		In practice
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		In practice
5(5)(d)	Oversee hiring and performance of external auditors;	√		In practice
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		In practice

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		In practice
(5)(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		In practice
5(5)(h)	Review the adequacy of internal audit function;	√		In practice
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		In practice
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		In practice
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		In practice
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		In practice
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	N/A		
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii) (a)	Report on conflicts of interests;	N/A		
5(6)(a)(ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	N/A		
5(6)(a)(ii) (c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	N/A		
5(6)(a)(ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	N/A		
5(6)(b)	Reporting to the Authorities; If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	N/A		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(7)	Reporting to the Shareholders and General Investors ;Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		The activities of the AC are duly reported in the Annual Report.
6	**Nomination and Remuneration Committee (NRC)**			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		Already in place
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		In practice
6(1)(c)	The Terms of Reference (To R) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		Already in place
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		03 members including 02 Independent Directors
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		In practice
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		Members are appointed by the Board
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		In practice
6(2)(e)	Incaseofdeath,resignation,disqualification,orremoval of any member of the Committee or in any other cases of vacancies, the boardshallfillthevacancywithin180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		In practice
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	N/A		No such case during the year
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		In practice
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		In practice
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		In practice
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		NRC Chairman is Independent Director

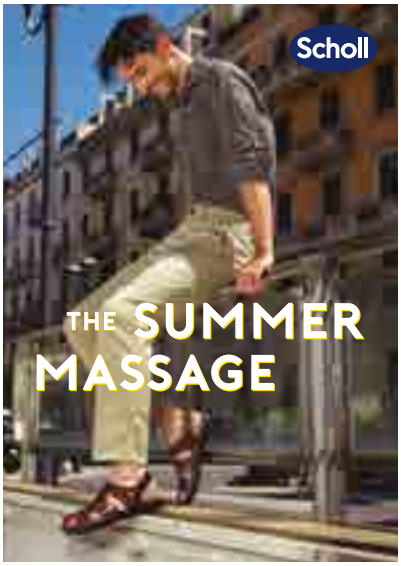
Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	N/A		No such case during the year
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	√		In practice
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		NRC conducted 03 meetings during the year
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	N/A		No such case during the year
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No.6(2) (h);	√		In practice
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		In practice
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		In practice
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		In practice
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		In practice
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		In practice
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		In practice
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		In practice

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		In practice
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		In practice
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		In practice
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		Disclosed in the Annual Report
7	**External or Statutory Auditors**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			Declared by the auditor
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		In practice
7(1)(ii)	Financial information systems design and implementation;	√		In practice
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		In practice
7(1)(iv)	Broker-dealer services;	√		In practice
7(1)(v)	Actuarial services;	√		In practice
7(1)(vi)	Internal audit services or special audit services	√		In practice
7(1)(vii)	Any service that the Audit Committee determines;	√		In practice
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1); and	√		In practice
7(1)(ix)	Any other service that creates conflict of interest.	√		In practice
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		In practice
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		In practice
8	**Maintaining a website by the Company**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		In practice
8(2)	The company shall keep the website functional from the date of listing.	√		In practice
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		In practice

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
9	**Reporting and Compliance of Corporate Governance**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		Compliance Certificate obtained from Jasmin & Associates shown in the Annual Report
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.	√		Compliance auditor Jasmin & Associates is duly appointed by the shareholders at AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		Detailed status given at Annexure - C and published in the Report.







BAPLC CERTIFICATE



CREDIT RATING CERTIFICATE



CREDIT RATING AGENCY OF BANGLADESH LIMITED

Ref: ACL/RCM/260540/2026- 0950

21 May, 2026

Ms. Farla Yasmin
Managing Director
Bata Shoe Company (Bangladesh) Limited
Bata Gate, Tongi Industrial Area,
Tongi, Gazipur

Subject: Credit Rating (Surveillance) – Bata Shoe Company (Bangladesh) Limited.

Dear Sir,

We are pleased to inform that the Credit Rating Agency of Bangladesh Ltd. (CRAB) has assigned the following rating to Bata Shoe Company (Bangladesh) Limited

Particular	Rating	Remark
Bata Shoe Company (Bangladesh) Limited	AAA	-
BDT 1,500.0 million Short Term Limits	ST-1	Vide Appendix-1
Outlook	Stable	-

ST- Short Term

The rating is valid up to 06 May, 2027. The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or financials of Bata Shoe Company (Bangladesh) Limited

We hope this rating, which will be followed by a detailed report, will serve the intended purpose of your organization.

Yours Sincerely,

Shaheb Shams Azad
Managing Director & CEO

Attachment: Appendix - I

DH Tower, Level-15, 9 Panthapath, Dhaka-1215; Web: crab.com.bd
Phone: +88-02-55013001, (Phone (Hunting) 55013000(1); E-mail: info@crab.com.bd

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Annexure-A

DECLARATION BY CEO AND CFO

The Board of Directors
Bata Shoe Company (Bangladesh) Limited
Tongi, Gazipur, Bangladesh

Subject: Declaration on Financial Statements for the year ended on 31 December 2025

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Bata Shoe Company (Bangladesh) Limited for the year ended on 31 December 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom has been adequately disclosed.
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view.
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements.
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records.
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

i. We have reviewed the financial statements for the year ended on 31 December 2025 and that to the best of our knowledge and belief:
   a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
   b) These statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year, which is fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

(Faria Yasmin)
Managing Director (CEO)
28 April 2026

(Elias Ahmed)
Finance Director (CFO)

KPMG

Rahman Rahman Huq
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bata Shoe Company (Bangladesh) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bata Shoe Company (Bangladesh) Limited (""the Company""), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)(IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interested entities in Bangladesh. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue recognition	
Revenue from sale of goods is recognised when performance obligations are satisfied by transferring control of a promised good to a customer and the control transfers at a point in time. Revenue is measured at net of Value Added Tax (VAT), discounts and incentives earned by customers. A substantial part of Company's revenue relates to retail sales through a large number of retail outlets across the country and comprises high volume of transactions, which increases the risk of revenue being recognised inappropriately. A robust process for recording sales revenue is critical in order to mitigate risk of error and fraud.	Our audit procedures in this area included, among others: • Understanding and evaluating the design and implementation of key internal controls related to the Company's revenue recognition and testing the operating effectiveness of such control. • Testing the sales transactions recognised shortly before and after the statement of financial position date, to test whether sales transactions were recorded in the correct reporting periods. • Substantive testing of revenue recorded over the period using sampling techniques, by examining the underlying documents such as sales orders, invoices and outbound delivery notes.

KPMG Rahman Rahman Huq
Chartered Accountants

Risk	Our response to the risk
Revenue recognition	
In addition to that, there is an inherent risk of manipulation of the timing of revenue recognition by management to meet specific targets or expectations. Considering the above-mentioned factors, appropriateness and completeness of revenue recognition has been considered as significant risks. The Company has reported total revenue of BDT 9,163.87 million (2024: BDT 9,275.14 million) for the year ended 31 December 2025.	• Substantive procedures to check whether discounts and incentives (offset to revenue) are recognised completely and accurately. • Tested the completeness of journal entries and assessed whether any unusual debit accounts were used for sales recognition other than cash and bank, trade receivables, or advances from customers.
Risk	**Our response to the risk**
Existence and valuation of inventory	
Inventory is kept and distributed from different locations across the country, increasing the susceptibility to loss or misappropriation. There is a risk that the entity's inventory may not be completely or accurately recorded, leading to potential misstatements in the financial statements. Additionally, the inventory may not physically exist, or its condition (such as being obsolete or damaged) may not be properly identified, which could impact its valuation. These factors create significant challenges in ensuring that the inventory is fairly presented in the financial statements. Therefore, the existence and valuation of inventory are considered as significant risks. The Company has reported inventory of BDT 3,132.67 million (2024: BDT 3,548.93 million) as at 31 December 2025.	Our audit procedures in this area included, among others: • Evaluating the key controls related to the Company's inventory process and observing the process of management's year-end inventory count. • Attending inventory counts to verify the existence and assess the condition of inventory, including identifying obsolete or damaged items, and reconciling the count results with the inventory listings to test the completeness. • Assessing the methodology and judgment used by management for the inventory costing and valuation. • Testing the net realisable value of inventories at the year-end by comparing the carrying value with their selling prices and costs to sell subsequent to the year-end.

Other Information

"Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to

KPMG Rahman Rahman Huq
Chartered Accountants

communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

"Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process."

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



KPMG Rahman Rahman Huq
Chartered Accountants

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Tazul

Md. Tazul Islam, Partner
Enrolment Number: 1296
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enlistment Number: CAF-001-080

RAHMAN RAHMAN HUQ KPMG DHAKA

Dhaka 28 APR 2026

DVC 2604281296AS898825

Bata Shoe Company (Bangladesh) Limited

STATEMENT OF FINANCIAL POSITION

In Taka	Note	31 December 2025	31 December 2024
Assets			
Property, plant and equipment	19(A)	992,575,936	1,032,696,857
Right-of-use assets	20(A)	2,236,233,552	2,125,364,832
Intangible assets	21(A)	38,486,281	26,509,039
Advances, deposits and prepayments	24	241,954,702	293,920,056
Employee benefits	29	-	52,925,000
Deferred tax assets	30	161,736,840	122,595,896
Non-current assets		**3,670,987,311**	**3,654,011,680**
Inventories	22	3,132,665,524	3,548,927,423
Trade and other receivables	23	34,842,783	17,434,216
Advances, deposits and prepayments	24	110,841,730	88,510,016
Cash and cash equivalents	25	453,364,296	591,551,059
Current assets		**3,731,714,333**	**4,246,422,714**
Total assets		**7,402,701,644**	**7,900,434,394**
Equity			
Share capital	26	136,800,000	136,800,000
Reserves and surplus	27	110,492,803	110,492,803
Retained earnings	28	2,334,344,675	2,765,371,937
Total equity		**2,581,637,478**	**3,012,664,740**
Liabilities			
Lease liabilities	31(B)	1,889,649,050	1,728,066,781
Trade and other payables	32	131,213,797	234,869,071
Non-current liabilities		**2,020,862,847**	**1,962,935,852**
Lease liabilities	31(B)	340,889,056	304,109,717
Trade and other payables	32	2,079,998,132	2,174,248,866
Unclaimed dividend	33	28,521,202	27,888,974
Deferred revenue	34	10,512,991	15,190,940
Current tax liabilities	35	340,279,938	403,395,305
Current liabilities		**2,800,201,319**	**2,924,833,802**
Total liabilities		**4,821,064,166**	**4,887,769,654**
Total equity and liabilities		**7,402,701,644**	**7,900,434,394**
Net asset value (NAV) per share	40	**188.72**	**220.22**

The notes on pages 9 to 51 are an integral part of these financial statements.

Faria Yasmin
Managing Director

Reazul Haque Chowdhury
Director

Elias Ahmed
Finance Director

Riajur Reza Muhammad Faisal
Company Secretary

As per our report of same date.

Auditor

DVC: 2604281296AS898825

Date: 28 APR 2026

Bata Shoe Company (Bangladesh) Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In taka	Note	For the year ended 31 December	
		2025	2024
Revenue	7	9,163,876,515	9,275,139,842
Cost of sales	8	(5,263,927,390)	(4,899,786,632)
Gross profit		**3,899,949,125**	**4,375,353,210**
Other income	9	425,776	7,190,936
Operating expenses	10	(3,491,445,190)	(3,608,873,791)
Reversal of impairment loss on trade receivables	23(C)	275,000	2,392,720
Operating profit		**409,204,711**	**776,063,075**
Finance income	11	57,084,242	50,704,427
Finance costs	12	(257,400,749)	(244,596,127)
Net finance costs		(200,316,507)	(193,891,700)
Profit before tax and contribution to WPPF		**208,888,204**	**582,171,375**
Contribution to WPPF	13	(10,444,410)	(29,108,569)
Profit before tax		**198,443,794**	**553,062,806**
Income tax expense	14	(186,862,356)	(257,320,624)
Profit for the year		**11,581,438**	**295,742,182**
Other comprehensive income/(loss), net of tax	15	(103,344,700)	70,859,932
Total comprehensive income/(loss) for the year		**(91,763,262)**	**366,602,114**
Earnings per share	39	**0.85**	**21.62**

The notes on pages 9 to 51 are an integral part of these financial statements.

Faria Yasmin
Managing Director

Reazul Haque Chowdhury
Director

Elias Ahmed
Finance Director

Riajur Reza Muhammad Faisal
Company Secretary

As per our report of same date.

