



Quarterly Report March 31, 2022

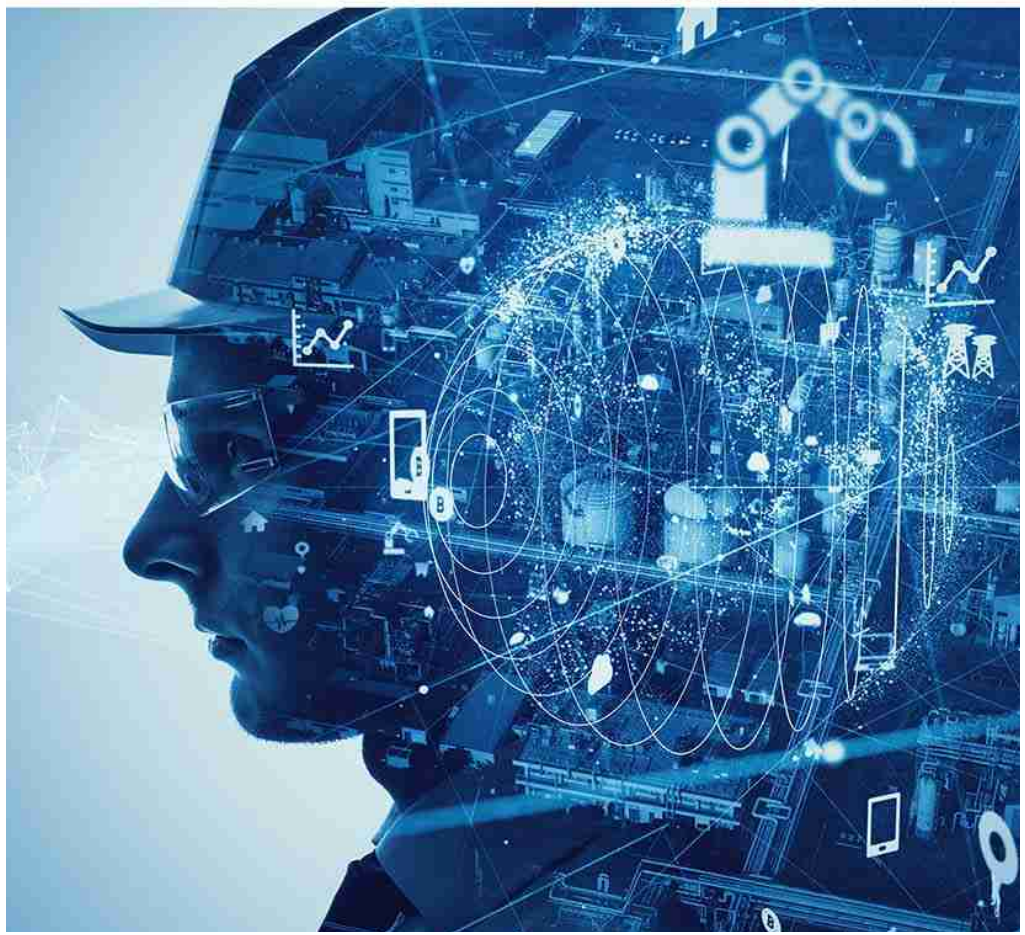


Table of Contents

Corporate Profile

Company Information	02
Interim Director's Report	04

Unconsolidated Financial Statements

Condensed Interim Statement of Financial Position.....	08
Condensed Interim Statement of Profit or Loss	10
Condensed Interim Statement of Comprehensive Income	11
Condensed Interim Statement of Cash Flows	12
Condensed Interim Statement of Changes in Equity	13
Notes to the Condensed Interim Financial Statements	14

Company Information

Directors

Bakhtiar Hameed Wain	Director / Chairman
Asmar Ahmed Atif	Director / Chief Executive Officer
Tanveer Karamat	Director
Mohammad Shahid Mir	Director
Junaid Mushtaq Paracha	Director
Adeel Khalid	Director
Saleha Asif	Director

Saeed Ullah Khan Niazi	Chief Financial Officer
Ahsan Khalil (ACA-FPFA)	Company Secretary

Audit Committee

Mohammad Shahid Mir	Chairman
Bakhtiar Hameed Wain	Member
Tanveer Karamat	Member
Junaid Mushtaq Paracha	Member

Human Resource & Remuneration Committee

Saleha Asif	Chairman
Mohammad Shahid Mir	Member
Bakhtiar Hameed Wain	Member
Tanveer Karamat	Member
Junaid Mushtaq Paracha	Member

