

March 10, 2022

**The General Manager Pakistan Stock
Exchange Stock Exchange Building
Stock Exchange Road Karachi.**

SUBJECT: FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

Dear Sir,

We have to inform you that the Board of Directors of the Company in their meeting dated: 10 March 2022 at Lahore have approved the financial statements for the year ended 31 December 2021 and recommend the following:

DIVIDEND

A final cash dividend for the year ended 31 December 2021 at Rs. 5/- per share i.e. 50%.

BONUS SHARES

It has been recommended by the Board of Directors to issue Bonus Shares in the proportion of 1 share(s) for every 1 share(s) held i.e. 100%.

FINANCIAL RESULTS

Financial results of the Company are attached hereto as **Annexure – A** and **Annexure B**.

PERFORMANCE OVERVIEW

The Company (Standalone):

The Company's financial results for FY21 have been gratifying. Operating revenues for the year in local currency were Rs. 11,903.8 million showing an above industry growth of 58% over the previous year. Total Income for the year was Rs. 3,320.7 million showing a growth of 51%. Gross profit and operating profit increased by 43% and 38% respectively. Since FY17, the Company has delivered a Compounded Annual Growth Rate (CAGR) in revenues of 42%. The revenue growth has been mainly driven by IT services and profitability growth has been driven by demand and growth across all geographies and all verticals. However, revenue in USD also showed a growth of 57% and profit growth of 50%.

The Group (Consolidated):

During year ended 31 December 2021, consolidated revenue grew by 55% from Rs. 9,876.8 million to Rs. 15,304.0 million. Gross profit and operating profit increased by 53% and 51% respectively. Net profit for the period increased by 102% from Rs. 2,164.3 million to Rs. 4,379.65 million. Basic and diluted earnings per share increased by 101% over the same period last year. Revenue growth in USD is 54% and operating profit is 50%.

Lahore

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There is a one-time adjustment of Rs. 816.2 million which has been recognized in the consolidated statement of profit or loss arising from dilution of voting rights in E-Processing Systems B.V.

ANNUAL GENERAL MEETING

The Annual General meeting shall be held on 11 April 2022 at 11:00 am in Lahore, Pakistan.

The above entitlement will be paid to the shareholders whose name shall appear on the Register of Members on 01 April 2022.

BOOK CLOSURE

The Share Transfer Books of the Company shall be closed from 04 April 2022 to 11 April 2022 (both days inclusive). Transfer received at M/S THK Associates (Private) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S., Karachi at the close of business on 04 April 2022 will be treated in time for the purposes of above entitlement to the transferees.

The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

For and on behalf of Systems Limited



Saad Hasan Aslam
Company Secretary



SYSTEMS LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Rupees	2020 Rupees
Revenue from contracts with customers - net	27	11,903,583,911	7,513,766,845
Cost of revenue	28	(7,912,442,628)	(4,715,786,027)
Gross profit		3,991,141,283	2,797,980,818
Selling and distribution expenses	29	(188,926,692)	(118,654,595)
Administrative expenses	30	(981,346,043)	(499,987,819)
Other operating expenses	31	(4,355,753)	(134,740,418)
		(1,174,628,488)	(753,382,832)
Operating profit		2,816,512,795	2,044,597,986
Other income	32	620,344,533	272,645,254
Finance costs	33	(84,291,698)	(49,914,195)
Profit before taxation		3,352,565,630	2,267,329,045
Taxation	34	(31,874,154)	(73,414,103)
Profit for the year		3,320,691,476	2,193,914,942
Earnings per share			(Restated)
Basic earnings per share	38	24.12	16.05
Diluted earnings per share	38	23.89	15.85

The annexed notes, from 1 to 44, form an integral part of these unconsolidated financial statements.

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(CHAIRMAN)

(CHIEF EXECUTIVE)

(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Rupees	2020 Rupees
Revenue from contracts with customers - net	27	15,304,037,567	9,876,827,710
Cost of revenue	28	(10,314,365,850)	(6,619,640,203)
Gross profit		4,989,671,717	3,257,187,507
Selling and distribution expenses	29	(385,600,533)	(201,024,729)
Administrative expenses	30	(1,426,803,958)	(722,310,556)
Other operating expenses	31	(8,131,032)	(220,135,525)
		(1,820,535,523)	(1,143,470,810)
Operating profit		3,169,136,194	2,113,716,697
Other income	32	653,030,134	235,201,038
Fair value adjustment on dilution of control in subsidiary	33	816,226,748	-
Share of loss from associate	7	(83,384,503)	-
Finance costs	34	(121,404,658)	(66,659,676)
Profit before taxation		4,433,603,915	2,282,258,059
Taxation	35	(53,944,635)	(117,960,376)
Profit for the year		4,379,659,280	2,164,297,683
Attributable to:			
Equity holders of the parent		4,462,160,721	2,209,645,930
Non-controlling interest		(82,501,441)	(45,348,247)
		4,379,659,280	2,164,297,683
Earnings per share			(Restated)
Basic earnings per share	39	32.41	16.17
Diluted earnings per share	39	32.10	15.96

The annexed notes, from 1 to 47, form an integral part of these consolidated financial statements.

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(CHAIRMAN)

(CHIEF EXECUTIVE OFFICER)

(CHIEF FINANCIAL OFFICER)