Auditor

DVC: 2604281296AS898825

Date: 28 APR 2026

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

In taka	Note	Attributable to owners of the Company				
		Share capital	General and other reserve	Non-distributable special reserve	Retained earnings	Total equity
Balance at 1 January 2024		**136,800,000**	**109,494,183**	**998,620**	**3,007,529,823**	**3,254,822,626**
Total comprehensive income for the year						
Profit for the year		-	-	-	295,742,182	295,742,182
Other comprehensive income for the year		-	-	-	70,859,932	70,859,932
Total comprehensive income for the year		**-**	**-**	**-**	**366,602,114**	**366,602,114**
Transaction with owners of the Company						
Contributions and distributions						
Interim dividends	28(A)	-	-	-	(465,120,000)	(465,120,000)
Final dividends	28(A)	-	-	-	(143,640,000)	(143,640,000)
Total transactions with owners of the Company		**-**	**-**	**-**	**(608,760,000)**	**(608,760,000)**
Balance at 31 December 2024		**136,800,000**	**109,494,183**	**998,620**	**2,765,371,937**	**3,012,664,740**
Balance at 1 January 2025		**136,800,000**	**109,494,183**	**998,620**	**2,765,371,937**	**3,012,664,740**
Total comprehensive income for the year						
Profit for the year		-	-	-	11,581,438	11,581,438
Other comprehensive loss for the year		-	-	-	(103,344,700)	(103,344,700)
Total comprehensive income for the year		**-**	**-**	**-**	**(91,763,262)**	**(91,763,262)**
Transaction with owners of the Company						
Contributions and distributions						
Interim dividends	28(A)	-	-	-	(195,624,000)	(195,624,000)
Final dividends	28(A)	-	-	-	(143,640,000)	(143,640,000)
Total transactions with owners of the Company		**-**	**-**	**-**	**(339,264,000)**	**(339,264,000)**
Balance at 31 December 2025		**136,800,000**	**109,494,183**	**998,620**	**2,334,344,675**	**2,581,637,478**

The notes on pages 9 to 51 are an integral part of these financial statements.

Bata Shoe Company (Bangladesh) Limited

STATEMENT OF CASH FLOWS

In taka	Note	For the year ended 31 December	
		2025	2024
Cash flows from operating activities			
Cash receipts from customers		9,160,065,462	9,268,763,267
Cash payments to and on behalf of employees		(1,463,471,827)	(1,413,842,148)
Cash payments for defined benefit plan	29(A)	(93,164,000)	-
Cash payments to suppliers and contractors for goods and services		(6,337,231,706)	(6,589,668,322)
Cash generated from operating activities		**1,266,197,929**	**1,265,252,797**
Interest received		57,084,242	50,704,427
Interest paid		(227,667,739)	(185,837,450)
Income taxes paid		(259,115,367)	(153,125,241)
Net cash from operating activities		**836,499,065**	**976,994,533**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(143,974,714)	(162,294,435)
Acquisition of intangible assets		(13,476,360)	(2,570,226)
Proceeds from sale of property, plant and equipment		3,653,530	3,288,360
Net cash used in investing activities		**(153,797,544)**	**(161,576,301)**
Cash flows from financing activities			
Payment of lease liabilities (principal portion)	31(A)	(480,642,307)	(519,795,311)
Dividend paid		(339,264,000)	(686,509,426)
Net cash used in financing activities		**(819,906,307)**	**(1,206,304,737)**
Net decrease in cash and cash equivalents		(137,204,786)	(390,886,505)
Cash and cash equivalents at 1 January		591,551,059	979,690,893
Effect of movements in exchange rates on cash held		(981,977)	2,746,671
Cash and cash equivalents at 31 December	25	**453,364,296**	**591,551,059**
Net Operating Cash Flow Per Share (NOCFPS)	41	**61.15**	**71.42**

The notes on pages 9 to 51 are an integral part of these financial statements.

Bata Shoe Company (Bangladesh) Limited

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

A. Company profile

Bata Shoe Company (Bangladesh) Limited ("the Company") is a public company limited by shares. It was incorporated in Bangladesh in 1972 under the Companies Act 1913. The address of the registered office of the Company is situated at Tongi, Gazipur, Bangladesh. The Company is one of the operating companies of worldwide Bata Shoe Organization (BSO) and a subsidiary of Bafin (Nederland) B.V in Netherlands holding 70% of the Company's shares. The shares of the Company are listed in both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).

Pursuant to recent amendment to the Companies Act 1994 incorporating certain amendments, among others, is to change of the word "Limited" by the word "PLC" in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

B. Nature of business

The Company is mainly engaged in manufacturing and marketing of leather, rubber, plastic, canvas footwear, hosiery and accessory items. Manufacturing plants of the Company are situated in Tongi and Dhamrai.

2. Basis of accounting

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. They were authorised for issue by the Company's board of directors on 28 April 2026.

Details of the Company's accounting policies, including changes thereto, are included in note 50.

3. Functional and presentational currency

These financial statements are presented in Taka/Tk/BDT, which is the Company's functional currency. All amounts have been rounded to the nearest Taka, unless otherwise indicated.

4. Comparatives and rearrangement

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding the current financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform with current year's presentation.

5. Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

Note 50(L): Lease term: whether the Company is reasonably certain to exercise extension options.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

Note 50(E): Useful life and residual value of property, plant and equipment
Note 50(H): Impairment loss allowance of trade receivables
Note 50(C): Measurement of defined benefit obligations: key actuarial assumptions
Note 50(D): Uncertain tax treatment

6. Operating segments

See accounting policy in Note 50(O).

A. Basis for segmentation

The Company has two operating segments, Domestic and Other segments, which are the Company's strategic divisions. They are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the Company's management reviews internal management reports at least on a monthly basis. Of these two, only domestic segment is reportable. Domestic segment is mainly engaged in manufacturing and marketing of leather, rubber, plastic and canvas footwear, hosiery and accessories in domestic market. All other segments include export and their associated expenses and other income and expenses.

B. Information about reportable segments

(In Taka)	For the year ended 31 December 2025		
	Domestic	Other segments	Total
Revenue	9,154,002,763	9,873,752	9,163,876,515
Cost of sales	(5,255,993,893)	(7,933,497)	(5,263,927,390)
Gross profit	**3,898,008,870**	**1,940,255**	**3,899,949,125**
Other income	425,776	-	425,776
Operating expenses	(3,491,185,043)	(260,147)	(3,491,445,190)
Reversal of impairment loss on trade receivables	275,000	-	275,000
Operating profit	**407,524,603**	**1,680,108**	**409,204,711**
Finance income	57,084,242	-	57,084,242
Finance costs	(257,400,749)	-	(257,400,749)
Net finance costs	(200,316,507)	-	(200,316,507)
Profit before tax and contribution to WPPF	**207,208,096**	**1,680,108**	**208,888,204**
Contribution to WPPF	(10,444,410)	-	(10,444,410)
Profit before tax	**196,763,686**	**1,680,108**	**198,443,794**

(In thousands of Taka)	For the year ended 31 December 2024		
	Domestic	Other segments	Total
Revenue	9,264,599,558	10,540,284	9,275,139,842
Cost of sales	(4,891,474,914)	(8,311,718)	(4,899,786,632)
Gross profit	**4,373,124,644**	**2,228,566**	**4,375,353,210**
Other loss	7,190,936	-	7,190,936
Operating expenses	(3,608,691,721)	(182,070)	(3,608,873,791)
Reversal of impairment loss on trade receivables	2,392,720	-	2,392,720
Operating profit	**774,016,579**	**2,046,496**	**776,063,075**
Finance income	50,704,427	-	50,704,427
Finance costs	(244,596,127)	-	(244,596,127)
Net finance costs	(193,891,700)	-	(193,891,700)
Profit before tax and contribution to WPPF	**580,124,879**	**2,046,496**	**582,171,375**
Contribution to WPPF	(29,108,569)	-	(29,108,569)
Profit before tax	**551,016,310**	**2,046,496**	**553,062,806**

C. Reconciliation of information on reportable segments to IFRSs measures

(In Taka)	For the year ended 31 December 2025	2024
a) Revenue		
Revenue for reportable segments	9,154,002,763	9,264,599,558
Revenue for other segments	9,873,752	10,540,284
Total revenue	**9,163,876,515**	**9,275,139,842**
b) Operating profit		
Operating profit for reportable segments	407,524,603	765,531,285
Operating profit for other segments	1,680,108	10,531,790
Total operating profit	**409,204,711**	**776,063,075**

D. Segment assets and liabilities

The necessary information regarding assets and liabilities of operating segments are not separable and individually identifiable for this purpose. For this reason the assets and liabilities of the respective segments have not been presented here.

7. Revenue

See accounting policy in Note 50(A).

(In Taka)	Note	For the year ended 31 December 2025	2024
Local	7(A)	9,154,002,763	9,264,599,558
Export		9,873,752	10,540,284
		9,163,876,515	**9,275,139,842**
A. Disaggregation of local revenue			
Shoes		8,714,952,336	8,823,801,107
Hosiery and accessories		439,050,427	440,798,451
		9,154,002,763	**9,264,599,558**

8. Cost of sales

Raw materials:			
Opening stock of raw materials		498,286,800	415,281,800
Purchase during the year		2,296,298,417	2,337,019,530
Cost of raw materials available for use		2,794,585,217	2,752,301,330
Closing stock of raw materials	22	(419,551,363)	(498,286,800)
Raw materials consumed		2,375,033,854	2,254,014,530
Direct wages		421,172,391	471,114,200
Prime costs		2,796,206,245	2,725,128,730
Manufacturing overheads:			
Entertainment		7,419,399	7,102,304
Insurance		10,261,324	9,646,425
Remuneration		301,043,199	256,382,600
Uniform		900,000	116,706
Stationery		1,488,476	1,224,717
Domestic travelling		14,518,168	9,452,601
Overseas travelling		634,413	626,397
Health and welfare		22,566,361	19,783,757
Postage and fax		1,314,616	1,252,684
Repairs and maintenance		52,650,772	63,409,174
Water, gas and electricity		55,145,306	59,141,022
Depreciation of property, plant and equipment	19(C)	25,605,766	24,501,379
		493,547,800	**452,639,766**

In taka	Note	For the year ended 31 December 2025	2024
Total manufacturing cost		**3,289,754,045**	**3,177,768,496**
Opening work-in-progress		62,768,400	71,950,100
Closing work-in-progress	22	(58,127,796)	(62,768,400)
Cost of goods manufactured		**3,294,394,649**	**3,186,950,196**
Opening stock of finished goods		2,987,872,223	2,907,775,500
Purchase of finished goods during the year		1,636,646,883	1,792,933,159
Cost of finished goods available for sale		**7,918,913,755**	**7,887,658,855**
Closing stock of finished goods	22	(2,654,986,365)	(2,987,872,223)
		5,263,927,390	**4,899,786,632**

A. Cost of raw materials consumed

In taka	For the year ended 31 December 2025 Import	Local purchase	Total
Opening stock	332,253,595	166,033,205	498,286,800
Purchase	1,029,572,573	1,266,725,844	2,296,298,417
Closing stock	(283,979,604)	(135,571,759)	(419,551,363)
	1,077,846,564	**1,297,187,290**	**2,375,033,854**
% of material sourcing	**45%**	**55%**	**100%**

In taka	For the year ended 31 December 2024 Import	Local purchase	Total
Opening stock	67,627,165	347,654,635	415,281,800
Purchase	1,168,926,500	1,168,093,030	2,337,019,530
Closing stock	(332,253,595)	(166,033,205)	(498,286,800)
	904,300,070	**1,349,714,460**	**2,254,014,530**
% of material sourcing	**50%**	**50%**	**100%**

B. Repairs and maintenance

Repairs and maintenance amounting to Taka 52,650,772 includes Taka 3,063,330 (including C&F value of USD 24,976) and Taka 11,922,150 (including C&F value of USD 97,400) for imported spare parts and imported moulds and accessories consumed respectively.