Auditors

EY Ford Rhodes
Chartered Accountants

Bankers

Faysal Bank Limited, Pakistan
JS Bank Limited, Pakistan
MCB Islamic Bank
Dubai Islamic Bank

Share Registrar

FAMCO Associates (Pvt) Ltd.
8-F, Next to Hotel Faran,
Nursery, Block-6, P.E.C.H.S,
Shahra-e-Faisal, Karachi.
Phone: +92 (21) 3438 0101-5
Fax No: +92 (21) 3438 0106
www.famco.com.pk

Registered Office

The Avanceon Building
19-KM , Main Multan Road,
Lahore 54660, Punjab, Pakistan
Phone: +92 (42) 111 940 940
Fax No: +92 (42) 375 151 28
Email: support@octopusdtdl.com

Legal Advisor

Cheema & Ibrahim

Web Presence

www.octopusdtdl.com | www.avanceon.ae
www.avanceon.qa

Phone: +92 (42) 111 940 940
Fax: +92 (42) 375 151 28
Email: support@octopusdtdl.com

Headquarters

Lahore, Punjab, Pakistan

The Avanceon Building

19-KM, Main Multan Road, Lahore,

54660 Punjab, Pakistan

Phone: +92 (42) 111 940 940

Email: support@Octopusdtl.com

Regional Headquarters

Karachi, Sindh, Pakistan

MA Tabba Foundation Building,

First Floor, Gizri Road Block 9,

Clifton Karachi, Sindh 75600

Phone: +92 (21) 111 940 940

Email: support@Octopusdtl.com

Regional Headquarters – Middle East

Avanceon FZE - Dubai, UAE

FZS1 BD04 JAFZA P.O. Box 18590

Dubai, United Arab Emirates

Phone: +971 4 88 60 277

Abu Dhabi, UAE

In Partnership with Ali & Sons

Ali & Sons Bldg., Zayed 2nd Street

P.O. Box 915

Abu Dhabi, U.A.E.

Phone: +971 4 88 60 277

Doha, Qatar

Avanceon Automation Control WLL

Office No. 12, M Floor, Al-Jaber Engg.

HO Building, P.O. Box 15976, Fox Hills,

Lusail, Doha, Qatar.

Phone: +974 4040 9835

Avanceon QFZCO LLC

PA-WH-04, Unit 16

Ras Bufontas Free Zone

Doha Qatar

Phone: +974 4040 9835

Email: support@avanceon.qa

Avanceon Saudi Energy Company

3141 Anas Ibn Malik-Al Malqa Dist.

Unit no. 718, Riyadh 13521 – 8292

Kingdom of Saudi Arabia

Phone: +966 5674 16724

Email: support.mea@avanceon.ae

Trade Mark

OCTOPUS
DIGITAL

Interim Director's Report

Directors of Octopus Digital Limited (the "Company") are pleased to present the Directors' Report for the first quarter ended 31 March 2022 (Un-Audited).

(Rupees in '000)	For the first quarter ended	
	March 31, 2022	March 31, 2021
Operating results		
Revenues	159,321	51,654
Profit before tax	111,955	15,771
Provision for taxation	(7,132)	(6,135)
Profit after taxation	104,823	9,636

Earnings Per Share (Unconsolidated) For The First Quarter Ended March 31, 2022

The basic earnings per share after tax is Rs. 0.77 (2021: Rs. 0.07)

The Company has successfully launched its IPO in September 2021 by offering 20% of ordinary shares to its shareholding via Book Building process to high end individual & institutional investors and general public. the company officially got listed at PSX on 5th of October, 2021, The investors have shown their extensive and record breaking response and interest in the company IPO with oversubscription by 27.26 times which was an ever highest historic high subscription figure by any company at PSX, which proved the confidence of investors at Avanceon Group of companies. We are once again very thankful to all individual and institutional investors for such a great positive response, trust and confidence on us, we assure you that the management is very much committed to achieve the corporate plan as shared via prospectus and during different road shows.

As per above operating financial results of the company for the first quarter ended March 31, 2022, revenues remained on positive side as per corporate plan and expectations, the increase in revenues, which shows the results are in right direction to achieve corporate plan for FY 2022. Management is confident to achieve the targeted corporate plan for revenues and net profit after tax for the financial year 2022 as we disclosed in last analyst briefing in April 2022.

