



PAKISTAN STOCK EXCHANGE LIMITED

Stock Exchange Building, Stock Exchange Road, Karachi-74000

UAN: 111-001-122

PSX/N-757

NOTICE

June 23, 2021

**Public Comments on the Draft Prospectus of
Octopus Digital Limited**

It is hereby informed to all concerned that **Octopus Digital Limited (the Company or the Issuer)** has applied for listing on the Exchange. The Company shall be issuing 27,350,000 Ordinary Shares using the 100% Book Building Method at a Floor Price of PKR 29/- per share. Details about the issue can be reviewed through the attached Draft Prospectus of the Company.

Pursuant to PSX Regulation No. 5.2.1(e), and Regulation 3 (11) of the Public Offering Regulations, 2017, the Draft Prospectus of the Issuer is being placed on the PSX Website for seeking public comments. All concerned are requested to provide their written comments on the Draft Prospectus, if any, to the Listing Department by emailing at comments.draftprospectus@psx.com.pk latest by **COB Thursday, July 01, 2021**.

Asmaa Saleem Malik
Asmaa Saleem Malik

General Manager – Listing Department

Copy to:

Additional Director / HOD, PMADD, SMD - SECP

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5** BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED IN SECTION 5 OF THE PROSPECTUS.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER THE PUBLIC OFFERING REGULATIONS, 2017 (PO Regulations). A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN THREE WORKING DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.



OCTOPUS DIGITAL LIMITED (FORMERLY AVANCEON DIGITAL PRIVATE LIMITED)

PROSPECTUS

Date and place of incorporation: 29th December, 2017, Lahore, Pakistan, **Incorporation number:** 0114606, **Registered Office/Head Office:** 19 km, Avanceon Building, Main Multan Road, Satluj Block Green Forts 2, Lahore, Punjab 54660. **Contact No:** 0800 111 94, **Website:** <http://www.octopusdtl.com>, **Email:** enquiries@octopusdtl.com **Contact person:** Ahsan Khalil **Contact No:** (042) 111 940 940 Ext. 231; 0300-8438070; **Email:** akhalil@avanceon.ae

Issue size: The Issue consists of 27,350,000 Ordinary Shares i.e. 20.00% of the total post-IPO paid up capital of Octopus Digital Limited (OCTOPUS) of face value of PKR 10/- each.

Method of offering: 100% Book building method

Book Building method and Floor price: The IPO will be conducted through 100% book building method at Floor Price of PKR 29/- per share with a maximum price band of up to 40% above the Floor Price. The bidders shall be allowed to place bids for hundred percent (100%) of the Issue Size and the Strike price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted seventy five percent (75%) of the Issue size i.e. 20,512,500 shares and the remaining twenty five percent (25%) i.e. 6,837,500 shares shall be offered to retail investors.

Retail/general public portion: General Public portion of the Issue comprises of 6,837,500 ordinary shares (25% of the total issue) at the Strike Price. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders of book building on a pro rata basis.

Public comments: Draft Prospectus was placed on PSX's website for seeking public comments starting from DD MM 2021 to DD MM 2021. Public comments received were duly responded/incorporated by the Lead Manager.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on xx and will close at 3:00 pm on xx

BIDDING PERIOD DATES: From xx to xx (From: 9:00 am to 5:00 pm)

DATE OF PUBLIC SUBSCRIPTION: From xx to xx (both days inclusive) from: 9:00 am to 5:00 pm

Lead Manager & Book Runner



Book Building portion will be Credit Underwritten by



Bankers to the Book Building portion of the Issue: Meezan Bank Limited

Bankers for the Retail portion of the Issue:

United Bank Limited	Meezan Bank Limited	Faysal Bank Limited	Soneri Bank Limited
Allied Bank Limited	MCB Bank Limited	Habib Metropolitan Bank	

For retail portion, Investors can submit application(s) through both electronic and physical mode. Electronic/online applications can be submitted through (i) PSX's e-IPO system (PES) through the weblink "<https://eipo.psx.com.pk>", (ii) CDC's Centralized E-IPO system (CES) through the weblink, "www.cdceipo.com", and (iii) UBL's e-IPO system through the weblink, "<http://www.ubldirect.com/corporate/ebank>". For details please refer to Section 13 of Prospectus.

Date of Publication of this Prospectus: [month] xx 2021

Prospectus, Bidding Form and Subscription Form can be downloaded from the following websites: <https://octopusdtl.com>, <http://www.psx.com.pk>, <https://bmacapital.com> and www.cdceipo.com

For further queries you may contact

Octopus Digital Limited: Mr. Ahsan Khalil, Phone: (042) 111 940 940 Ext. 231; 0300-8438070 Email: akhalil@avanceon.ae Mr. Saeed Ullah Khan Niazi; Phone (042) 111 940 940 Ext. 316; 0300 8460520; Email: sniazi@avanceon.ae

BMA Capital Management limited: Mr. Saad Hashemy, Phone: 0308-2223778, E-mail: saad.hashemy@bmacapital.com; Abdul Qadir, Phone: 0321-2111232 Email: abdul.qadir@bmacapital.com

The Company is proposed to be listed at the Pakistan Stock Exchange Limited.

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

[.]

I, ASMAR AHMED ATIF, THE CHIEF EXECUTIVE OFFICER AND I, SAEED ULLAH KHAN NIAZI, THE CHIEF FINANCIAL OFFICER, OF OCTOPUS DIGITAL LIMITED CERTIFY THAT:

1. THIS PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015 AND THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO DISCLOSURES AND APPROVALS HAVE BEEN FULFILLED.
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THIS PROSPECTUS.

For and on behalf of **Octopus Digital Limited**

-Sd-

ASMAR AHMED ATIF
Chief Executive Officer

-Sd-

SAEED ULLAH KHAN NIAZI
Chief Financial Officer

Note: This Supplement shall be published within 3 working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of Octopus Digital Limited was published.

This Supplement is being published pursuant to the Public Offering Regulations, 2017 and in continuation of the Prospectus of Octopus Digital Limited earlier published on [month] [day], 2021

Octopus Digital Limited

- FLOOR PRICE: PKR 29/- PER SHARE
- PRICE BAND (MAXIMUM 40%): PKR 40.6/- PER SHARE
- STRIKE PRICE: PKR xx/- PER SHARE
- ISSUE PRICE: PKR xx/- PER SHARE

Note:

Since this Issue is being made through 100% book building with 25% allocation to retail investors, therefore, underwriting of the retail portion is not required. In case the retail portion of the issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders on pro rata basis. The successful bidders have already given undertakings to subscribe such unsubscribed shares on pro rata basis.

Category wise Breakup of Successful Bidders

S. No	Category	No. of Bidders	No. of shares allocated
1	Commercial Banks	•	•
2	Development financial institutions	•	•
3	Mutual Funds	•	•
4	Insurance Companies	•	•
5	Investment Banks	•	•
6	Employees' Provident / Pension Funds	•	•
7	Leasing Companies	•	•
8	Modarabas	•	•
9	Securities Brokers	•	•
10	Foreign Institutional Investors	•	•
11	Any other Institutional Investors	•	•
	Total Institutional Investors	•	•
	Individual Investors:	•	•
12	Foreign Investors	•	•
13	Local Investors	•	•
	Total Individual Investors	•	•
	GRAND TOTAL		

The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money would remain deposited/ blocked till allotment of unsubscribed shares by the retail investors, if any, to them on pro-rata basis. In case the retail portion is fully subscribed, the bid money shall be immediately refunded or unblocked.

Glossary of Technical Terms

ACT	Securities Act, 2015
AMS	After Market Support
AR	Augmented Reality
AVN	Avanceon Limited (“Holding Company” or “AVN” or “Avanceon”)
Artificial Intelligence	Artificial Intelligence is the field of computer science that is associated with the concept of machines “thinking like humans” to perform tasks such as learning, problem-solving, planning, reasoning and identifying patterns.
BR	Book Runner
BVPS	Book Value Per Share
BMA	BMA Capital Management Limited
Block chain	A digital database containing information (such as records of financial transactions) that can be simultaneously used and shared within a large decentralized, publicly accessible network.
Boiler Services	This would involve an inspection and cleaning of the main components in the boiler to ensure they are fit for purpose and have no defects. It could include the main burner, heat exchanger, flue ways, and ignition pins.
CAGR	Compound Annualized Growth Rate
CDA	Central Depository Act, 1997
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDC Regulations	Central Depository Company of Pakistan Limited Regulations
CDS	Central Depository System
CES	Centralized e-IPO System
Collection Bank (Book Building)	Meezan Bank Limited
Companies Act	Companies Act, 2017
Commission / SECP	Securities and Exchange Commission of Pakistan
CRO	Company Registration Office
CSIA	Founded in 1994, the Control System Integrators Association (CSIA) is a not-for-profit, global trade association that seeks to advance the industry of control system integration. Control system integrators use their engineering, technical and business skills to help manufacturers and others automate their industrial equipment and systems. CSIA helps members improve their business skills, provides a forum to share industry expertise, and promotes the benefits of hiring a certified control system integrator. CSIA has over 500 member companies in 27 countries.
CUIN	Computerized Unique Identification Number
CVT	Capital Value Tax
CY	Calendar Year
Cloud Computing	Cloud computing is a model for allowing convenient, on-demand access from anywhere, to a shared pool of computing services.

Dashboard	<p>A dashboard is a type of graphical user interface which provides at-a-glance view of key performance indicators relevant to a particular objective or business process. Some of the general dashboards which Octopus intends to create are defined below:</p> <ol style="list-style-type: none"> 1. Production Dashboard: Highlights particular production related metrics such as capacity utilization, raw material consumed etc 2. Utilities & Energy Dashboard: Highlights key indicators of specific equipment such as energy consumed comparison on time-basis and different equipment basis etc 3. Loop Tuning Dashboard: Industrial plant usually contains multiple loops, which is basically a controller system that regulates different functions of any industrial plant such as programmable logic control etc. This dashboard specifies performance indicators of such controllers. 4. Overall Equipment Effectiveness/Condition Dashboard: This is used to observe performances of all equipments in one window and monitor output of such equipments. Any equipment which is suffering problem will be highlighted under this Dashboard. 5. Predictive and Prescriptive Analytics: As the name itself indicates “analytics”, this provides prediction of specific process or business based on historical trends, which it processes to recommend prescription or mitigating factors in the event of any undesirable performance of entire business or production process.
Digital Twinning	Digital twinning is a virtual representation of an object or system that spans its lifecycle, is updated from real-time data, and uses simulation, machine learning and reasoning to help decision-making.
EPS	Earnings Per Share
FAT	File Allocation Table
FBR	Federal Board of Revenue
FOREX	Foreign Exchange
FY	Financial Year
Fintech	It includes products and companies that employ newly developed digital and online technologies in the banking and financial services industries.
GDP	Gross Domestic Product
GOP	Government of Pakistan
IP	Intellectual Property
ITO	Income Tax Ordinance, 2001
IT	Information Technology
Industry 4.0 Standards	This means the convergence of physical, digital and virtual environments through Cyber Physical Systems and the Internet of Things.
IP Co-Sell	A strategy to access more customers/clients across different parts of the world for selling intellectual property through partnerships with well-known technology players, depending upon mutual understanding of potential players and Octopus.

Information Technology Enabled Services (ITeS)	Information Technology Enabled Services (ITeS) provide a range of IT-intensive processes and services, which includes business process outsourcing and knowledge process outsourcing, provided from a distant location and delivered over telecom networks.
Industrial Internet of Things (IIoT)	Industrial Internet of Things (IIoT) is defined as “machines, computers and people enabling intelligent industrial operations using advanced data analytics for transformational business outcomes”.
KPI	Key Performance Indicator
Machine Learning	Machine learning is the study of computer algorithms that improve automatically through experience and by the use of data.
Managed Digitalization Services	It includes a host of services from creating a platform, installing it to client and managing all subsequent queries including yearly training of client’s representatives.
NICOP	National Identity Card for Overseas Pakistanis
NOC	No Objection Certificate
OKR	Objectives and Key Results
OT	Operational Technology
Open Platform Communication (OPC)	OPC is a standardized software interface facilitating the exchange of data between different types of devices, control systems and applications of different vendors.
OmniConnect	OmniConnect is a brand name of several intellectual properties, which Octopus intends to create to fulfill the following technology oriented services for potential clients: <ol style="list-style-type: none"> 1) Collects data from any source; 2) Ingests and pushes to any cloud; 3) Stores data in any data lake; 4) Configures KPIs as needed; 5) Performs compute operations as required; 6) Publishes data on any visualization.
Octopus	Octopus Digital Limited (the “Company” or the “Issuer” or “Octopus”)
PKR or Rs.	Pakistan Rupee(s)
PSX / Exchange	Pakistan Stock Exchange Limited
p.a.	Per Annum
PaaS	Platform as a service (PaaS) is a complete development and deployment environment in the cloud, with resources that enable you to deliver everything from simple cloud-based apps to sophisticated, cloud-enabled enterprise applications.
Plant Information Management System (PIMS)	The fundamental functionalities Plant Information Management System (PIMS) include acquisition, visualization, analysis, archiving and reporting of information from a wide variety of control, plant and business systems.
SaaS	Software as a Service (SaaS) is a method of software delivery and licensing in which software is accessed online via a subscription, rather than bought and installed on individual computers.
SCRA	Special Convertible Rupee Account
SST	Sindh Sales Tax

SSIP	It is an upgradation process where After-Market-Sales team would prepare readiness for disaster recovery by maintaining up-to-date systems documentation and offer control system upgrades which will be called Strategic Site Improvement Plans (SSIP).
Supervisory Control and Data Acquisition (SCADA)	Supervisory Control and Data Acquisition (SCADA) is a control system comprising computers, networked data communications and graphical user interfaces for high-level process supervisory management.
SLA	SLA is a service-level agreement is a commitment between a service provider and a client. Particular aspects of the service – quality, availability, responsibilities – are agreed between the service provider and the service user.
UIN	Unique Identification Number
Un-managed Digitalization Services	It includes a host of services to the extent of creating a platform, installing it to client; subsequent training and maintenance or any alterations shall not be part of services.
VR	Virtual Reality
WHT	Withholding Tax

DEFINITIONS

Application Money	The total amount of money payable by a successful investor which is equivalent to the product of the Strike Price and the number of shares subscribed and allotted.
Banker to the Book Building	<p>Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount.</p> <p>Meezan Bank Limited has been appointed as the Banker to the Book Building.</p>
Bid	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Octopus Digital Limited at a price at or above the Floor Price, including upward revisions thereto. An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative Strike Price subject to a maximum price band of 40% of the Floor Price. Please refer to paragraph 12.1.2 for details.
Bid Amount	The amount equal to the product of the number of shares Bid for and the Bid price.
Bid Collection Center	Designated offices of the Book Runner, specified branches of the Banker to the Book Building and offices of any other institutions specified by the Book Runner where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in Section 12.1.6 of this Prospectus .
Bid Price	The price at which Bid is made for a specified number of shares.
Bid Revision	<p>The Eligible Investors can revise their Bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.</p> <p>As per regulation 10(2)(vi) of the PO Regulations, the Bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the Bid Amount remains the same.</p> <p>As per regulation 10(2)(vii) of the PO Regulations, the Bidder shall not withdraw their bids.</p>
Bidder	An Eligible Investor who makes bids for shares in the Book Building process.
Bidding Form	The form prepared by the Issuer for the purpose of making Bids.
Bidding Period	<p>The period during which Bids for subscription of shares are received.</p> <p>The Bidding Period shall be of two days, from xx to xx both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).</p>
Book Building	A process undertaken to elicit demand for shares offered through which Bids are collected from the Bidders and a book is built, which depicts demand for the shares at different price levels.
Book Building Account	An account opened by the Issuer with the Collection Bank. The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online

	transfer in favor of this account as per the instructions given in Section 12 of this Prospectus.
Book Building Portion	The part of the total Issue allocated for subscription through the Book Building.
Book Runner	<p>A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter.</p> <p>BMA Capital Management Limited has been appointed as Book Runner for this Issue.</p>
Book Building System	An online electronic system operated by the Designated Institution for conducting Book Building.
Collection Banks	Meezan Bank Limited is the collection bank for the Book Building portion. For this purpose, Meezan Bank Limited has opened an account titled <u>"Octopus Digital - BOOK BUILDING"</u> , Number: xx at its [KSE Branch], Karachi . The Collection Bank shall keep and maintain the Bid Amount in the said account. Once the Strike Price is determined and lists of successful Bidders and successful applicants/allottees are finalized and shares are credited to the successful Bidders and applicants, the Consultant to the Issue, after obtaining NOC from PSX, may request in writing to the Collection Bank for transfer of the money of successful and accepted applications to the Issuer's account(s).
Company	Octopus Digital Limited (the "Company" or "Octopus" the "Issuer")
Company's Legal Advisor	Chima and Ibrahim Advocates and Corporate Counsel
Commission	Securities & Exchange Commission of Pakistan ("SECP").
Consolidated Bids	A Bid which is fully or partially beneficially owned by persons other than the one named therein.
Consultant to the issue	<p>Any person licensed by the Commission to act as a Consultant to the Issue.</p> <p>BMA Capital Management Limited have been appointed as Consultant to the Issue by the Issuer for this Issue.</p>
Designated Institution	<p>Includes securities exchange, central depository or clearing house approved by the Commission to provide a system for conducting Book Building.</p> <p>Pakistan Stock Exchange Limited ("PSX") will act as the Designated Institution for this Issue.</p>
Dutch Auction Method	The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares issued under the Book Building Portion are subscribed.
e-IPO facility	<p>e-IPO refers to electronic submission of applications for subscription of securities offered in an IPO. The following systems are available for e-IPOs:</p> <p>(i) PSX's e-IPO System (PES):</p> <p>In order to facilitate investors, PSX has developed an e-IPO System ("PES") through which electronic applications can be filed for subscription of securities</p>

offered to the general public. PES can be accessed through the web link (<https://eipo.psx.com.pk>).

Investors can register themselves online at any time 24/7. On behalf of an investors, registration can also be done by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

An e-IPO application can be filed by an investor during the public subscription period which shall close at midnight on DD/MM/YYYY. On behalf of investors, e-IPO applications can also be filed by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Subscription money can paid by the investor through 1LINK or NIFT. On behalf of investors, subscription money can also be paid by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad at phone number: 111-001-122 or (021)-35274401-10, and email: itss@psx.com.pk.

(ii) Centralized e-IPO System (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application though CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal.

For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com

(iii) e-IPO facilities by Bankers to the Issue:

Currently, UBL is providing e-IPO facilities to its respective accountholders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>

Account holders of UBL can submit their applications through the above mentioned link 24 hours a day during the subscription period, which will close at midnight on xx.

Eligible Investor	An Individual and Institutional Investors whose Bid Amount is not less than the minimum bid size of PKR 1,000,000 (One Million Rupees only).
Floor Price	The minimum price per share set by the Issuer in consultation with the Consultant to the issue. For this Issue, Floor Price is PKR 29/- per share.
General Public	All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.
Initial Public Offer (IPO)	IPO means first time offer of securities to the general public.
Institutional Investors	Any of the following entities: <ul style="list-style-type: none"> ▪ A financial institution; ▪ A company as defined in the Companies Act, 2017; ▪ An insurance company established under the Insurance Ordinance, 2000; ▪ A securities broker; ▪ A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; ▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; ▪ A private fund established under Private Fund Regulations, 2015; ▪ Any employee's fund established for beneficial of employees; ▪ Any other fund established under any special enactment; ▪ A foreign company or any other foreign legal person; and ▪ Any other entity as specified by the Commission.
Issue	<p>Issue of 27,350,000 Ordinary Shares representing 20.00% of total post-IPO paid-up capital having a Face Value of PKR 10/- each.</p> <p>The entire issue will be offered through Book Building at a Floor Price of PKR 29/- per share</p> <p>Initially, 75% of the issue size or 20,512,500 Ordinary Shares will be provisionally allotted to Successful Bidders and 25% of the Issue or 6,837,500 Ordinary Shares will be offered to retail investors at the Strike Price. Any unsubscribed retail portion will be allocated to Successful Bidders on a pro-rata basis.</p>
Issue Price	The price at which Ordinary Shares of the Company are issued to the General Public. The Issue Price will be the Strike Price.
Issuer	Octopus Digital Limited
Key Employees	Chief Executive Officer, Directors, Chief Financial Officer and Company Secretary of the Company.
Lead Manager	<p>Any person licensed by the Commission to act as a Consultant to the Issue/Lead Manager.</p> <p>BMA Capital Management Limited has been appointed as Consultant to the Issue / Lead Manager by the Issuer for this Issue.</p>
Listing Regulations	<p>Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulations'.</p> <p>https://www.psx.com.pk/psx/themes/psx/uploads/PSX_Rulebook_%28updated_on_May_28%2C_2021%29_2.pdf</p>

Limit Bid	The Bid at a Limit Price.
Limit Price	The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
Margin Money	The partial or total amount, as the case may be, paid by a Bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of Bids placed by an individual investors and not less than twenty five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by an institutional investor.
Minimum Bid Size	The Bid amount equal to One Million Rupees (PKR 1,000,000/-).
Ordinary Shares	Ordinary Shares of Octopus Digital Limited having face value of PKR 10/- each.
Price Band	Floor Price with an upper limit of 40% above the Floor Price, allowing Bidders to make Bid at Floor Price or within the Price Band
Prospectus	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company.
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.
Registration Period	The period during which registration of Bidders is carried out. The registration period shall commence three working days before the start of the Bidding Period from 9:00 am to 5:00 pm on xx and shall remain open till 3:00 pm on the last day of the Bidding Period.
PO Regulations	The Public Offering Regulations, 2017 (with amendments from time to time). https://www.secp.gov.pk/document/s-r-o-296i-2017-public-offering-regulations-2017/?wpdmdl=41322&refresh=60b0bf1d5cbd21622195997
Related Employees	Related Employees mean such employees of the Issuer, and the Lead Manager/the Book Runner/the Underwriter who are involved in the Issue. Please refer to Section 3A for further details.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing company whether directly or indirectly.
Step Bid	Step Bid means a series of Limit Bids at increasing prices. In case of a step bid, the amount of each step will not be less than Rupees One Million (PKR 1,000,000/-).

Strike Price	The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Regulations, at which the shares are issued to the successful Bidders. The Strike Price will be disseminated after conclusion of Book Building through publication in at least all those newspapers in which the Prospectus was published and also posted on the websites of the Securities Exchange, Consultant to the issue and the Book Runner of the Company.
Supplement to the Prospectus	The Supplement to the Prospectus shall be published within three (3) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.
System	An online electronic system operated by the Designated Institution for conducting Book Building.

Interpretation:

Any capitalized term contained in this Prospectus, which is identical to a capitalized term defined herein, shall, unless the context expressly indicates or requires otherwise and to the extent as may be applicable given the context, have the same meaning as the capitalized / defined term provided herein.

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1. APPROVALS AND LISTING ON THE STOCK EXCHANGE

1.1 APPROVAL OF THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities & Exchange Commission of Pakistan (the "Commission" or the "SECP") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by Octopus Digital Limited for the issue, circulation and publication of this offering document (hereinafter referred to as the "Prospectus") vide their letter No [...] Dated [...].

DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM BY THE COMPANY IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF THE PROSPECTUS SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE BIDDING / SUBSCRIBING.

1.2 APPROVAL OF PROSPECTUS BY PSX

The Prospectus of the Company has been approved by PSX vide letter No. [...] dated xx in accordance with the requirements of the Listing Regulations.

DISCLAIMER:

THE SECURITIES EXCHANGE HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY SECURITIES EXCHANGE.

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SECURITIES EXCHANGE NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE COMPANY TO FULFILL ITS OBLIGATIONS THEREUNDER.

ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT.

1.3 FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

Octopus Digital Limited has filed with the Registrar of Companies as required under Sections 57 (1) of the Companies Act 2017, a copy of this Prospectus signed by all the Directors of the Company.

1.4 LISTING AT PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

If for any reason the application for formal listing is not accepted by PSX or approval for formal listing is not granted by PSX before the expiration of twenty-one days from the date of closing of the subscription period / list or such longer period not exceeding forty-two days as may, within the said twenty-one days, be notified to the applicants for permission by the PSX, the Issuer undertakes that a notice to that effect will immediately be published in the press and will refund Application Money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

If any such money is not repaid within eight (08) days after the Company becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the eight day together with surcharge at the rate of two percent (2.0%) for every month or part thereof from the expiration of the eight day and, in addition, shall be liable to a penalty of level 3 on the standard scale in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

As required under sub-section (3) of Section 69 of the Companies Act, the Application Money including the Bid Amount, in case of Book Building, shall be deposited and kept in a separate bank account in a scheduled bank so long as the Company may become liable to repay it under sub-section (2) of Section 69 of the Companies Act; and, if default is made in complying with the said sub-section (3), the Company and every officer of the Company who authorizes or permits the default shall be liable to a penalty of level 2 on the standard scale.

2. SUMMARY OF THE PROSPECTUS

2.1 PRIMARY BUSINESS OF THE ISSUER AND THE INDUSTRY IN WHICH IT OPERATES

Octopus Digital Limited (“Octopus” or the “Company” or the “Issuer”) was incorporated on 29th December, 2017 as a private limited company in Lahore, Pakistan. Octopus is a wholly owned subsidiary of Avanceon Limited. The registered address of the Company is 19 km, Avanceon Building, Main Multan Road, Satluj Block Green Forts 2, Lahore, Punjab 54660.

Octopus is a technology service oriented company that provides AMS services to a wide range of clients, both locally and internationally. The prime business of the Company is to carry out Information Technology enabled services which includes but are not limited to online data/information storage, online monitoring and review of employees efficiency, online monitoring of cost and production efficiency, online monitoring and maintenance of plant and machinery, sale and trade of related software and equipment etc.

Some of the technology oriented companies in Pakistan include Systems Limited (SYS), Netsol Technologies Limited (NETSOL), TRG Pakistan Limited (TRG) and Avanceon Limited (Parent Company of Octopus) (AVN). But they are not direct competitors of Octopus.

List of services provided under AMS

- 1) Service Agreements
- 2) Upgrades via SSIP
- 3) Technical Trainings
- 4) Emergency Support

Each service has been explained in detail in Section 3

Technology industry of Pakistan

Pakistan, which has about 60% of its 200 million population in the 15 to 29 age group, represents an enormous human and knowledge capital. Pakistan has more than 2,000 IT companies & call centers and the number is growing every year. Pakistan has more than 300,000 English speaking IT professionals with expertise in current and emerging IT products and technologies and 13 Software technology parks. More than 20,000 IT graduates and engineers are being produced each year in Pakistan in addition to a rising startup culture.¹

Pakistan’s Information and Communications Technology (ICT) exports increased by 46 percent to \$1.7 billion in the nine months of this fiscal year (July-Apr FY2021). ICT exports rose by 66 percent year-on-year to \$96 million in April 2021. These exports are expected to exceed \$2bn for the first time in the country’s history during the current fiscal year FY21.²

2.2 NAME OF THE SPONSORS

S.No.	Names of the Company’s Sponsors
1	Avanceon Limited
2	Mr. Tanveer Karamat
3	Mr. Bakhtiar Hameed Wain

Avanceon Limited: Avanceon Limited (AVN) was incorporated in Pakistan on 26 March 2003 as a private limited company, which was subsequently converted to a public company on 31 March 2008 under the Companies Ordinance, 1984 (repealed by Companies Act, 2017). The principal activity of AVN is to trade in products of automation and control equipments and to provide related technical services. Further, AVN began their AMS business in 2008 in order to expand their service portfolio.