C. Production capacity and actual production

In pairs	For the year ended 31 December 2025 Tongi	Dhamrai	Total
Production capacity	23,778,000	4,258,000	28,036,000
Actual production	7,461,000	2,654,000	10,115,000
% of Production capacity	**31%**	**62%**	**36%**

In pairs	For the year ended 31 December 2024 Tongi	Dhamrai	Total
Production capacity	23,862,177	4,273,300	28,135,477
Actual production	10,145,000	2,425,000	12,570,000
% of Production capacity	**43%**	**57%**	**45%**

9. Other income

In taka	Note	For the year ended 31 December 2025	2024
Loss on disposal of property, plant and equipment		(9,978,451)	(4,838,822)
Gain on remeasurement of lease liabilities		5,276,862	12,029,758
Other claims received		5,127,365	-
		425,776	**7,190,936**

10. Operating expenses

Administrative expenses	10(A)	622,475,659	671,135,885
Selling and distribution expenses	10(B)	2,868,969,531	2,937,737,906
		3,491,445,190	**3,608,873,791**

A. Administrative expenses

Remuneration		183,310,817	224,305,519
Global Footwear Services (GFS) fees		265,301,013	245,420,044
Domestic travelling		37,832,364	34,997,989
Depreciation of property, plant and equipment	19(C)	29,826,215	34,702,737
General charges		38,140,791	57,555,022
Rent, rates and taxes		8,596,563	6,939,604
Insurance		4,787,915	9,462,644
Legal and professional fees		7,884,221	6,555,121
Depreciation of right-of-use assets	20(B)	2,688,313	5,222,902
Health and welfare		8,181,589	5,797,006
Entertainment		5,176,206	9,544,317
Repairs and maintenance		2,149,392	2,900,606
Stationery		1,625,726	1,052,319
Water, gas and electricity		5,417,476	7,121,862
Subscription and donation		896,490	873,490
Postage and fax		2,751,121	2,679,364
Land revenue		2,165,924	2,584,763
Bank charges		8,176,536	9,462,118
Audit fees		1,500,000	1,500,000
Overseas travelling		2,027,572	1,123,712
Directors' fees		227,000	92,000
Amortisation of intangible assets	21(A)	1,499,118	267,613
Miscellaneous		2,313,297	975,134
		622,475,659	**671,135,885**

i. Fees paid to auditors

Statutory audit		1,500,000	1,500,000
Group reporting		1,500,000	1,500,000
Tax and other compliances		585,000	533,000
		3,585,000	**3,533,000**

B. Selling and distribution expenses

Remuneration		457,680,596	485,205,207
Depreciation of right-of-use assets	20(B)	573,912,716	551,672,804
Royalties	10(B)(i)	438,984,602	442,258,963
Selling expenses		441,432,603	450,848,828
Repairs and maintenance		111,444,226	116,515,199
Depreciation of property, plant and equipment	19(C)	115,031,673	111,703,378
Rent, rates and taxes		152,372,840	181,967,380

In taka	Note	For the year ended 31 December 2025	2024
Freight and transport		87,362,579	98,960,753
Water, gas and electricity		143,867,807	138,804,264
Packing expenses		66,978,976	78,012,175
Advertisement		181,346,173	180,575,646
Domestic travelling		38,697,483	41,779,600
Health and welfare		13,957,160	12,374,594
Stationery		7,453,179	7,144,560
Postage and fax		8,441,366	8,704,651
Entertainment		16,171,585	16,575,888
Bank charges		9,695,857	10,416,538
Legal and professional fees		2,489,351	1,751,012
Overseas travelling		1,648,759	2,466,466
		2,868,969,531	**2,937,737,906**
i. Royalties			
Royalty on Hush Puppies brand		34,559,995	34,250,518
Royalty on Dr. Scholl's brand		12,955,206	12,175,228
Royalty on Ben10 and Powerpuff Girls		4,988,007	4,673,280
Trade mark license fees		386,481,394	391,159,937
		438,984,602	**442,258,963**

11. Finance income

See accounting policy in Note 50(B).

Interest on short term deposits		48,381,242	50,704,427
Interest income on net defined benefit asset	29(A)	8,703,000	-
		57,084,242	**50,704,427**

12. Finance Costs

See accounting policy in Note 50(B).

Imputed interest on lease liabilities	31	227,667,739	187,885,964
Interest expense on net defined benefit obligation		-	15,964,000
Net foreign exchange loss		29,733,010	40,746,163
		257,400,749	**244,596,127**

13. Contribution to WPPF

See accounting policy in Note 50(C).

Profit before tax and contribution to WPPF		208,888,204	582,171,375
Applicable contribution rate		5%	5%
Amount of contribution to WPPF		**10,444,410**	**29,108,569**

The Company kept 5% provision for Workers Profit Participation Fund (WPPF) on its profit before WPPF at the end of year as per the Labour Act, 2006 (amended in 2015).

14. Income tax expense

See accounting policy in Note 50(D).

A. Amounts recognised in profit or loss

Current tax expense		196,000,000	283,000,000
Deferred tax income	30(A)	(9,137,644)	(25,679,376)
Income tax expense		**186,862,356**	**257,320,624**

In taka	Tax rate		For the year ended 31 December	
	2025	2024	2025	2024
B. Reconciliation of effective tax rate				
Profit before tax			**198,443,794**	**553,062,806**
Income tax using applicable tax rate	22.50%	22.50%	44,649,853	124,439,131
Factors affecting the tax charge for current year:				
- Non-deductible expense	76.27%	28.67%	151,350,147	158,560,869
- Movement of temporary difference	-4.60%	-4.64%	(9,137,644)	(25,679,376)
	94.16%	**46.53%**	**186,862,356**	**257,320,624**

In taka	Note	For the year ended 31 December	
		2025	2024
15. Other comprehensive loss/(income)			
Remeasurement of defined benefit liability	29(A)	133,348,000	(91,432,170)
Related tax credit	30(A)	(30,003,300)	20,572,238
		103,344,700	**(70,859,932)**
16. Emoluments to directors			
Remuneration		28,247,639	22,158,534
Retirement benefit schemes		2,649,279	1,820,940
Housing		3,950,100	4,660,000
		34,847,018	**28,639,474**
17. Emoluments to managers			
Remuneration		242,073,727	235,480,713
Retirement benefit schemes		24,362,817	21,740,553
Housing		30,738,244	25,920,707
		297,174,788	**283,141,973**
18. Contribution to employees' provident fund and pension fund			
Provident fund	18(A)	28,800,525	27,786,283
Pension fund		24,157,344	21,503,268
		52,957,869	**49,289,551**
A. Provident fund			
Managers		14,398,764	13,533,442
Officers and supervisors		3,780,904	4,627,046
Workers		10,620,857	9,625,795
		28,800,525	**27,786,283**

19. Property, plant and equipment

See accounting policy in Note 50(E).

A. Reconciliation of carrying amount

In taka	Freehold land	Buildings	Plant and machineries	Vehicles	Computer and computer equipment	Furniture, fixture and office equipment	Under construction	Total
Cost								
Balance as at 1 January 2024	86,057,856	465,066,168	928,118,736	13,649,054	156,152,026	1,311,394,475	18,557,805	2,978,996,120
Additions	-	9,070,827	20,052,257	-	5,679,206	100,944,509	25,515,759	161,262,558
Disposals	-	-	(32,901,473)	(1,895,000)	(5,708,335)	(34,721,954)	-	(75,226,762)
Transfer	-	17,573,904	5,893,237	-	3,080,495	-	(26,547,636)	-
Balance as at 31 December 2024	**86,057,856**	**491,710,899**	**921,162,757**	**11,754,054**	**159,203,392**	**1,377,617,030**	**17,525,928**	**3,065,031,916**
Balance as at 1 January 2025	86,057,856	491,710,899	921,162,757	11,754,054	159,203,392	1,377,617,030	17,525,928	3,065,031,916
Additions	-	3,262,630	13,134,146	-	9,367,599	95,921,593	22,288,746	143,974,714
Disposals	-	-	(14,426,348)	-	(210,950)	(50,466,465)	-	(65,103,763)
Transfer	-	1,566,180	7,519,467	-	-	-	(9,085,647)	-
Balance as at 31 December 2025	**86,057,856**	**496,539,709**	**927,390,022**	**11,754,054**	**168,360,041**	**1,423,072,158**	**30,729,027**	**3,143,902,867**
Accumulated depreciation								
Balance as at 1 January 2024	-	264,542,541	781,030,849	13,649,054	102,287,329	767,017,371	-	1,928,527,144
Depreciation	-	10,128,383	27,019,170	-	19,414,171	114,345,771	-	170,907,495
Disposals	-	-	(32,901,473)	(1,895,000)	(5,708,335)	(26,594,772)	-	(67,099,580)
Balance as at 31 December 2024	**-**	**274,670,924**	**775,148,546**	**11,754,054**	**115,993,165**	**854,768,370**	**-**	**2,032,335,059**
Balance as at 1 January 2025	-	274,670,924	775,148,546	11,754,054	115,993,165	854,768,370	-	2,032,335,059
Depreciation	-	10,166,075	22,788,259	-	20,058,080	117,451,240	-	170,463,654
Disposals	-	-	(14,426,348)	-	(89,346)	(36,956,088)	-	(51,471,782)
Balance as at 31 December 2025	**-**	**284,836,999**	**783,510,457**	**11,754,054**	**135,961,899**	**935,263,522**	**-**	**2,151,326,931**
Carrying amounts								
At 1 January 2024	86,057,856	200,523,627	147,087,887	-	53,864,697	544,377,104	18,557,805	1,050,468,976
At 31 December 2024	**86,057,856**	**217,039,975**	**146,014,211**	**-**	**43,210,227**	**522,848,660**	**17,525,928**	**1,032,696,857**
At 31 December 2025	**86,057,856**	**211,702,710**	**143,879,565**	**-**	**32,398,142**	**487,808,636**	**30,729,027**	**992,575,936**

B. Under construction

In taka	Buildings	Plant and machineries	Computer and computer equipments	Furniture, fixture and office equipments	Total
Cost					
Balance as at 1 January 2024	13,104,433	5,453,372	-	-	18,557,805
Additions	21,960,482	474,782	3,080,495	-	25,515,759
Transfer	(17,573,904)	(5,893,237)	(3,080,495)	-	(26,547,636)
Balance as at 31 December 2024	**17,491,011**	**34,917**	**-**	**-**	**17,525,928**
Balance as at 1 January 2025	17,491,011	34,917	-	-	17,525,928
Additions	14,744,661	7,544,085	-	-	22,288,746
Transfer	(1,566,180)	(7,519,467)	-	-	(9,085,647)
Balance as at 31 December 2025	**30,669,492**	**59,535**	**-**	**-**	**30,729,027**

C. Allocation of depreciation

In taka	For the year ended 31 December	
	2025	2024
Cost of sales	25,605,766	24,501,379
Administrative expenses	29,826,215	34,702,737
Selling and distribution expenses	115,031,673	111,703,378
	170,463,654	**170,907,494**

D. Disposal of property, plant and equipment

Auction sales to various parties

In taka	Vehicles	Plant and machineries	Computer and computer equipment	Furniture, fixture and office equipment	Total
31 December 2024					
Cost	1,895,000	32,901,473	5,708,335	34,721,954	75,226,762
Accumulated depreciation	(1,895,000)	(32,901,473)	(5,708,335)	(26,594,772)	(67,099,580)
Written down value	-	-	-	8,127,182	8,127,182
Sales value	840,000	1,240,000	137,872	1,070,488	3,288,360
Profit/(loss) on disposal	**840,000**	**1,240,000**	**137,872**	**(7,056,694)**	**(4,838,822)**
31 December 2025					
Cost	-	14,426,348	210,950	50,466,465	65,103,763
Accumulated depreciation	-	(14,426,348)	(89,346)	(36,956,088)	(51,471,782)
Written down value	-	-	121,604	13,510,377	13,631,981
Sales value	-	1,004,808	64,474	2,584,248	3,653,530
Profit/(loss) on disposal	**-**	**1,004,808**	**(57,130)**	**(10,926,129)**	**(9,978,451)**

In taka	Note	For the year ended 31 December 2025	2024
20. Right-of-use assets			
See accounting policy in Note 50(L).			
A. Reconciliation of carrying amount			
Cost			
Opening balance		2,799,540,961	4,886,711,069
Additions		780,702,296	1,606,025,697
Modifications		(66,271,397)	(1,082,473,360)
Disposal		(177,304,634)	(2,610,722,445)
Closing balance		**3,336,667,226**	**2,799,540,961**
Accumulated Depreciation			
Opening balance		674,176,129	2,728,002,868
Depreciation		576,601,029	556,895,706
Disposal		(150,343,484)	(2,610,722,445)
Closing balance		**1,100,433,674**	**674,176,129**
Carrying amounts		**2,236,233,552**	**2,125,364,832**
B. Allocation of depreciation			
Administrative expenses		2,688,313	5,222,902
Selling and distribution expenses		573,912,716	551,672,804
		576,601,029	**556,895,706**

21. Intangible assets

See accounting policy in Note 50(F).