Communication

Communication with the shareholders is given a high priority. Financial reports are shared with shareholders within time specified in the current Companies Act. The Company also has a website, www.octopusdtl.com, which contains up to date information on Company's activities and financial reports.

April 29, 2022
Lahore, Pakistan,

For and on behalf of the
BOARD OF DIRECTORS



Asmar Ahmed Atif
Chief Executive Officer



Junaid Mushtaq Paracha
Director

Octopus Digital

**Unconsolidated Condensed
Interim Financial Statements**
for the first quarter ended March 31, 2022

Unconsolidated Condensed Interim Statement of Financial Position

as at March 31, 2022

(Rupees in '000)	Note	Un-audited March 31, 2022	Audited December 31, 2021
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
250,000,000 @ Rs. 10 each		2,500,000	2,500,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
136,750,002 (2021: 136,750,002) ordinary shares @ Rs. 10 each		1,367,500	1,367,500
Capital Reserve		(294,791)	(294,791)
Accumulated (loss) / profit		672,455	567,632
		1,745,164	1,640,341
CURRENT LIABILITIES			
Trade and other payables		93,687	44,867
Contract Liabilities		17,329	17,539
Taxation - net		24,268	17,136
		135,284	79,542
CONTINGENCIES AND COMMITMENTS			
	3		
		1,880,448	1,719,884

The annexed notes from 1 to 6 form an integral part of these financial statements.




Chief Executive Officer
Asmar Ahmed Atif



Chief Financial Officer
Saeed Ullah Khan Niazi

(Rupees in '000)	Un-audited March 31, 2022	Audited December 31, 2021
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	3,971	3,730
Deferred Tax Asset	2,632	2,632
Intangible Assets	62,114	51,722
Long term advances and deposits	100	100
	68,818	58,184
CURRENT ASSETS		
Stock in trade	4,655	-
Trade debts	835,140	665,462
Contract Assets	53,703	66,742
Other Assets and Prepayments	262,961	30,606
Short Term Investments	300,000	300,000
Cash and bank balances	355,171	598,889
	1,811,630	1,661,699
	1,880,448	1,719,884


 Director
 Junaid Mushtaq Paracha

Unconsolidated Condensed Interim Statement of Profit or Loss (Un-audited)

for the first quarter ended March 31, 2022

(Rupees in '000)	Note	for the first quarter ended	
		March 31, 2022	March 31, 2021
Revenues		159,321	51,654
Cost of revenues		(48,882)	(30,601)
Gross profit		110,440	21,054
Administrative and selling expenses		(19,094)	(5,257)
Other income		20,626	-
		1,533	(5,257)
Profit / (Loss) from operations		111,972	15,797
Finance costs		(17)	(26)
Profit / (Loss) for the period		111,955	15,771
Income tax expense		(7,132)	(6,135)
Profit / (Loss) for the period after tax		104,823	9,636
Earnings / (Loss) per share - basic and diluted		0.77	0.07

The annexed notes from 1 to 6 form an integral part of these financial statements.

for the first quarter ended March 31, 2022



Chief Executive Officer
Asmar Ahmed Atif



Chief Financial Officer
Saeed Ullah Khan Niazi



Director
Junaid Mushtaq Paracha

Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)

for the first quarter ended March 31, 2022

(Rupees in '000)	for the first quarter ended	
	March 31, 2022	March 31, 2021
Profit / (loss) for the period	104,823	9,636
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	104,823	9,636

The annexed notes from 1 to 6 form an integral part of these financial statements.



Asmar Ahmed Atif
Chief Executive Officer



Chief Financial Officer
Saeed Ullah Khan Niazi



Director
Junaid Mushtaq Paracha

Unconsolidated Condensed Interim Statement of Cash Flows (Un-audited)