Avanceon is the leading provider of industrial automation, process control and systems integration as well as proprietary energy management solutions and support services. It has a strong market footprint through its offices

¹ <https://invest.gov.pk/sites/default/files/inline-files/IT.pdf>

² Abdul Razak Dawood (Advisor to Prime Minister for Commerce and Investment) tweet dated May 25, 2021

in Dubai, (United Arab Emirates), and Lahore (Pakistan), covering the Middle East, Pakistan, South East Asia markets, and their office in Exton, (Pennsylvania, USA), covering North America.

It has been providing automation services since the past 17 years in Pakistan and has successfully transformed into a 360 degree solution provider for automation, energy management, service and maintenance for major blue chip companies. It is a certified member of the select group of CSIA.

During its 17 years of operational history in Pakistan, Avanceon has managed to develop key partnerships worldwide through entering a memorandum of understanding with multiple vendors to provide best-in-class solutions. Some of the key partners name are highlighted below:

S No.	Technology Partners
1	Microsoft
2	Rockwell Automation
3	Siemens
4	Endress Houser
5	Schneider Electric
6	Dover Fueling Systems

Mr. Tanveer Karamat: Mr. Tanveer brings a wealth of international business experience to Avanceon and is a Non-Executive Director on the Board of Octopus. He possesses an experience of two-decades in managing, selling automation solutions to the oil and gas sector. Mr. Tanveer transformed the scalability of the southern region of Pakistan in less than three years. Over the past decade, Mr. Tanveer's leadership has been a major contribution towards Avanceon remarkable performance. He is currently serving as President and Chief Operating Officer of Avanceon.

Mr. Bakhtiar Hameed Wain: Mr. Bakhtiar, founder and CEO of Avanceon, is the Chariman of Octopus. He brings over 28 years of exemplary leadership experience. An engineer with experience in leading global companies such as Exxon Chemicals, Fauji Fertilizer and ICI Pakistan, he founded Avanceon in 2013. His entrepreneurial drive found its roots in his faith towards the educated and technically qualified human resource of Pakistan. His vision, from beginning, was to build a robust service platform-company that could capitalize and promote this conviction globally, which he has implemented successfully.

2.3 SALIENT FEATURES OF THE ISSUE INCLUDING METHOD OF OFFERING

Size of offering	27,350,000 shares
Floor Price	PKR 29/- per share
Total Capital to be raised at the Floor Price	PKR 793,150,000/-
Method of Offering	100% Book Building Method

The Issue comprises of 27,350,000 Ordinary Shares of face value of PKR 10/- each, which constitutes 20% of the total post-IPO paid up capital of the Company. The entire issue will be offered through 100% book building method at a Floor Price of PKR 29/- per share (including a premium of PKR 19/- per share) with a maximum price band of up to 40% above the Floor Price. The bidders shall be allowed to place bids for hundred percent (100%) of the Issue Size and the Strike price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted seventy five percent (75%) of the Issue size i.e. 20,512,500 shares and the remaining twenty five percent (25%) i.e. 6,837,500 shares shall be offered to retail investors. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful bidders on pro rata basis.

2.4 PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

S.No.	Sponsors	Pre Issue Share Holding	Post Issue Share Holding
1	Avanceon Limited	99.9999982%	80.00%
2	Mr. Tanveer Karamat	0.0000009%	0.0000006%
3	Mr. Bakhtiar Hameed Wain	0.0000009%	0.0000006%
Total		100%	80.00%

2.5 PRINCIPAL PURPOSE OF THE ISSUE AND UTILIZATION OF THE PROCEEDS

The Company requires funding of PKR 793.15 million to develop various Digital Dashboard platforms to expand its services suite to industry 4.0, which is an industrial revolution that includes automation of traditional manufacturing and industrial practices. The target markets for these services will be Pakistan, Middle East and United States.

Brief Summary of the Utilization of the IPO Proceeds:

Utilization of funds			Sources of Funds		
Categories	Amounts (PKR)	%	Categories	Amounts (PKR)	%
Intellectual Property	696,000,000	88%	Initial Public Offering	793,150,000	100%
HR Cost of Marketing	42,150,000	5%			
HR Cost of Sales	55,000,000	7%			
Total	793,150,000	100%	Total	793,150,000	100%

*The entire requirement of funds shall be funded through IPO Proceeds.

Refer to section 4A titled "Valuation Section", for details regarding the justification given by the Lead Manager in favor of the floor price of PKR 29 per share.

2.6 QUALIFIED OPINION, IF ANY GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

The auditor of the Company, i.e. EY Ford Rhodes, has not given any qualified opinion on the financial statements of the Company in the past three financial years.

2.7 FINANCIAL INFORMATION OF THE COMPANY

Refer to section 6 titled "Financial Information" for further details

In PKR "000", unless stated otherwise	2018 (Audited)	2019 (Audited)	2020 (Audited)
Share Capital	-	10,000	1,094,000
Net Worth	(509)	11,940	1,304,581
Revenue	-	18,456	277,114
Gross Margin (%)	-	100%	92%
Operating Margin (%)	-	25%	86%
Profit after tax	(509)	2,449	208,641
Profit after tax margin (%)	-	13%	75%
Earnings per share (In PKR)	-5.09	2.45	1.91
Breakup value per share (In PKR)	-5.09	11.94	11.92
Total Borrowings as per the balance sheet	-	-	-
Cash flow from operations	(435)	(6,239)	20,403

2.8 SUMMARY TABLE OF OUTSTANDING LEGAL PROCEEDINGS OTHER THAN THE NORMAL COURSE OF BUSINESS

There are no outstanding legal proceedings involving the Issuer, its sponsors, substantial shareholders, directors and associated companies over which the Issuer has control. There are also no legal proceedings against the Issuer, its sponsors, substantial shareholders, directors, and associated companies even in the normal course of business.

Please refer to section 8 titled “LEGAL PROCEEDINGS AND OVERDUE LOANS”

2.9 REFER TO SECTION 5 TITLED “RISK FACTORS” FOR DETAILS ON RISKS ASSOCIATED WITH THE COMPANY

2.10 SUMMARY OF RELATED PARTY TRANSACTIONS FOR LAST 3 YEARS

Related Parties	CY18 (Audited)	CY19 (Audited)	CY20 (Audited)
Avanceon Limited – Parent Co.	412,753	17,561,382	291,539,974
Avanceon FZE – Group Co.	268,437	3,799,742	19,660,761
Avanceon Automation & Control WLL – Group Co.	-	-	20,310,383

3. OVERVIEW, HISTORY AND PROSPECTS

Name	Octopus Digital Limited
Registration Number	0114606
Date of incorporation	29th December, 2017
Date of change of name	5th April, 2019
Date of conversion into public limited company	11th November, 2020

3.1 OVERVIEW OF OCTOPUS DIGITAL LIMITED

The Company was incorporated on 29th December, 2017 as 'Avanceon Digital Private Limited'. The name of the Company was changed to Octopus Digital Private Limited on 5th April, 2019. Subsequently, the Company was converted into a public limited company on 11th November, 2020.

Octopus is a service oriented company, and currently providing AMS services to a wide range of clients both internationally and locally. Octopus has the expertise to tailor a zero capex, ready to adapt managed services solution on a term-based (either monthly or periodic) or perpetual monthly subscription model.

The Company has evolved from within Avanceon (it is a wholly owned subsidiary of Avanceon) and aims to provide digital services to help transform the industry through modern day technology including cloud services, data analysis, advanced and predictive analytics, predictive maintenance & risk management. Octopus' primary focus is to contextualize the data, which is buried in Enterprise Resource Planning systems, cleaning it in AI-centric ways by storing and computing on cloud and then extracting meaningful insights that could improve operations efficiencies and reduce risks for its customers.

The Company delivers various solutions targeting user interaction and machine behavior ranging from plant data analysis to overall performance analysis of the plant. Most of the work aims on analysis from an industrial point of view with the approach to make system processes more reliable and sustainable. Octopus's dashboards are designed to specifically tackle the volume, velocity and variety of challenges of plant floor data analysis. This is done via subscription-based Digitalization services powered with sophisticated analytics made available to users via simple, intuitive user interfaces, easy-to-understand information and visualizations.

Octopus's Digitalization services and KPI Dashboarding enable industries to:

- Turn raw, industrial IoT or plant floor data into proactive insights
- Minimize time-to-resolution by detecting anomalies in real-time
- Enhance decision-making with operationalized insights
- Improve forensic data investigation after incidents

Octopus's business model is based on recurring earnings based on perpetual or term-based multi-year monthly subscription service instead of fixed cost or time & material-based projects thereby reducing risk of volatile earnings as this is prevalent in other conventional businesses in Pakistan.

The Company offers the above services with zero upfront investment for its customers and any investment to activate the service, which may include system integration, installation of additional hardware, software or third-party equipment.

To summarize: The Company helps businesses digitalize their manufacturing, supply chain and financial workflows by strategic and operational maintenance support services. That makes decision support, actionable insights and business intelligence available 24x7x365 both as managed and unmanaged services.

The Company's current line of service include:

- **After-Market Support ("AMS")**

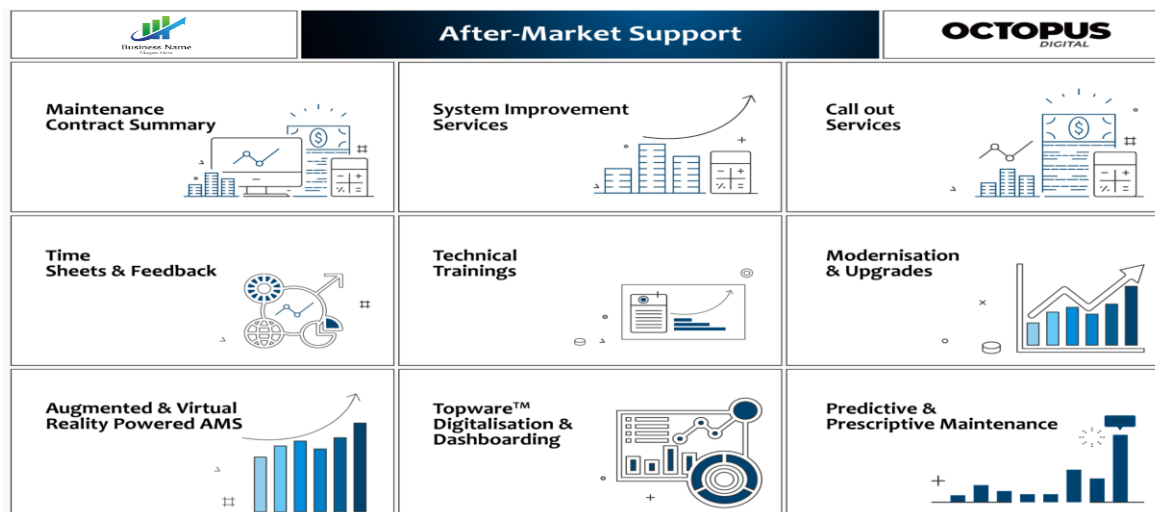
AMS provides complete lifecycle support services including manufacturing technical support, maintenance management, control system oversight and remote diagnostic services to maximize plant uptime performance, support efficiency and technology effectiveness. The Company delivers its AMS services through a combination of call centers which are located in a particular floor in Avanceon's office rented by Octopus, which enable the problem

to be identified and resolved either through on-site maintenance or remotely. These solutions are offered with 24/7 support and guaranteed response time allowing Octopus to stay ahead of its competitors.

The following services are offered under AMS:

- 1) Service Level Agreements - SLAs offer after-market support solutions on a contractual basis thereby providing recurring revenues. Technical teams schedule an assessment of a facility and then submit a customized service proposal based on client requirements. The proposal provides specific SLAs that are tailored to each customer. These SLAs are offered with the option to maintain an inventory of spares i.e. gold contracts or are offered as plain vanilla services only i.e. silver contracts.
 - Silver Contracts/SLAs includes standard service levels i.e. preventive, corrective and emergency support without any coverage of parts management.
 - Gold Contracts/SLAs includes Silver service package as well as Parts Management.
- 2) Upgrades Via SSIP - AMS team prepares readiness for disaster recovery by maintaining up-to-date systems documentation and offer control system upgrades through Strategic Site Improvement Plans (SSIP).
- 3) Technical Trainings - Training is adapted to address client's business needs and is based on client's overall business goals and serves as an inexpensive alternative to address many quality and inefficiency issues.
- 4) Emergency Support - Designated team of expert(s) reach the site within an agreed timeframe to address an emergency & offer a crisis management service, which is developed for risk mitigation and disaster recovery.

An illustration of a Digital AMS Dashboard³:



In Pakistan, companies in the manufacturing sector have many process that are outdated or conducted manually. Octopus in this regard, assists in the automation of these industrial processes through digital dashboard development. Currently, the move towards digitization and industrial automation is on the rise allowing many relevant technology companies to jump into the process. Automating these industrial processes and providing AMS can be instrumental towards taking the industrial 4.0 revolution. Octopus is taking vital steps towards the implementation of automation processes and is focused on process efficiencies in the manufacturing sector, which will allow it to succeed in the near future.

³ In the above illustration, following services are currently being offered: Maintenance Contract Summary, System Improvement Services, Call Out Services, Time Sheets & Feedback, Technical Trainings and Modernisation & Upgradation. Services such as Augmented & Virtual Reality Powered AMS, Topware™ Digitalisation & Dashboarding and Predictive & Prescriptive Maintenance are not currently being offered

The AMS business stream has achieved tremendous success in the past ten years. This AMS segment was launched in 2008 by Avanceon and has grown since then. Due to the business transfer agreement executed on December 2020, Octopus is the legitimate owner of all contracts of AMS business. The Company's success in delivering quality AMS services is augmented/helped by few vital factors:

- a) A fully dedicated support structure since 2008, currently catering to clients in Pakistan, Middle East region;
- b) It has serviced 40+ long term agreements & 60+ on-call contractual customers in Pakistan and in Middle East region, these include local and several blue chip multi-national conglomerates;
- c) An average response time of less than 2 hours. The Company has a 100% customer retention with an average contract age of 5 years and more than 100,000 plus man-hours of field support service have been executed.

Microsoft and Octopus Digital:

The Company partnered with Microsoft on 3rd March, 2019 to create a collaborative and co-development business model to cater to the industrial sector. By providing end to end data driven services, advanced analytics for collaboration, prediction, exploration and optimization of manufacturing processes, Octopus along with Microsoft aims to deliver digitization of physical assets on a plant floor. The tenure of this partnership is of 3 years and it can be extended. Currently, Microsoft is providing Octopus with the necessary cloud space which can be enhanced when required.

Through this partnership, Octopus in collaboration with Microsoft will explore new markets in the manufacturing and process industry space. Octopus is hoping to reap great benefits out of Microsoft's IP Co-Sell initiative, which offers its partners a unique opportunity of reaching more customers around the globe and accelerating revenue generation. Moreover, this partnership also reflects the desire to drive joint revenue and customer success through collaborative selling initiatives and a shared passion for innovative products and services.

3.2 BUSINESS TRANSFER

Transfer of the After Market Support (AMS) segment from Avanceon Limited to Octopus Digital:

Octopus was created in December 2017 with an objective to serve AMS clients through a separate company. Avanceon had been providing AMS services to its clients since 2008. The transfer of business segment will help in developing operational synergies across business and managing business in a focused manner.

Key Events of Business Transfer:

S. No	Description	Date
1	The Board of Directors of Avanceon held a meeting and rescinded the approval taken on 23rd May 2019 and replaced the approval with new resolution to approve sale of AMS business to Octopus	8th July 2019
2	An agreement was executed between Avanceon and Octopus for AMS business transfer which was with effect from January 01, 2020	8th December 2020
3	An Extraordinary General Meeting was held to approve sale of AMS business to Octopus	12th January 2021

In order to execute the business transfer, Octopus entered into a business transfer agreement with Avanceon on December 8, 2020 to transfer the entire AMS business with existing clients & customer contracts. Under the agreement, , employees involved in the AMS business were also transferred from Avanceon to Octopus. The Company acquired the rights to carry on AMS business with effect from 01 January 2020 (effective date 01 January 2020) against consideration of Rs. 1,084 million settled through issuance of 108,400,000 shares of the Company at face value of Rs. 10 each. The said shares were issued by way of right mechanism.

No tangible assets and liabilities of Avanceon were transferred as the service related business segment does not involve any tangible assets and liabilities. The worth of the business segment is PKR 1,084 million which was valued by an independent valuer, M/s. Ali Akhtar Adnan, Chartered Accountants, appointed for this transaction to conduct business valuation.

As per the Circular No 11 of 2021 issued by Securities and Exchange Commission of Pakistan on 31st March 2021, it has clarified that companies, public or private, can issue shares by way of right under clause (a) of sub-section (1) of Section 83 of the Act either for cash or a consideration otherwise in cash. In accordance with this circular, neither Avanceon nor Octopus required any approval from any regulatory authority in Pakistan for the business transfer to Octopus.

The shares issued by Octopus were against the following:

- 1) Customer lists & contracts, specific database, general SOPs and policy recommendation etc. These were valued at PKR 433.6 million.
- 2) Goodwill. The intangible assets were worth PKR 650 million.

The above is shown in table below:

*Description	Amounts (PKR)
Intangible Assets	
<i>Customer contracts with recommendation</i>	75,880,000
<i>General SOPs, Manuals, Procedures and Policy documentation</i>	32,520,000
<i>Customer and subscriber lists</i>	54,200,000
<i>Specific Database, Technology and Policy Manuals</i>	271,000,000
	433,600,000
<i>Goodwill</i>	650,400,000
Total	1,084,000,000

*The above information is extracted from the annual financial statements of Octopus for the period ended December 31st, 2020.

Timeline of the Business Transfer from Avanceon to Octopus.



3.3 PATTERN OF SHAREHOLDING:

Description	Number of shares	% Shareholding status
Shares held by Sponsors:		
Avanceon Limited	109,400,000	99.9999982%
Mr. Tanveer Karamat	1	0.0000009%
Mr. Bakhtiar Hameed Wain	1	0.0000009%
Total	109,400,002	100.00%

3.4 REVENUE DRIVER:

AMS is Octopus's existing revenue stream. At present, it has dozens of contracts with an average tenure of 5+ years, and it caters to clients based in Middle East and Pakistan. The majority of these contracts are those contracts that were transferred from Avanceon to Octopus. Following are major client wise revenues for 2020:

Name of Key Customers	Revenues (PKR)	%
Customers of AVN¹		
Elegencia Hospitality & Facilities Management Services Co W.L.L	84,272,066	15.35%
Engro Polymer & Chemicals Limited	35,816,473	6.52%
Pakistan Petroleum Limited	80,550,321	14.67%
PEPSI-COLA International Private Limited	54,807,103	9.98%
SERCO Limited	60,161,623	10.96%
Others ²	197,617,073	35.99%
Sub Total	513,224,659	
Customers of Octopus		
Others ²	35,871,629	6.53%
TOTAL	549,096,288	100%

¹ The revenues from Customers of Avanceon are the gross revenue i.e. prior to the adjustment of direct cost after which they were transferred to Octopus.

² The "Others" line item under Customers of Octopus of PKR 35,871,629 pertain to contracts that are immaterial individually.

The following table outlines the total AMS revenues in CY2020 earned from different geographical locations of Avanceon which were transferred to the Company net of direct cost:

PKR	Pakistan		Dubai		Qatar		Total	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Total AMS Segment Revenues of Avanceon	187,055,350	36%	241,314,072	47%	84,855,237	17%	513,224,659	100%
Cost of AMS Segment of Avanceon	(84,304,042)	44%	(82,342,830)	43%	(27,007,432)	14%	(193,654,304)	38%
Gross Profit	102,751,308	32%	158,971,242	50%	57,847,805	18%	319,570,355	62%

Due to operational and procedural reasons, Avanceon Limited continued to carry on business with its customers of AMS segment after the effective date of the contract i.e. 1st January 2020 until 30 September 2020. Therefore, the entire AMS segment's revenue net of direct cost recorded by Avanceon Limited relating to period after effective date until September 30, 2020 was transferred to the Company after retaining an administrative charge. For the period 1 October 2020 and onwards, the AMS business has been carried out by Octopus.

In the future existing AMS contracts revenue shall be transferred from Avanceon to Octopus net of Direct cost as happened in CY20. However, new contracts signed by Octopus will be recognized in a regular manner in the accounts i.e. sales revenue

The table below outlines the total revenue earned net of direct cost that was transferred to Octopus from Avanceon after the effective date and in addition the revenue that Octopus earned from contract with its own customers during the year.

Particulars	PKR	%
Transfer of Revenue (Net of Direct Cost & administrative charge)	241,242,084*	87%
Revenue from contract with customers	35,871,629	13%
Total	277,113,713	100%

*The total revenue net of direct cost was PKR 319.5 million, however, the transferred amount is PKR 241.2 million. The difference of PKR 78.3 million will be transferred to the Company in the coming months. This difference amount was not transferred in CY 2020 due to operational and procedural reasons.

3.5 POTENTIAL REVENUE DRIVERS

The Company plans to develop various Digital Dashboard platforms to expand its services suite to industry 4.0, which is an industrial revolution that includes automation of traditional manufacturing and industrial practices. These services will be marketed in Pakistan, Middle East and United States.

3.6 COST DRIVERS

Octopus recorded a sum PKR 277 million as revenue, which is actually earnings of AMS division. The primary reason for recording profits in Octopus is linked with contract agreements, which were entered between Avanceon and their respective clients before the transfer of business.

The older contracts – before business transfer – will have similar accounting treatment till the expiry of such contracts. However, going forward new contracts will be made with Octopus.

Below is a breakup of the cost of revenues incurred in CY 2020:

Particulars	CY2020(Audited)		CY2019(Audited)	
	Amount in PKR	(%)	Amount in PKR	(%)
Materials consumed	3,482,917	16%	-	-
Salaries, wages, allowances and other benefits	1,628,842	7%	-	-
Telephone, postage and telex	63,214	0.3%	-	-
Travelling and conveyance relating to engineering services	1,731,912	8%	-	-
Printing and stationery expense	11,278	0.1%	-	-
Installation charges relating to engineering services	469,243	2%	-	-
Entertainment relating to engineering services	67,306	0.3%	-	-
Rent, rates and taxes	84,000	0.4%	-	-
Depreciation on Property and equipment	175,000	0.8%	-	-
Amortization of intangible assets	14,453,333	65%	-	-
Other expenses	40,180	0.2%	-	-
Cost of Revenue*	22,207,225	100%	-	-

*Cost of revenue is PKR 22.2 million, of which major elements of cost are amortization expense (which constitutes 65% of Total Cost of Revenue i.e. PKR 14.4mn) and 'Materials Consumed' (which constitutes 16% of Total Cost of Revenue, i.e. PKR 3.5 Mn). Materials consumed are the tools & equipment, which are used to replace the existing items installed as part of Octopus's service agreements with clients.

Below is a breakup of the Administrative expenses of Octopus Digital:

Amount in PKR	CY20 (Audited)		CY19 (Audited)	
	Amount	(%)	Amount	(%)
Administrative and Selling Expenses				
Salaries, wages, allowances and other benefits	9,230,106	60%	7,228,569	53%
Telephone, postage and telex	63,214	0%	41,470	0%
Taxes	84,000	1%	-	0%
Sales promotion expense	-	0%	551,147	4%
Printing and stationery expense	11,278	0%	47,877	0%
Travelling and conveyance	887,555	6%	578,743	4%
Legal and professional charges	746,613	5%	1,986,000	15%
Auditors' remuneration	500,000	3%	338,750	2%
Fee and subscription	3,600,535	23%	377,953	3%
Depreciation on property and equipment	175,000	1%	42,984	0%
Entertainment	47,306	0%	-	0%
Back office support	-	0%	2,500,000	18%
Total	15,345,607	100%	13,693,493	100%

Administration expenses were PKR 15.3 million in 2020, of which the major portion was salary & wages, which is 60% of total Administration expenses. This includes salaries of head office staff of Octopus, which are working in Avanceon's premises, under a rental agreement.

Below is a breakup of other operating expenses

Other Operating Expenses	CY20(Audited)		CY19(Audited)	
	Amount	(%)	Amount	(%)
Exchange Loss	216,718	100%	95,432	100%

3.7 TOTAL CAPACITY AND CAPACITY UTILISATION

It is not applicable on Octopus. However, Octopus procures cloud storage from Microsoft which is scalable and can be enhanced upon request. Octopus entered in an agreement with Microsoft for the procurement of cloud services. This agreement is valid for three years and was entered upon in March 2019. As per the agreement, Octopus will pay a sum of USD 12,000 each year till the expiry of this agreement.