A. Reconciliation of carrying amount

In taka	Software	Under construction	Total
Cost			
Balance as at 1 January 2024	826,453	2,570,226	3,396,679
Additions	945,000	22,480,887	23,425,887
Transfer	2,584,633	(2,584,633)	-
Balance as at 31 December 2024	**4,356,086**	**22,466,480**	**26,822,566**
Balance as at 1 January 2025	4,356,086	22,466,480	26,822,566
Additions	1,983,030	11,493,330	13,476,360
Transfer	33,959,810	(33,959,810)	-
Balance as at 31 December 2025	**40,298,926**	**-**	**40,298,926**
Accumulated Amortisation			
Balance as at 1 January 2024	45,914	-	45,914
Amortisation	267,613	-	267,613
Balance as at 31 December 2024	**313,527**	**-**	**313,527**
Balance as at 1 January 2025	313,527	-	313,527
Amortisation	1,499,118		1,499,118
Balance as at 31 December 2025	**1,812,645**	**-**	**1,812,645**
Carrying amounts			
At 1 January 2024	780,539	2,570,226	3,350,765
At 31 December 2024	**4,042,559**	**22,466,480**	**26,509,039**
At 31 December 2025	**38,486,281**	**-**	**38,486,281**

In taka	Note	31 December 2025	31 December 2024
22. Inventories			
See accounting policy in Note 50(J).			
Raw materials		419,551,363	498,286,800
Work-in-progress		58,127,796	62,768,400
Finished goods		2,654,986,365	2,987,872,223
		3,132,665,524	**3,548,927,423**
23. Trade and other receivables			
See accounting policy in Note 50(H).			
Trade receivables from external parties	23(A)	633,278,060	629,485,854
Trade receivables from related parties	36(C)	831,447	812,600
Other receivables	23(B)	13,322,514	-
Provision for impairment loss on trade receivables	23(C)	(612,589,238)	(612,864,238)
		34,842,783	**17,434,216**
A. Trade receivables from external parties			
Receivables from dealers		612,428,752	616,982,065
Receivables from institutional sale		20,849,308	12,503,789
		633,278,060	**629,485,854**
B. Other receivables			
VAT receivables		13,322,514	-
		13,322,514	**-**
C. Provision for impairment loss on trade receivables			
Opening balance		612,864,238	614,856,579
Additions		-	400,379
Reversal		(275,000)	(2,392,720)
Closing balance		**612,589,238**	**612,864,238**
24. Advances, deposits and prepayments			
See accounting policy in Note 50(H).			
Advances	24(A)	44,351,047	36,338,497
Deposits	24(B)	188,353,659	251,935,202
Prepayments	24(C)	120,091,726	94,156,373
		352,796,432	**382,430,072**
Non-current		241,954,702	293,920,056
Current		110,841,730	88,510,016
		352,796,432	**382,430,072**
A. Advances			
Advance to suppliers		16,851,301	13,319,464
Advance to employees		27,499,746	23,019,033
		44,351,047	**36,338,497**
B. Deposits			
Security and other deposits		188,353,659	251,935,202
		188,353,659	**251,935,202**
C. Prepayments			
Prepayments to landlords		81,485,175	56,178,697
Prepaid insurance		38,606,551	37,977,676
		120,091,726	**94,156,373**

In taka	Note	31 December 2025	31 December 2024
25. Cash and cash equivalents			
See accounting policy in Note 50(H).			
Cash in hand		77,324	349,674
Bank balances		453,286,972	591,201,385
		453,364,296	**591,551,059**
26. Share capital			
Authorised			
20,000,000 ordinary shares of Taka 10 each		**200,000,000**	**200,000,000**
Issued, subscribed and paid up			
2,850,723 ordinary shares of Taka 10 each issued for cash		28,507,230	28,507,230
10,829,277 ordinary shares of Taka 10 each issued for consideration other than cash		108,292,770	108,292,770
		136,800,000	**136,800,000**

'The Initial Public Offering (IPO) was issued for cash on 1st November 1985. Subsequently, bonus shares were issued on 23rd February 1989 (first bonus issue) and on 2nd June 1996 (second bonus issue) respectively.

A. Ordinary shares

The shares are listed both in the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and quoted at Taka 804.10 (2024: Taka 905.40) and Taka 833.00 (2024: Taka 920.00) per share at 31 December 2025.

B. Percentage of shareholding

Name of the shareholders	As at 31 December 2025 Face value (Taka)	As at 31 December 2025 Percentage of holding
Bafin (Nederland) B.V	95,760,000	70.00%
Non-resident shareholders	1,463,360	1.07%
Local shareholders	39,576,640	28.93%
	136,800,000	**100.00%**

Name of the shareholders	As at 31 December 2024 Face value (Taka)	As at 31 December 2024 Percentage of holding
Bafin (Nederland) B.V	95,760,000	70.00%
Non-resident shareholders	1,775,840	1.30%
Local shareholders	39,264,160	28.70%
	136,800,000	**100.00%**

C. Classification of shareholders by holdings

Holdings Holdings	Number of shareholders 2025	Number of shareholders 2024	Number of shares 2025	Number of shares 2024
Less than 501 shares	4,856	4,789	456,761	453,907
501 to 5,000 shares	239	242	344,911	335,703
5,001 to 10,000 shares	22	22	163,017	159,432
10,001 to 20,000 shares	15	17	208,729	239,751
20,001 to 30,000 shares	4	5	103,720	123,833
30,001 to 40,000 shares	5	2	164,193	69,489
40,001 to 50,000 shares	3	5	140,335	233,476
50,001 to 100,000 shares	11	10	742,649	686,267
100,001 to 1,000,000 shares	10	10	1,779,685	1,802,142
Over 1,000,000 shares	1	1	9,576,000	9,576,000
	5,166	**5,103**	**13,680,000**	**13,680,000**

In taka	Note	31 December 2025	31 December 2024
27. Reserves and surplus			
General and other reserves		109,494,183	109,494,183
Non-distributable special reserve*		998,620	998,620
		110,492,803	**110,492,803**

*This represents 90% of the cumulative post-tax profit in respect of certain categories of income up to 1992 as defined and directed by Bangladesh Bank. Since 1993, the requirement for continuing to create such special reserves are applicable only to the profit on sale of immovable assets such as land, buildings etc.

28. Retained earnings			
Opening balance		2,765,371,937	3,007,529,823
Profit for the year		11,581,438	295,742,182
Other comprehensive income/(loss)		(103,344,700)	70,859,932
Interim dividend paid during the year	28(A)	(195,624,000)	(465,120,000)
Final dividend paid during the year	28(A)	(143,640,000)	(143,640,000)
Closing balance		**2,334,344,675**	**2,765,371,937**

A. Dividends

The following dividends were declared and paid by the Company for the year.

Interim dividend: BDT 14.30/share (2024: BDT 34.00/share)	195,624,000	465,120,000
Final dividend: BDT 10.50/share (2024: BDT 10.50/share)	143,640,000	143,640,000
	339,264,000	**608,760,000**

After the reporting date, the following dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences.

Final dividend: BDT 10.50/share (2024: BDT 10.50/share)	143,640,000	143,640,000
	143,640,000	**143,640,000**

29. Employee benefits

See accounting policy in Note 50(C).

In taka	2025	2024
Defined benefit asset	311,407,476	293,067,476
Defined benefit liability	(311,407,476)	(240,142,476)
Net defined benefit asset	**-**	**52,925,000**

A. Movement in net defined benefit (asset) liability

	Defined benefit obligation		Fair value of plan asset		Net defined benefit (asset) liability	
In taka	2025	2024	2025	2024	2025	2024
Opening balance	**240,142,476**	**303,725,476**	**293,067,476**	**303,725,476**	**(52,925,000)**	**-**
Included in Profit or loss						
Current service cost	22,227,000	30,034,000	-	-	22,227,000	30,034,000
Past service credit plan amendments	(3,729,000)	(7,490,830)	-	-	(3,729,000)	(7,490,830)
Interest costs	27,825,000	26,615,000	36,528,000	10,651,000	(8,703,000)	15,964,000
Settlements	2,946,000	-	-	-	2,946,000	-
	49,269,000	**49,158,170**	**36,528,000**	**10,651,000**	**12,741,000**	**38,507,170**
Included in OCI						
Remeasurement of actuarial loss/(gain)	119,413,000	(84,358,170)	(13,935,000)	7,074,000	133,348,000	(91,432,170)
	119,413,000	**(84,358,170)**	**(13,935,000)**	**7,074,000**	**133,348,000**	**(91,432,170)**
Other						
Contribution paid by the employer	-	-	93,164,000	-	(93,164,000)	-
Curtailments	-	-	-	-	-	-
Benefits paid	(97,417,000)	(28,383,000)	(97,417,000)	(28,383,000)	-	-
	(97,417,000)	**(28,383,000)**	**(4,253,000)**	**(28,383,000)**	**(93,164,000)**	**-**
Closing balance	**311,407,476**	**240,142,476**	**311,407,476**	**293,067,476**	**-**	**(52,925,000)**

The estimated liability for defined benefit obligation has been recorded based on the actuarial valuations for the year ended 31 December 2025 which was performed by Willis Towers Watson India Private Limited, independent actuary, using the Projected Unit Credit method. The significant assumptions used in the valuations for the year ended 31 December 2025 and 31 December 2024 are as follows:

Particulars	Assumptions
Discount Rate	'10.00% (2024: 12.50%)
Salary Escalation Rate	Management Employees: 8.5%, Workers: 4% (2024: Management Employees: 8.5%, Workers: 6%
Mortality Rate	Assumptions regarding future mortality have been used based on published statistics and mortality tables. As there is no published mortality table in Bangladesh and hence the Bangladesh Assured Lives Mortality (2015-18) Ultimate. table based on the mortality experience of assured lives in India will be a reasonable approximation. The current longevities underlying the values of the defined obligations at the reporting date was adopted from Bangladesh Life Mortality table.
Gratuity fund age	60 years

In taka	Note	31 December 2025	31 December 2024
30. Deferred tax assets			
See accounting policy in Note 50(D).			
Opening balance		122,595,896	117,488,758
Recognised in profit or loss account	30(A)	9,137,644	25,679,376
Recognised in OCI		30,003,300	(20,572,238)
Closing balance		**161,736,840**	**122,595,896**

A. Movement in deferred tax balances

Deferred tax assets have been recognised and measured in accordance with the provision of IAS 12 - Income taxes.

In taka	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance at 31 December: Net	Balance at 31 December: Deferred tax assets	Balance at 31 December: Deferred tax liabilities
2025						
Property, plant and equipment	11,323,197	7,088,301	-	18,411,498	18,411,498	-
Right-of-use assets	(478,207,087)	(24,945,462)	-	(503,152,549)	-	503,152,549
Lease liabilities	457,239,712	44,631,363	-	501,871,075	501,871,075	-
Employee benefits	(11,908,125)	(18,095,175)	30,003,300	-	-	-
Provision against personal accounts	6,253,745	520,492	-	6,774,237	6,774,237	-
Provision for impairment loss on trade receivables	137,894,454	(61,875)	-	137,832,579	137,832,579	-
	122,595,896	**9,137,644**	**30,003,300**	**161,736,840**	**664,889,389**	**503,152,549**
Deferred tax income recognised in profit or loss account						(9,137,644)
Deferred tax expense recognised in OCI						(30,003,300)
						(39,140,944)
2024						
Property, plant and equipment	365,840	10,957,357	-	11,323,197	11,323,197	-
Right-of-use assets	(485,709,345)	7,502,258	-	(478,207,087)	-	478,207,087
Lease liabilities	458,383,041	(1,143,329)	-	457,239,712	457,239,712	-
Employee benefits	-	8,664,113	(20,572,238)	(11,908,125)	-	11,908,125
Provision against personal accounts	6,106,492	147,253	-	6,253,745	6,253,745	-
Provision for impairment loss on trade receivables	138,342,730	(448,276)	-	137,894,454	137,894,454	-
	117,488,758	**25,679,376**	**(20,572,238)**	**122,595,896**	**612,711,108**	**490,115,212**
Deferred tax income recognised in profit or loss account						(25,679,376)
Deferred tax expense recognised in OCI						20,572,238
						(5,107,138)

B. Computation of deferred tax assets

31 December 2025

In taka	Carrying amount as at 31 December	Tax base amount as at 31 December	Taxable/ (deductible) temporary difference
Property, plant and equipment	914,275,334	996,104,212	(81,828,878)
Right-of-use assets	2,236,233,552	-	2,236,233,552
Lease liabilities	(2,230,538,106)	-	(2,230,538,106)
Employee benefits	-	-	-
Provision against personal accounts	(30,107,721)	-	(30,107,721)
Provision for impairment loss on trade receivables	(612,589,238)	-	(612,589,238)
			(718,830,391)
Applicable tax rate			22.5%
			(161,736,838)

31 December 2024

Property, plant and equipment	933,155,632	983,480,954	(50,325,322)
Right-of-use assets	2,125,364,832	-	2,125,364,832
Lease liabilities	(2,032,176,498)	-	(2,032,176,498)
Employee benefits	52,925,000	-	52,925,000
Provision against personal accounts	(27,794,424)	-	(27,794,424)
Provision for impairment loss on trade receivables	(612,864,238)	-	(612,864,238)
			(544,870,650)
Applicable tax rate			22.5%
			(122,595,896)