for the first quarter ended March 31, 2022

(Rupees in '000)	for the first quarter ended	
	March 31, 2022	March 31, 2021
Cash flows from operating activities		
Net profit before taxation	111,955	15,771
Adjustment for:		
Depreciation	629	680
Profit on bank deposits	(4,751)	-
Exchange (gain) / loss	(15,876)	4,114
Operating profit before working capital changes	91,958	20,565
Adjustments for working capital changes		
(Increase) / decrease in current assets		
Trade debts	(140,764)	(5,562)
Stock in trade	(4,655)	(1,903)
Advances and other receivables	(232,355)	(3,480)
	(377,774)	(10,944)
Increase / (decrease) in current liabilities		
Creditors, accrued and other liabilities	55,741	4,082
Cash generated from / (used in) operations	(230,075)	13,703
Income tax paid	(7,132)	(8,803)
Net cash generated from / (used in) operating activities	(237,207)	4,900
Cash flows from investing activities		
Purchase of property and equipment	(870)	(375)
Intangible Assets	(10,393)	(2,094)
Profit on bank deposits	4,751	-
Net cash used in investing activities	(6,512)	(2,469)
Net (decrease) / increase in cash and cash equivalents	(243,719)	2,431
Cash and cash equivalents at the beginning of the year	598,889	434
Cash and cash equivalents at the end of the year	355,171	2,865

The annexed notes from 1 to 6 form an integral part of these financial statements.



Asmar Ahmed Atif
Chief Executive Officer



Chief Financial Officer
Saeed Ullah Khan Niazi



Director
Junaid Mushtaq Paracha

Unconsolidated Condensed Interim Statement of Changes in Equity (Un-audited)

for the first quarter ended March 31, 2022

	Capital Reserve				Total
	Share Capital	Group Restructuring Reserve	Share Premium	Un-appropriated profit / (loss)	
(Rupees in '000)					
Balance as on January 01, 2021	1,094,000	(1,084,000)	-	221,681	231,681
Net (loss) / profit for the period	-	-	-	345,951	345,951
Issuance of shares	273,500	-	789,209	-	1,062,709
Balance as on December 31, 2021	1,367,500	(1,084,000)	789,209	567,632	1,640,341
Net (loss) / profit for the period	-	-	-	104,823	104,823
Balance as on March 31, 2022	1,367,500	(1,084,000)	789,209	672,455	1,745,164

The annexed notes from 1 to 6 form an integral part of these financial statements.



Asmar Ahmed Atif
Chief Executive Officer



Chief Financial Officer
Saeed Ullah Khan Niazi



Director
Junaid Mushtaq Paracha

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

for the first quarter ended March 31, 2022

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.

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, amendments and interpretations to published approved accounting standards

2.2.1 Standards, amendments or interpretations 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)
IAS 1	Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.	01 January 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - The amendments aim to help entities provide accounting policy disclosures that are more useful by:	01 January 2023

Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and

Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

IAS 8	Definition of Accounting Estimates - Amendments to IAS 8 - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.	01 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 - In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.	01 January 2023
IFRS 10 & IAS 28	Consolidated Financial Statements & Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - (Amendment)	01 January 2023

The Company expects that the adoption of the amendments will have no material effect on the Company's financial statements.

In addition to the above new standards and amendments to standards, improvements to various accounting standards (under the annual improvements 2018 - 2020 cycle) have also been issued by the IASB in May 2020. Such improvements are generally effective for accounting periods beginning on or after January 01, 2022:

IFRS 9	Financial Instruments: Fees in the '10 per cent' test for derecognition of financial liabilities - The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39.
IFRS 1	As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation

Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)

for the first quarter ended March 31, 2022

differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

IAS 41 Agriculture: Taxation in fair value measurements – The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard		IASB effective date (annual period Beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2009
IFRS 17	Insurance Contracts	01 January 2023

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

2.2.2 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, however there are not considered to have any significant effect on the financial statements:

IFRS 9, IAS 39, Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
and IFRS 16

IFRS 16 Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendment to IFRS 16)

3. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments of the Company as at March 31, 2022. (2021: Rs. Nil)

4. 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:

(Rupees in '000)	Director		Others Executives	
	2022	2021	2022	2021
Managerial remuneration	933	666	980	876
House rent	373	392	392	350
Utilities	93	98	98	88
Provident Fund / Gratuity	93	67	98	88
Others	2	2	8	10
	1,494	1,225	1,576	1,411
Number of persons	1	1	4	4

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

5. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim consolidated financial information was authorised for issue on 29 April 2022 by the Board of Directors of the Holding Company.

6. GENERAL

Figures have been rounded off to the nearest thousand rupees.



Chief Executive Officer
Asmar Ahmed Atif



Chief Financial Officer
Saeed Ullah Khan Niazi



Director
Junaid Mushtaq Paracha



OCTOPUS *DIGITAL*

Avanceon Building,
19 – KM, Main Multan Road,
Lahore 54660, Pakistan.
Phone: +92 42 – 111 940 940
Fax: +92 42 – 35456957