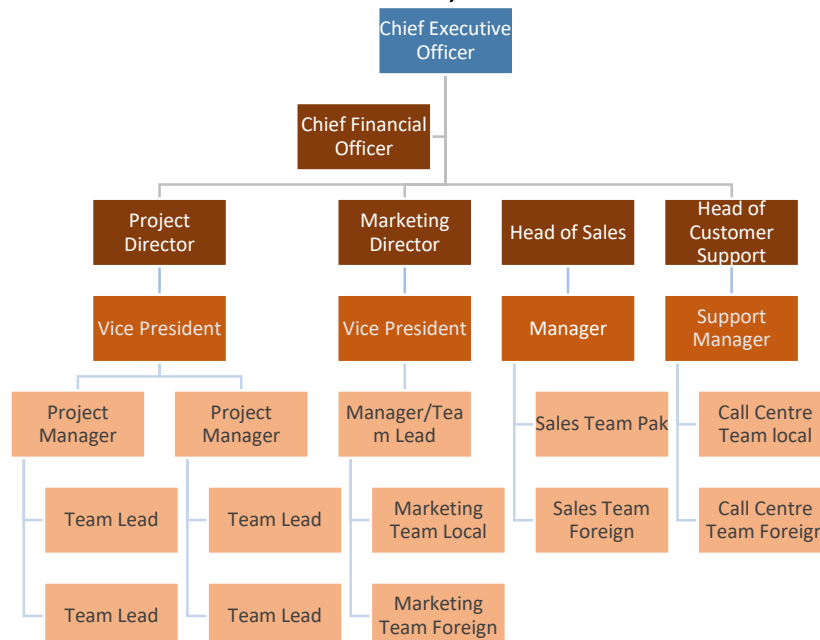
With regards to incremental charges due to cloud storage enhancement, Microsoft adopts a pay as you go pricing model. Any pricing can be customized on the Azure calculator which can be accessed from the following link: https://azure.microsoft.com/en-us/pricing/calculator/?ef_id=Cj0KCQjw5auGBhDEARIsAFyNm9Gd-6f0AEszlAdlrFYWL-GjVCASn-3YJvUDlZ5Sak179n47RyyKYcaAiQVEALw_wcB:G:s&OCID=AID2100090_SEM_Cj0KCQjw5auGBhDEARIsAFyNm9Gd-6f0AEszlAdlrFYWL-GjVCASn-3YJvUDlZ5Sak179n47RyyKYcaAiQVEALw_wcB:G:s&gclid=Cj0KCQjw5auGBhDEARIsAFyNm9Gd-6f0AEszlAdlrFYWL-GjVCASn-3YJvUDlZ5Sak179n47RyyKYcaAiQVEALw_wcB

Below is a break up of the licensing agreement with Microsoft:

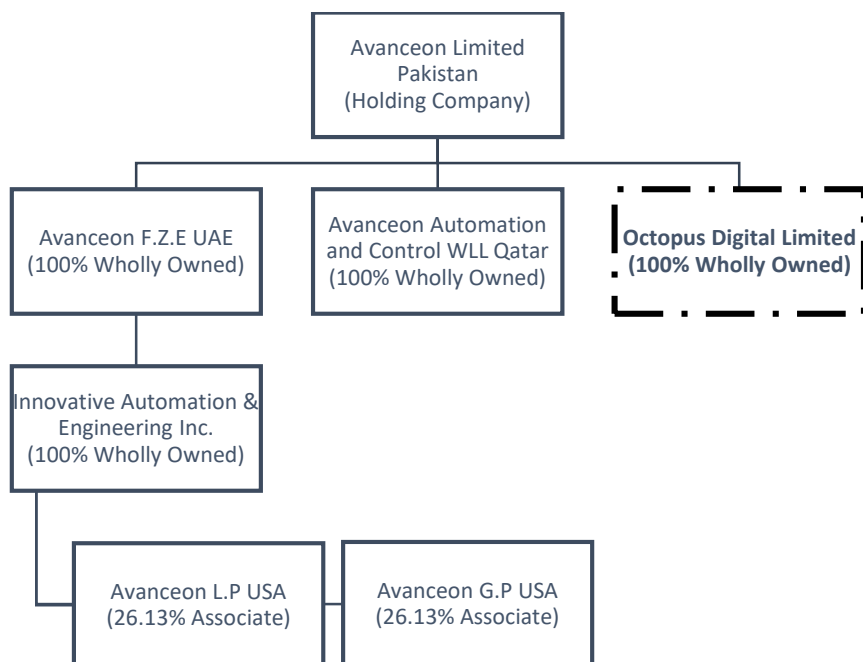
Particulars	Unit Quantity ¹	Net Unit Price (USD)	License Quantity	Total Amount (USD)
Pricing & Usage year 1	12	100	10	12,000
Pricing & Usage year 2	12	100	10	12,000
Pricing & Usage year 3	12	100	10	12,000

¹Cloud Usage Space is measured in Units

3.8 ORGANISATIONAL STRUCTURE OF THE COMPANY; AND GROUP INFORMATION:



Group Information



Associated Companies

Name	Avanceon Limited
Nature of Business	Holding Company & Engineering Automation Company
Nature of relation	Parent Company
Shareholding of the Issuer	100%

3.9 MAJOR EVENTS IN THE HISTORY OF THE COMPANY:

Timeline of the Business Transfer from Avanceon to Octopus:

December 29, 2017	Date of Incorporation of Octopus
April 5, 2019	Date of change of name from Avanceon Digital Private Limited to Octopus Digital
July 15, 2019	Board resolution passed by Avanceon Ltd for the sale/transfer of AMS segment to Octopus Digital Limited
January 1, 2020	Effective date of the transfer of AMS
September 30, 2020	Avanceon carried out business with its AMS customer till this date even after transfer of Segment on January 1, 2020
November 11, 2020	Date of conversion for Octopus from private limited company to public limited company
December 8, 2020	Business Arrangement Contract between Avanceon Limited and Octopus Digital Limited whereby entire business of AMS segment was transferred to the Company along-with the existing customer contracts and employees of AMS business
January 12, 2021	Extraordinary General Meeting Held confirming the transfer of AMS business to Octopus

Recent Awards Won by Avanceon

In 2015

- 1) Won National Forum for Environment and Health (NFEH) Corporate Social Responsibility (CSR) award
- 2) Schneider Electric (SE) Alliance Partner Excellence Award, Middle East

In 2016

- 1) Global System Integrator Alliance Partner Award
- 2) Institute of Chartered Accountants of Pakistan (ICAP) Best Corporate & Sustainability Awards
- 3) System Integrator Giants

3.10 INFRASTRUCTURE FACILITIES

The Company's offices are rented from Avanceon under a rental agreement. This also includes space for call center services. Utilities including electricity are borne by Octopus and they are included as part of rent, rates and taxes in the income statement.

3.11 SERVICES OF THE ISSUER:

Octopus offers the following services to its clients. These services are offered to existing AMS clients of Octopus that have been transferred from Avanceon as well as to new clients of Octopus.

- 1) Service Level Agreements - SLAs offer after-market support solutions on a contractual basis thereby providing recurring revenues. Technical teams schedule an assessment of a facility and then submit a customized service proposal based on client requirements. The proposal provides specific SLAs that are tailored to each customer. These SLAs are offered with the option to maintain an inventory of spares i.e. gold contracts or are offered as plain vanilla services only i.e. silver contracts.
 - Silver Contracts/SLAs includes standard service levels i.e. preventive, corrective and emergency support without any coverage of parts management.
 - Gold Contracts/SLAs includes Silver service package as well as Parts Management.
- 2) Upgrades Via SSIP - AMS team prepares readiness for disaster recovery by maintaining up-to-date systems documentation and offer control system upgrades through Strategic Site Improvement Plans (SSIP).
- 3) Technical Trainings - Training is adapted to address client's business needs and is based on client's overall business goals and serves as an inexpensive alternative to address many quality and inefficiency issues.
- 4) Emergency Support - Designated team of expert(s) reach the site within an agreed timeframe to address an emergency & offer a crisis management service, which is developed for risk mitigation and disaster recovery.

In order to market these services, the Company uses a combination of methods such as:

- Conducting of webinars, and live sessions to a large base of potential clients in order to explain their services.
- Conducting dummy testing of its services by inputting random variables and generating results in real time at a potential client's premises.

3.12 POTENTIAL SERVICE – DIGITAL PLATFORMS:

The plan is to build twenty nine (29) independent intellectual properties, which shall be under following categories:

Dashbord based IPs: These objective specific dashboards as follows will be prepared for industrial and manufacturing sectors, which will provide at-a-glance view of key performance indicators relevant to a particular objective or business process:

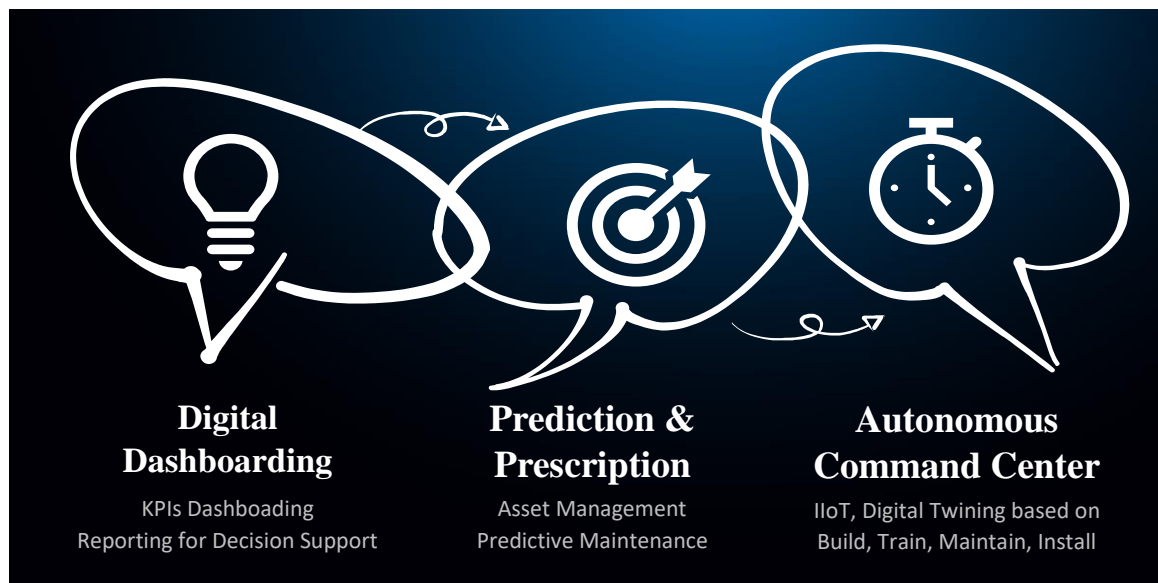
- 1) Industry vertical based IP
- 2) Function based IP
- 3) Utilities based IP
- 4) Maintenance Based IP
- 5) Fuel retail speciality based IP

In order to boost efficiencies in the industrial and manufacturing process, the Company intends to provide two different platforms namely **Topware** and **OmniConnect**.

Topware™

The Company plans to launch a cloud-native, AI-powered Topware™ service delivery that presents data in a way that lets even non-IT/IT professionals gain insight and take action. To back up the Topware™ service delivery, the Company also provides a comprehensive range of next-generation after-market services for preventive, predictive, and corrective maintenance support. Their guardianship program includes tailor-made maintenance and training contracts to fit client's exact needs. In order to maximize client plants' life and avoid overrun costs, the Company has a team of dedicated experts who provide complete life cycle support for client's critical investments.

Topware™ is an end to end solution that would contain three core functions: Digital Dashboarding, Prediction & Prescription, and Autonomous Command Center.



The Digital Dashboarding service will provide the following KPIs: Dashboarding, Decision support, Prediction & Prescription, Asset Management Predictive Maintenance and Autonomous Command Center.

A Digital Dashboard is an electronic interface that aggregates and visualizes data from multiple sources, such as databases, locally hosted files, and web services. Dashboards allow to monitor business performance by displaying historical trends, actionable data, and real-time information.

A Digital Dashboard's subscription will include the following:

- Dashboards, KPIs & Analytics;
- Automated Online and PDF Reporting;
- Personalized Adhoc Info Access on PDAs;
- Back-up and Recovery of Data At Anytime;
- 24/7 Call Center Agent & Dashboard helpline;
- Designated Customer Success Team for Data & Reporting Consultancy;
- Perpetual Monthly Changes & Modifications.

All of these features included in the Digital Dashboard Subscription will be scalable, reliable and secured. Further, subscriber can have access to the Dashboards on a single click, from anywhere, at any time and for any

manufacturing or process area production, operations, electrical & instrumentation (E&I), utilities, overall equipment effectiveness (OEE), energy, optimization, loop tuning etc.

For enabling the Dashboard, the team at Octopus would need a few things from the client, that is, key parameters for any manufacturing process, indicators, performance calculations and any historical analysis relevant to the process. Additionally, a one way Open Platform Communication (OPC) connection will be established to pull the data from the client. The team will do a quick build-up to enable a digital dashboard and will need an hour of the client's time to get started on Digital Dashboarding.

Prediction and Prescription service will provide Descriptive analytics, Predictive analytics and Prescriptive analytics for different processes. Descriptive analytics uses Business intelligence to get useful data in front of the right people in the form of dashboards, reports and emails. Predictive analytics uses predictive data science modelling, which analyses current and historical processes and makes predictions about future or unknown events.

Prescriptive analytics is the science of decisions. It helps companies to make decisions about their plant processes based on their data. For example: How to avoid any hiccups to achieve the predicted target for next year? What are the preemptive solutions to the obvious problems in the future? What to expect down the road in terms of operation, planning and forecasting? Etc.

Digitalization via Topware™

For control systems the importance, apart from controlling a process, is data that is gathered from plant floor and stored on premise. Sometimes it is consumed to develop reports and KPIs manually either in Microsoft Excel or through some sort of PIMS (Plant Information Management System). Mostly, such systems and reports require constant upgrades, updates, modifications to keep them purpose-fit. That's not just an expense in but also costs operational efficiencies. Octopus will merge all the above and digitize the plant automation process via Topware™. The Company will take all the risks and expenses of any capital purchase and move its customers to a path of digital transformation via a subscription model, from which all the intelligence, insights, analytics, prediction & prescription will be delivered as a service. To ensure utmost safety and cybersecurity of data, Octopus has partnered with Microsoft Corporation to use Microsoft's Azure cloud platform globally. This data & information processing through cloud-based digital twinning has been termed as digitalization and is offered collectively as 'Topware™', Octopus's open source Digitalization services suite.

Benefit of Digitalization via Topware™

- 1) Financial Planning gets better:
From a pure accounting standpoint, the customer will eliminate the capital expense incurred with a new server (or servers), new field sensor (or sensors), new software or storage(s) and deployment, along with the required operating system and common SCADA or PIMS applications..
- 2) Technical chores will be handled by Octopus:
From a technology standpoint, customer no longer will need to worry about complex KPIs and process or performance calculations, trivial SCADA or PIMS software, hardware failures, offsite backup, internet outages, and expensive maintenance or upgrade fees. The customer gets rid of IT hardware and SCADA or PIMS software obsolescence by receiving the data, information & insights needed through Octopus's subscription-based Digitalization service 'Topware™'.
- 3) Business-Focus will be a top priority:
From a business standpoint, the customer will avoid costly downtime, unavailability of the right and accurate information for timely corporate reporting and the need to maintain application updates across multiple systems. The customer will gain the ability to work and access from anywhere and be informed of the critical plant parameters and KPIs that matter the most.

Type of Digitalization Model to adopt via Topware™

Octopus's tech teams are highly equipped and bring an experience of more than a decade in this industry. The Company's experts are well versed in finding the true meaning of clients asset digitalization and creating value within those assets. They will work in collaboration with the clients site teams and designated engineers to design a road map for digital transformation journey and will guide the client along the way to stay updated and protected. The Company will adopt a carefully designed service enablement approach that is hassle free for the client yet hail from the clients expert opinions and suggestions moving forward.

Evaluation, Planning & Scheduling of Topware™

Octopus's team will be in continuous contact with the client, its site engineers and technical managers to better understand and evaluate the task at hand. The collected data will be formulized to draft a plan and plan the commissioning of Topware™.

Topware™ enablement including data integration and KPI calculation can be as quick as two weeks or take up to two months. This will depends on the size and complexity of the job. Each step of the way for enabling Topware™ will be scheduled in advance. Each member of Octopus's team will be briefed on what they will be doing each day of the service enablement.

Provisioning Topware™

Any hardware and software applications that will be needed to plug in at site to source data points will be installed, then Topware™ Dashboarding will be activated and Digitalization services will be enabled. Lastly, a training session will be conducted for the factory employees to ensure hands on training and familiarity with the platform.

Topware™ will ensure its uptime 24x7x365

Once Topware™ is enabled, it will be the Company's responsibility to ensure its 100% uptime to provide uninterruptible KPI Dashboarding experience. For this purpose, Octopus's AMS teams will be deputed on 24x7x365 basis to ensure Topware™'s availability, performance, capacity, reliability, scalability and security.

Fuel Bureau Platform

The Fuel Bureau Platform is a maintenance based intellectual property that's one of the many IPs that the Topware™ digitalization services suite will offer. It is a one stop solution for all the Fuel retail station needs.

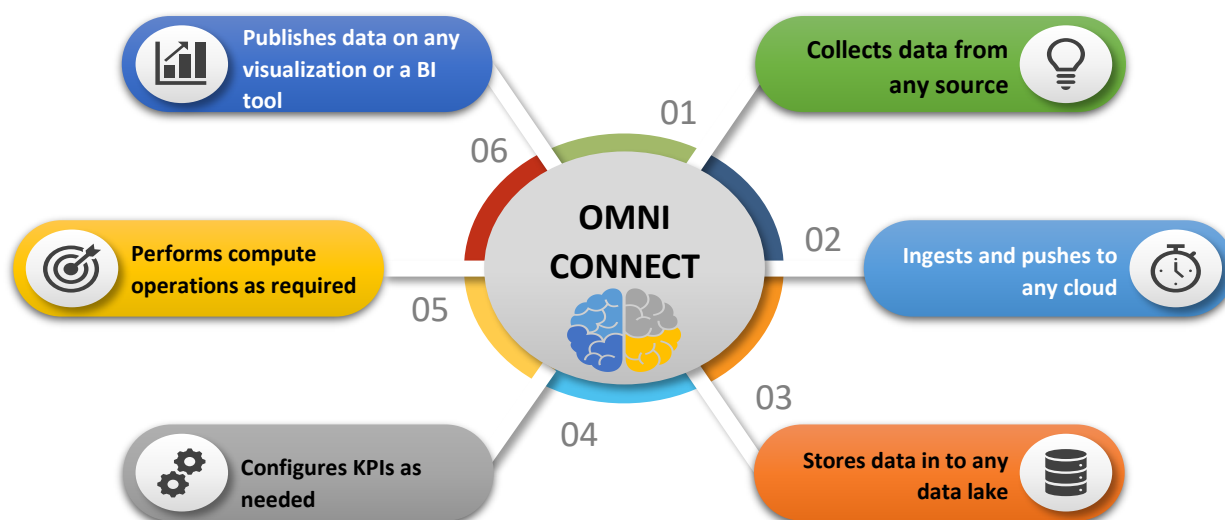
In order to give an overview of predictive and prescriptive IP, a glimpse of Fuel Bureau platform is given below. Fuel Bureau will be a 360-degree solution to monitor, build and improve a client's fuel retail business by further automating its processes and improving data transparency. The complete Fuel Bureau platform will offer the following modules:

FUELBUREAU PLATFORM 			OCTOPUS DIGITAL
 <p>Transaction Management, Product Inventory and Capacity Planning</p>	 <p>Asset Monitoring, Efficiency Enhancement and Digital KPIs</p>	 <p>Predict Shutdown, Reduce downtime</p>	
 <p>Reimagining Maintenance by Digital Work Order Management</p>	 <p>Internet of Terminal, Digital Twin of Oil Terminals</p>	 <p>Digitalization of Fleet Management KPIs</p>	
 <p>RestAPI for ERP Connectivity & Beyond</p>	 <p>Energy Management & Advisory App</p>	 <p>Contact us for 24/7 Support</p>	

OmniConnect™

Octopus aims to deliver OmniConnect with six service functions:

- 1) Collects data from any source;
- 2) Ingests and pushes to any cloud;
- 3) Stores data in any data lake;
- 4) Configures KPIs as needed;
- 5) Performs compute operations as required;
- 6) Publishes data on any visualization.



OmniConnect™ to broadly contain four objectives:

- 1) Timeframe and Cost: It implements the whole functionality of data collection from edge, store, compute, visualize and analyze at a fixed cost basis in a timeless manner.
- 2) Intellectual Property (IP) Development Model: Portable IPs can be developed as proprietary applications without being platform dependent. Agentless deployment supports both managed and self-service models.
- 3) Vision: Develop an interface to allow an entry level control engineer to start historizing data on cloud without acquiring any cloud knowledge or additional software expertise.
- 4) Data Portability: Data portability & shareability using simple-&-single interface - configurable to compute KPIs with significant reduced efforts.

3.13 NAMES OF COMPETITORS:

Octopus has no direct competitor in Pakistan who engages in providing similar line of service. However, at the outset Octopus can be seen as having indirect competition with other technology companies in Pakistan.

Co's	Share Price ¹	EPS ²	Sales per Share ²	BVPS ³	P/E	P/S	P/B	ROE ⁴	ROA ⁴	GP(%)	NP(%)	Free Float shares (000) ⁵	Free Float (%)
NETSOL ⁽⁶⁾	184.69	1.91	51.00	77.90	96.65x	3.62x	2.37x	2%	2%	37%	4%	31,443	35.00%
TRG ⁽⁷⁾	175.92	13.35	0.32	44.99	13.17x	543.25x	3.91x	30%	25%	NA	NA	463,582	85.00%
SYS ⁽⁶⁾	479.51	17.97	85.80	64.32	26.69x	5.59x	7.33x	27%	19%	34%	21%	81,467	59.44%
Octopus	29.00	1.91	2.53	13.08	15.21x	11.45x	2.22x	15%	14%	92%	75%	27,350	20.00%

(1) The market prices of companies are based on May 28, 2021

(2) Earnings and sales per share are based on the last twelve months accounts

(3) Book value per share is calculated on the basis of latest available report as March 31st, 2021

- (4) ROE and ROA are based on the last twelve months earnings while equity and assets are based on March 2021 report
 (5) Free float share are based on May 28, 2021 and are taken from PSX's website
 (6) Netsol and Systems financial data are based on consolidated accounts
 (7) TRG financial information is based on un-consolidated accounts

3.14 INTELLECTUAL PROPERTY RIGHTS

Octopus will hold intellectual property rights to the following products and products suites:

- Production Dashboard
- Utilities Dashboard
- Loop Tuning Dashboard
- Energy Dashboard
- Overall Equipment Effectiveness Dashboard
- Condition Monitoring Dashboard
- Predictive Analytics & Maintenance Services
- Prescriptive Analytics & Maintenance Services
- OmniConnect

3.15 DETAILS OF MATERIAL PROPERTY:

The Company does not own any property and operates out of rented properties. The rented property is a floor in the Avanceon office.

3.16 MAJOR CUSTOMERS

Some of the major customers of Octopus are as follows:

Name of Key Customers	Revenues (PKR)	%
Customers of AVN¹		
Elegencia Hospitality & Facilities Management Services Co W.L.L	84,272,066	15.35%
Engro Polymer & Chemicals Limited	35,816,473	6.52%
Pakistan Petroleum Limited	80,550,321	14.67%
PEPSI-COLA International Private Limited	54,807,103	9.98%
SERCO Limited	60,161,623	10.96%
Others ²	197,617,073	35.99%
Sub Total	513,224,659	
Customers of Octopus		
Others ²	35,871,629	6.53%
TOTAL	549,096,288	100%

¹ The revenues from Customers of Avanceon are the gross revenue i.e. prior to the adjustment of direct cost after which they were transferred to Octopus.

² The "Others" line item under Customers of Octopus of PKR 35,871,629 pertain to contracts that are immaterial individually.

The revenue transferred from Avanceon to Octopus for CY20 is of PKR 513,224,659. This revenue has been earned from the following regions:

	Pakistan		Dubai		Qatar		Total	
Region	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Amount*	PKR 187,055,350	36%	PKR 241,314,072	47%	PKR 84,855,237	17%	PKR 513,224,659	100%

*Revenue earned from Dubai and Qatar region are foreign currency denominated.

3.17 VENDORS OF THE COMPANY:

There are no key vendors of Octopus other than Microsoft from whom they procure cloud services.

Microsoft: Microsoft Corporation is an American multinational technology company with headquarters in Redmond, Washington. It develops, manufactures, licenses, supports, and sells computer software, consumer electronics, personal computers, and related services.

Other than Microsoft, vendors pertaining to material procurement are immaterial

3.18 FUTURE PROSPECTS, DEMAND OUTLOOK

Industry 4.0 & Beyond

Services and technology sectors require constant automation and upgradation, and the Company and its sponsor are a long standing automation provider for manufacturing industries. Octopus is expecting a robust demand from various manufacturing and industrial sectors across Pakistan, Middle East and USA.

3.19 APPROVALS:

There are no material government and other approvals required for carrying on the business of the Issuer.

3.20 ASSOCIATED COMPANIES:

The Company has no associated company over which it has control. However, Avanceon Limited is an associated company of Octopus that has 100% control over it.

3.21 RELATED PARTY TRANSACTIONS

Related party transactions represent transactions with holding companies and associated companies on the basis of common directorship. The Company carries out transactions with its related parties in the normal course of business.

Related Parties	CY18 (Audited)	CY19 (Audited)	CY20 (Audited)
Avanceon Limited – Parent Co.	412,753	17,561,382	291,539,974
Avanceon FZE – Group Co.	268,437	3,799,742	19,660,761
Avanceon Automation & Control WLL – Group Co.	-	-	20,310,383

Name of Related Party	Basis of relationship	Nature of transactions	CY20(Audited)	CY19(Audited)
Avanceon FZE	Associated Company due to common directorship	Funds received by the Company	-	3,704,400
		Receivable against sub-contracted services	16,460,547	-
		Expenses incurred on behalf of the Company	2,872,492	-
		Exchange loss	327,722	95,342
Avanceon Automation and Control WLL	Associated company due to common directorship	Receivable against sub-contracted services	20,310,383	-
Avanceon Limited	Holding Company	Expenses incurred by the Company on behalf of Holding Company	-	17,561,382
		Expenses incurred by Holding Company on behalf of the Company	37,244,649	-

	Share of profit receivable from parent Company	186,582,463	-
	Project deferred cost	11,991,898	-
	Funds received by the Company	1,130,082	-
	Funds transferred by the Company	6,000,000	-
	Fee for technical service charged by the Company	27,840,000	-
	Receivable against sub-contracted services	20,750,882	-

3.22 PERFORMANCE OF ASSOCIATED LISTED COMPANIES OVER WHICH THE ISSUER HAS CONTROL:

There are no associated listed companies over which the Company has control.

Financial Performance of Listed associated companies by virtue of it being a Parent Company

Avanceon Limited is the parent company of Octopus.