In taka	Note	31 December 2025	31 December 2024
31. Lease liabilities			
See accounting policy in Note 50(L).			
A. Reconciliation of carrying amount			
Opening balance		2,032,176,498	2,037,257,962
Additions		765,161,468	1,512,448,325
Modifications		(59,009,401)	(932,647,843)
Disposal		(27,148,152)	(65,086,635)
Imputed interest on lease liabilities		227,667,739	187,885,964
Payment of lease liabilities (principal portion)		(480,642,307)	(519,795,311)
Payment of lease liabilities (interest portion)		(227,667,739)	(187,885,964)
Closing balance		**2,230,538,106**	**2,032,176,498**
B. Balances in the statement of financial position			
Non-current		1,889,649,050	1,728,066,781
Current		340,889,056	304,109,717
Closing balance		**2,230,538,106**	**2,032,176,498**
Maturity analysis			
6 months or less		138,645,517	127,072,865
6 - 12 months		202,243,538	177,036,852
1 - 5 years		1,305,987,041	982,456,132
More than 5 years		583,662,010	745,610,649
		2,230,538,106	**2,032,176,498**

In taka	Note	31 December 2025	31 December 2024
C. Amounts recognised in profit or loss			
Imputed interest on lease liabilities		227,667,739	187,885,964
Gain on remeasurement of lease liabilities		(5,276,862)	(12,029,758)
Depreciation of right-of-use assets		576,601,029	556,895,706
		798,991,906	**732,751,912**
Expenses related to non-lease components		160,969,403	188,906,984
Total expenses recognised in profit or loss		**959,961,309**	**921,658,896**
D. Amounts recognised in the statement of cash flows			
Payment of lease liabilities (principal portion)		480,642,307	519,795,311
Payment of lease liabilities (interest portion)		227,667,739	187,885,964
		708,310,046	**707,681,275**
Payment related to non-lease components		160,969,403	188,906,984
Total cash outflows for leases as per IFRS 16		**869,279,449**	**896,588,259**
E. Disaggregation of total expenses			
Rent for commercial space		753,189,127	743,984,433
Other rent (non commercial space), rate and taxes		93,793,813	66,076,798
		846,982,940	**810,061,231**
VAT on rent for commercial space		112,978,369	111,597,665
		959,961,309	**921,658,896**
32. Trade and other payables			
See accounting policy in Note 50(H).			
Trade payables to external parties	32(A)	1,146,280,503	958,348,788
Trade payables to related parties		331,571,691	459,374,560
Creditors for other finance	32(B)	462,743,982	609,139,613
Accrued expenses	32(C)	270,615,753	382,254,976
		2,211,211,929	**2,409,117,937**
Non-current		131,213,797	234,869,071
Current		2,079,998,132	2,174,248,866
		2,211,211,929	**2,409,117,937**
A. Trade payables to external parties			
Creditors for goods		682,605,077	451,786,912
Creditors for expenses	32(A)(i)	463,675,426	506,561,876
		1,146,280,503	**958,348,788**
i. Creditors for expenses			
Payable to Global local suppliers		197,240,505	207,878,387
Payable to Global Footwear Services		266,434,921	298,683,489
		463,675,426	**506,561,876**
B. Creditors for other finance			
Workers' profit participation fund	13	10,444,410	29,108,569
Personal accounts of employees and agents		113,613,047	116,197,158
Security and other deposits		17,600,799	19,110,799
Tax deducted at source		28,632,032	85,094,464
VAT deducted at source		77,475,769	86,822,205
Salary and wages payable		140,632,566	116,949,301
Provident fund		10,420,556	10,158,764
Others		63,924,803	145,698,353
		462,743,982	**609,139,613**

In taka	Note	31 December 2025	31 December 2024
C. Accrued expenses			
Royalty		49,215,201	47,149,744
Utility		27,152,131	25,600,269
Legal and audit fees		6,418,700	8,412,689
Salary and other benefits		48,197,742	140,714,943
Selling expenses		49,876,745	17,956,404
Rent		63,465,999	81,284,089
Other accrued liabilities		26,289,235	61,136,838
		270,615,753	**382,254,976**

33. Unclaimed dividend

See accounting policy in Note 50(N).

Opening balance	24,401,419	15,283,245
Additions	101,779,200	165,908,625
Payments	(102,524,946)	(156,790,451)
Unclaimed dividend	**23,655,673**	**24,401,419**
Accrued interest	4,865,529	3,487,555
Closing balance	**28,521,202**	**27,888,974**

i. Aging analysis of unclaimed dividend (excluding interest)

For the year 2021	-	1,707,358
For the year 2022*	5,865,609	5,971,047
For the year 2023	7,353,906	9,345,544
For the year 2024	7,480,340	7,377,470
For the year 2025	2,955,818	-
Closing balance	**23,655,673**	**24,401,419**

*Final dividend for 2022 was approved at the 51st Annual General Meeting of the Company at 13 July 2023.

34. Deferred revenue

See accounting policy in Note 50(A).

Bata club loyalty points	34(A)	10,512,991	15,190,940
		10,512,991	**15,190,940**

A. Movement of Bata club loyalty points

Opening balance	15,190,940	17,978,663
Points awarded during the year	222,524,850	223,216,746
Points redeemed during the year	(56,917,588)	(33,488,243)
Points expired during the year	(170,285,211)	(192,516,226)
Closing balance	**10,512,991**	**15,190,940**

35. Current tax liabilities

See accounting policy in Note 50(D).

Provision for tax	35(A)	528,510,148	558,089,488
Advance income tax	35(B)	(188,230,210)	(154,694,183)
		340,279,938	**403,395,305**

A. Provision for tax

Opening balance		558,089,488	440,165,926
Provision for the current year	14(A)	196,000,000	283,000,000
Adjustment of provision for tax on completed assessment		(225,579,340)	(165,076,438)
Closing balance		**528,510,148**	**558,089,488**

In taka	Note	31 December 2025	31 December 2024
B. Advance income tax			
Opening balance		154,694,183	156,992,890
Tax paid during the year:			
- Income year ended 31 December 2025		126,412,274	-
- Income year ended 31 December 2024		132,703,093	92,876,247
- Income year ended 31 December 2023		-	69,901,484
Adjustment of provision for tax on completed assessment		(225,579,340)	(165,076,438)
Closing balance		**188,230,210**	**154,694,183**

36. Related parties

A. Parent and ultimate controlling party

Bafin (Nederland) B.V has 70% shareholding of the Company which is fully owned by Compass Limited. As a result, the ultimate controlling party of the Company is Compass Limited.

B. Transactions with key management personnel

In taka	For the year ended 31 December 2025	For the year ended 31 December 2024
Short term employee benefits	114,799,841	114,981,169
Post employment benefits	14,193,291	13,296,157
	128,993,132	**128,277,326**

C. Other related party transactions

In taka

Nature of relationships	Nature of transactions	Transaction during the year 2025	Transaction during the year 2024	Balance outstanding 2025	Balance outstanding 2024
Parent of the Company	Dividend	(213,736,320)	(416,718,086)	-	-
Associated Companies	Purchase of goods	(240,544,811)	(296,213,849)	(9,379,978)	(29,023,751)
	Service received	(4,814,378)	(5,523,206)	(16,760,044)	(12,157,382)
	Sale of goods	3,139,322	1,459,058	-	-
	Service provided	-	6,326,820	831,447	812,600
	IT fees	(108,450,418)	(91,789,267)	(66,301,838)	(86,561,577)
	Trade mark license fees	(386,481,394)	(391,159,937)	(239,129,831)	(390,582,106)

37. Remittance of foreign currency

Name of parties	Nature of transactions	Foreign currency	Foreign currency		Local currency	
			2025	2024	2025	2024
Bafin (Nederland) B.V	Dividend	USD	1,745,910	3,175,809	213,736,320	426,132,000
Bafin (Nederland) B.V	Dividend	EUR	-	639,800	-	224,078,400
Global Footwear Services Pte. Ltd., Singapore	Management services fees	SGD	-	2,114,000	-	186,811,409
Global Footwear Services Pte. Ltd., Singapore	Management services fees	USD	2,615,430	-	320,128,602	-
Wolverine World Wide Inc., USA	Royalty, outsourcing fee and shoe sample	USD	254,608	351,467	31,137,837	42,250,980
Bata Brands S.A	Royalty and business development expenses	USD	4,743,615	3,347,414	580,668,960	420,606,139
Bata Brands S.a.r.l - Swiss Branch	Trade mark license fees	USD	-	-	-	-
Bata Brands S.a.r.l - Swiss Branch	Trade mark license fees	EUR	-	-	-	-
Aurelius Alpha International	Royalty and technical know how fees on Dr. Scholl's Brand	EUR	-	9,932	-	9,732,079
Aurelius Alpha International	Royalty and technical know how fees on Dr. Scholl's Brand	USD	88,154	81,101	10,883,485	1,297,610
Greentern Consulting Pte. Ltd.	Business development	USD	-	-	-	-
Pazo Inc.	Business development	USD	-	-	-	-
Bata Shoe (Singapore) Pte. Ltd.	Business development	USD	3,656	4,472	447,918	536,653
Turner Broadcasting System Asia Pacific	Royalty and business development expenses	USD	-	68,000	-	8,160,000
Velocis Systems Private Limited	Service and maintenance fees	USD	-	-	-	-
Wills Towers Watson India Private Limited	Fees for professional services	USD	3,400	3,200	415,400	352,000
Easy Rewardz PTE Ltd	Business development	USD	199,597	139,444	26,943,595	16,097,098
Easy Rewardz PTE Ltd	Business development	EUR	-	-	-	-
First Insight, Inc.	Business development	USD	-	7,500	-	825,000
Gaea Technologies India Private Limited	Business development	USD	101,786	71,143	12,434,568	8,341,084
Skillsoft (US) LLC	Business development	USD	9,909	9,910	1,208,910	1,168,389
Bureau of Indian Standard	Business development	USD	-	30	-	3,540
Bata Centre s.r.o	Broker fees	EUR	-	18,361	-	2,497,829
Path Infotech Pte Ltd.	Business development	USD	52,633	42,533	6,454,350	5,103,989
SDG Consulting Italia S.P.A	Business development	USD	-	3,311	-	397,260
Softwareone Italia s.r.l	Business development	USD	-	25,520	-	3,062,364
Softwareone Pte Ltd.	Business development	USD	8,626	7,746	1,037,528	929,524
Bata (Malaysia) SDN BHD	Reimbursement expenses	USD	-	97	-	11,612
The Walt Disney Company (Southeast Asia) Pte. Limited	Business development	USD	10,100	-	1,240,280	-
			9,837,424	**10,120,789**	**1,206,737,753**	**1,358,394,960**

In taka	Note	31 December 2025	31 December 2024
38. Earnings in foreign currency			
Export of shoes and other footwear goods		9,873,752	10,540,284
		9,873,752	**10,540,284**
39. Earnings per share			
Profit attributable to the ordinary shareholders		11,581,438	295,742,182
Weighted average number of ordinary shares outstanding		13,680,000	13,680,000
		0.85	**21.62**
40. Net Asset Value (NAV) per share			
Net asset value		2,581,637,478	3,012,664,740
Weighted average number of ordinary shares outstanding		13,680,000	13,680,000
		188.72	**220.22**
41. Net Operating Cash Flow Per Share (NOCFPS)			
Net operating cash flow		836,499,065	976,994,533
Weighted average number of ordinary shares outstanding		13,680,000	13,680,000
		61.15	**71.42**
A. Reconciliation of net operating cash flows			
Profit for the year		11,581,438	295,742,182
Adjustment for:			
Depreciation on property, plant and equipment		170,463,654	170,907,495
Depreciation on right-of-use assets		576,601,029	556,895,706
Amortisation of intangible assets		1,499,118	267,613
Net finance costs		200,316,507	193,891,700
Reversal of impairment loss on trade receivables		(275,000)	(2,392,720)
Loss on disposal of property, plant and equipment		9,978,451	4,838,822
Loss/(gain) on remeasurement of lease liabilities		(5,276,862)	(12,029,758)
Interest expenses on unclaimed dividend		1,377,974	734,904
Tax expenses		186,862,356	257,320,624
		1,141,547,227	**1,170,434,386**
Changes in operating assets and liabilities:		1,153,128,665	1,466,176,568
- Inventories		416,261,899	(153,920,023)
- Trade and other receivables		(17,133,567)	2,741,182
- Advances, deposits and prepayments		26,444,668	165,160,716
- Trade and other payables		(197,906,008)	(152,090,026)
- Employee benefits		(80,423,000)	-
- Unclaimed dividend		(745,746)	8,383,270
- Deferred revenue		(4,677,949)	(2,787,723)
		141,820,297	**(132,512,604)**
Interest received		57,084,242	50,704,427
Interest paid		(227,667,739)	(214,863,117)
Income tax paid		(259,115,367)	(162,777,731)
Foreign exchange loss		(28,751,033)	(29,733,010)
Net cash generated from operating activities		**836,499,065**	**976,994,533**

42. Financial instruments - Fair values and risk management

See accounting policy in Note 50(H).

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities,including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2025 In taka	Note	Fair value-hedging instruments	Carrying amount					
			Mandatorily at FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total
Financial assets not measured at fair value								
Trade and other receivables	23	-	-	-	-	34,842,783	-	34,842,783
Cash and cash equivalents	25	-	-	-	-	453,364,296	-	453,364,296
		-	**-**	**-**	**-**	**488,207,079**	**-**	**488,207,079**
Financial liabilities not measured at fair value								
Lease liabilities	31	-	-	-	-	-	(2,230,538,106)	(2,230,538,106)
Trade and other payables	32	-	-	-	-	-	(2,211,211,929)	(2,211,211,929)
		-	**-**	**-**	**-**	**-**	**(4,441,750,035)**	**(4,441,750,035)**
31 December 2024								
Financial assets not measured at fair value								
Trade and other receivables	23	-	-	-	-	17,434,216	-	17,434,216
Cash and cash equivalents	25	-	-	-	-	591,551,059	-	591,551,059
		-	**-**	**-**	**-**	**608,985,275**	**-**	**608,985,275**
Financial liabilities not measured at fair value								
Lease liabilities	31	-	-	-	-	-	(2,032,176,498)	(2,032,176,498)
Trade and other payables	32	-	-	-	-	-	(2,409,117,937)	(2,409,117,937)
		-	**-**	**-**	**-**	**-**	**(4,441,294,435)**	**(4,441,294,435)**

42. Financial instruments - Fair values and risk management (continued)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk (see Note 42(B)(ii));
- liquidity risk (see Note 42(B)(iii)); and
- market risk (see Note 42(B)(iv)).

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ii. Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Exposure to credit risk

In taka	Note	31 December 2025	31 December 2024
Trade receivables from external parties		20,688,822	16,621,616
Deposits	24	188,353,659	251,935,202
Bank balances	25	453,286,972	591,201,385
		662,329,453	**859,758,203**
Trade receivables from external parties			
Gross receivables	23	633,278,060	629,485,854
Provision for impairment loss	23	(612,589,238)	(612,864,238)
		20,688,822	**16,621,616**
Ageing of receivable from external parties			
0-30 days		11,393,135	8,542,878
31-90 days		8,254,045	7,776,913
91-180 days		18,526	301,825
181-365 days		1,023,116	-
Over 365 days		612,589,238	612,864,238
		633,278,060	**629,485,854**

Provision for impairment loss on trade receivables

31 December 2025	Expected credit loss rate	Estimated gross carrying amount at default	Expected Credit loss (In taka)
0-30 days	0%	11,393,135	-
31-90 days	0%	8,254,045	-
91-180 days	0%	18,526	-
181-365 days	0%	1,023,116	-
Over 365 days	100.00%	612,589,238	612,589,238
		633,278,060	**612,589,238**

31 December 2024	Expected credit loss rate	Estimated gross carrying amount at default	Expected Credit loss (In taka)
0-30 days	0%	8,542,878	-
31-90 days	0%	7,776,913	-
91-180 days	0%	301,825	-
181-365 days	0%	-	-
Over 365 days	100.00%	612,864,238	612,864,238
		629,485,854	**612,864,238**

The Company's recent business model has transitioned predominantly to a cash sales basis, with only a minimal portion of total sales made on credit, primarily to government and other entities with assured recoverability. As a result, there is very insignificant credit risk exposure.

Cash and cash equivalents

The Company held cash at bank of Taka 453,286,972 at 31 December 2025 (31 December 2024: Taka 591,201,385), which represents its maximum credit exposure on these assets.

The bank balances of the Company are held with banks which are rated AAA, AA+ and AA by Credit Rating Agency of Bangladesh.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

'Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of the financial obligation and accordingly arranging for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions, the Company may get support from the parent in the form of shareholder's loan/capital contribution.

Exposure to liquidity risk

The followings are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

31 December 2025

In taka	Note	Carrying amount	Contractual cash flows				
			Total	6 months or less	6 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities							
Lease liabilities	31	2,230,538,106	2,887,020,065	183,204,722	267,043,239	1,709,001,379	727,770,725
Trade and other payables	32	2,211,211,929	2,211,211,929	1,781,213,590	298,784,542	113,613,047	17,600,750
		4,441,750,035	**5,098,231,994**	**1,964,418,312**	**565,827,781**	**1,822,614,426**	**745,371,475**

31 December 2024

In taka	Note	Carrying amount	Contractual cash flows				
			Total	6 months or less	6 - 12 months	1 - 5 years	More than 5 years
Non-derivative financial liabilities							
Lease liabilities	31	2,032,176,498	2,672,679,106	172,979,955	239,192,206	1,280,469,721	980,037,224
Trade and other payables	32	2,409,117,937	2,409,117,937	1,981,835,863	192,413,003	215,758,321	19,110,750
		4,441,294,435	**5,081,797,043**	**2,154,815,818**	**431,605,209**	**1,496,228,042**	**999,147,974**

iv. Market risk

Market risk is the risk that changes in market prices - e.g. foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

'The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and royalty payments are denominted and the respective functional currencies of Company. The functional currency of the company is primarily BDT/Taka/Tk. The currencies in which these transactions are primarily denominated are USD. The Company maintains USD bank account where all receipts are deposited and all corresponding payments are made.

Exposure to currency risk

'The summary quantitative data about the company's exposure to currency risk as reported to the management of the company is as follows.

Foreign currency denominated assets	31 December 2025		31 December 2024	
	USD	SGD	USD	SGD
Trade and other receivables	36,601	-	57	-
Bank balances	52,314	-	45,125	-
	88,915	-	45,181	-
Foreign currency denominated liabilities				
Trade and other payables	2,388,960	2,835,000	(5,252,381)	(1,128,194)
	2,388,960	2,835,000	(5,252,381)	(1,128,194)
Net statement of financial position exposure	**2,477,875**	**2,835,000**	**(5,207,200)**	**(1,128,194)**

Trade and other payables represents payable for Global footwear service fees, IT fees etc. The Company has net foreign exchange loss amounting to Taka 29,733,010 during the year ended 31 December 2025.

The following significant exchange rates have been applied.

	Average rate		Year-end spot rate	
In taka	2025	2024	2025	2024
US Dollar 1	122.16	116.16	122.28	120.00
Euro 1	138.28	125.51	143.95	124.90
Singapore Dollar 1	93.65	86.90	95.08	88.25

Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening (weakening) of the Taka, as indicated below, against the USD, EUR and SGD at 31 December would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
31 December 2025				
USD (5 percent movement)	12,239,708	(12,239,708)	2,508,408	(2,508,408)
EUR (5 percent movement)	3,316	(3,316)	-	-
SGD (5 percent movement)	2,976,750	(2,976,750)	2,976,750	(2,976,750)

	Profit or loss		Equity	
	Increase	Decrease	Increase	Decrease
31 December 2024				
USD (5 percent movement)	14,655,344	(14,655,344)	14,655,344	(14,655,344)
EUR (5 percent movement)	55,276	(55,276)	55,276	(55,276)
SGD (5 percent movement)	2,976,750	(2,976,750)	2,976,750	(2,976,750)

Interest rate risk

The interest bearing financial instrument for the Company is the Short Term Deposit (STD) account and Fixed Deposit Receipts (FDR) maintained by the Company with its commercial banks. These are highly liquid and very short term deposits with nominal interest rate. Interest rate fluctuation for such investment have little impact on financial statements. Therefore, interest rate risk for the Company is insignificant.

Commodity risk

Commodity risk refers to the uncertainties of future market values and of the size of the future income, caused by the fluctuation in the prices of commodities. As the Company purchases MS wire, blended power, calcium carbide and other raw materials, it is exposed to risks arising from the purchase of these materials for use in production. Commodity price risk is managed by supply contracts with suppliers.

43. Contingent liabilities

See accounting policy in Note 50(S).

In taka	31 December 2025	2024
Unresolved disputed tax and VAT cases	813,380,212	813,380,212
	813,380,212	**813,380,212**

The Company appealed before the High Court Division of the Supreme Court of Bangladesh against the Tribunal order and other lower courts respectively demanding a net claim of tax liability of Taka 245 million for the assessment years from 2000 to 2011.

The Company filed before the High Court Division of the Supreme Court of Bangladesh and other stages against the Tribunal order and other lower courts respectively demanding a claim of total VAT liability of Taka 568 million for the assessment years from 2001 to 2019.

44. Capital expenditure and financial commitment

Commitments of the Company is Taka 23,666,549 as on 31 December 2025 (2024: Taka 24,084,041) for capital expenditures.

Commitments of the Company is Taka 1,136,433,981 as on 31 December 2025 (2024: Taka 1,106,307,990) for purchase of raw materials, finished goods and services.

A summary of letter of credits used and bank guarantee are given below:

In taka	31 December 2025	2024
Letter of credit:		
Eastern Bank PLC	72,790,634	221,602,666
The Hongkong and Shanghai Banking Corporation Limited	27,799,262	-
Dutch-Bangla Bank PLC	11,880,345	148,703,743
Standard Chartered Bank PLC	48,319,739	-
	160,789,980	**370,306,409**
Bank Guarantee:		
Eastern Bank PLC	12,197,110	12,197,110
	172,987,090	**382,503,519**

45. Numbers of employees

The number of employees engaged for the whole period or part thereof who received a total remuneration of Taka 36,000 or more per annum was 928 (2024: 1,063).

46. Events after the reporting date

See accounting policy in Note 50(T).

The Board of Directors, at its 271st meeting held on 28 April 2026, proposed BDT 10.50 per share amounting to a total of BDT 143,640,000 as final dividend for the year ended 31 December 2025 which represents 105% of the paid-up capital. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting of the Company. Besides, the Company has already declared and paid an interim dividend of BDT 14.30 per share amounting to a total of BDT 195,624,000 during the year which represents 143% of the paid-up capital. Thus, both dividends will make a total 248% of paid up capital which is BDT 24.80 per share amounting to BDT 339,264,000 for the year ended 31 December 2025.

Subsequent to the reporting date, breakout of war with Iran has led to disruption of energy supply from the Middle East to the Asian region, including Bangladesh.

The situation is fast evolving and the effect of the escalations is subject to significant levels of uncertainty. Management is closely monitoring the situation and assessing the potential impact on the Company's operations, financial position and cash flows. At the date of authorization of these financial statements, the Company is not able to reliably estimate the financial impact of this event. The event is considered non adjusting subsequent events under IAS 10 Events after the Reporting Period.

47. Significant deviations

A. Revenue and profit for the year 2025

In 2025, Bangladesh's economy shows early signs of stabilization, with moderating inflation and gradual recovery in foreign currency reserves, though GDP growth remains subdued. The macro environment is improving, but external vulnerabilities and tight financial conditions continue to constrain growth momentum, due to which the business growth has fallen by 1% with high costs compared to last year. Besides macro economic issue, there was a Israel Gaza issue which affected Bata store badly.

B. Other income/(loss) for the year 2025

Other income/(loss) has decreased significantly compared to the prior year, primarily due to reduced gains from disposal of store assets, following extensive retail store renovations undertaken during the year.

C. Other comprehensive income/(loss), net of tax for the year 2025

There is other comprehensive loss in 2025 which was gain in last year. This significant change has incurred due to restructuring costs incurred in 2025.

D. Trade and other receivables

Trade and other receivables increased compared to last year mainly because of dues from institutional sales, especially from government institutions (including Defense supply) .

E. Advances, deposits and prepayments

Advances, deposits and prepayments decreased compared to last year mainly because of low LC (Letter of Credit) margin at year end compared to last year.

F. Cash and cash equivalents

Cash and cash equivalents decreased significantly compared to last year mainly because of low turnover and various remittance payments.

G. Inventories

Inventories at year-end were lower compared to the previous year due to improved inventory management and tighter stock control across stores and distribution centers. Despite a marginal decline in turnover of around 1%, the company maintained leaner stock levels through better demand planning and optimized replenishment, resulting in reduced closing inventory.

H. Earnings per share

Earnings per share significantly lower in 2025 as net profitability declined compared with the prior year. The reduction was primarily due to lower turnover for country's macro economic and overall political transience resulted in downtrend in footfall and reflective turnover.