Consolidated Statement of Profit & Loss (PKR "000")	CY18	CY19	CY20
Revenue from Contract with customers	3,480,942	4,896,158	6,444,692
Cost of Revenue	(2,513,661)	(3,412,208)	(4,603,147)
Gross Profit	967,821	1,483,950	1,841,545
Administrative & Selling expenses	(586,444)	(705,256)	(684,524)
Other operating expenses	(4,737)	(4,463)	(4,300)
Other operating income	464,754	313,051	162,990
	(126,427)	(396,668)	(525,834)
Profit from Operations	840,854	1,087,282	1,315,711
Finance Cost	(60,567)	(124,342)	(132,337)
Profit Before Tax	780,287	962,940	1,183,374
Taxation	(88,642)	(50,764)	(138,395)
Profit for the year	691,645	912,176	1,044,979

Consolidated Statement of Financial Position(PKR "000")	CY18	CY19	CY20
Equity & Liabilities			
Issued, Subscriber & Paid Up	1,363,238	1,925,364	2,117,900
Capital Reserves			
Share premium	61,906	138,384	138,384
Statutory reserve	3,002	3,002	3,002
Employees share compensation reserve	115,051	53,862	74,270
Surplus on revaluation of property and equipment	167,915	209,721	241,827
Exchange revaluation reserve	439,705	610,100	632,410
Revenue Reserves			
Unappropriated profit	1,279,977	1,562,534	2,409,500
Non-controlling interest	3,062	4,346	4,506
Total Equity	3,433,856	4,507,313	5,621,799
Non Current Liabilities			
Lease liabilities	63,958	67,637	42,300
Long term loan	1,515	-	23,511
Employees' end of service benefits	63,749	80,901	100,787
Deferred taxation	24,427	-	-
Deferred grant		-	517

Total Non Current Liabilities	153,649	148,538	167,155
Current Liabilities			
Current portion of lease liabilities	26,420	45,554	38,159
Current portion of long term loan	18,182	1,515	25,911
Current portion of deferred grant		-	1,218
Finances under markup arrangements and other credit facilities – secured	312,079	599,339	487,386
Creditors, accrued and other liabilities	1,766,230	1,670,783	2,739,492
Contract liabilities	-	1,127,342	902,093
Unclaimed dividend	283,074	256,763	10,951
Total Equity & Liabilities	5,993,490	8,357,147	9,994,164
Assets			
Non Current Assets			
Property and equipment	337,141	433,829	431,326
Intangible assets	32	-	20,029
Long term investments	746,059	843,129	874,023
Deferred tax asset	-	73,815	58,853
Long term loans and deposits	37,908	27,480	32,849
Total Non Current Assets	1,121,140	1,378,253	1,417,080
Current Assets			
Stock in trade	85,333	160,929	123,783
Trade debts	3,981,886	2,431,404	3,586,027
Contract assets	-	3,602,180	3,760,963
Advances, deposits, prepayments and other receivables	562,254	480,427	502,239
Short term investments	1,257	1,444	2,955
Term deposits with banks	188,857	197,284	73,788
Cash and bank balances	52,763	105,226	527,329
Total Assets	5,993,490	8,357,147	9,994,164

Date of Incorporation	26th March 2003
Registration Number	0045130
Nature of Business	Holding Company & Engineering Automation Company
Nature of relation	Parent Company
Date of Listing	11th February, 2014

3.23 DUTY STRUCTURE

There is no duty applicable on the cloud services being provided to Octopus' customers. However, there is a duty impact, between 0% ~ 20% on the tools and equipment. These are mechanical and electrical equipment used to enable automation. As part of AMS, these are replaced if required and charged to customers accordingly. All duties are passed on to customers.

3.24 INDUSTRY OVERVIEW

The 4th Industrial Revolution is currently taking place and it is digital. The actual size of the 2016 digital economy was \$11.5 trillion globally, which was 15.5% of the global GDP. The base digital assets comprise one-third, or \$3.8 trillion, while digital spillover effects account for the remaining two-thirds, \$7.5 trillion⁴.

Pakistan, which has about 60% of its 200 million population in the 15 to 29 age group, represents an enormous human and knowledge capital. Pakistan has more than 2,000 IT companies & call centers and the number is growing every year. Pakistan has more than 300,000 English speaking IT professionals with expertise in current and emerging IT products and technologies and 13 software technology parks. More than 20,000 IT graduates and engineers are being produced each year coupled in addition to a rising startup culture⁵.

Digital growth in Pakistan is going through a rapid evolution. IT/ITeS Sector is one of the fastest growing sectors of Pakistan contributing about 1% of GDP of Pakistan at about \$3.5 billion. It doubled in the past four years and experts expect it to grow a further 100% in the next two to four years to \$7 billion⁶.

Pakistan's Information and Communications Technology (ICT) exports increased by 46 percent to \$1.7 billion in the nine months of this fiscal year (July-Apr FY2021). ICT exports rose by 66 percent year-on-year to \$96 million in April 2021. These exports are expected to exceed \$2bn for the first time in the country's history during the current fiscal year FY21.⁷

In accordance with Pakistan Vision 2025 and the Digital policy of Pakistan 2018, the ICT industry size is targeted to reach \$20 billion by 2025.

Most importantly, the security situation of Pakistan has improved. Startups like Careem, Daraz, Zameen.com, Rozee.pk and their success is bringing investment into Pakistan as evident from the recent acquisition of Daraz and Easypaisa by Alibaba. Traditional investors from other Pakistani sectors like textile, fertilizers are also taking special interest in the startup ecosystem. In the traditional IT outsourcing, other South Asian nations are becoming increasingly expensive and these countries are finding it hard to compete in the technology areas like artificial intelligence, internet of things, cyber security, automation etc.

⁴ <https://invest.gov.pk/it-ites>

⁵ <https://invest.gov.pk/sites/default/files/inline-files/IT.pdf>

⁶ <https://invest.gov.pk/sites/default/files/inline-files/IT.pdf>

⁷ Abdul Razak Dawood, Advisor to Prime Minister of Pakistan on Commerce and Investment, tweet dated May 25, 2021

3.A SHARE CAPITAL & RELATED MATTERS

3.A (i) SHARE CAPITAL

No. of Shares	Shareholders	Face Value (PKR)	Premium (PKR)	Total (PKR)
150,000,000	Authorized Capital Ordinary Shares	10	-	1,500,000,000
	Issues, Subscribed & Paid Up Capital			
109,400,002 ⁸	Ordinary Shares	10	-	1,094,000,020
No. of Shares	Shares held by Directors/ Sponsors	Face Value (PKR)		Total(PKR)
109,400,000	Avanceon Limited	10		1,094,000,000
1	Mr. Tanveer Karamat	10		10
1	Mr. Bakhtiar Hameed Wain	10		10
109,400,002	Total Paid Up Capital	10		1,094,000,020
No. of Shares	Allocation	Face Value (PKR)		Total(PKR)
20,512,500	Allocations to Institutions / Individual Investors through Book Building process at Strike Price	10	19	594,862,500
6,837,500	General Public Portion	10	19	198,287,500
27,350,000	Total Issue Size	10	19	793,150,000
136,750,002	Grand Total Post-IPO Paid up capital	10	19	1,367,500,020

NOTE:

- 1) As per regulation 5(1) of the PO Regulations, the Sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
- 2) As per regulation 5(2) of the PO Regulations, the Sponsors of the Company shall retain not less than twenty-five percent of the post issue paid up capital of the Company for not less than three financial years from the last date for the public subscription;
- 3) As per regulation 5(3) of the PO Regulations, the shares of the Sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;
- 4) As per regulation 5(4) of the PO Regulations, subject to compliance with sub-regulation 1 and 2 of regulation 5, and with the prior approval of the securities exchange, the Sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed Sponsor for the purposes of the PO Regulations.

SHARES OF SPONSORS TO BE RETAINED AS PER REGULATION 5 OF PO REGULATIONS

- Avanceon Limited is the Sponsor of the Company and owns 109,400,000 shares, hence, these shares will be blocked as per Regulation 5(1) of Public Offering Regulations, 2017 for a period of 12 months;
- Also, as per regulation 5(2) of the PO Regulations, the Sponsors of the Company shall retain not less than twenty-five percent of the paid up capital of the Company for not less than three financial years from the public subscription.

Description	Number of shares	% Shareholding status
Shares held by Sponsor Directors:		

⁸ -1,000,002 Ordinary Shares are fully paid in cash, and

-108,400,000 Ordinary Shares are issued for consideration other than cash, i.e. the shares issued to Avanceon Limited against transfer of business of AMS from Avanceon.

Avanceon Limited	109,400,000	99.9999982%
Mr. Tanveer Karamat	1	0.0000009%
Mr. Bakhtiar Hameed Wain	1	0.0000009%
Total	109,400,002	100.00%

Given above are sponsor shareholding to be kept in blocked form as per the PO Regulations.

3.A (ii) PRESENT ISSUE

The Issue comprises of 27,350,000 Ordinary Shares of face value of PKR 10/- each, which constitutes 20% of the total post-IPO paid up capital of the Company.

The Issue is being made through 100% Book Building process at a Floor Price of PKR 29/- per share with an upper limit of 40% of the Floor Price and the Strike Price will be the price at which 100% of the issue is subscribed. 75% of the total issue size i.e. 20,512,500 Ordinary Shares will be provisionally allocated to the successful Bidders and the remaining 25% of the total issue size i.e. 6,837,500 will be offered to retail investors / general public. In case the retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful Bidders on pro rata basis.

3.A (iii) SHARES ISSUED IN PRECEDING YEARS

Sr.No	No. of Shares	Allotment Date	Consideration
1	2	29-Dec-2017	Against Cash
2	1,000,000	30-April-2019	Against Cash
3	108,400,000	8-Dec-2020	Against other than Cash
Total	109,400,002		

3.A (iv) Related Employees of the Company

S. No.	Name	Designation
1	Asmar Ahmed Atif	Chief Executive Officer
2	Saeed Ullah Khan Niazi	Chief Financial Officer
3	Ahsan Khalil	Company Secretary

Related employees of the Consultant & Book Runner (BMA Capital Management Limited)

S. No.	Name	Designation
1	Moazzam M. Malik	Chairman & CEO
3	Saad Hashemy	Executive Director, Investment Banking
4	Abdul Qadir	Vice President, Investment Banking
5	Abdul Raheem Ejaz	Analyst, Investment Banking

Note:

As per regulation 7(9) of the PO Regulations, the associates of the Lead Manager & Book Runner shall not in aggregate make bids in excess of ten (10%) percent of the shares offered through Book Building. Provided that it shall not apply to such associates of the Lead Manager & Book Runner that are Financial Institutions, Mutual Funds and Insurance Companies.

As required under regulation 20(10) of the PO Regulations, Related Employees of the Issuer, Lead Manager & Book Runner to the Issue shall not participate in the Bidding for shares.

Undertaking of the Sponsors regarding IPO utilization

R521470

100 Rupees

100 روپیہ

MOHAMMAD UMER STAMP VENDOR
Lic # 14, Shop # 14, New Ruby Centre,
Talpur Road, Boulton
Market Pakistan
Issue to Stock Exchange, Bulton
Through with Address: K.A No. 43
Stock Exchange Road
Karachi - 74000, Pakistan
Purpose: Attached
Value Rs. 100/-
Stamp Vendor's Signature
(NOT USE FOR FREE WILL & DIVORCE PURPOSE)
Vendor Not Responsible for Fake Documents

Undertaking of the Sponsors regarding IPO utilization

91801

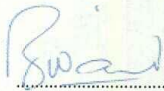
04 MAR 2020


(RUPEES ONE HUNDRED ONLY)

UNDERTAKING

We hereby state on solemn affirmation on behalf of the Octopus Digital Limited as under:

- (1) That we are the sponsors and majority shareholders/owners of the shares of Octopus Digital Limited (the "Issuer");
- (2) That the IPO Proceeds of Octopus Digital Limited shall be utilized as per the purpose disclosed in the Prospectus.


 Mr. Bakhtiar Hameed Wain
 Chairman
 Octopus Digital


 Tanveer Karamat
 Non-Executive Director
 Octopus Digital

Date: 09-04-2021

4. PRINCIPAL PURPOSE OF THE ISSUE & FUNDING ARRANGEMENTS

4.1 PRINCIPAL PURPOSE OF THE ISSUE

The Company requires funding of PKR 793.15 million to develop and launch various digital dashboard platforms. The plan is to build twenty nine (29) independent intellectual properties (as presented graphically below) including marketing and selling of these IPs. The IPs that the Company aims to build shall be under following categories:

Dashbord based IPs: These objective specific dashboards as follows will be prepared for industrial and manufacturing sectors, which will provide at-a-glance view of key performance indicators relevant to a particular objective or business process:

1. Industry vertical based IP
2. Function based IP
3. Utilities based IP
4. Maintenance Based IP
5. Fuel retail speciality based IP

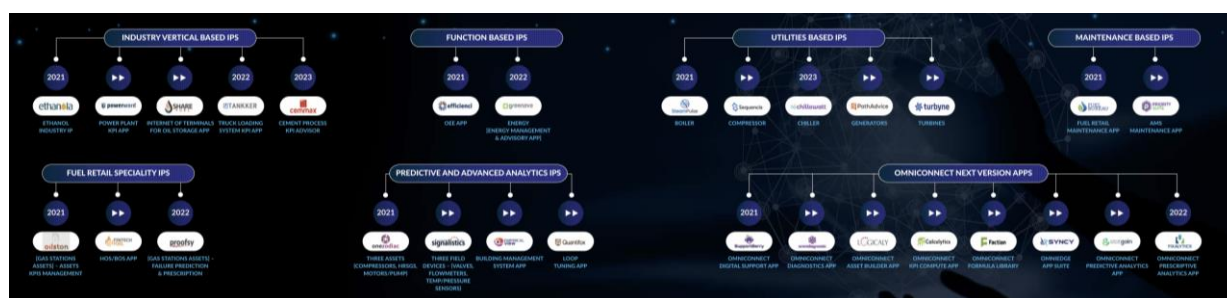
In order to boost efficiencies in the industrial and manufacturing process, the Company intends to provide two different platforms namely **Topware** and **OmniConnect**.

Topware™: It is an end to end solution that would contain three core functions: Digital Dashboarding, Prediction & Prescription, and Autonomous Command Center. It will have four distinct assets based IPs for instance, Loop Tuning App, Building Management System App etc.

OmniConnect™: It is a brand name of several intellectual properties, which will allow industries to use predictive analysis in order to prevent future losses/problems through digitization and big-data usage. It will have following fundamental properties:

1. Collects data from any source;
2. Ingests and pushes to any cloud;
3. Stores data in any data lake;
4. Configures KPIs as needed;
5. Performs and compute operations as required;
6. Publishes data on any visualization.

A Graphical representation of IPs:



These Digital Dashboards including Topware and Omniconnect will be marketed in Pakistan, Middle East and United States. The IPO proceeds will also be used for associated marketing and selling expenses pertaining to these.

Source of funding and utilization of total proceeds:

The estimated requirement of funds for developing IPs is expected to be PKR 793.15 million, which is intended to be raised entirely through issuance of 27,350,000 ordinary shares at a Floor price of PKR 29/- per share through an Initial Public Offering (IPO) of PKR 793,150,000.

Utilization and sources of the funds required:

There are three components of proceed utilization as follows:

1. Creation of intellectual property: This includes cost of human resource such as software engineers, technical experts etc. who will be hired. The estimation of cost is carried out on project hour basis. On average, each Intellectual Property will cost c. USD 150,000;
2. HR Cost of Marketing: This include human resource cost of marketing team which will be hired locally.
3. HR Cost of Sales: This category include procurement of sales team, from Pakistan, for targeting specific industries. The cost is based on human resource cost required to conduct sales of specific intellectual property.

Utilization of funds			Sources of Funds		
Categories	Amounts (PKR)	%	Categories	Amounts (PKR)	%
Intellectual Property	696,000,000	88%	Initial Public Offering	793,150,000	100%
HR Cost of Marketing	42,150,000	5%			
HR Cost of Sales	55,000,000	7%			
Total	793,150,000	100%	Total	793,150,000	100%

The IPO proceeds to be used for meeting: creation of intellectual properties, marketing and sales expenditures shall be utilized within Pakistan.

Detail Working of Intellectual Property Creation:

As explained above in serial number 1, that each intellectual property would expect to cost USD 150,000, an estimated cost, based on individual components, for a single intellectual property is shown below:

S. N o	PHASE ACTIVITY	STANDARD WORK EFFORT %	PHASE TEAM SIZE	COMPUTED WORK EFFORT HOURS	COMPUTED TASK DURATION IN WEEKS	COMPUTED AVERAGE RESOURCE HOURLY COST	ESTIMATED COST (IN USD)	ESTIMATED COST (IN PKR)
1	R&D Business Requirements	30%	4	700	4	\$17.5	\$12,250	PKR 1,960,000
2	Functional Specifications	10%	3	400	3	\$20	\$8,000	PKR 1,280,000
3	Detailed Design	10%	3	700	6	\$20	\$14,000	PKR 2,240,000
4	Code and Unit Test	20%	5	1,500	8	\$18	\$27,000	PKR 4,320,000
5	System Testing	20%	2	500	6	\$15	\$7,500	PKR 1,200,000
6	Implementation, O&M Testing	10%	6	350	1	\$12.5	\$4,375	PKR 700,000
		100%		4,150	29		\$73,125	
	Project Manager	40%	1	800	29	\$50	\$40,000	PKR 6,400,000
	Deputy Project Manager	30%	1	300	29	\$38	\$11,400	PKR 1,824,000
	Project Lead	30%	1	400	29	\$28	\$11,200	PKR 1,792,000
	Project Management			1,500			\$62,600	PKR 10,016,000
	Baseline Project Hours Estimate			5,650			\$135,725	PKR 21,716,000
	Risk Contingency (10% of estimated cost)						\$13,573	PKR 2,171,600
	Total Cost Including Risk						\$149,298	PKR 23,887,600

1USD = PKR160 as on (09/02/2021). Link of website for reference: <https://www.exchangerates.org.uk/USD-PKR-exchange-rate-history.html>

Intellectual property would expect to cost at an average of USD 150,000 for creating twenty nine (29) Intellectual Properties. Therefore a rate of 1 USD = PKR 160 is applied to USD 150,000 which is subsequently multiplied by 29 i.e the number of intellectual properties expected to be made.

Particulars	Average Cost	Conversion Rate	Cost in PKR	No. of IPs	Total Cost (PKR)
Creation of Intellectual Property	USD 150,000	PKR 160	24,000,000	29	696,000,000

The IP creation cost is devised using involvement of different human resources and volume of hours. Based on the above table, there are six phases which would require technical teams. The size of team, hours required, hourly compensation, and total cost for each phase is shown corresponding to that specific phase. In addition to the technical team, senior members will also be required. Their cost, involvement is also shown above.

Breakup of Marketing and Sales cost:

The Company, based on their experience, envisaged an estimation of human resource that would be required to conduct marketing and sales of (29) intellectual properties. As per the estimation, about fifty five (55) and forty (40) human resources would be required for marketing and sales, respectively. The average annual cost per resource is shown in the below table:

Particulars	No. of Human Resource	Average Annual Salary/Resource (PKR)	Total Cost (PKR)
HR Cost of Marketing*	40	1,053,750	42,150,000
HR Cost of Sales *	55	1,000,000	55,000,000

*The average annual salary cost per resource is described on the basis of annualized estimation, however, the total sum which is expected to be incurred for Marketing and Sales are PKR 42.15 million and PKR 55 million respectively. The spending will be conducted as per the implementation schedule shown below:

Implementation Schedule:

Timeline											
	First Year					Second Year					Grand Total
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	
Intellectual Property	10%	14%	17%	21%	62%	21%	17%	0%	0%	38%	100%
Marketing	20%	30%	30%	20%	100%	0%	0%	0%	0%	0%	100%
Sales	0%	10%	15%	20%	45%	20%	20%	15%	0%	55%	100%

Intellectual Property (IP)											
	First Year					Second Year					Grand Total
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	
Creation of IPs (numbers)	3	4	5	6	18	6	5	-	-	11	29

The above implementation schedule is prepared on the presumption that Quarter one (Qtr 1) shall commence from the day of disbursement of IPO proceeds to the Issuer.

In case the Strike Price is determined above the Floor Price:

Any excessive funds, in case the Strike Price is determined above the Floor Price, would be utilized either for creating additional IPs or as directed by the Board of Directors.

As per clause (i) and (ii) of regulation 16 of the PO Regulations, the Company shall:

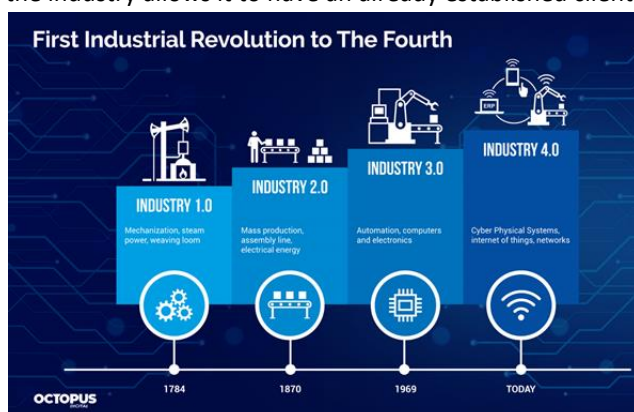
1. Report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly / half-yearly and annual accounts till the fulfillment of the commitments mentioned in the prospectus, and;
2. Submit a half yearly progress report and annual progress report reviewed by the auditor providing the implementation status of the project/commitments mentioned in the prospectus to PSX till the fulfillment of the commitments mentioned in the prospectus as per the format given in regulation 16 of the PO Regulations.
3. Submit a final report reviewed by the auditor to the PSX after the fulfillment of the commitments given in the prospectus.

4.A VALUATION SECTION

The Ordinary Shares of Octopus are being issued at Floor Price of PKR 29/- per share which is at a premium of PKR 19/- per share Ordinary Share to the face value of PKR 10.00/- per Ordinary Share. The Lead Manager has reviewed the business performance of the Company and in their opinion, the Floor Price of PKR 29/- per share is justified based on the following:

4.A (i) Strategic advantage underpinned in forecasts

Avanceon is a key player in the machinery automation industry. It brings technical efficiencies in manufacturing systems along with the application of cost-reduction techniques causing majority manufacturers to opt for their systems and technology. Octopus, being the arm of Avanceon and one of the leading manufacturing automators in the industry allows it to have an already established clientele.



The next step for the manufacturing industry is incorporated in Octopus' industrial revolution 4.0, which focuses on the development of Digi-dashboards and a means of integrating current technologies with its cloud-based servers. AMS, which was part of Avanceon, has been carved out to Octopus; hence allowing it to focus on the next step of the technological revolution.

4.A (ii) Strong Management

Octopus's management consists of a competitive set of individuals with a globally diverse experience. The board comprises of seven directors.

These board of directors possess a wide plethora of skills and experience in manufacturing, information technology and electrical engineering sectors. In this regard, they are propelling the technology industry forward and bringing forth the industrial revolution 4.0 dominated by digitization and cloud-services. A futuristic mindset and vision allows the Company to take bold steps towards technological advancement.

Asmar Atif, the Chief Executive Officer of Octopus, has a multi-decade, global and local experience in the digitization and automation space. He is currently heading Octopus globally within Avanceon, and works at the intersection of business, technology and regulation in the artificial intelligence, strategy and open-innovation space. Employing open-source digital technologies and design-thinking, his role is to provide strategic and operational leadership to Octopus' R&D, design, sales and service teams so that they excel at their individual and collective Objectives and Key Results (OKRs).

4.A (iii) Parent Company History

Avanceon is the leading provider of industrial automation, process control and systems integration as well as proprietary energy management solutions and support services. It has a strong market footprint through its offices in Dubai, (United Arab Emirates), and Lahore (Pakistan), covering the Middle East, Pakistan, South East Asia markets, and their office in Exton, (Pennsylvania, USA), covering North America).

It has been providing automation services since the past 17 years in Pakistan and has successfully transformed into a 360 degree solution provider for automation, energy management, service and maintenance for major blue chip companies. It is a certified member of the select group of CSIA.

Avanceon has over 17 years of operational history in Pakistan. The company has managed to develop 16 key partnerships worldwide.

The issuing company is essentially a carve out of an existing segment of Avanceon, which is AMS. The AMS segment has dozens of contracts as of December 2020, majority of whom are those contracts that have been transferred from Avanceon to Octopus (Octopus is a legitimate owner of all contracts which were sold as part of Business Transfer agreement executed on December 8th, 2020) that are ongoing with its customers with the average tenure of the contract being 5 years. In addition to this, these contracts comprise of both local and international clients. The segment has been a profitable one for Avanceon in its history and as per the latest audited accounts in which AMS was still part of Avanceon, it constituted approximately 23% of the total revenue of the company.

4.A (iv) Emerging Player in Cloud-Based Solutions

Octopus is an emerging player in provision of cloud-based solutions at a large scale in Pakistan. The Company has not only developed a strong skill set but also a strong rapport with domestic as well as international market participants over the past couple of years. This will allow the Company to retain its market position despite introduction of new market participants as any new player will have to pass through the learning curve of domestic market allowing ample lead time to the Company to gear up for possible competition.

4.A (v) POST IPO FREET FLOAT DISCLOSURE

Description	Post IPO	Post IPO (%)
Shares held by Sponsors	109,400,002	80.00%
Share held by General Public – Free Float	27,350,000	20.00%
Total	171,400,002	100.00%

4.A (vi) Peer Group Comparison

Co's	Share Price ¹	EPS ²	Sales per Share ²	BVPS ³	P/E	P/S	P/B	ROE ⁴	ROA ⁴	GP(%)	NP(%)	Free Float shares (000) ⁵	Free Float (%)
NETSOL ⁶	184.69	1.91	51.00	77.90	96.65x	3.62x	2.37x	2%	2%	37%	4%	31,443	35.00%
TRG ⁷	175.92	13.35	0.32	44.99	13.17x	543.25x	3.91x	30%	25%	NA	NA	463,582	85.00%
SYS ⁶	479.51	17.97	85.80	64.32	26.69x	5.59x	7.46x	28%	19%	34%	21%	81,467	59.44%
AVN ⁶	84.09	4.93	30.43	26.52	17.04x	2.76x	3.17x	19%	10%	29%	16%	60,283	23.49%
Octopus	29.00	1.91	2.53	11.92	15.21x	11.45x	2.43x	16%	15%	92%	75%	27,350	20.00%

- (1) The market prices of companies are based on May 28, 2021
- (2) Earnings and sales per share are based on the last twelve months accounts
- (3) Book value per share is calculated on the basis of latest available report as March 31st, 2021
- (4) ROE and ROA are based on the last twelve months earnings while equity and assets are based on March 2021 report
- (5) Free float share are based on May 28, 2021 and are taken from PSX's website
- (6) Avanceon, Netsol and Systems financial data are based on consolidated accounts
- (7) TRG financial information is based on un-consolidated accounts

5. RISK FACTORS

5.1 Internal Risk Factors

5.1.1 Cybersecurity Risk

This risk is associated with the probability of exposure or loss resulting from a cyber-attack or data breach in an organization. The Company has cloud services and having inefficient security controls increases the risk of cyber-attacks from outside the organization.

Mitigant:

Octopus has procured cloud services from Microsoft which stores client's entire data on their cloud servers. Thus, there is no risk of cybersecurity on Octopus.

5.1.2 Human Resource

Octopus business plan involves creation of sophisticated IPs, which is dependant on availability of skilled human resource with specific expertise in cloud programming. These may be difficult to attract given global convergence towards cloud based solutions.

Mitigant:

Asmar Atif and his team is well seasoned and posses the required expertise and resources to attract the required human resource. Asmar and his team has been building Octopus' cloud platform since beginning of 2020 and are well positioned to weather any challenges on the hiring front.

5.1.3 Negative Operating Cash flows

The Company posted negative cash flow from operations in CY 2018 and CY 2019 of (PKR 0.435 million) and (PKR 6.239 million) respectively.

Mitigant:

The Company was created in 2017 with an ambition to transfer all AMS business into the Company from Avanceon, however, the transfer was made in 2020. Thus, the Company posted negative cash flows. However, CY20 operating cash flows were positive i.e. PKR 20.4 million.

5.1.4 After Market Sales Revenue Based Model

The Company has a singular revenue based model which involves after market sales stream.

Mitigant:

The Company has diversified clients and is offering services to various blue chips companies across Pakistan and Middle East. Further, the Company aims to provide digital services to its existing and potential clients to Pakistan, Middle East and USA. Hence, there is no concentration risk as it posses a diversified customer base and plans to expand into digital business stream.

5.1.5 Customer Concentration Risk

Major customers of the Company are Elegencia Hospitality & Facilities Management Services Co W.L.L and Pakistan Petroleum Limited which account for 15.35% and 14.67% of the gross revenue in CY20

Mitigant

As of CY20, the Company has 40 contracts with customers based in Pakistan, Qatar and Dubai, hence, disruption to the sales of above customers will not impact Company's overall sales as it possesses a diverse customer base.

5.1.6 Risk of non compliance with regulation of SECP and PSX

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential

suspension in trading as well.

Mitigant

Given the track record of Octopus' sponsor, which is listed for seven years and has complied to the requirements of PSX and SECP. Based on their sponsor history, it is highly unlikely that Octopus could engage in non-compliance with SECP and PSX.

5.2 External Risk Factors

5.2.1 Competition Risk

An international participant or a local player can enhance competition within the industry and affect Company's market share or profitability in the future.

Mitigant:

Octopus is a technology service oriented company, which enables services using purchased cloud/data servers of Microsoft. Since the entire client portfolio of the Company is transferred from Avanceon, it has inherited already established strong rapport with domestic as well as international clients. Hence, it will allow Company to retain its market position despite introduction of new market participants as any new players will have to pass through the learning curve of domestic & international market allowing ample lead time to the Company to gear up for possible competition.

5.2.2 Regulatory Risk

The stores and spares used in automation are largely imported and are subject to duties at the import stage. Any adverse changes in duty structure can impact overall costs of provision of AMS services to clients.

Mitigant:

The incidence of duties on these stores and spares is in the range of 10-20%. However, these stores and spares are on a need basis and constitute a small portion of overall costs of provision of AMS services (16% of total costs in 2020). Further, any changes in duty structure are passed on to clients and have a Neutral impact on Octopus' overall margins.

5.2.3 Exchange Rate Risk

Foreign exchange gains and losses may result due to the recognition of foreign currency denominated monetary assets and liabilities. In addition to this, it may also result due to recognition of non-monetary transaction.

Mitigant:

The Company follows prudent accounting policies and procedures to ensure accurate and appropriate classification of monetary and non-monetary items in order to minimize exchange gain/loss impact.

5.2.4 Capital Market Risk

Upon successful completion of the IPO, ordinary shares of the Company would be listed on PSX. Upon listing, the share price would be subject to frequent movements on the basis of external and internal factors. These include overall economic situation of Pakistan, the financial and operational performance of the Company, the occurrence of any one-off event of political, social or environmental nature.

Mitigant:

Major driver of share price movement could be financial and operational performance of the Company. Given the track record of the Sponsor, Avanceon, which was listed in February 11, 2014, and strong business plan of Octopus, it is highly likely that the Company's stock will perform well on the bourse.

5.2.5 Impact of Covid 19

Due to Covid-19 pandemic, the global economy has affected adversely especially contact-intensive industries due to lockdown measures.

Mitigant:

The Company is a technology enabler & service provider and due to its technology characteristics, it is among the less contact intensive industry. Thus, Octopus will be least affected from the Covid-19.

5.2.6 Under-subscription Risk

The Issue of Octopus may be under-subscribed due to lack of interest on the part of the investors. **The book building process shall be considered as cancelled if**

- The Company does not receive bids for the number of shares allocated under the Book Building portion;
- The Company does not receive at least 40 bids.

Note: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

5.3 CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER

[.]

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

We being the Chief Executive Officer and Chief Financial Officer of the Issuer accept absolute responsibility for the disclosures made in this Prospectus. We hereby certify that we have reviewed this Prospectus and that it contains all the necessary information with regard to the Issue and constitutes full, true and plain disclosures of all material facts relating to the Company and the issue being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intents expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and behalf of **Octopus Digital Limited**

-Sd-


ASMAR AHMED ATIF
Chief Executive Officer

-Sd-

Saeed Ullah Khan Niazi
Chief Financial Officer

5.4 UNDERTAKING BY THE COMPANY AND ITS SPONSORS

R521471



100 Rupees


MOHAMMAD UMER STAMP VENDOR
Lic # 14, Shop # 114, New Ruby Centre,
Tairpur Road, Boulton
Market Karachi S.No.....
Date.....
Issue to with Address GHULAM HABIB (Advocate)
Through with Address KBA No: 53
Purpose.....
Value Rs..... Attached
Stamp Pakistan Stock Exchange
(NOT USE FOR FRAUDULENT PURPOSE)
Vendor No. Karachi - 74000, Pakistan


91802 04 MAR 2020 (RUPEES ONE HUNDRED ONLY)

UNDERTAKING BY THE COMPANY AND ITS SPONSORS

The Company and its Sponsors undertake that

- Neither Issuer nor its directors, sponsors or substantial shareholders have been holding office of the directors, or have been sponsors or substantial shareholders in any Company:
 - Which had been declared defaulter by the securities exchange or futures exchanges: or
 - Whose TRE certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by the Commission due to non compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
- Which has been de-listed by the Exchange due to its non compliance of any applicable provision of PSX Regulation.
- None of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company /Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e., pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the country


 Mr. Bakhtiar Hameed Wain
 Chairman
 Octopus Digital


 Tanveer Karamat
 Non-Executive Director
 Octopus Digital

Date: 09-04-2021

5.5 STATEMENT BY THE ISSUER

{•}

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of Octopus Digital Limited (“Octopus” or the “Company”), we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of **Octopus Digital Limited**

-Sd-

ASMAR AHMED ATIF

Chief Executive Officer

5.6 STATEMENT BY CONSULTANT TO THE ISSUE / LEAD MANAGER

[•]

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as the Consultant/Lead Manager to this Initial Public Offering of Octopus Digital Limited through the Book Building process, we hereby confirm that all material information as required under the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of **BMA Capital Management Limited**

-sd-

Saad Hashemy

Executive Director, Investment Banking

5.7 Statement by Book Runner

[•]

The Chief Executive

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as the Book Runner to this Initial Public Offering of Octopus Digital Limited through the Book Building process, we hereby confirm that all material information as required under the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of **BMA Capital Management Limited**

-sd-

Saad Hashemy

Executive Director, Investment Banking

6. FINANCIAL INFORMATION

6.1 AUDITORS REPORT UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017 FOR THE PURPOSE OF INCLUSION IN THE PUBLIC LISTING DOCUMENT OF OCTOPUS DIGITAL LIMITED



EY Ford Rhodes
Chartered Accountants
96-B-I, 4th Floor, Pace Mall Building
M. M. Alam Road, Gulberg-II
P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11
Fax: +9242 3577 8412-13
ey.lhr@pk.ey.com
ey.com/pk

LA/8007/21
17 May 2021

The Board of Directors
Octopus Digital Limited
19 Km, Multan Road
Lahore

Dear Sirs

AUDITOR'S REPORT UNDER CLAUSE 1 OF SECTION 2 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a report with respect to information of the Company as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

Scope of Report

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management Responsibility

The responsibility for preparation and fair presentation of the financial information and non-financial information is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding off the assets of the Company and prevent and detection of frauds and irregularity. This report does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to report the information as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017. Our report is being issued in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to validating the correctness of financial information and non-financial information included in this report (including annexures). For this purpose, we traced the requisite information from the audited financial statements for the years ended 31 December 2020 and 2019 and the period ended 31 December 2018 in terms of the requirements of Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017.

Auditor's report

Based on our procedures mentioned in the preceding paragraph, we are pleased to state the following:

1. We have audited the annual financial statements for the year ended 31 December 2020 whereas the audit of financial statements for the year ended 31 December


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Page 1 of 4



2019 and period ended 31 December 2018 were audited by another firm of chartered accountants.

2. In terms of the requirement under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulation, 2017, and based on the audited financial statements, we state as under:
 - a. Summary of assets, liabilities and shareholder's equity of the Company for the audited financial statements for the years ended 31 December 2020 and 2019 and the period ended 31 December 2018 is included in Annexure 'A' of this report; and
 - b. The statement of profit or loss of the Company for the for the years ended 31 December 2020 and 2019 and the period ended 31 December 2018 is included in Annexure 'B' of this report.
 - c. The statement of comprehensive income of the Company for the years ended 31 December 2020 and 2019 and the period ended 31 December 2018 is included in Annexure 'B' of this report.
3. No dividend was declared by the Company during the years ended 31 December 2020 and 2019 and the period ended 31 December 2018.
4. For the years ended 31 December 2020 and 2019 and the period ended 31 December 2018, the Company did not have any subsidiaries.

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachments.

Yours faithfully

EY Ford Rhodes
Chartered Accountants
Lahore: 17 May 2021



Annexure 'A' to the letter reference LA/21 dated XX May 2021

SUMMARY OF ASSETS, LIABILITIES, AND SHAREHOLDERS' EQUITY

	31 December 2020 (Rupees)	31 December 2019 (Rupees)	31 December 2018 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property and equipment	3,394,301	93,348	80,889
Intangible assets	1,089,575,948	-	-
	1,092,970,249	93,348	80,889
CURRENT ASSETS			
Trade debts	9,452,869	17,561,382	-
Contract assets	14,118,457	-	-
Advances, deposits and other receivables	471,222	60,000	24,000
Due from related parties	237,870,545	-	-
Cash and bank balances	434,006	3,710,934	5,020
	262,347,099	21,332,316	29,020
TOTAL ASSETS	<u>1,355,317,348</u>	<u>21,425,664</u>	<u>109,909</u>
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Authorized share capital 109,400,002 (31 December 2019: 100,000,000, 31 December 2018: 100,000) ordinary shares of Rs.10- each	1,094,000,020	1,000,000,000	1,000,000
Issued, subscribed and paid up capital	1,094,000,020	10,000,020	20
Revenue Reserve			
Unappropriated profit / (Accumulated loss)	210,580,906	1,939,579	(509,031)
	1,304,580,926	11,939,599	(509,011)
NON CURRENT LIABILITIES	-	-	-
CURRENT LIABILITIES			
Creditors, accrued and other liabilities	13,727,187	3,203,026	75,000
Short term loan	-	4,068,269	543,920
Contract liabilities	4,128,904	-	-
Provision for taxation	32,880,331	2,214,770	-
	50,736,422	9,486,065	618,920
CONTINGENCIES AND COMMITMENTS	-	-	-
	<u>1,355,317,348</u>	<u>21,425,664</u>	<u>109,909</u>



Annexure 'B' to the letter reference LA/21 dated XX May 2021

STATEMENT OF PROFIT OR LOSS AND STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2020 (Rupees)	Year ended 31 December 2019 (Rupees)	For the period from 29 December 2017 to 31 December 2018 (Rupees)
Revenue from Contracts with customers	277,113,714	18,456,415	-
Cost of Revenue	(22,207,225)	-	-
Gross profit	254,906,489	18,456,415	-
Administrative and selling expenses	(15,345,607)	(13,693,493)	(509,031)
Other operating expenses	(216,718)	(95,432)	-
Profit from operations	239,344,164	4,667,490	(509,031)
Finance cost	(37,276)	(4,110)	-
Profit before taxation	239,306,888	4,663,380	(509,031)
Taxation	(30,665,561)	(2,214,770)	-
Profit for the year / period	208,641,327	2,448,610	(509,031)
Other comprehensive income	-	-	-
Total comprehensive income for the year / period	208,641,327	2,448,610	(509,031)

6.2 AUDITOR CERTIFICATE ON ISSUED, SUBSCRIBED, AND PAID-UP-CAPITAL OF THE COMPANY

EY Ford Rhodes
Chartered Accountants
96-B-I, 4th Floor, Pace Mall Building
M. M. Alam Road, Gulberg-II
P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11
Fax: +9242 3577 8412-13
ey.lhr@pk.ey.com
ey.com/pk

LA/8005/21
17 May 2021

The Board of Directors
Octopus Digital Limited
19 Km, Multan Road
Lahore

Dear Sirs

AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID UP CAPITAL UNDER PUBLIC OFFERING REGULATIONS, 2017

We have been requested to certify the certificate on issued, subscribed and paid-up capital Octopus Digital Limited (the Company) as at 31 December 2020 as required under Clause 14(1) of section 1 of the First Schedule to the Public Offering Regulations, 2017.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 14(1) of section 1 of the First Schedule to the Public Offering Regulations, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management Responsibility

It is the management's responsibility to ensure compliance with the Clause 14(1) of section 1 of the First Schedule to the Public Offering Regulation, 2017. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the issued, subscribed and paid-up capital of the Company as at 31 December 2020 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the issued, subscribed and paid-up capital of the Company from its audited financial statements for the year ended 31 December 2020.

Certificate

Based on procedures mentioned above, we certify that the break-up of shareholding of the Company as at 31 December 2020 is as follows:

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	31 December 2020 (Rupees)
Issued, subscribed and paid-up capital	
1,000,002 ordinary shares of Rs. 10 each fully paid in cash	10,000,020
108,400,000 ordinary shares of Rs. 10 each issued for consideration other than cash	
	<u>1,084,000,000</u>
<u>109,400,002</u>	<u>1,094,000,020</u>

Name of shareholders	No. of ordinary shares of Rs. 10 each	Amount in Rupees
Avanceon Limited	109,400,000	1,094,400,000
Mr. Bakhtair Hamid Wain	1	10
Mr. Tanveer Karamat	1	10
	<u>109,400,002</u>	<u>1,094,000,020</u>


Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully

EY Ford Rhodes
Chartered Accountants
Lahore: 17 May 2021

6.3 SHARE BREAK-UP VALUE CERTIFICATE



EY
Building a better
working world

EY Ford Rhodes
Chartered Accountants
96-B-I, 4th Floor, Pace Mall Building
M. M. Alam Road, Gulberg-II
P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11
Fax: +9242 3577 8412-13
ey.lhr@pk.ey.com
ey.com/pk

LA/8006/21
17 May 2021

The Board of Directors
Octopus Digital Limited
19 Km Multan Road
Lahore

Dear Sirs

AUDITOR'S CERTIFICATE ON BREAK-UP VALUE PER SHARE BASED ON AUDITED ANNUAL FINANCIAL STATEMENTS

We have been requested to provide you with a certificate on break-up value of ordinary shares of the Company based on the audited annual financial statements of the Company for the year ended 31 December 2020 as required under Clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulation, 2017.

Scope of Certificate


Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 14(ii) of section 1 of the First Schedule to the Public Offering Regulation, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management Responsibility

The responsibility for computation of break-up value of ordinary shares of the Company, based on the audited interim financial statements of the Company for the year ended 31 December 2020 in accordance with the requirements of the Technical Release (TR) -22 of the Institute of Chartered Accountants of Pakistan (ICAP) is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularities. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the break-up value of ordinary shares of the Company based on the audited annual financial statements of the Company for the year ended 31 December 2020 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to tracing the relevant financial information used for the purpose of calculating the break-up value of ordinary shares by the management of the Company from the audited annual financial statements of the Company for the year ended 31 December 2020. In this regard, we have also reviewed the compliance with the requirements of Technical Release (TR) -22 of the Institute of Chartered Accountants of Pakistan (ICAP).



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Page 1 of 2



Certificate

Based on procedures mentioned above, we certify that break-up value of ordinary shares of the Company as at 31 December 2020, based on the audited annual financial statements of the Company for the year ended 31 December 2020, is as follows:

	Note	31 December 2020 Audited
Issued, subscribed and paid up capital (Rupees)		1,094,000,020
Unappropriated profit - revenue reserve (Rupees)		210,580,906
Total shareholders' equity - (Rupees)	A	1,304,580,926
Number of ordinary shares of Rs. 10/- each	B	109,400,002
Break-up value per ordinary share of Rs. 10/- each (Rupees)	A/B	11.92

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to Pakistan Stock Exchange Limited. Accordingly, this should not be used distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully

EY Ford Rhodes
Chartered Accountants
Lahore: 17 May 2021

6.4 MANAGEMENT ACCOUNTS- FOR THE PERIOD ENDED 31 MARCH 2021

Octopus Digital Limited
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	Un-audited Mar 31, 2021	Audited Dec 31, 2020		Note	Un-audited Mar 31, 2021	Audited Dec 31, 2020
		PKR	PKR			PKR	PKR
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Authorised capital - 109,400,002 @ Rs. 10 each		1,094,000,020	1,094,000,020	Property, plant and equipment		3,769,498	3,394,301
Issued, subscribed and paid up capital - 109,400,002 @ Rs. 10 each		1,094,000,020	1,094,000,020	Assets subject to finance lease		-	-
Statutory Reserve		-	-	Intangible Assets		1,091,670,101	1,089,575,948
Accumulated (loss)/profit		336,554,700	210,580,909	Long term advances and deposits		-	-
		1,430,554,720	1,304,580,929			1,095,439,599	1,092,970,248
NON CURRENT LIABILITIES				CURRENT ASSETS			
Deposit money for share capital		-	-	Stock in trade		1,902,534	-
Liabilities against assets subject to finance lease		-	-	Trade debts		11,605,499	9,452,869
		-	-	Contract Assets		21,600,062	14,118,456
CURRENT LIABILITIES				Other Assets and Prepayments		353,159,207	238,341,773
Current portion of long-term liabilities		-	-	Short Term Investments		-	-
Financing under short term financing arrangements		-	-	Cash and bank balances		2,867,005	434,006
Trade and other payables		17,808,948	13,727,187			391,134,308	262,347,103
Contract Liabilities		3,201,178	4,128,904				
Taxation - net		35,009,061	32,880,331				
		56,019,187	50,736,422				
CONTINGENCIES AND COMMITMENTS	3						
		1,486,573,907	1,355,317,351			1,486,573,907	1,355,317,351

The annexed notes from 1 to 8 form an integral part of these financial statements.



Chief Executive Officer

Octopus Digital Limited
**CONDENCED INTERIM STATEMENT OF PROFFIT OR LOSS ACCOUNT (UN-AUDITED)
 FOR THE FIRST QUARTER ENDED MARCH 31, 2021**

	Un-Auditd Mar 31, 2021	Un-Auditd Mar 31, 2020
	----- PKR -----	
Sales	4 167,991,925	4,950,500
Cost of goods sold	(30,600,503)	(1,302,578)
Gross profit	137,391,422	3,647,922
Administrative and selling expenses	(4,755,656)	(6,498,627)
Other operating expense	-	-
Other operating income	-	-
	(4,755,656)	(6,498,627)
Profit / (Loss) from operations	132,635,766	(2,850,705)
Finance costs	(527,429)	(294,630)
Profit / (Loss) for the period before tax	132,108,337	(3,145,336)
Income tax expense	(6,134,546)	-
Profit / (Loss) for the period after tax	125,973,791	(3,145,336)
Other comprehensive income	-	-
Total comprehensive income	125,973,791	(3,145,336)

The annexed notes from 1 to 8 form an integral part of these financial statements.



Chief Executive Officer

Octopus Digital Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED MARCH 31, 2021

	Share Capital	Un-appropriated Profit / (Loss)	Total
	-----PKR-----		
Balance as on January 01, 2020	10,000,020	1,939,580	11,939,600
Net (loss)/profit for the half year period	-	208,641,329	208,641,329
Issuance of shares to AVL	1,084,000,000		1,084,000,000
Dividend Announced for the period	-	-	-
Balance as on December 31, 2020	1,094,000,020	210,580,909	1,304,580,929
CWIP		-	-
Net (loss)/profit for the half year period	-	125,973,791	125,973,791
Dividend Announced for the period	-	-	-
Issuance of shares to AVL	-		-
Balance as on March 31, 2021	1,094,000,020	336,554,700	1,430,554,720

The annexed notes from 1 to 8 form an integral part of these financial statements.



Chief Executive Officer

Octopus Digital Limited
CONDENCED INTERIM STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED MARCH 31, 2021

	Un-Auditd Mar 31, 2021	Un-Auditd Mar 31, 2020
	----- PKR -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	132,108,337	(3,145,336)
Adjustment for:		
Depreciation	-	-
Amortization	-	-
Operating profit before working capital changes	132,108,337	(3,145,336)
Adjustments for working capital changes		
(Increase) / Decrease in current assets		
Trade debts	-	-
Contract assets	-	-
Advances and other receivables	-	-
Due from related parties	-	-
Increase / (Decrease) in current liabilities		
Contract liabilities	-	-
Creditors, accrued and other liabilities	-	-
Cash generated from / (used in) operations	132,108,337	(3,145,336)
Income tax paid	-	-
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES	132,108,337	(3,145,336)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	-
Additions in capital work-in-progress	-	-
NET CASH USED IN INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of ordinary shares	-	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	-	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	132,108,337	(3,145,336)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	434,006	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	132,542,343	(3,145,336)

The annexed notes from 1 to 8 form an integral part of these financial statements.



Chief Executive Officer

**OCTOPUS DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2021**

1 CORPORATE AND GENERAL INFORMATION

1.1 Legal status and nature of the business

Octopus Digital Limited (the Company) was incorporated in Pakistan on 29 December 2017 as a private limited company which was converted to public Company on 11 November 2020 under the Companies Act, 2017. The Company is a wholly owned subsidiary of a listed company namely Avanceon Limited (the Holding Company). Its registered office is situated at 19 KM Main Multan Road, Lahore.

The prime business of the Company is to carry out information technology enabled services which includes but are not limited to online data/information storage, online monitoring and review of employees efficiency, online monitoring of cost and production efficiency, online monitoring and maintenance of plant and machinery, sale and trade of related software and equipment etc.

1.2 Business Transfer Arrangement

The Company entered into a Business Arrangement Contract dated December 8, 2020 with Avanceon Limited, the Holding Company. Under the contract, entire business of AMS segment was transferred to the Company along-with the existing customer contracts. The Company acquired the rights to carry on AMS business with effect from 01 January 2020 against consideration of Rs. 1,084 million settled through issuance of 108,400,000 shares of the Company at face value of Rs. 10 each.

1.3 Impact of COVID-19 on the financial statements

The World Health Organization (WHO) declared COVID-19 as a global pandemic on March 11, 2020. Accordingly on March 20, 2020, the Government of Pakistan announced temporary lock down as a measure to reduce the spread of COVID-19. The outbreak of COVID-19 has had a distressing impact on overall demand in the global economy with notable downgrade in growth forecasts. The Company's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation.

The Company's management is fully cognizant of the business challenges posted by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation. Further, subsequent to year end, the situation is improved with the easing of lock down and re-opening of the businesses.

The management has assessed the impact of the COVID 19 on the financial statements and concluded that there is no material impact of the COVID 19 on the carrying amounts of assets, liabilities, income or expenses which required specific

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Standards, Interpretations and amendments to published approved accounting standards

2.2.1 New/ Revised Standards, Interpretations and Amendments

Changes in accounting policies and disclosures resulting from amendments in standards during the year

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year, except for new standards, interpretation and amendments to following standards as described below:

IFRS 3	-	Business Combinations - Definition of a Business (amendments)	01 January 2020
IFRS 7 & IFRS 9	-	Financial instruments - Amendments regarding pre-replacement issues in the context of the interest rate benchmark reform (IBOR)	01 January 2020
IAS 1 & IAS 8	-	Presentation of Financial Statements & Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material, to clarify the definition of material and its alignment with	01 January 2020
IFRS 16	-	Covid-19-Related Rent Concessions (Amendment to IFRS 16)	01 June 2020
IFRS 14	-	Regulatory Deferral Accounts - Original issue	01 July 2019

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the financial statement.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards, as applicable in Pakistan, would be effective from the dates mentioned below and have not been adopted early by the Company:

Standard or Interpretation			Effective date (annual periods beginning on or after)
IFRS 7 & IFRS 9	Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16		01 January 2021
IFRS 3	Business Combinations – The amendment updates a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting		01 January 2022
IAS 16	Property, plant and equipment – Amendment to clarify the prohibition on an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.		01 January 2022
IAS 37	Provisions, contingent liabilities and contingent assets to specify which costs should be included in an entity's assessment whether a contract will be loss-making.		01 January 2022
IAS 1	Presentation of Financial Statements to clarify how to classify debt and other liabilities		01 January 2023

The above new amendments to standards and interpretations are not expected to have any material impact on the Company's financial statements in the period on initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard			IASB effective date (annual periods beginning on or after)
IFRS 1	-	First time adoption of International Financial Reporting Standards	01 July 2009
IFRS 17	-	Insurance Contracts	01 January 2023

The Company expects that the adoption of the above standards will not affect the Company's financial statements in the period

3 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments of the Company as at March 31, 2021. (2020: Rs. Nil)

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

		Un-Auditd Mar 31, 2021	Un-Auditd Mar 31, 2020
		----- PKR -----	
Transfer of business	4.1	111,337,511	-
Revenue from contracts with customers	4.2	56,654,414	4,950,500
		<u>167,991,925</u>	<u>4,950,500</u>

The Company acquired the business of After Market Support (AMS) segment of Avanceon Limited as explained in note 1.2 with effect from 01 January 2020. However, due to operational and procedural reasons, Avanceon Limited continued to carry on business with its customers of AMS segment after the effective date of the contract until 30 September 2020. Therefore, as of this date, the entire AMS segment's revenue net of direct cost recorded by Avanceon Limited relating to period after effective date was transferred to the Company after retaining an administrative charge.

The following table demonstrates the AMS revenues earned from different geographical locations of the Group transferred to the Company:

	Pakistan	Dubai	Qatar	Total
	----- Rupees -----			
AMS Segment Revenues of Group	50,145,001	119,179,899	111,552,873	513,224,659
COGS & Administrative Costs	(28,449,128)	(74,159,410)	(66,931,724)	(193,654,304)
Transfer of Profit	<u>21,695,872</u>	<u>45,020,489</u>	<u>44,621,149</u>	<u>111,337,511</u>

5 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the three months for remuneration, including certain benefits, to the full time working directors and certain executives of the company is as follows:

	Director		Other Executives	
	2020	2019	2020	2019
	(Rupees)		(Rupees)	
Managerial remuneration				
House rent				
Utilities				
Provident Fund / Gratuity				
Others				
	_____	_____	_____	_____
	=====	=====	=====	=====

Number of persons

The Company also provides the director and certain executives with company maintained cars.

6 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim consolidated financial information was authorised for issue on _____ by the Board of Directors of the Holding Company.

7 GENERAL

Figures have been rounded off to the nearest rupees.