48. Reporting period

The financial period of the Company covers one year from 1 January to 31 December. These financial statements were prepared for twelve months from 1 January to 31 December 2025.

49. Basis of measurement

The financial statements of the Company have been prepared on historical cost basis except for net defined benefit asset/ liability (employee benefits) for which the measurement basis is the fair value of plan assets less the present value of the defined benefit obligation and inventories which are measured at lower of cost and net realised value (LCNRV), as explained in Note 34(C) and 34(J) respectively.

50. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the material accounting policies, the details of which are available on the pages that follow:

A. Revenue with contract with customers
B. Finance income and finance costs
C. Employee benefits
D. Income tax
E. Property, plant and equipment
F. Intangible assets
G. Foreign currency
H. Financial instruments
I. Impairment
J. Inventories
K. Provisions
L. Leases
M. Earnings per share
N. Dividend distribution
O. Segment reporting
P. Duty drawback
Q. Sales proceeds from wastage and scrap etc.
R. Going concern
S. Contingent liabilities
T. Events after the reporting period

A. Revenue with contract with customers

Revenue from sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of discounts, incentives, Value Added Tax (VAT) and loyalty points earned by customers on the Company's sales.

The Company recognizes revenue when a contractual performance obligation is fulfilled by transferring control over the promised goods to a customer provided that collectability of the consideration is probable.

i) Information about its performance obligations

The Company typically satisfies its performance obligations which are as follows:

Nature	When the Company typically satisfies its performance obligations
Retail	Upon acceptance and paying for goods by customers at retail stores.
Wholesale	Upon acceptance of goods at depots and/or distribution centers by the dealers (i.e. point of dispatching from depot and/or distributor's gate).
E-commerce	Upon delivery to customers.
Export sales	Free on board.

ii) Obligations in relation to repair or replace

It is the Company's policy to sell its goods to the customers with a right to repair or replace within 30 days. The Company's obligation to replace faulty goods under the warranty period is recognized as provision as per IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

iii) Bata club loyalty points

The Company operates a loyalty program where retail customers accumulate points for purchases made which entitle them to discount on future purchases. A contract liability for the award points is recognized at the time of the sale. Revenue is recognized when the points are redeemed, or when they expire 12 months after the initial sale or when they expire based on different campaign modality. A deferred revenue is recognized until the points are redeemed or expire.

B. Finance income and finance costs

Finance income comprises interest income on funds invested and recognized in profit or loss. Interest income is recognized on accrual basis.

Finance expense comprises interest expense on overdraft, lease, defined benefit liability and exchange differences. All finance expenses are recognized in profit or loss.

C. Employee benefits

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

i) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity, and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

a) Provident fund

The Company maintains three recognized provident funds for its permanent employees categorized as managers, officers and workers. Members, upon confirmation as regular employment of the Company, are required by the Company to join one of the three provident funds as per their "Grade/Designation". The eligible members of these three funds contribute 8% to 10.50% of their basic salary and the Company makes the equal contribution to these funds. Members of these funds become eligible to receive the Company's contribution upon completion of 2 years of continuing services with the Company. These funds are administered by the separate boards of trustees.

The Company recognizes the contribution to the defined contribution plan as an expense when an employee has rendered services in exchange for those contributions. The legal and constructive obligation is limited to this amount and it agrees to the fund contribution.

Pursuant to the directive from Financial Reporting Council (FRC), each board of trustees must return the forfeited amounts from the fund to the Company at the year end and the amounts are duly recognized as other income by the Company in profit or loss.

b) Managerial Staff pension fund

The Company maintains funded managerial staff pension scheme for management employees which is a defined contribution plan. Members, upon confirmation as regular employment of the Company, are required by the Company to join the pension fund in which only members contribute 20% of their basic salary. Members of this scheme become eligible to receive pension upon completion of 5 years of continuing services with the Company. This fund is administered by a separate board of trustees.

ii) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years.

Gratuity scheme

The gratuity scheme has been converted from unfunded to a funded one and is applicable to all its employees. The Company contributes to the fund as per Bangladesh Labour Act 2006 amended in 2013 for the eligible employees from the date of joining. The fund is managed by a Board of Trustees. Members of this scheme become eligible to receive gratuity upon completion of 12 months continuing services with the Company. The gratuity scheme is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees.

The net defined benefit liability or asset in respect of gratuity scheme is recognized in the statement of financial position which is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by a professional actuary. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost by using mutually compatible actuarial assumptions about demographic and financial variables.

Current service cost, past service cost, amortization of past service cost, gain/loss on settlements and curtailments and net interest on the defined benefit liability and asset are recognized in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the year in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Workers' Profit Participation Fund (WPPF)

The Company provides 5% of its profit before charging such expense as WPPF in accordance with "The Bangladesh Labour Act 2006 (amended in 2013)".

D. Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Bata qualifies as a "Publicly Traded Company" hence the applicable tax rate is 22.5%.

ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

E. Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment, excluding land, are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of assets. The cost of self-constructed assets (i.e. show rooms and office and factory buildings) includes the following:

- the cost of materials and direct labour;
- any other cost directly attributable to bringing the asset to a working condition for the intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

ii) Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

iii) Depreciation

Items of property, plant and equipment except land are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component.

Addition during the year of property, plant and equipment is depreciated when an asset is available for use, while no depreciation is charged in the month of disposal.

The estimated useful lives for the current and comparative year of property, plant and equipment are as follows:

Buildings	40 years	40 years
Plant and machineries	13.33 years	13.33 years
Vehicles	5 years	5 years
Computer and computer equipment	4 years	4 years
Furniture, fixtures and office equipment	6.67-13.33 years	6.67-13.33 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

iv) Under construction

Property, plant and equipment that is being under construction/acquisition is accounted for as capital work in progress until available for use and measured at cost.

F. Intangible assets

i) Recognition and measurement

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible asset is recognised when all the conditions for recognition as per IAS 38: Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner. Intangible assets include IT software.

An intangible asset is measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and accumulated impairment losses.

ii) Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the statement of profit or loss and other comprehensive income when incurred.

iii) Amortisation

Amortisation is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of intangible assets. The intangible asset is amortised from the following month of its capitalisation.

The estimated useful lives for the current and comparative year of intangible assets are as follows:

	2025	2024
Software	3 years	3 years

G. Foreign currency

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies on the reporting date are retranslated to the functional currency using the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate on the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate on the date of the transaction.

Foreign currency differences arising on translation are recognized in profit or loss.

H. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

a) Initial recognition

The Company initially recognizes financial assets in its statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

(b) Derecognition

The Company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the contractual rights to receive the cash flows of the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

c) Classification and measurement of financial assets

The classification and measurement of financial assets is based on the basis of both:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

Three measurement classifications for financial assets have been established which are amortized cost, fair value through other comprehensive income and fair value through profit and loss. These measurement classifications align with the following three business models available under IFRS 9:

- Hold to collect– Financial assets held with the objective to collect contractual cash flows;
- Hold to collect and sell– Financial assets held with the objective to collect contractual cash flows and sell;
- Other– Financial assets held for trading or assets that do not meet the criteria for either 'Hold to collect' or 'Hold to collect and sell'. Financial assets designated as trading and are held with an objective to sell the assets in the short term.

For purposes of determining the measurement classification, financial assets under the 'Hold to collect' and 'Hold to collect and sell' business model require an assessment to determine whether the cash flows are solely payments of principal and interest (SPPI). Basic lending arrangements with limited volatility in cash flows typically have contractual cash flows that are SPPI; however, other factors should be considered in making this determination, such as whether interest payments provide only a consideration for the passage of time associated with time value of money.

Financial assets under a 'Hold to collect' business model, with contractual cash flows that are SPPI, are classified and measured at amortized cost. Financial assets under a 'Hold to collect and sell' business model, with contractual cash flows that are SPPI, are classified and measured at fair value through other comprehensive income (FVOCI).

Financial assets that have contractual cash flows that are not SPPI, are designated as trading or do not fit the business model criteria for 'Hold to collect' and 'Hold to collect and sell' are measured at fair value through profit and loss (FVTPL).

Based on the above, recognition and measurement relies on amortized cost, fair value through profit or loss and fair value through other comprehensive income.

Financial assets currently being used by the Company are as follows:

d) Initial measurement

Cash and cash equivalents

Cash and cash equivalents, except cash in hand, comprise of cash balances and all cash deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Trade and other receivables

At initial recognition, the Company measures trade and other receivables at their transaction price.

Security and other deposits

At initial recognition, the Company measures security and other deposits at its fair value plus or minus transaction costs that are directly attributable to the acquisition.

e) Subsequent measurement of financial assets

The Company classifies its financial assets as subsequently measured at amortized cost.

ii) Financial liabilities

Financial liabilities are recognized when its contractual obligations arising from past events are certain and settlement of which is expected to result in an outflow of resources embodying economic benefits from the Company.

a) Initial recognition

The Company initially recognizes financial liabilities in its statements of financial position when the Company becomes a party to the contractual provisions of the instrument.

b) Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

c) Classification and measurement of financial liabilities

Financial liabilities currently being used by the Company which are creditors for goods, creditors for expenses, creditors for other finance, accrued expenses and lease liabilities which are measured in the following way.

d) Initial measurement

At initial recognition, the Company measures its financial liabilities at its fair value plus or minus transaction costs that are directly attributable to the acquisition.

e) Subsequent measurement of financial liabilities

The Company classifies its financial liabilities as subsequently measured at amortized cost.

Trade and other payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

I. Impairment

i) Financial assets

A loss allowance for expected credit loss (ECL) on financial assets has been calculated as permitted by IFRS-9, that are measured at amortized cost. The Company measures loss allowance on financial assets at an amount equal to the lifetime expected credit losses. At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition by comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition considering reasonable and supportable information, that is available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and forward-looking information. Regardless the Company also assesses significant increases in credit risk on trade receivables when contractual payments are past due over 365 days which is the maximum period over which the Company is exposed to credit loss.

Measurement of expected credit loss

The Company measures expected credit loss of a financial asset which is a probability-weighted amount and determined by considering time value of money using effective interest rate of the financial asset (i.e. the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive discounted at the original effective interest rate). Regardless, the Company recognizes 50% impairment provision on trade receivables when contractual payments from customers are past due over 180 days and recognizes 100% impairment provision on trade receivables when contractual payments from customers are past due over 365 days, on collective basis.

ii) Non-financial assets

The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or Cash Generating Unit (CGU). For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amount of the assets in the CGU on a pro rata basis. However, no impairment losses arose and reported in 2025.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. No such impairment loss arose in 2025 as well.

J. Inventories

Inventories except raw material in transit are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

During the year 2021, the Company conducted a review of its inventory policy to align with the Group. As per IAS 2, every cost to bring the inventory to its final stage should be included in the inventory valuation. According to the Group policies, freight costs between internal warehouses and retail stores represent an unavoidable part of the supply chain in getting inventories to their present location and condition. Therefore, the Company has decided to include these freight costs in the cost of inventory (e.g. capitalize and recognize as Cost of Sales when sold).

K. Provisions

A provision is recognized if, as a result of past event, the Company has a present legal or constructive obligation that can reliably be estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation.

L. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

ii) Right-of-use assets

From 1 January 2019, IFRS 16 has been adopted and all leasing arrangements except those having less than 12 months of useful life and underlying asset values of less than Taka 425,000 when new, have been capitalized as “right-of-use” asset with a corresponding financial liability on the financial position.

Leased assets are capitalized from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest entered in the asset master data. Low value (< Taka 425,000) and short term leases (<12months) have been excluded from the recognition requirements and expensed in operating profit as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The asset is written off on a straight-line basis over the tenure of the lease agreements. Hence, the useful life of any lease assets depends on the number of periods the assets can be used. The useful life of such assets are dependent on individual agreement and can vary from one agreement to another.

The Company recognizes a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities. When a right-of-use asset meets the definition of investment property, it is presented in investment property.

iii) Short-term leases and leases of low-value assets

The Company does not apply the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It also does not apply the recognition and measurement requirements of IFRS 16 to leases for which the underlying assets are low value (i.e. less than Taka 425,000 when new). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

M. Earnings per share

The Company presents its basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any. However, dilution of EPS is not applicable for these financial statements as there was no potential dilutive ordinary shares at the reporting date.

N. Dividend distribution

The Board of Directors has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the shareholders taking into consideration the business performance of the Company and its strategic initiatives. The Board believes that it is in the best interest of the Company to draw up a long-term and predictable dividend policy. The objective of the policy is to allow the shareholders to make informed investment decisions. The Board has approved the following dividend policy:

i) The Board shall recommend interim/final and cash/stock dividends to the shareholders, which shall be subject to the approval of the shareholders at Annual General Meetings of the Company.

ii) The Company may issue bonus share as a part of a stock dividend in any financial year, subject to approval from the board and Company's shareholders at the Annual General Meeting.

iii) Dividends shall be paid only out of current profits and/or past profits after providing for depreciation and setting off losses if any subject to the company's business performance and cash availability.