Chief Executive Officer

6.5 SUMMARY OF FINANCIAL HIGHLIGHTS OF OCTOPUS DIGITAL LIMITED

PKR "000"	2018	2019	2020	1Q CY21 Management Accounts (Unaudited)
Income Statement	Audited	Audited	Audited	
Sales ¹	-	18,456	277,114	167,992
Cost of Revenue	-	-	22,207	30,601
Gross Profit	-	18,456	254,906	137,391
Operating Profit	(509)	4,667	239,344	132,636
EBITDA	(486)	4,710	254,147	132,635
Depreciation and Amortization	23	43	14,803	-
Financial Charges	-	4	37	527
Profit before Taxation	(509)	4,663	239,307	132,108
Taxation	-	2,215	30,666	6,135
Profit after tax	(509)	2,448	208,641	125,974

1 In 2019 Octopus's sales relates to commission income earned

PKR "000"	2018	2019	2020	1Q CY21 Management Accounts (Unaudited)
Balance Sheet	Audited	Audited	Audited	
Non-Current Asset	81	93	1,092,970	1,095,440
Current Asset	29	21,332	262,347	391,134
Total Asset	110	21,426	1,355,317	1,486,574
Paid up Capital	0	10,000	1,094,000	1,094,000
Equity	(509)	11,940	1,304,581	1,430,555
Short-Term Borrowings	544	-	-	-
Non-Current Liabilities	-	-	-	-
Current Liabilities	619	9,486	50,736	56,019
Trade Debts	-	994	9,453	11,605
Trade and Other Payables	75	7,271	13,727	17,809
Cash Flow Statement	Audited	Audited	Audited	1Q CY21 Management Accounts (Unaudited)

Operating Activities	(435)	(6,239)	20,403	132,108
Investing Activities	(104)	(55)	(23,680)	-
Financing Activities	544	10,000	-	-
Net increase/decrease in cash	5	3,706	(3,277)	132,108
Cash & Cash Equivalent at the end of the year	5	3,711	434	132,542
Cash at Bank	5	3,711	434	2,867
Capital Expenditure	104	55	3,651	-

Growth				
Sales Growth (%)	-	-	1401%	-39%
EBITDA Growth (%)	-	1069%	5296%	-45%
Net Profit Growth (%)	-	581%	8423%	-40%

Margins	2018	2019	2020	1Q CY2021
Gross Margin (%)	-	100%	92%	82%
EBITDA Margin (%)	-	26%	92%	79%
Net Margin (%)	-	13%	75%	75%
Break up Value per share	(5.09)	11.94	11.92	13.08

Profitability and Earnings Ratios	2018	2019	2020	1Q CY2021
Profit After Tax	(509)	2,448	208,641	125,974
EPS	-5.090	2.448	1.907	1.151
ROE	100%	21%	16%	9%
ROA	-463%	11%	15%	8%

Balance Sheet Ratios	2018	2019	2020	1Q CY2021
Fixed Asset turnover ¹	n/a	n/a	n/a	n/a
Asset turnover ²	n/a	n/a	n/a	n/a
Current Ratio	0.05x	2.25x	5.17x	6.98x
Inventory Turnover (Days) ³	n/a	n/a	n/a	n/a
Receivable Turnover (Days) ⁴	n/a	n/a	n/a	n/a
Payables Turnover (Days) ⁵	n/a	n/a	n/a	n/a

¹ Fixed Asset turnover ratio does not reflect true picture as the revenue used in the calculation are those that are transferred net of direct costs

² Asset turnover ratio does not reflect true picture as the revenue used in the calculation are those that are transferred net of direct costs

³ As Octopus is a service oriented company it holds no inventory

⁴ The Company has no credit sales

⁵ The Company does not make purchases.

Leverage Ratios	2018	2019	2020	1Q CY 2021
EBITDA/Interest (x)	n/a	n/a	n/a	n/a
Interest Coverage (x)	n/a	n/a	n/a	n/a
EBITDA- Capex	n/a	n/a	n/a	n/a
(EBITDA - Capex)/Interest (x)	n/a	n/a	n/a	n/a
Number of shares outstanding	-	1,000,002	109,400,002	109,400,002
Number of shares outstanding ("000")	-	1,000	109,400	109,400

The company does not have any long term and short term borrowing on its books

COMMENTARY ON FINANCIAL PERFORMANCE

Profit Margin and Ratio Analysis

In CY20, the net profit margin was 75% as compared to 13% in last corresponding year. This increase in margin is mainly attributed to AMS services division, which has been transferred effective from CY20.

Balance Sheet Ratio – Current Ratio

In CY20, the current ratio of Octopus was 5.17x as compared to 2.24x in the last corresponding year. This increase has been mainly attributable to the fact that the Company has an outstanding receivable of PKR 237,870,545 million which is 90% of all current assets. These receivables (PKR 237,870,545 million) is due from related parties, owing to services that Octopus rendered to AMS clients in CY20. These AMS contracts were executed with the related parties before the business transfer agreement which was executed on December 8th, 2020. As a result of this agreement, Octopus is a legitimate owner of all AMS contracts.

Below is the details of related parties with outstanding receivables:

Related Parties	Amounts (PKR) CY20	Amounts (PKR) CY19
Avanceon Limited	208,368,098	16,566,892
Avanceon FZE	9,192,064	-
Avanceon Automation & Control WLL	20,310,383	-
Total	237,870,545	16,566,892

Octopus current assets and liabilities are not related to the normal course of business as it is not working capital related items. Most of the other balance sheet ratios like turnover ratios, leverage ratios etc are not applicable in the case of Octopus. For instance, leverage ratio is not applicable as there is no leverage on its balance sheet and turnover ratio is not relevant because the assets on its balance sheet are created due to business transfer. Since it is a service company, hence, no business related fixed assets is required.

SUMMARY OF MAJOR ITEMS OF REVENUE AND EXPENDITURE FOR THE LAST 3 YEARS

Total Sales

	2018(Audited)		2019(Audited)		2020(Audited)	
	Amount	(%)	Amount	(%)	Amount	(%)
Commission Fee ¹	-	0%	18,456,415	100%	-	0%
Transfer of Business	-	0%	-	0%	241,242,084	87%
Revenue from Contract with customers	-	0%	-	0%	35,871,629	13%
Total Sales	-	0%	18,456,415	100%	277,113,713	100%

¹ The Company earned commission fee also known as referral fee at the agreed rate of 25% on margins earned by the holding company i.e Avanceon Limited against the clients referred by the Company

Cost of Revenue

	2018(Audited)		2019(Audited)		2020(Audited)	
	Amount	(%)	Amount	(%)	Amount	(%)
Materials consumed	-		-		3,482,917	16%
Salaries, wages, allowances and other benefits	-		-		1,628,842	7%
Telephone, postage and telex	-		-		63,214	0.3%
Travelling and conveyance relating to engineering services	-		-		1,731,912	8%
Printing and stationery expense	-		-		11,278	0.1%
Installation charges relating to engineering services	-		-		469,243	2%
Entertainment relating to engineering services	-		-		67,306	0.3%
Rent, rates and taxes	-		-		84,000	0.4%
Depreciation on Property and equipment	-		-		175,000	0.8%
Amortization of intangible assets	-		-		14,453,333	65%
Other expenses	-		-		40,180	0.2%
Cost of Revenue	-		-		22,207,225	100%

Octopus only provides AMS services to its clients. All the revenue and expenditure relates to that service

BIFURCATION OF REVENUE WITH RESPECT TO LOCAL AND EXPORT SALES

PKR	Pakistan		Dubai		Qatar		Total	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
Total AMS Segment Revenues of Avanceon	187,055,350	36.4%	241,314,072	47.1%	84,855,237	16.5%	513,224,659	100%

These revenue have been transferred to Octopus for CY20 net of direct cost and administrative charge

Octopus's own revenues earned from customers in CY20 of PKR 35,871,630 pertain to local sales only.

SUMMARY OF REVENUE ON ACCOUNT OF MAJOR PRODUCT/MAJOR ACTIVITIES

Octopus has only one service that it provides which is AMS.

IF A MATERIAL PART OF THE REVENUE I.E. 50% OR MORE IS DEPENDENT UPON A SINGLE CUSTOMER OR FEW MAJOR CUSTOMERS

Not applicable to Octopus.

IF A MATERIAL PART OF THE PURCHASES I.E. 50% OR MORE IS DEPENDENT UPON A SINGLE SUPPLIER OR FEW MAJOR SUPPLIERS.

Not applicable to Octopus

COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

Co's	Share Price ¹	EPS ²	Sales per Share ²	BVPS ³	P/E	P/S	P/B	ROE ⁴	ROA ⁴	GP(%)	NP(%)	Free Float shares (000) ⁵	Free Float (%)
NETSOL ⁶	184.69	1.91	51.00	77.90	96.65x	3.62x	2.37x	2%	2%	37%	4%	31,443	35.00%
TRG ⁷	175.92	13.35	0.32	44.99	13.17x	543.25x	3.91x	30%	25%	NA	NA	463,582	85.00%
SYS ⁶	479.51	17.97	85.80	64.32	26.69x	5.59x	7.46x	28%	19%	34%	21%	81,467	59.44%
AVN ⁶	84.09	4.93	30.43	26.52	17.04x	2.76x	3.17x	19%	10%	29%	16%	60,283	23.49%
Octopus	29.00	1.91	2.53	11.92	15.21x	11.45x	2.43x	16%	15%	92%	75%	27,350	20.00%

(1) The market prices of companies are based on May 28, 2021

(2) Earnings and sales per share are based on the last twelve months accounts

(3) Book value per share is calculated on the basis of latest available report as March 31st, 2021

(4) ROE and ROA are based on the last twelve months earnings while equity and assets are based on March 2021 report

(5) Free float share are based on May 28, 2021 and are taken from PSX's website

(6) Avanceon, Netsol and Systems financial data are based on consolidated accounts

(7) TRG financial information is based on un-consolidated accounts

6.6 REVALUATION OF FIXED ASSETS & DIVIDEND POLICY

A. REVALUATION OF FIXED ASSETS

No revaluation has taken place. Although AMS business is carved out from its parent company, namely Avanceon Limited; hence, transfer of business was carried out against shares consideration of Octopus.

B. DIVIDEND POLICY

The Company has not paid any dividends in its history and as such have no plan to pay dividends in the near future due to growth-oriented ambitions of the Company which it plans to fulfill in the next two years.

6.7 Eligibility for Dividend

The Ordinary Shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

6.8 DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES

The Company has no listed associated company over which it has control.

DIVIDEND PAYOUT BY LISTED GROUP / ASSOCIATED COMPANIES

Avanceon Limited is a listed Company on the Pakistan Stock Exchange and it is the Parent Company of Octopus. It has paid the following dividends.

Description	CY14	CY15	CY16	CY17	CY18	CY19	CY20
Dividends (PKR)	237,817,202	211,393,608	105,696,903	297,272,538	-	-	211,790,006
Dividends (%)	22.5%	20%	10%	22.50%	-	-	10%
Bonus (shares)	-	-	26,424,226		54,529,502	19,253,637	42,358,001

7. BOARD OF DIRECTORS AND THE MANAGEMENT OF THE COMPANY

7.1 BOARD OF DIRECTORS OF THE COMPANY

Sr#	Name	Address	Designation	Common Directorship	CNIC	Current Directorships in other Companies	Past Directorships in other Companies	Period of Directorship in other Companies
1	Bakhtiar Hameed Wain	351-W DHA Lahore	Chairman & Non-Executive Director	Avanceon Limited	35201-6142695-7	1)Innovative (Pvt.) Limited 2)I2C Pakistan (Pvt) Limited	NIL	1) Since 1995 2) Since 2017
2	Tanveer Karamat	House # 773-SU, Askari-9, Zafar Shaheed Road, Lahore Cantt	Non-Executive Director	Avanceon Limited	42301-9820410-7	NIL	NIL	NIL
3	Mohammad Shahid Mir	68-A, Nisar Colony, Lahore Cantonment	Independent Director / Non-Executive Director	Avanceon Limited	35202-2506542-5	NIL	NIL	NIL
4	Junaid Mushtaq Paracha	House # 32, Attaturk Block, Garden Town, Lahore	Non-Executive Director	NIL	35202-2557504-3	NIL	NIL	NIL
5	Asmar Ahmed Atif	House # B-3, Niaz View Garden, Lahore	Chief Executive Officer / Executive Director	NIL	35202-2778183-5	NIL	NIL	NIL
6	Adeel Khalid	House # 258-P, Phase I, DHA, Lahore Cantt, Lahore	Executive Director	NIL	35201-1597689-5	NIL	NIL	NIL
7	Saleha Asif	House # 213-F, Phase V, DHA, Lahore Cantt, Lahore	Independent Director / Non-Executive Director (Female Director)	NIL	61101-3207806-2	NIL	NIL	NIL

7.2 PROFILES OF BOARD OF DIRECTORS

Mr. Bakhtiar Hameed Wain – Non Executive Director and Chairman

Mr. Bakhtiar, founder and sponsor, brings over 28 years of exemplary leadership experience. An engineer with experience in leading global companies such as Exxon Chemicals, Fauji Fertilizer and ICI Pakistan, he founded Avanceon in 2013, currently holding a position of Chief Executive Officer in Avanceon. His entrepreneurial drive found its roots in his faith towards the educated and technically qualified human resource of Pakistan. His vision, from beginning, was to build a robust service platform-company that could capitalize and promote this conviction globally, which he has implemented successfully.

Mr. Tanveer Karamat – Non Executive Director

Mr. Tanveer brings a wealth of international business experience to Avanceon. He possesses two-decade experience in managing, selling automation solutions to the oil and gas sector. Mr. Tanveer transformed the scalability of Southern region of Pakistan in less than three years. Over the past decade, Mr. Tanveer's leadership has been a major contribution towards Avanceon remarkable performance. He is currently serving as President and Chief Operating Officer of Avanceon.

Mr. Asmar Atif – Director / Chief Executive Officer

Mr. Asmar has over 14 years of global experience in digitization, IIoT and industrial automation. Mr. Asmar is responsible for assisting C-suite executives with the digital transformation of their businesses using cloud computing, IIoT and Industry 4.0 standards as an end-to-end “digitalization as a service”. Additionally, as Director General & Group Advisor at Battle Tested Consultant (in France), he helps businesses create sustainable value via internationalization. Mr. Asmar has proven track record of technical solutions sales and branding and strategy development. He can build and maintain active networks, broker revenue-generating agreements and pioneer effective solutions that can be successfully transferred across multiple markets, ensuring company growth. Mr. Asmar has successfully created and deployed innovative business models and cross-functional teams across geographies and cultures that have delivered measurable growth both organically and within new markets.

Mr. Junaid Mushtaq Paracha – Non Executive Director

Mr. Junaid has over 25 years of professional experience at progressively responsible positions. Starting from an Application Engineer to leading a business unit at regional levels to managing the country operations. He has expertise in establishing new setups, managing them and turning them into profitable Business Unit/Ventures. He also has experience in building teams, defining processes and procedures leading to success. Mr. Junaid has over 26 years of Experience in Avanceon serving various positions such as General Manager Sales and Marketing, Country Manager Sales and currently Vice President Operations. He has a master’s degree in business administration marketing from the University of Punjab.

Mr. Adeel Khalid – Non Executive Director

Mr. Adeel has extensive experience (15+ years) of managing Middle East and Central Asia After Market Support business with a market capitalization of 50 Million USD. He has incubated Digital Transformation & IIOT in Industrial Automation Controls & Safety (IACS) Systems Integration with the KPI of delivering end-to-end engineering services & solutions across several industry verticals including heavy industries (Oil & Gas, Petrochemicals) as well as Consumer Packaged Goods and Infrastructure (Food & Beverages, Transportation, Water & Waste Water). With expertise in resource management systems via Digital Technology applications, he has acquired strong analytical skills to improve industrial processes and consequently, business indicator performances.

Ms. Saleha Asif – Independent Director/Non Executive Director

Ms. Saleha is a management consultant, leadership development advisor, and executive coach, with experience in serving boards and C-level clients across North America, Middle East, and South Asia for 25+ years. She supports clients to combine PQ + IQ + EQ to achieve meaningful and sustainable impact for good. She has had a successful professional career with McKinsey & Company, PepsiCo, and Bank of America. Ms. Saleha Asif has done her Masters in Information Technology & Economics from the Wharton School.

Mr. Mohammad Shahid Mir - Independent Director/Non Executive Director

Mr. Shahid is a senior management professional with 32 years of experience in Corporate and Commercial banking, Risk Management, Credit Administration and Trade Finance. In the last sixteen years, he has held senior positions in Whole sale banking and Risk Management. While on the business side, he has a proven track record of growing businesses and exceeding budgets whilst ensuring portfolio health remained within accepted parameters. He has served as the Head of Risk International at United Bank Limited, UAE and has a bachelors in economics from the University of Sussex, Brighton, England.

7.3 PROFILES OF SENIOR MANAGEMENT

Mr. Asmar Atif – Chief Executive Officer

Mr. Asmar has over 14 years of global experience in digitization, IIoT and industrial automation. Mr. Asmar is responsible for assisting C-suite executives with the digital transformation of their businesses using cloud computing, IIoT and Industry 4.0 standards as an end-to-end “digitalization as a service”. Additionally, as Director General & Group Advisor at Battle Tested Consultant (in France), he helps businesses create sustainable value via internationalization. Mr. Asmar has proven track record of technical solutions sales and branding and strategy

development. He can build and maintain active networks, broker revenue-generating agreements and pioneer effective solutions that can be successfully transferred across multiple markets, ensuring company growth. Mr. Asmar has successfully created and deployed innovative business models and cross-functional teams across geographies and cultures that have delivered measurable growth both organically and within new markets.

Saeed Ullah Khan Niazi - Chief Financial Officer

Mr. Niazi joined Avanceon in 2008 as general manager and became Chief Financial Officer of Avanceon in 2014. He has 15 years of experience of managing corporate investment, treasury and accounting. He began his career from a chartered accountant firm and had served for five years in Lahore Stock Exchange. Mr. Niazi played an instrumental role in initial public offering of Avanceon in 2014. Currently, he is serving as a chief financial officer in both Octopus and Avanceon.

Ahsan Khalil - Company Secretary

Mr. Khalil joined Avanceon in 2004 as manager in the finance division and became Company Secretary in 2014. He has 12 years of experience in managing financial accounting and corporate affairs across diversified sectors in Pakistan. Currently, he is serving as a Company Secretary in both Octopus and Avanceon.

7.4 APPOINTMENT / ELECTION OF DIRECTORS

The Directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 159 of the Companies Act and Article 99.

The Directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 relating to the election of Directors and matters ancillary thereto.

Subject to the provisions of the Companies Act, the Company may from time to time increase or decrease the number of Directors. Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so appointed shall be subject to retirement at the same time as if he / she had become a Director on the day on which the Director in whose place he / she is chosen was last elected as Director.

The Company may remove a Director in accordance with the provisions of the Ordinance.

The present Directors of the Company were duly elected on 2nd April, 2021.

7.5 INTEREST OF DIRECTORS

The directors may be deemed to be interested to the extent of fees payable to them for attending Board meetings. The directors performing whole time service to the Company may also be deemed interested in the remuneration payable to them from the Company. The directors may also be deemed to be interested, to the extent of any shares held by each of them in the Company and the dividends to be declared on their shareholding in the Company.

7.6 INTEREST OF DIRECTORS IN PROPERTIES/ASSETS OF THE COMPANY

None of the directors of the Company had or have any interest in any property acquired by the Company within the last two years or now proposed to be acquired by the Company.

7.7 BENEFITS TO PROMOTERS AND OFFICERS

No benefit has been given or is intended to be given by the Company to the promoters and officers of the Company other than remuneration for services rendered by them as full time executives of the Company.

7.8 AUDIT COMMITTEE

An Audit Committee of the Board has been formed to comply with the Code of Corporate Governance, which comprises of the following:

- 1) Mohammad Shahid Mir – Chairman/Independent Director
- 2) Bakhtiar Hameed Wain - Member/Non Executive Director

- 3) Tanveer Karamat – Member/Non Executive Director
- 4) Junaid Mushtaq Paracha – Member/Non Executive Director

The audit committee meetings will be held on a quarterly basis, as per provisions of the Code of Corporate Governance. The Committee has its terms of reference, which were determined by the Board of Directors in accordance with the guidelines provided in the Listing Regulations.

7.9 POWERS OF DIRECTORS INCLUDING ANY BORROWING POWER

The business of the Company shall be managed by the Directors who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not by the Ordinance or by any other law or the Articles of Association of the Company, required to be exercised by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

Subject to the provisions contained in the Articles of Association of the Company, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, or any part thereof, and to issue securities and debentures whether outright or as security for any debt, liability or obligation of the Company or of any third party.

7.10 INDEMNITY AVAILABLE TO THE BOARD OF DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

Every Director or officer of the Company and every person employed by the Company as auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, officer or auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favor, or in which he is acquitted, or in connection with any application under the relevant provisions of the Ordinance in which relief is granted to him by the court.

7.11 CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

7.12 NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act 2017 a listed Company shall have not less than seven (7) directors. At present, the Board consists of [07] directors, including the Chief Executive Officer and one female director.

7.13 QUALIFICATION OF DIRECTORS

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.14 REMUNERATION OF THE DIRECTORS

The remuneration of a director for attending meetings of the Board shall from time to time be determined by the Board of Directors. Each director of the Company may, in addition to any remuneration receivable by him/her, be reimbursed his/her reasonable travelling and hotel expenses incurred in attending meetings of the Board of Directors or of the Company or otherwise whilst employed on the business of the Company.

The table below shows the remuneration paid to directors in the last three years:

Name of Directors	CY 2018	CY 2019	CY 2020
Mr. Bakhtiar Hameed Wain	-	-	-
Mr. Tanveer Karamat	-	-	-
Mr. Asmar Atif	-	-	-
Total	-	-	-

Hence, no remuneration was paid to Octopus's Directors.

7.15 VOTING RIGHTS

The rights and privileges, including voting rights, attached to the ordinary shares of the Company are equal.

7.16 HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board of Directors has set up an effective Human Resources function managed by suitable and qualified personnel who are conversant with the policies & procedures of the Company. The human resource and remuneration committee comprises of the following members:

- 1) Saleha Asif– Chairman/Independent Director
- 2) Mohammad Shahid Mir – Member/Non Executive Director
- 3) Bakhtiar Hammed Wain – Member/Non Executive Director
- 4) Tanveer Karamat – Member/Non Executive Director
- 5) Junaid Mushtaq Paracha – Member/Non Executive Director

8. LEGAL PROCEEDINGS & OVERDUE LOANS

8.1 LEGAL PROCEEDINGS:

There are no outstanding legal proceedings involving the Issuer, its sponsors, substantial shareholders, directors and associated companies over which the Issuer has control. Further, as per audited statements of Octopus and Avanceon, it is clarified that there are no contingencies outstanding:

Octopus:

There are no contingencies and commitments of the Company as at 31 December 2020 (2019: Rs. Nil) as per the audited report for the year ended December 2020 of Octopus.

Avanceon Limited:

There are no contingencies to report as at year end (2019: Rs. Nil) December 2020 of Avanceon Limited. As Avanceon is listed since 2014, its history is already reported over the years in the audited financial statements.

8.2 ACTION TAKEN BY SECURITIES EXCHANGE

Avanceon Limited was in non-compliance with PSX Regulation of non-submission of their Annual Accounts for the year ended December 31, 2018 and December 31, 2020.

Rectification:

Avanceon had rectified the non-compliance by submitting its Annual Accounts with the delay.

8.3 OVERDUE LOANS:

There are no overdue amounts appearing in the CIB Reports of the Issuer, its sponsors/promoters, substantial shareholders, directors, and associated group companies over which the Issuer has control.

9. UNDERWRITING, ARRANGEMENT, COMMISSION, BROKERAGE AND OTHER EXPENSES

9.1 UNDERWRITING

Book Building Portion

BMA Capital Management Limited has been appointed as the Book Runner to the Issue. The Book Runner has underwritten 27,350,000 shares being offered for subscription through book building representing 100% of the Issue as required under regulation 7 (6) of the PO Regulations, with the limitations in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any, at the Strike Price determined through the Book Building process.

General Public Portion

The General Public Portion of the Issue has not been under written in terms of Regulation 7 (4) of the Regulations.

9.2 BUY BACK / REPURCHASE AGREEMENT

THE BOOK RUNNER IN THE CAPACITY AS UNDERWRITER OF THE BOOK BUILDING PORTION HAS NOT ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE COMPANY OR ANY OTHER PERSON IN RESPECT OF THIS ISSUE OF SHARES.

ALSO, NEITHER THE COMPANY NOR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE BOOK RUNNER IN THE CAPACITY AS UNDERWRITER OR ITS ASSOCIATES. THE COMPANY AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE SHARES FROM THE BOOK RUNNER AND ITS ASSOCIATES TAKEN UP, IF ANY, BY IT IN CAPACITY AS THE BOOK RUNNER.

9.3 FEES AND EXPENSES FOR E-IPO SYSTEMS

Commission on application received through the e-IPO systems of PSX and CDC CES will be paid to PSX and CDC, which shall not be more than 0.8% of the total transaction value. PSX and CDC will share the fee with other participants of the e-IPO system at a ratio agreed amongst them.

9.4 COMMISSION OF THE BANKERS TO THE ISSUE

Commission at the rate of 0.25% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with the Retail Portion of the Issue.

9.5 BROKERAGE

For this Issue, brokerage shall be paid to the TRE Certificate Holders of PSX at the rate of 1.00% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Underwriters pursuant to under subscription of retail portion of the Issue.

9.6 ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR 45,031,309 /-. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense
Consultant & Book Runner	3.00%	23,794,500
Commission to Bankers for Book Building Portion	0.00%	-
Commission to Bankers for General Public Portion/ Commission for E-IPO subscriptions	0.25%	495,719
PSX & CDC E-IPO Facility charges	0.80%	1,586,300
Bankers to the Issue - Out of Pocket Expenses		200,000
E- IPO Bank charges		300,000

TREC Holders Commission	1.00%	7,931,500
PSX Initial Listing Fees		1,367,500
PSX Services Fee		50,000
PSX Book Building Software Charges		500,000
Share Registrar, Transfer Agent and Balloting Agent	p.a	500,000
Marketing & Printing Expenses		6,000,000
CDC - Fresh Issue Fee	0.16%	1,269,040
CDC - Annual Listing Fee		200,000
SECP IPO Application Processing Fee		200,000
SECP Supervisory Fee		136,750
Miscellaneous expenses		500,000
Total		45,031,309

10. MISCELLANEOUS INFORMATION

10.1 REGISTERED OFFICE of Octopus Digital.

19 KM, Multan Road, Lahore
Website: www.octopusdtl.com
Contact Person: Ahsan Khalil
Contact No: (042) 111 940 940 Ext. 231
Cell: 0300-843-8070
Email: akhalil@avanceon.ae

10.2 AUDITORS OF THE COMPANY

EY Ford Rhodes, Progressive Plaza, 601 Beaumont Rd, Civil Lines, Karachi, Pakistan
Phone: (021) 111 113 937

10.3 LEGAL ADVISOR OF THE COMPANY AND TO THE ISSUE

Chima and Ibrahim, 1-A/245, Tufail Road, Lahore Cantonment, Lahore, Pakistan
Phone: +92-42-36681265/6/7.