The Company shall aim for as frequent dividend distribution as possible to the consistent growth in dividend pay-out. Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

O. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's management to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

P. Duty drawback

Duty drawback claimed on export sales is adjusted against cost of imported raw materials.

Q. Sales proceeds from wastage and scrap etc.

Sales of empty drum of chemicals, split leather and other wastage of materials have been adjusted with cost of raw materials consumed.

R. Going concern

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern.

S. Contingent liabilities

Contingent liability is a possible obligation that arises from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

The Company discloses contingent liability in the financial statements. A provision is recognized in the period in which the recognition criteria of provision is met.

T. Events after the reporting period

Events after the reporting period which provide additional information about the Company's position at the date of statement of financial position, or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

51. Standards issued but not yet effective

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2025 and earlier application is permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these financial statements.

A. IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027.

- Enities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

B. Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Company's financial statements.

- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

Bata Shoe Company (Bangladesh) Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME BY MANUFACTURING AND TRADING

For the year ended 31 December 2025

Annexure-1

In taka	For the year ended 31 December			
	Manufacturing	**Trading**	**2025**	**2024**
Revenue	7,719,731,277	1,444,145,238	9,163,876,515	9,275,139,842
Cost of sales	(4,354,765,266)	(909,162,124)	(5,263,927,390)	(4,899,786,632)
Gross profit	**3,364,966,011**	**534,983,114**	**3,899,949,125**	**4,375,353,210**
Other income	425,776	-	425,776	7,190,936
Operating expenses	(2,941,224,556)	(550,220,634)	(3,491,445,190)	(3,608,873,791)
Reversal of impairment loss on trade receivables	275,000	-	275,000	2,392,720
Operating profit	**424,442,231**	**(15,237,520)**	**409,204,711**	**776,063,075**
Finance income	-	57,084,242	57,084,242	50,704,427
Finance costs	(227,667,739)	(29,733,010)	(257,400,749)	(244,596,127)
Net finance income/(costs)	**(227,667,739)**	**27,351,232**	**(200,316,507)**	**(193,891,700)**
Profit before tax and contribution to WPPF	**196,774,492**	**12,113,712**	**208,888,204**	**582,171,375**
Contribution to WPPF	(9,838,725)	(605,686)	(10,444,410)	(29,108,569)
Profit before tax	**186,935,767**	**11,508,026**	**198,443,794**	**553,062,806**
Income tax expense	(164,553,034)	(22,309,322)	(186,862,356)	(257,320,624)
Profit for the year	**22,382,733**	**(10,801,296)**	**11,581,438**	**295,742,182**
Other comprehensive loss, net of tax	(87,058,497)	(16,286,203)	(103,344,700)	70,859,932
Total comprehensive income/(loss)	**(64,675,764)**	**(27,087,499)**	**(91,763,262)**	**366,602,114**

Faria Yasmin
Managing Director

Reazul Haque Chowdhury
Director

Elias Ahmed
Finance Director

Riajur Reza Muhammad Faisal
Company Secretary

BUY NOW PAY LATER



0%

EMI THROUGH BANK CARDS

P@y Flex Buy Now, Pay Later BRAC BANK CREDIT CARD 0% INTEREST

city bank™ AMEX

Dutch-Bangla Bank

Eastern Bank Ltd.

MTB™

standard chartered

UCB

- Offer applicable in all Bata Retail stores with selected Bank's Credit Cards
- Applicable on shoes priced MRP 7,000 or above (Regular priced product)
- Single transaction (cash memo) has to be done to avail the offer
- Customers can enjoy EMI facilities for max. of 6 months
- Conditions apply*

Bata

বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই বিজ্ঞপ্তির মাধ্যমে জানানো যাচ্ছে যে, বাটা সু কোম্পানি (বাংলাদেশ) লিমিটেড-এর ৫৪তম বার্ষিক সাধারণ সভা নিম্নলিখিত কার্যাবলি সম্পাদনের জন্য আগামী মঙ্গলবার, ৩০ জুন ২০২৬, সকাল ১১:০০ টায় ডিজিটাল প্লাটফর্মের মাধ্যমে অনুষ্ঠিত হবে:

১. ৩১ ডিসেম্বর ২০২৫ তারিখে সমাপ্ত বছরের জন্য কোম্পানির পরিচালকদের প্রতিবেদন, নিরীক্ষিত আর্থিক বিবরণী এবং নিরীক্ষকদের প্রতিবেদন গ্রহন, বিবেচনা ও অনুমোদন।

২. পরিচালনা পর্ষদের সুপারিশ অনুযায়ী ৩১ ডিসেম্বর ২০২৫ তারিখে সমাপ্ত বছরের জন্য লভ্যাংশ ঘোষণা।

৩. কোম্পানির পরিচালকবৃন্দের নির্বাচন বা পুনঃ নির্বাচন ।

৪. ২০২৬ সালের জন্য সংবিধিবদ্ধ নিরীক্ষক নিয়োগ অনুমোদন এবং তাঁদের পারিশ্রমিক নির্ধারণ।

৫. স্বতন্ত্র পরিচালকের নিয়োগ অনুমোদন ।

৬. ২০২৬ সালের জন্য কর্পোরেট গভর্নেন্স কমপ্লায়েন্স নিরীক্ষক নিয়োগ অনুমোদন এবং তাঁদের পারিশ্রমিক নির্ধারণ।

পরিচালকমণ্ডলীর আদেশক্রমে,

রিয়াজুর রেজা মুহাম্মদ ফয়সাল, এফসিএস
কোম্পানি সচিব

টংগী, ২৮ এপ্রিল ২০২৬

দ্রষ্টব্য:

১. ১৯ মে ২০২৬ হচ্ছে রেকর্ড ডেট। যেসব শেয়ারহোল্ডারদের নাম উক্ত তারিখ পর্যন্ত কোম্পানির শেয়ার রেজিস্টার কিংবা ডিপোজিটরি রেজিস্টারে নথিভুক্ত হবে, তাঁরাই বার্ষিক সাধারণ সভায় যোগদান করতে পারবেন ও লভ্যাংশ পাবেন।

২. সাধারণ সভাটি **https://bata54th.digitalagmbd.net** এই লিংকের মাধ্যমে অনুষ্ঠিত হবে। সদস্যগণ এজিএম এর ২৪ ঘণ্টা পূর্বে এবং মিটিং চলাকালীন সময়ে তাদের ফলিও/বিও আইডি নাম্বার এবং শেয়ার সংখ্যা পূরণ করে এজিএম-এ অংশগ্রহণ করতে পারবেন এবং এখানে তারা প্রশ্ন, মতামত এবং ভোট প্রদান করতে পারবেন।

৩. একজন সদস্য এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারেন কিংবা তাঁর স্বপক্ষে উপস্থিত হতে এবং ভোট দিতে একজন প্রক্সি নিয়োগ করতে পারেন। প্রক্সি ফরম যথাযথভাবে পূরণ করে এবং উপযুক্ত রেভিনিউ স্ট্যাম্প সহকারে ন্যূনতম ৪৮ ঘণ্টা পূর্বে কোম্পানির রেজিষ্টার্ড অফিস অথবা **bd.share@bata.com**-এ পাঠানোর জন্য অনুরোধ করা যাচ্ছে। প্রক্সি ফরম সংযোজন করা হলো। অনুসন্ধানের জন্য ০১৭১১৪০৭৬৭৪ নম্বরে যোগাযোগ করুন।

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **54TH ANNUAL GENERAL MEETING** of Bata Shoe Company (Bangladesh) Limited will be held through digital platform on 30 June 2026 at 11:00 a.m. to transact the following business:

1. To receive, consider and adopt the Directors' Report and the Audited Financial Statements of the Company and the Auditors' Report thereon for the year ended 31 December 2025.
2. To declare dividend for the year ended 31 December 2025 as recommended by the Board of Directors.
3. To elect or re-elect Directors of the Company.
4. To appoint Statutory Auditors and fix their remuneration for the year 2026.
5. To approve the appointment of an Independent Director.
6. To appoint Corporate Governance Compliance Auditors and fix their remuneration for the year 2026.

By order of the Board

Riajur Reza Muhammad Faisal, FCS
Company Secretary

Tongi, 28 April 2026

NOTES:

1. **19 May 2026 is the RECORD DATE.** Shareholders whose names appearing in the share register of the Company or in the depository register on that date will be eligible to attend at the AGM and to receive dividend.
2. The AGM will be held vis the link **https://bata54th.digitalagmbd.net** Members will be able to login in 24 hours before the AGM using their Folio /BO ID and number of shares. They will also be able to submit their questions or comments and vote.
3. A member eligible to attend and vote at the General Meeting is entitled to appoint a proxy to attend the meeting and vote on his/her behalf. Form of Proxy, duly completed and must be affixed with requisite revenue stamp and must be deposited at Company's Registered Office or send through mail or email at bd.share@bata.com at least 48 hours before the appointed time for the meeting. A proxy form is enclosed. For any query please call to 01711407674.

প্রক্সি ফরম

অনুগ্রহ করে উল্লেখ করুন

শেয়ারহোল্ডারের ফলিও / বিও নং	শেয়ার সংখ্যা

আমি/আমরা----------

ঠিকানা ----------

বাটা সু কোম্পানি (বাংলাদেশ) লিমিটেড-এর শেয়ারহোল্ডার হিসেবে

জনাব/বেগম ----------কে

আমার/ আমাদের প্রতিনিধি হিসেবে আগামী মঙ্গলবার, ৩০ জুন ২০২৬ অনুষ্ঠিতব্য কোম্পানির ৫৪ তম বার্ষিক সাধারণ সভায় এবং

এর মুলতবী ঘোষিত সভায় আমার/ আমাদের পক্ষে উপস্থিত থাকার এবং ভোট প্রদান করার জন্য নিযুক্ত করলাম।

সাক্ষ্য হিসাবে আজ---------- ২০২৬ তারিখে আমি / আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করলাম।

শেয়ারহোল্ডারের স্বাক্ষর

প্রতিনিধির স্বাক্ষর

তারিখ----------

সাক্ষীর স্বাক্ষর

২০.০০ টাকার
রাজস্ব টিকেট

(কোম্পানিতে সংরক্ষিত শেয়ারহোল্ডারের স্বাক্ষর অবশ্যই মিলতে হবে।)

উপস্থিতি

আমি/আমরা এতদ্বারা মঙ্গলবার, ৩০ জুন ২০২৬ সকাল ১১:০০টায় ডিজিটাল প্লাটফর্মের মাধ্যমে অনুষ্ঠিতব্য **বাটা সু কোম্পানি (বাংলাদেশ) লিমিটেড**-এর ৫৪ তম বার্ষিক সাধারণ সভায় আমার/আমাদের উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের নাম ----------

স্বাক্ষর

প্রতিনিধির নাম ----------

স্বাক্ষর

শেয়ারহোল্ডারের ফলিও / বিও নং ----------

FORM OF PROXY

Please Quote

Shareholder's Folio / BO No.	No. of Shares held

I/We----------

of----------

being shareholder(s) of **BATA SHOE COMPANY (BANGLADESH) LIMITED,** entitled to vote hereby appoint

Mr./Ms.----------

as my/our proxy to attend and vote for me/us and on my/our behalf at the 54th Annual General Meeting of the Company to be held on Tuesday, 30 June 2026 and any adjournment thereof and a poll that may be taken in consequence thereof.

As witness my/our hand this---------- day of ----------2026

Signature of Shareholder (s)

Signature of Proxy

Signature of Witness

Date----------

Revenue Stamp
of Tk. 20.00

(Signature of Shareholder (s) must be in accordance with specimen signature with the Company.)

ATTENDANCE

I/We hereby record my/our presence at the 54th Annual General Meeting of **Bata Shoe Company (Bangladesh) Limited** through digital platform on Tuesday, 30 June 2026 at 11:00 a.m.

Full name of the Shareholder ----------
(in block letter)

Signature

Full name of the Proxy ----------
(in block letter)

Signature

Shareholder's Folio / BO No.----------

Bata Club

JOIN & ENJOY

MEMBERSHIP OFFERS

SCAN ME

*Bata reserves full right to change the Bata Club benefit package without any prior notice

Bata Club

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Annual Report

Bata

BATA SHOE COMPANY (BANGLADESH) LIMITED
Tongi, Gazipur, Bangladesh
Tel: +8802224410501-5, Fax: +8802224410511

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