10.4 COMPUTER BALLOTER & SHARE REGISTRAR

FAMCO Associates Private Limited, PECHS Extension Block 6 PECHS, Karachi, Pakistan
Phone: (021) 34380101 Email: info.shares@famco.com.pk

10.5 CONSULTANT & BOOK RUNNER

BMA CAPITAL MANAGEMENT LIMITED
Level 8, Unitower, I.I Chundrigar Road
Karachi - 74000
Phone: (021) 111 262 111
Fax: (021) 32430748
Email: info@bmacapital.com
Website: <https://bmacapital.com/>

10.6 BANKER TO THE ISSUE FOR BOOK BUILDING

Meezan Bank Limited
Meezan House, C-25 Estate Avenue,
Site, Karachi - Pakistan
Phone: +92 (21) 38103500 & +92 (21) 37133500 Email: info@meezanbank.com

10.7 BANKERS TO THE ISSUE FOR GENERAL PORTION

Allied Bank Limited
United Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
Faysal Bank Limited
MCB Bank Limited
Soneri Bank Limited

Bankers	Contact No.	Email
Allied Bank Limited	021-35301020, 021-35370189	complaint.management@abl.com or info@abl.com.pk
United Bank Limited	111-825-888	customer.services@ubl.com.pk.
Habib Metropolitan Bank Limited	(92-21)111-14-14-14	complaints@habibmetro.com
Meezan Bank Limited	+92 (21) 38103500 & +92 (21) 37133500	info@meezanbank.com
Faysal Bank Limited	0092-213-2795728 & 021 111 747 747	sumair.ahmed@faysalbank.com
MCB Bank Limited	+ 92 42 36041390	info@mcb.com.pk
Soneri Bank Limited	021-111-SONERI (766-374)	complaint.suggestion@soneribank.com

11. MATERIAL CONTRACTS

11.1 DETAILS OF BORROWINGS

As of 30th June, 2021, Octopus has no short term and long term financing facilities.

11.2 DETAILS OF TECHNICAL PROJECTS

Below are the key service contracts which were initially awarded to companies within the Avanceon group and to Avanceon (Group parent company). However, as Octopus is a legitimate owner of AMS business, hence; the following key contracts are served through Octopus:

Project Name	Project Particulars	Party to the Agreement	Commencement Date	Term Expiry Date
SERCO TVS SLA	Tunnel Ventilation Control Systems, Maintenance , Technical Support & Repair Services	SERCO Limited	1-Aug-2014	8-Sept-2021
SERCO RL SLA	Tunnel Environmental Control Systems ,Maintenance , Technical Support & Repair Services	SERCO Limited	1-Aug-2014	8-Sept-2021
Lusial Utility Tunnel SLA	Operation & Maintenance Contract for SCADA System	Elegancia Hospitality & Facilities Management Services Co. W.L.L	1-Nov-2019	31-Aug-2024

11.3 INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, Information Memorandum and copies of the agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Company from the date of publication of this Prospectus until the closing of the subscription list.

11.4 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

11.5 FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on January 1 and ends on December 31.

12. BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

12.1 BOOK BUILDING PROCEDURE

12.1.1 Brief Structure

The Present Issue

The Issue comprises of 27,350,000 Ordinary shares of face value of PKR 10 each which constitutes 20.00% of the post-IPO paid up capital of the Company.

The Issue is being made through the Book Building process at a Floor Price of PKR 29 per share. Initially, 75% of the issue size i.e. 20,512,500 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e. 6,837,500 Ordinary Shares will be offered to Retail Investors / General Public. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

The Floor Price of PKR 29/- has a maximum Price Band of 40% above which no bid shall be accepted. At maximum Price Band, the highest strike price that can be bid shall be PKR 40.6/- per share.

The Bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money would remain deposited/ blocked till allotment of unsubscribed shares, if any, of the retail portion to them on prorata basis. In case the retail portion is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription

Within 3 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 2 of this Prospectus.

12.1.2 Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer sets a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Book Runner, which is then used to determine the Strike Price through the **“Dutch Auction Method”**. Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a **“Limit Bid”**, or a **“Step Bid”**, each of which are explained below:

- **Limit Bid:** Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 Million shares at PKR 29.00 per share, based on which the total Application Money would amount to PKR 29 Million. In this case the Bid Amount will be also PKR 29 Million. Since the Bidder has placed a Limit Bid of PKR 29.00 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 29.00 per share.
- **Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step bid shall not be less than PKR 1,000,000.
- Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.7 Million shares at PKR 29.00 per share, 0.6 Million shares at PKR 30.00 per share and 0.5 Million shares at PKR 31.00 per share. Therefore in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR 53.8 Million. In case of individual Bidder, the Margin Money will be 100% i.e. PKR 53.8 Million whereas in case of Institutional Bidders the Margin Money shall be 25% of the Bid amount i.e. PKR 13.45 Million.

RESTRICTIONS:

- (i) AN ELIGIBLE INVESTOR SHALL NOT:
 - (a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;
 - (b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION
 - (c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS
 - (d) PLACE CONSOLIDATED BID
 - (e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY
 - (f) MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; OR
 - (g) WITHDRAW BID
- (ii) RELATED EMPLOYEES OF THE ISSUER, CONSULTANT TO THE ISSUE & BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.
- (iii) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.
- (iv) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.
- (v) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE & BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF 10 (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, CONSULTANT TO THE ISSUE & BOOK RUNNERS ARE PROVIDED IN SECTION 3.

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares allotted to each of them. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to him / her / it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

As per regulation 9(16) of the PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.

The Bidders must provide the bank account details in their bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

12.1.3 Mechanism for Determination of Strike Price


1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
2. The Order Book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.

3. As per the regulation 9(12) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.


The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 27,350,000 Ordinary Shares
2. Floor Price: PKR 29/- per Ordinary Share with maximum price band of 40% i.e. PKR 40.6/- per share
3. Bidding Period: From XX to XX
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days


Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	34.00	2,735,000	2,735,000	Limit Price
Institution B	33.75	2,700,813	5,435,813	Limit Price
HNWI A	33.50	1,367,500	6,803,313	Step Bid
Institution C	33.00	2,051,250	8,854,563	Limit Price
Institution D	32.50	2,393,125	11,247,688	Limit Price
Institution E	32.00	2,188,000	13,435,688	Limit Price
HNWI B	31.75	2,051,250	15,486,938	Limit Price
HNWI A	31.50	1,367,500	16,854,438	Step Bid
Institution F	31.25	2,051,250	18,905,688	Limit Price
Institution G	31.00	1,746,981	20,652,669	Limit Price
Institution H	30.75	1,367,500	22,020,169	Limit Price
HNWI C	30.50	2,051,250	24,071,419	Limit Price
Institution I	30.25	1,367,500	25,438,919	Step Bid
Institution H	30.25	1,367,500	26,806,419	Limit Price
HNWI D	30.00	547,000	27,353,419	Step Bid
Institution J	29.50	1,025,625	28,379,044	Limit Bid
HNWI E	29.00	683,750	29,062,794	Limit Price



Strike Price determine
through Dutch Auction
Method



Bid has been
revised upwards
and placed at PKR
30.75



Total shares bid for at
and above the Floor
Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 30.00 per share to sell the required quantity of 27,350,000 ordinary shares.

At PKR 34.00 per share, investors are willing to buy 2,735,000 shares. Since 24,615,000 shares are still available, therefore the price will be set lower.

At PKR 33.75 per share, investors are willing to buy 2,700,813 shares. Since 21,914,188 shares are still available, therefore the price will be set lower.

At PKR 33.50 per share, investors are willing to buy 1,367,500 shares. Since 20,546,688 shares are still available, therefore the price will be set lower.

At PKR 33.00 per share, investors are willing to buy 2,051,250 shares. Since 18,495,438 shares are still available, therefore the price will be set lower.

At PKR 32.50 per share, investors are willing to buy 2,393,125 shares. Since 16,102,313 shares are still available, therefore the price will be set lower.

At PKR 32.00 per share, investors are willing to buy 2,188,000 shares. Since 13,914,313 shares are still available, therefore the price will be set lower.

At PKR 31.75 per share, investors are willing to buy 2,051,250 shares. Since 11,863,063 shares are still available, therefore the price will be set lower.

At PKR 31.50 per share, investors are willing to buy 1,367,500 shares. Since 10,495,563 shares are still available, therefore the price will be set lower.

At PKR 31.25 per share, investors are willing to buy 2,051,250 shares. Since 8,444,313 shares are still available, therefore the price will be set lower.

At PKR 31.00 per share, investors are willing to buy 1,746,981 shares. Since 6,697,331 shares are still available, therefore the price will be set lower.

At PKR 30.75 per share, investors are willing to buy 1,367,500 shares. Since 5,329,831 shares are still available, therefore the price will be set lower.

At PKR 30.50 per share, investors are willing to buy 2,051,250 shares. Since 3,278,581 shares are still available, therefore the price will be set lower.

At PKR 30.25 per share, investors are willing to buy 1,367,500 shares. Since 1,911,081 shares are still available, therefore the price will be set lower.

At PKR 30.00 per share, investors are willing to buy 547,000 shares. **Since after bidding for 547,000 shares at PKR 30.00 per share, no shares will be available therefore the Strike Price will be set at PKR 30.00 per share for the entire lot of 27,350,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 30.00 per share, will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of the PO Regulations.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares and the Book Runner shall intimate the respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period as per regulation 9(13) of the PO Regulation and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.

Since this Issue is being made through 100% book building, as per the regulation 7(4) of the PO Regulation, the Bidders shall be allowed to place bids for hundred percent (100%) percent of the issue size and the strike price shall be the price at which hundred percent (100%) percent of the issue size is subscribed. However, the successful bidders would be allotted and issued only seventy-five (75%) percent of the issue size and the remaining twenty-five (25%) percent would be offered to the retail investor. The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, out of the retail portion of the Issue and their remaining bid money would remain deposited/ blocked till allotment of such unsubscribed shares to them on pro-rata basis.

The bid money of bidders shall remain deposited or blocked till allotment of unsubscribed shares, if any, to them on pro rata basis as per regulation 9(15) of PO Regulation.

In case retail portion of the Issue is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.

12.1.4 Timeframe for intimation to the successful bidders and mechanism for payment of the balance amount by the successful bidders

Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares allotted to each of them. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such

intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner**

12.1.5 Book Runner to the Issue:

BMA Capital Management Limited has been appointed by the Issuer as Lead Manager & Book Runner.

Roles and Responsibilities of the Book Runner

The Book Runner to the issue shall be responsible to:

1. ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
6. ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
7. ensure that it has obtained list and Unique Identification Number (UIN) of the associates of the Issuer, the Consultant to the issue and all the related employees;
8. ensure that names and UIN of all the persons mentioned under section 12.5 are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that no bid or bids exceeding ten per cent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
10. ensure that no bid in aggregate exceeding ten per cent (10%) is made by the companies and associated undertakings of the Consultant to the issue & Book Runner;
11. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;
12. establish bid collection centers at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan;
13. maintain record of all the bids received; and
14. Ensure that all the Bids received in the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

The Book Runner has established bid collection centers at the following addresses (direct & fax numbers in all centers).

12.1.6 Bid Collection Centers

The Book Runner has established bid collection centers at the following addresses:

	Karachi	
Contact Officer:	Abdul Raheem Ejaz Ahsan	Abdul Qadir
Direct No.:	+92 21 111 262 111	+92 21 111 262 111
Mobile No.:	0302 204 1958	0321 211 1232
Fax No.:	+92 21 3243 0748	+92 21 324 696 36
Email:	abdul.raheem@bmacapital.com	abdul.qadir@bmacapital.com

Postal Address :	BMA Capital Management Ltd. Unitower, Level 8, I.I Chundrigr Road, Karachi.	BMA Capital Management Ltd. Unitower, Level 8, I.I Chundrigr Road, Karachi.
	Lahore	Islamabad
Contact Details:	Irfan Saeed (Branch Manager) 0333-4222211	Malik Muhammad Qasim Zafar (Branch Manager) 0315-8565772
Direct No.:	(042) 35762953-57	(051) 280 2354-5
Postal Address :	Commercial Office No. 402, 7th Floor, Mega Tower 63-B, Main Boulevard, Gulberg II, Lahore.	104, 1st Floor, 82-East, Muhammad Gulistan Khan House, Fazel e Haq, Blue Area, Islamabad Pakistan
	Faisalabad	Peshawar
Contact Details:	Khawaja Haseeb Ahmad (Branch Manager) 0300-5201290	Ihsan Mohammad (Branch Manager) 0345-9328028
Direct:	(041) 2612261-5	(091) 5274770-72
Postal Address	Mezzanine Floor, State Life Building #2, Plot No. 833 Liaquat Road, Faisalabad.	Shop No.F1 & F2, 1st Floor Mall Tower 35, The Mall Peshawar Cantt.

12.1.7 Interest of the Lead Manager and the Book Runner:

The Lead Manager and the Book Runner are deemed to be interested to the extent of fees payable to them by the Issuer for the services to be rendered by them as Lead Manager and Book Runner to the Issue respectively. The Lead Manager and the Book Runner to the Issue have no other interest in any property or profits of the Company.

12.1.8 Roles and Responsibilities of the Designated Institution

PSX being provider of the Book Building System (Designated Institution), shall ensure that Book Building System shall smoothly perform following functions:

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number);
2. Provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above;
3. Generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;
4. Record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;
5. Display the bids revised, and date and time of upward revision;
6. Neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band;
7. Display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and the indicative Strike Price;
8. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;
9. Discover the strike price at the close of the Bidding Period;
10. Generate alerts for the Bidders via Short Message Service ("SMS") through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, upon variation in the Indicative Strike Price and upon discovery of the strike price; and
11. Ensure that the system must provide the bidders the option to upward revise their bids online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.1.9 Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

1. the Issuer, its sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau;
2. the Issuer or its directors, sponsors or substantial shareholders should not have held the office of the directors, or have not been sponsors or substantial shareholders in any company:
 - I. which had been declared defaulter by the securities exchange or futures exchange; or
 - II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
 - III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Lead Manager and Book Runner, Underwriter, Balloter and Share Registrar and Banker to the Issue, are appointed through separate agreements in writing.
4. It has submitted through its Lead Manager, an application along with draft prospectus for listing of its securities to the PSX.
5. the shares shall be issued in book-entry form only.

12.1.10 Opening and Closing of the Registration Period

The Registration period shall be for **Five (5) working days** as under:

REGISTRATION PERIOD	
1 st XXX 2021	9:00am to 5:00pm
2 nd XXX 2021	9:00am to 5:00pm
5 th XXX 2021	9:00am to 5:00pm
6 th XXX 2021	9:00am to 5:00pm
7 th XXX 2021	9:00am to 3:00pm

12.1.11 Opening and Closing of the Bidding Period

The Bidding Period shall be for **Two (2) working days** as under:

BIDDING PROCESS STARTS ON	6 th XXX 2021 (9:00 AM to 5:00 PM)
BIDDING PROCESS ENDS ON	7 th XXX 2021 (9:00 AM to 5:00 PM)

12.1.12 Eligibility to Participate in Bidding

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 1,000,000/- (Rupees 1 Million only).

12.1.13 Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of Octopus Digital, BMA Capital, and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, Book Runner and the Company i.e. <https://bmacapital.com/> and <https://octopusdtl.com/>
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in section 12 of this prospectus for registration for submitting their Bids.

4. THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN SECTION 12.1.6. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER TO SECTION 12.1.14.
5. THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN SECTION 12 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.
6. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.
7. EACH ELIGIBLE INVESTOR SHALL ONLY SUBMIT A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY ALONG WITH THE REGISTRATION FORM. IT MAY ALSO BE NOTED THAT ONLY A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BY THE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.
8. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF MEEZAN BANK LIMITED (THE BANKER TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY MEEZAN BANK LIMITED TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT KSE BRANCH KARACHI

12.1.14 Registration form and Procedure for Registration

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted, duly filled in, at the Bid Collection Centers in person on addresses given in section 12.1.6 on the standard Registration Form. The Registration Form shall be serially numbered at the bid collection centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.
3. The registration procedure under the Book Building process is outlined below:
 - The Registration period shall be for Five (5) working days i.e. xx from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on xx.
 - The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with the first copy for the Book Runner and the second copy for the Bidder.
 - The Registration Form shall be duly filled in and signed in duplicate and shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in paragraph 12.1.6.
 - Upon registration of the bidders in the System, PSX shall assign and communicate the User ID and Password to the Bidders via email on the email address provided by them in the Registration Form.
 - The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runners shall not be challengeable by the Bidder.
 - Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order or online transfer through Bidder's bank account only. In case of Online Transfer, the Bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer's designated bank account. **Please note that cash must not be deposited either directly or through online transfer in the Issuer's designated bank account.**
 - The pay order shall be made in favor of "**Octopus Digital Limited - Book Building**". For online transfer the payment shall be made into account **00XX-XXXXXXX-0X** being maintained in KSE Branch, Karachi. Please note that online transfer facility shall only be allowed to Meezan Bank Limited customers.
 - Please note that third party instruments will not be accepted for Margin Money.
 - In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made "Payable at any Branch". Intra city payment instruments that are not made "Payable at any Branch" will not be accepted.

- The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.
- The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- The Bidders can use the User ID and Password to independently place and upward revise their bids online.
- **The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.**
- **The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.**

12.1.15 Procedure for Bidding

1. A standardized Bidding Form has been prescribed by the Issuer.
2. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or can place their bids online at <https://bkb.psx.com.pk> using the user ID and Password received by them over email upon registration with the Book Runner.
3. The bidding procedure under the Book Building process is outlined below:
 - Bids can be placed either at the “Limit Price” or as a “Step Bid”. The minimum size of a Limit Bid by an Eligible Investor shall not be less than PKR 1,000,000/- (Rupees One Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (Rupees One Million).
 - The investors may place their bids through any of the Bid Collection Centers established pursuant to the requirements of sub-regulation 10 of regulation 8 of the PO Regulations. Please see para 12.1.6 for addresses and contact detail of persons at the Bid Collection Centers.
 - The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer designated bank account.
 - On receipt of bid application in accordance with the aforementioned regulation, the Book Runner shall enter Bid into the System and issue to the Bidder an electronic receipt bearing name of the Book Runner, name of the bidding center, date and time.
 - The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.
 - The Bidders shall have the right to revise their bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
 - **The Bidders shall NOT make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.**
 - **The Bidders shall not withdraw the Bids.**
 - The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the High Net worth Individual and not less than twenty-five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
 - Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third party payment instruments shall not be accepted.

- The Book runner may waive the margin requirement for institutional investors subject to confirmation from their respective banks or custodian banks (in case of foreign institutional investors) that an amount equivalent to the bid money is available in the respective bank or custodian account and would be paid directly to the book runner on its request and confirmation of allocation of shares;
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. The decision of the Book Runner shall not be challengeable by the Bidder.
- PSX shall, through the system, display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares issued (the “Order Book”). The Order Book should also show the revised bids upward. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in section 12.1.23 of the Prospectus.
- The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period and in case of refunds, the refund to such bidders shall be made within three (3) working days from the close of the bidding period.
- Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares allotted to each of them.
- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful bidders on pro-rata basis.
- In case the retail portion of the issue is oversubscribed, the allotment shall be made in the manner given in section 12.1.16 of the prospectus.
- Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**
- Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be credited at the time of credit and dispatch of shares out of the retail portion.
- The successful Bidders shall be issued shares only in Book Entry Form to be credited in their respective CDS Accounts. All the bidders shall, therefore, provide their CDS Account Numbers in the Registration Form.
- The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the Bidding Period.
- The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
 - credit of all shares allotted to retail investors; and
 - issuance of NOC by the PSX.

12.1.16 Payment for Book Building Portion

The Issuer has opened a bank account for collection of applications’ money related to Book Building Portion.

The Bidders shall draw demand draft or pay order in favor of “**Octopus Digital Limited - BOOK BUILDING**” or online transfer of the Bid money into the respective Book Building account **00XX-XXXXXX-XX** and submit the demand draft,

pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into the Account **00XX-XXXXX-XX** being maintained at KSE **Branch**, Karachi with the Account Title **“Octopus Digital Limited - BOOK BUILDING”**. Please note that online transfer facility shall only be allowed for Meezan Bank Limited customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER’S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF “OCTOPUS DIGITAL LIMITED - BOOK BUILDING” IN A MANNER ACCEPTABLE TO THE BOOK RUNNER. **PLEASE NOTE THAT THIRD PARTY PAYMENT INSTRUMENTS WILL NOT BE ACCEPTED.**

The Collection Banks shall keep and maintain the bid money in the said account. Once the shares allotted under the retail portion have been credited, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Banker to the Book Building Portion for transfer of the money of the successful and accepted applications to the Issuer’s account(s).

PAYMENT PROCEDURE

The payment procedures for a Limit Bid or a Step Bid are explained below:

▪ PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Million shares at a price of PKR 29.00/- per share, then the total Application Money would amount to PKR 29 Million. In such a case, (i) Individual Investor shall deposit PKR 29 Million in the Book Building account as the bid amount which is 100% of PKR 29 Million; and (ii) Institutional Investor shall deposit at least PKR 7.25 Million in the Book Building account as the Margin Money which is 25% of PKR 29 Million.

▪ PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.8 Million shares at PKR 29 per share, 0.7 Million shares at PKR 30 per share and 0.6 Million shares at PKR 31 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Bid amount will be PKR 62.8 Million. In such a case, (i) Individual Investors shall deposit PKR 62.8 Million in the Book Building Account as Margin Money which is 100% of PKR 62.8 Million and (ii) Institutional Investors shall deposit at least PKR 15.70 Million in the Book Building Account as Margin Money which is 25% of PKR 62.8 Million.

12.1.17 Payment by Foreign Investors

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan’s (“SBP”) Foreign Exchange Manual (the “Manual”) to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building accounts opened by the Company as given in para 12.1.16 of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public / retail investors. List of bankers to the Issue for retail portion is available on page 1 of this Prospectus.

The shares issued to non-resident shareholders shall be intimated by the Company to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

12.1.18 Procedure for Rejection of Bids

In terms of regulation 9(7) of the PO Regulations, the Book Runner may reject any Bid placed by a Bidder for reasons to be recorded in writing provided the reason of rejection is disclosed to such Bidder. Decision of the Book Runner shall not be challengeable by the Bidder.

12.1.19 Time frame for upward revision of Bids by the Bidders

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

An investor will not be allowed to place or revise a bid with a price variation of more than 10% of the prevailing indicative strike price. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**

12.1.20 Ten Percent (10%) Price Variation

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 40% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 29 per share and Indicative Strike Price at any given point in time during the bidding period is PKR 29 per share, registered bidders may place or revise their bids at/to any price between PKR 29 per share to PKR 30 per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 29 per share to PKR 30 per share, the registered bidders may place or upward revise their bids at/to between PKR 29 per share to PKR 31.9 per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. PKR 40.6 per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

12.1.21 Restriction on Downward Revision or Withdrawal of Bids by the Bidder

Under regulation 10(2)(vi) of the PO Regulations the Bidders shall not make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.

Under regulation (10)(2)(vii) of the PO Regulations the Bidders shall not be allowed to withdraw Bids.

12.1.22 Procedure for Withdrawal of Issue

1. In accordance with regulation 8(16) of the PO Regulations, in case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the Issue shall be cancelled and the same shall be immediately intimated to the Commission and PSX and the Margin Money shall be

refunded to the bidders immediately but not later than three (3) working days of the closing of the Bidding Period.

2. In accordance with regulation 8(17) of the PO Regulation, the Book Building process will be considered as cancelled if the total number of bids received is less than forty (40).

12.1.23 Basis of Allotment of Shares

Bidders shall be allowed to place bids for one hundred percent (100%) of the Issue size and the Strike Price shall be the price at which one hundred percent (100%) of the Issue is subscribed via the Dutch Auction Method.

Once the Strike Price is determined, all those Bidders whose bids have been found successful shall be provisionally allotted 75% of the Issue size i.e. 20,512,500 Ordinary Shares.

In order to be a successful Bidder in the Book Building process, the bid price would either be higher than the Strike Price or at the Strike Price.

For allocation of shares via Book Building, priority shall be given to the bids placed at the highest price. The bidders, who have made bids at prices above the Strike Price, will be provisionally allocated 75% of the shares successfully bid for, at the Strike Price. The differential between the bid price and Strike Price, would be refunded based on the total number of shares bid for.

Bidders who had placed Bids at the Strike Price will be provisionally allotted seventy-five (75%) of the shares successfully bid for, at the Strike Price, on proportionate basis.

Bids made below the Strike Price shall not qualify for allotment of shares and their Margin Money will be refunded.

Final allotment of shares to the successful bidders would be determined after determination of the public response to the Retail Portion of the Issue.

In the event the retail portion is undersubscribed, the unsubscribed portion would be allotted to the successful bidders, on a pro-rata basis as per regulation 11(5) of the PO Regulation. Excess funds, if any, would be refunded to the bidders after allotment of the unsubscribed shares.

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9 (16) of the PO Regulations.

12.1.24 Refund of Margin Money

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities and the Book Runner shall intimate their respective banks for unblocking, where required, their Bid Money within one (1) working day of the close of the bidding period as required under regulation 9(13) of the PO Regulations and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.

The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

12.1.25 Publication of Supplement to the Prospectus

In accordance with regulation 11(1) of the PO Regulations within three (3) working days of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of the Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.

13. APPLICATION AND ALLOTMENT INSTRUCTIONS FOR RETAIL PORTION

13.1.1 Eligible Investors Include:

1. Pakistani citizen's resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

13.1.2 APPLICATION MUST BE MADE ON SECP's APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM

13.1.3 Copies of Prospectus

Copies of this Prospectus and Applications Forms can be obtained from PSX, the Bankers to the Issue and their branches, the Lead Manager & Book Runner to the Issue and registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following websites:

<https://bmacapital.com/>, <https://octopusdtl.com/>, www.psx.com.pk & www.cdceipo.com;

Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com.

13.1.4 NAMES(S) AND ADDRESS (ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH AND SHOULD NOT BE ABBREVIATED.

13.1.5 ALL APPLICATIONS MUST BEAR THE NAME AND SIGNATURE CORRESPONDING WITH THE ONE RECORDED WITH THE APPLICANT'S BANKER. IN CASE OF DIFFERENCE OF SIGNATURE WITH THE BANK AND COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR THE NATIONAL IDENTITY CARD FOR OVERSEAS PAKISTANI (NICOP) OR PASSPORT, BOTH THE SIGNATURES SHOULD BE AFFIXED ON THE APPLICATION FORM.

13.1.6 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on xx and will close on xx at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on xx.**

13.1.7 E-IPO SYSTEM

e-IPO refers to electronic submission of applications for subscription of securities offered in an IPO. The following systems are available for e-IPOs:

13.1.7.1 PSX's e-IPO System (PES):

In order to facilitate investors, PSX has developed an e-IPO System ("PES") through which electronic applications can be filed for subscription of securities offered to the general public. PES can be accessed through the web link (<https://eipo.psx.com.pk>).

Investors can register themselves online at any time 24/7. On behalf of an investors, registration can also be done by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

An e-IPO application can be filed by an investor during the public subscription period which shall close at midnight on DD/MM/YYYY. On behalf of investors, e-IPO applications can also be filed by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Subscription money can paid by the investor through 1LINK or NIFT. On behalf of investors, subscription money can also be paid by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad at phone number: 111-001-122 or (021)-35274401-10, and email: itss@psx.com.pk.

13.1.7.2 Centralized e-IPO System (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application though CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal.

For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com.

13.1.7.3 E-IPO Facilities by Bankers to the Issue

Currently, United Bank Limited (UBL) is providing e-IPO facilities to their respective accountholders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>.

Account holders of UBL can submit their applications through the above mentioned link 24 hours a day during the subscription period which will close at midnight on xxx

13.1.8 APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) / NICOP or Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal / Provincial Government Gazette Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
2. Original CNIC / NICOP / Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

13.1.9 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents.
2. Attested photocopies of the documents mentioned in 8.7 (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

13.1.10 ADDITIONAL INSTRUCTIONS FOR INVESTORS

1. **Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.**
2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.
3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue "**OCTOPUS DIGITAL LTD GENERAL SUBSCRIPTION**" and crossed "**A/C PAYEE ONLY**".
4. For the applications made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
11. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under section 87(8) of the Securities Act, 2015.

13.1.11 ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
2. Foreign / resident should follow payment instructions given in Section 12.1.16 of this Prospectus.

13.1.12 CODE OF OCCUPATION OF INVESTORS / APPLICANTS

Code	Occupation
01	Business
02	Business Executive
03	Service
04	Housewife
05	Household
06	Professional
07	Student
08	Agriculturist
09	Industrialist
10	Other

NATIONALITY CODE

Code	Name of Country
001	U.S.A
002	U.K
003	U.A.E
004	K.S.A
005	Oman
006	Bangladesh
007	China
008	Bahrain
009	Other

13.1.13 MINIMUM AMOUNT OF APPLICATION AND BASIS FOR ALLOTMENT OF SHARES OF THE ISSUE

The basis and conditions for allotment of shares out of the Issue shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. **SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:

- If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
 - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
 - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
 - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
 - After the allotment in the above mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
 - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
- First preference will be given to the applicants who applied for 500 shares;
 - Next preference will be given to the applicants who applied for 1,000 shares;
 - Next preference will be given to the applicants who applied for 1,500 shares;
 - Next preference will be given to the applicants who applied for 2,000 shares; and then
 - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.1.14 BASIS OF ALLOTMENT

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.1.15 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within ten (10) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price determined in the book building process on pro-rata basis.

13.1.16 ISSUE AND CREDIT OF SHARE CERTIFICATES

Within ten (10) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.1.17 TRANSFER OF SHARES

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

13.1.18 LIST OF BANKERS TO THE ISSUE

Code	Name of Bank
01	United Bank Limited
02	Allied Bank Limited
03	Meezan Bank Limited
04	Faysal Bank Limited
05	MCB Bank Ltd
06	Soneri Bank Ltd
07	Habib Metropolitan Bank Limited

*UBL bank/s is/are providing their own e-IPO facilities. Account holders of these Banks may apply for subscription of shares electronically.

13.1.19 MINIMUM AMOUNT OF APPLICATION

The minimum value of application will be calculated as Issue Price x 500 shares.

13.1.20 INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also

the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors, CEO and COO

13.1.21 ELIGIBILITY FOR DIVIDEND

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.1.22 DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

13.1.23 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001:

Serial #	Capital Gain Tax for FY 20	Filer	Non-Filer
1	Applicable Capital Gain Tax Rate	12.5%	30%

13.1.24 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time to time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15%.

13.1.25 TAX ON BONUS SHARES

As per section 236M of the Income Tax Ordinance 2001, amended vide Finance Act 2018-19, tax on issue of bonus shares has been omitted and will not be applicable from 1st July 2018 and onwards.

13.1.26 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

13.1.27 DEFERRED TAXATION

Deferred tax is accounted for using the balance sheet liability method in respect of on temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. Deferred tax is calculated by using the tax rates enacted at the balance sheet date. In this regard, the effect on deferred taxation of the portion of income subjected to Final Tax Regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax asset is recognized for all deductible temporary differences and carry-forward of unused tax losses and unused tax credits, if any, to the extent that it is probable that future taxable profit will be available against which these can be utilized.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

13.1.28 SALES TAX

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

13.1.29 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax ("SST"), Punjab Sales Tax ("PST"), Khyber Pakhtunkhwa Sales Tax ("KST") and Baluchistan Sales Tax ("BST") respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above mentioned Acts levy a sales tax on Brokerage at the rate of 13% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

13.1.30 TAX CREDIT FOR INVESTMENT IN IPO

Under Section 62 of the Income Tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit, as mentioned in the said section, for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a stock exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per section 62(3)(b) of the Income Tax Ordinance, 2001, the time limit for holding shares has been designated as 24 months to avail tax credit.

14. SIGNATORIES TO THE PROSPECTUS

-sd-

Asmar Ahmed Atif
Chief Executive Officer/Executive Director
-sd-

Bakhtiar Hameed Wain
Non Executive Director
-sd-

Tanveer Karamat
Non Executive Director
-sd-

Mohammad Shahid Mir
Independent Director/Non Executive Director
-sd-

Junaid Mushtaq Paracha
Non Executive Director
-sd-

Adeel Khalid
Executive Director
-sd-

Saleha Asif
Independent Director/Non Executive Director

Signed by the above in presence of witnesses:

Witness 1:

-sd-

Witness 2:

-sd-

Date: [●]

15. MEMORANDUM OF ASSOCIATION

THE COMPANIES ACT, 2017 (XIX of 2017)

(COMPANY LIMITED BY SHARES)

**MEMORANDUM
OF
ASSOCIATION
OF**

Octopus Digital Limited





Page 1 of 5

THE COMPANIES ACT, 2017 (XIX of 2017)**(COMPANY LIMITED BY SHARES)****MEMORANDUM OF ASSOCIATION****OF****"Octopus Digital Limited"**

1. The name of the company is Octopus Digital Limited.
2. The registered office of the Company will be situated in the Province of Punjab.
3. (i) The principal line of business of the company shall be to carry on the business of Information Technology (IT) enabled services which include but not limited to like online data / information storage, online review and monitoring of employees efficiency, online monitoring of cost and production efficiency, online monitoring and maintenance of plant and machinery, sale and trade of related softwares equipments etc.
- (ii) Except for the business mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful business and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
- (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, *Modaraba* management company, Stock Brokerage business, forex, real estate business,

Page 2 of 5



managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

(iv) It is hereby undertaken that the company shall not:


- (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
- (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
- (c) engage in any of the permissible business unless the requisite approval, permission, consent or licence is obtained from competent authority as may be required under any law for the time being in force.

4. The liability of the members is limited.

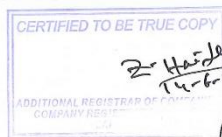
5. The authorized capital of the company is Rs 1,500,000,000/- (Rupees One billion and five hundred millions only) divided into 150,000,000/- (One hundred and fifty Millions) ordinary shares of Rs. 10/- (Rupees ten only) each.



We, whose names and addresses are subscribed below, are desirous of forming a company, in pursuance of this memorandum of association, and agree to take the number of shares in the capital of the company as set opposite my names:

Name and surname (present & former) in full (in Block Letters) and C.N.I.C.#	Father's/ Husband's Name in full	Nationality with any former Nationality	Occupation	Residential address (in full)	Number of shares taken by each subscriber	Signatures
MR. TANVEER KARAMAT 42301-9820410-7	Sheikh Umer Karamat	Pakistani	Business	House No. 733 SU-Askari 3, Lahore	1 (One)	
MR. BAKHTIAR HAMEED WAIN 35201-6142695-7	Abdul Hameed Wain	Pakistani	Business	House No. 351-W, Defense Housing Authority, Lahore	1 (one)	
Total number of shares taken					2 (two)	

Dated the --- day -----



Witness to above signatures:

Signature	
Full Name (In Block Letters)	
C.N.I.C3.	
Father's full name	
Nationality	
Occupation	
Full address	



THE COMPANIES ACT, 2017 (XIX of 2017)

(COMPANY LIMITED BY SHARES)



Articles of Association

of

Octopus Digital Limited



THE COMPANIES ACT, 2017 (XIX of 2017)

(Company Limited by Shares)

ARTICLES OF ASSOCIATION

OF

OCTOPUS DIGITAL LIMITED

1. The Regulations contained in Table 'A' to the First Schedule to the Companies Act, 2017 (the "Act") shall be the regulations of **OCTOPUS DIGITAL LIMITED** (the "Company") so far as these are applicable to a public company.

PUBLIC COMPANY

2. The Company is a "Public Company" within the meaning of Section 2(1)(52) of the Act and accordingly:

1. The number of the members of the Company (exclusive of persons in the employment of the Company), shall not be limited, provided that for the purpose of this provision, where two or more persons hold one or more shares in the company jointly, they shall be treated as single member, and
2. The right to transfer shares of the Company shall not be restricted in the manner and to the extent herein appearing.

3. The authorized capital of the company is Rs 1,500,000,000/- (Rupees One billion Five hundred Million rupees Only) divided into 150,000,000/- (One hundred Fifty million) ordinary shares of Rs. 10/- (Rupees ten only) each.

4. The minimum subscription upon which the directors may proceed to make the first allotment has been fixed as Rs. _____ (N/A)

TRANSFER OF SHARES

5. The directors shall not refuse to transfer any fully paid shares unless the transfer deed is invalid or defective.

DIRECTORS

6. The number of directors shall not be less than three or a higher number as fixed under the provisions of Section 159 of the Act. The following persons shall be the first directors of the Company and shall hold the office up to the date of First Annual General



Meeting

Sr. No

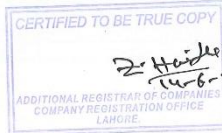
Name of the Directors

1.

2.

We, whose names and addresses are subscribed below, are desirous of forming a company, in pursuance of these Articles of Association and agree to take the number of shares in the capital of the company as set opposite my names:

Name and surname (present & former) in full (in Block Letters) and C.N.I.C #	Father's/ Husband's Name in full	Nationality with any former Nationality	Occupation	Residential address (In Full)	Number of shares taken by each subscriber	Signatures
MR. TANVEER KARAMAT 42301-9820410-7	Sheikh Umer Karamat	Pakistani	Business	House No. 733 SU-Askari 3, Lahore	1 (One)	
MR BAKHTIAR HAMEED WAIN 35201-6142695-7	Abdul Hameed Wain	Pakistani	Business	House No. 351-W, Defense Housing Authority, Lahore	1 (One)	
Total number of shares taken (in figures and words)					2 (two)	





Dated the-----day of-----

Witness to above signatures:

Signature	
Full Name (in Block Letters)	
C.N.I.C3	
Father's full name	
Nationality	
Occupation	
Full address	



16. REGISTRATION FORM

 Octopus Digital Limited		Book Runner		Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT	
				Registration Dates DD/MM/2021 Bidding Dates DD/MM/2021 Bidding Form No.	
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OCTOPUS DIGITAL LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 29.00 PER SHARE (INCLUDING A PREMIUM OF PKR 19.00 PER SHARE)					
PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE. ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.					
Name		CNIC #			
		NTN*			
Address		Cell #			
		Land Line #			
E-mail		Fax #			
PLEASE TICK THE APPROPRIATE BOX <input type="checkbox"/> Local Institutional Investor <input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Individual Investor				Nationality (If other than Pakistani)	
<input type="checkbox"/> Resident <input type="checkbox"/> Non Resident <input type="checkbox"/> Foreigner					
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.					
Payment Details:		Payments to be made in favor of "Octopus Digital Limited - Book Building"			
Amount in Figures		Instrument #			
Instrument Date		Margin %age			
Banker's Name, Address & Branch					
CDC Details for Sub A/C & House A/C					
CDC Participant Name		CDC Participant ID			
Sub A/C No.		House A/C No.			
CDC Details for Investor A/C					
CDC Investor Service A/C ID		CDC Investor A/C No.			
I UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION.					
I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.					
Signature of Bidder: _____					

17. BIDDING FORM

BIDDING FORM					
 Octopus Digital Limited		Book Runner 		Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT	
		Bidding Dates DD/MM/2021 to DD/MM/2021 Bidding Form No.			
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF OCTOPUS DIGITAL LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 29.00 PER SHARE (INCLUDING A PREMIUM OF PKR 19.00 PER SHARE)					
PLEASE TICK THE APPROPRIATE BOX					
Name			<input type="checkbox"/> Local Institutional Investor		<input type="checkbox"/> Foreign Institutional Investor
Address			<input type="checkbox"/> Individual Investor	Nationality (If other than Pakistani)	
	Cell #		Resident	<input type="checkbox"/>	
	Land Line #		Non-Resident	<input type="checkbox"/>	
			Foreigner	<input type="checkbox"/>	
Fax #	E-mail:		CNIC #		
			NTN*		
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 15.0% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.					
Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [] No [] In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly in his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:					
Title of Account					
Account Number					
Bank Name					
Branch Name & Address					
The Directors of Octopus Digital Limited 19KM Main Multan Road Lahore, Pakistan Dear Sir, On the basis of Prospectus by Octopus Digital Limited for the Initial Public Offer of its Ordinary Shares, I/we hereby bid for subscription of Shares of the Company as under:					
Bid Details					
	No. of Shares	Bid Price Per Share	Total Amount		
Bid Option (Please tick)	(In Figures)	(In Figures)	(In Figures)		
Limit Order					
Step Order:					
Option (1)					
Option (2)					
Option (3)					
Option (4)					
Total (Shares and Price)					
Important Instructions: 1) Bids should be placed for a minimum amount of PKR 1,000,000/- . It should also be noted that no. of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price, is at least PKR 1,000,000/- . 2) Eligible Investors who want to place a Step Bid, must ensure that each step amounts to PKR 1,000,000/- at least. 3) Any Bid received below the Floor Price will not be accepted by the Book Runner. 4) An investor shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same. 5) <u>An investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to 40% maximum Price Band i.e. the strike price must not exceed 40% upper limit of floor price.</u>					
 <small>For Investor education please visit www.jamapunji.pk Jama Punji is an Investor Education Initiative of the Securities & Exchange Commission of Pakistan</small>					
Signature of Bidder: _____					

In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange ("PSX"), I/we am/are eligible to bid in this Initial Public Offer of Ordinary Shares. The amount payable on bidding is remitted herewith which is the applicable margin amount. I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares. In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order application money, within three (3) working days of the close of the bidding period.

I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Prospectus, the bidding form and other applicable laws. I/ we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the Book Runner is entitled, in its absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Prospectus for filling of the same with the Securities and Exchange Commission of Pakistan ("SECP").

I understand that the Issuer, the Book Runner, SECP and the Stock Exchange reserve the right of legal action against me under the law, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced.

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FOREIGNER; iii) I AM/WE ARE NOT MINOR(S); iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME, IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

Important Instructions:

- 1) Bids shall only be entered for those Eligible Investors who have submitted a duly filled Registration Form as prescribed by the Book Runner.
- 2) Bid money / margin money shall be deposited through demand draft, pay order in favor of **"Octopus Digital Limited-Book Building"**. For online transfer facility (pay order or demand draft may be deposited at any branch of Meezan Bank Limited and evidence to be submitted to the Book Runner) the payment shall be made into A/C # [] and [] being maintained at Meezan Bank Limited
- 3) For deposit of margin money, only Pay Orders, Demand Drafts, or online transfer will be accepted. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.
- 4) In case of intercity instruments, only Pay Orders **"payable at any branch"** will be accepted. For the purpose of expediting the clearing of the instruments it is highly recommended that the Pay Order should be made from online branches of the respective banks.
- 5) Eligible Investors can register themselves till 3:00 pm on the last day of Book Building after which no new investors shall be registered.
- 6) Investors can only upward revise their bids online. Please visit www.bkb.psx.com.pk to access online. User name and password will be emailed to you on email address provided in the form. Please ensure that you provide correct email address. Online access will be available for upward bid revisions during the bidding period from 9:00 am to 5:00. An investor will not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the floor price. **However, the bidder shall not make downward revision both in terms of bid price and bid volume; provided that in case of upward revision of the bid price, the number of shares bid for i.e. bid volume may be adjusted ensuring that the bid amount or bid money remains the same. No withdrawal of bid shall be allowed.**

Yours Faithfully,

Signature of Bidder: _____



For investor education please visit www.jamapunji.pk
Jama Punji is an Investor Education Initiative of the Securities & Exchange Commission of Pakistan


To be filled in by the Book Runner:

Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS AN OFFENCE UNDER SECTION 87(7) OF THE SECURITIES ACT, 2015 AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015

عوام واکس کو مطلع کیا جاتا ہے کہ اگر کسی نے 2015 کی سیکورٹیز ایکٹ 87(7) کے تحت کوئی جعلی درخواست پیش کی ہے تو غلامی سے آزاد ہو جائے گا۔ اگر کوئی شخص 87(8) کے تحت کوئی جعلی درخواست پیش کرے گا تو اس کی رقم جو کہ درخواست کے ساتھ جمع کر رکھی جاتی ہے اسے ضبط کر لیا جائے گا۔

INVESTMENT IN SECURITIES IS A HIGHLY RISKY BUSINESS. INVESTORS ARE, THEREFORE, ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE PROSPECTUS ESPECIALLY THE RISK FACTORS BEFORE MAKING ANY INVESTMENT DECISION.




Non resident investors please visit www.jama-puri.com for more information on the Securities & Exchange Commission of Pakistan

Octopus Digital Limited

APPLICATION FOR SUBSCRIPTION OF SHARES

As per the Section 72 of Companies Act, 2017, the Company shall have shares in book-entry form only. Therefore, shares of Octopus Digital Limited shall only be issued in scrip-less form in the CDS of CDCPL (Refer to instruction No.3 on the reverse hereof)



CDC PARTICIPANT / ACCOUNT HOLDER ID

--	--	--	--	--	--	--	--	--	--

SUB ACCOUNT NUMBER

--	--	--	--	--	--	--	--	--	--

HOUSE A/C NO.

--	--	--	--	--	--	--	--	--	--

OR

CDC INVESTOR ACCOUNT SERVICES ID

--	--	--	--	--	--	--	--	--	--

CDC INVESTOR ACCOUNT NO.

--	--	--	--	--	--	--	--	--	--

Do you want to avail CDC's facility of IPO Facilitation Account

Yes	No

SUBSCRIPTION DATE
From 05/01/2021 to 05/01/2021 during banking hours

Broker's Stamp & Code

--

PSX

--

Code

--

Banker's Stamp

--

Bank Code

--	--	--	--	--	--	--	--	--	--

Branch Code

--	--	--	--	--	--	--	--	--	--

Application Serial No.

--

1) I/We apply for the following number of Shares at Issue Price for the value indicated below:

No. of Shares Applied For	Amount Payable in PKR	Cheque/ Demand Draft/ Pay Order No.																														
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td></tr></table>											<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td></tr></table>											<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td></tr></table>										

2) I/We agree to accept the same or any smaller number of Shares that may be allotted to me/us upon the terms as stated in the Prospectus. I/We authorize you to credit the Shares to me/us pursuant to this application and if no Shares or a smaller number of Shares are allotted to me/us you are hereby authorized to return to me/us by cheque or other means my/our application money for the amount of Shares not credited to me/us.

For Pakistanis

Resident	01
Non resident	02

3) DECLARATION

I/We declare that: i) I am/We are national(s) of _____ ii) I am/We are not minor(s); iii) I/We have not made nor have I/We instructed any other person(s)/institution(s) to make any other application(s) in my/our name(s) or in the name of any other person on my/our behalf or in any fictitious name; iv) I/We agree to abide by the instructions provided with this application and in case of any information given herein being incorrect I/We understand that I/We shall not be entitled to the allotment of Shares if successful rather the application money shall be liable to confiscation if this declaration proves to be incorrect at any time.

Yours faithfully,

Signature(s)

a) _____

b) _____

4) ALL DETAILS MUST BE WRITTEN IN

a) Name in Full (as per CNIC)	B L O C K L E T T E R S																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td></tr> </table>											<p>IN THE SPACES PROVIDED, LEGIBLY IN BLACK PEN</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td><td style="width: 10%;"> </td></tr> </table>										

MR **MS** **Mrs** **Dr** **Co.** **Please Tick**

1. **Eligible investors includes:**
 - a. Pakistan citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality;
 - b. Foreign Nationals whether living in or outside Pakistan;
 - c. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
 - d. Mutual Funds, Provident/pension/gratuity funds/trusts, (subject to the terms of the Trust Deed and existing regulations); and
 - e. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.
2. Copies of the Prospectus and Application Forms can be obtained from the Trading Rights Entitlement Certificate (TREC) holders of Pakistan Stock Exchange Limited, the Bankers to the Issue and their branches, the Consultant to the Issue and the registered office of the Company. The Prospectus and the Application Forms can also be downloaded [from the website www.octopusdigital.com](http://www.octopusdigital.com), www.bmcapital.com & <http://www.secp.gov.pk> or to info@octopusdigital.com.
3. The Applicants are required to complete the relevant sections of the application to get the Shares in book entry form. In accordance with provisions of the Central Depositories Act, 1997 and the CDS Regulations, credit of such Shares are allowed ONLY in the applicant's own CDS Account.
4. **Name(s) and addresses must be written in full block letters, in English and should not be abbreviated.**
5. All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form.
6. **APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
 - (i) In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) or Passport (in case of non-resident Pakistanis and FPs) as the case may be, should be enclosed and the number of CNIC/ Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government Gazetted Officer, Councillor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
 - (ii) Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.
7. **APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
 - (i) Applications made by companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application.
 - (ii) Attested photocopies of the documents mentioned in (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.
8. Only one application will be accepted against each applicant, however, in case of joint account, one application may be submitted in the name of each joint account holder.
9. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs/Passport. The Shares will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.
10. Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue "OCTOPUS DIGITAL LTD. GENERAL SUBSCRIPTION" and crossed "A/C PAYEE ONLY".
11. For the applications made through pay order/bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/bank draft individually for each application.
12. The applicant should have at least one bank account with any of the common banks. Applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.
13. Under Section 242 of the Companies Act, as amended, dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.
14. To enable the Company to directly credit the cash dividend, if any, in the Bank Accounts of the shareholder, the applicants must fill-in relevant part of the Shares Subscription Form under the heading "Dividend Mandate".
15. Shares will be issued only in the book entry form. Therefore, the applicants must provide their CDS account Number in the Shares Subscription Form.
16. Applications are not to be made by minors and/or persons of unsound mind.
17. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
18. Applicants should retain the bottom portion of their application forms as provisional acknowledgment of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
19. Making of any false statements in the application or wilfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
20. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
21. It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by or editing such account instead of cancelling the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
22. Submission of false and fictitious applications is an offence under section 47(7) of the Securities Act, 2015 and such applications' money is liable to confiscation under section 87(8) of the Securities Act, 2015.

عوام الناس کو مطلع کیا جاتا ہے کہ سیکرٹریز ایکٹ 2015 کی شق نمبر (7) 87 کے تحت جیو ٹی وی یا جی ٹی وی درخواستیں دینا قانوناً ناجائز ہے۔ خلاف ورزی کرنے والوں کی رقم، جو کہ درخواست کے ساتھ جمع کرائی جاتی ہے، سیکرٹریز ایکٹ 2015 کی شق نمبر (8) 87 کے تحت ضبط کی جاسکتی ہے۔

ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

23. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations, and line of business. A copy of memorandum of association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
24. Foreign / Non-resident investors should follow payment instruction given in Section 12.1.16 of the Prospectus.

BASIS OF ALLOTMENT

1. The minimum value of application for subscription of 500 shares (Issue Price x 500 shares). Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple thereof only. Applications which are neither for 500 shares nor for multiple thereof, shall be rejected.
3. Allotment of Shares to successful applicants shall be made in accordance with the allotment criteria/instructions disclosed in the Prospectus.
4. Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit the respective CDS accounts of the successful applicants.

BANKERS TO THE ISSUE

Code	Name of Banks	Code	Name of Banks
01	Habib Metropolitan Bank Limited	06	MCB Bank Ltd
02	United Bank Limited	07	Sonari Bank Ltd
03	Allied Bank Limited	08	
04	Meezan Bank Limited	09	
05	Faysal Bank Limited		

OCCUPATION CODE

Code	Occupation	Code	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agricultural
04	Housewife	09	Industrialist
05	Household	10	Other

9. In order to facilitate investors, United Bank Limited ("UBL") is offering electronic submission of application (e-IPO) to their account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/ubldirectnetbank>. Furthermore, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on XXX.
10. The Central Depository Company of Pakistan ("CDS") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered through IPOs can be made electronically. CES has been made available in the IPO which can be accessed through the web link www.cdsco.com. Payment of subscription money can be made through LINK member banks available for CES, list of which is available on above website.
11. For making application through CES, investors must be registered with CES. Registration with CES is free of cost and a self-registration process by filling the CES registration form, which is available 24/7 all around the year. Investors who have valid Computerized National Identity Card (CNIC), bank account with any of the commercial bank, email address, mobile phone number and CDS Account (Investor Account or sub Account) may register themselves with CES.
12. Investors who do not have CDS account may visit www.cdsco.com for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDS at phone Number 0800-23275 (CDSPL) and e-mail info@cdsco.com or investor@cdsco.com or owais_www@cdsco.com (Phone 021-111-11500 and email owais_www@cdsco.com). For further details on CES, please refer para 2.3.3 of the Prospectus.

NATIONALITY CODE

Code	Name of Country	Code	Name of Country
001	U.S.A	006	Russia/India
002	U.K	007	China
003	U.A.E	008	Bahrain
004	K.S.A	009	Other
005	Oman		

For further queries you may contact:

Octopus Digital Limited: Mr. Ahsan Khalil; Phone: 0300 8438070; E-mail ahsankhalil@octopusdigital.com; BMA Capital Management Limited: Mr. Saad Hashemry; Phone: +92 21 111 262 111; E-mail saad.hashemry@bmcapital.com