

2025 HALF YEARLY

REPORT JUNE 30, 2025



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Company Information

Board of Directors

Bakhtiar Hameed Wain
Director / Chairman

Tanveer Karamat
Director / Chief Executive Officer

Khalid Hamid Wain
Director

Adeel Khalid
Director

Asmar Ahmed Atif
Director

Mohammad Arif Janjua
Director

Humayun Maqbool
Director

Saleha Asif
Director

Faisal Nadeem Sheikh
Chief Financial Officer

Ahsan Khalil (ACA-FPFA)
Company Secretary

Board Audit Committee

Humayun Maqbool
Chairman

Bakhtiar Hameed Wain
Member

Khalid Hamid Wain
Member

Mohammad Arif Janjua
Member

Human Resource & Remuneration Committee

Humayun Maqbool
Chairman

Bakhtiar Hameed Wain
Member

Khalid Hamid Wain
Member

Tanveer Karamat
Member

Auditors

Crowe Hussain Chaudhury & Co
Chartered Accountants

Legal Advisor

Chima & Ibrahim Advocates and
Corporate Counsel

Web Presence

www.octopusdtl.com

Bankers

Faysal Bank Limited
Dubai Islamic Bank
JS Bank Limited
MCB Islamic Bank Limited
Standard Chartered Bank Limited
Habib Metropolitan Bank Limited
National Bank of Fujairah
Bank Al Habib
Habib Bank Limited

Share Registrar

FAMCO Share Registration Services
(Pvt.) Ltd.

8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S, Shakra-e-Faisal,
Karachi.

Phone: +92 (21) 34380101-5 &
+92 (21) 34384621 - 23

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Headquarters

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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

Islamabad, Pakistan

Avanceon LTD. The Hive 6th
Floor, ISE Towers Jinnah Avenue,
Blue Area Islamabad.
Email: support@octopusdtl.com

Regional Headquarters - Middle East

Avanceon FZE - Dubai, UAE
Office / Plot # MO-0240, Street #
N403, Jabel Ali Free Zone (North)
Po Box: 18590 Dubai, 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 QFZ LLC

PA-WH-04, Unit 16
Ras Bufontas Free Zone Doha Qatar
Phone: +974 4040 9835
Email: support@avanceon.qa

Dammam, KSA

Level 4, MASA ZOMCO Building,
Al-Khobar, KSA
Phone: +966 53 322 4138
Email: support.mea@avanceon.ae

OCTOPUS
Trade Mark DIGITAL

Email: support@octopusdtl.com

Interim Director's Report

Directors of Octopus Digital Limited (the "Company") are pleased to present our report for the half year ended June 30, 2025.

For the half year ended	
June 30, 2025	June 30, 2024
(Rupees in '000)	

CONSOLIDATED OPERATING RESULTS			
	Revenues	537,427	628,124
	Profit before tax	35,497	91,679
	Provision for taxation	(5,149)	(1,279)
	Profit after taxation	30,347	90,400
STANDALONE OPERATING RESULTS			
	Revenues	179,435	499,107
	Profit/(loss) before tax	(3,937)	36,481
	Provision for taxation	(5,149)	(1,279)
	Profit/(loss) after taxation	(9,086)	35,202

CONSOLIDATED EARNINGS/(LOSS) PER SHARE FOR THE HALF YEAR ENDED JUNE 30, 2025

The consolidated basic earnings/(loss) per share after tax is Rs. 0.19 (2024: Rs. 0.57)

STANDALONE EARNINGS/(LOSS) PER SHARE FOR THE HALF YEAR ENDED JUNE 30, 2025

The standalone basic earnings/(loss) per share after tax is Rs. (0.06) (2024: Rs. 0.22)

OPERATING RESULTS COMMENTARY

During the review period, the revenues of the Company decreased, with consolidated results down 14% and standalone results down 64% compared to 2024. The same has affected the Profit After Tax (PAT), which stands at 06% and -05%, of revenue, in consolidated and standalone results respectively, down 66% & 126% respectively, from same period last year.

Before the current financial year, the revenue from international projects was being executed in Pakistan as the group did not have any corporate presence in Middle East. The internal structure has been realigned by the Company to move the execution of all international projects to the group entity of Octopus Digital FZ LLC, Dubai, UAE as part of streamlining operations. This action was performed at the start of July 2024. The effect is being reported in the form of a significant decrease in revenue in standalone financials but is being catered to in the consolidated financials.

Management is confident to achieve its targets for the year 2025 and cover the decrease in revenue at the half year mark. Our aim as a matter of policy is to increase our recurring revenue streams in both Pakistan and International markets related to our Digital and After Market Support (AMS) business segments. We feel that the stability in macroeconomic factors in Pakistan combined with our robust sales pipeline in the MENA region and Pakistan are going to play a key role in achieving our aims.

COMMUNICATION

Effective communication with our valued shareholders stands as an utmost priority for us. To this end, we meticulously ensure the swift dissemination of financial reports in strict adherence to the prescribed timelines set forth in the Companies Act of 2017.

Furthermore, our commitment to transparency and timeliness is the key for real-time updates concerning the company's operations and the latest financial reports. Moreover, real-time updates on the company's ongoing activities and up-to-date financial reports are available on the company's web site www.octopusdtl.com.

for and on behalf of the BOARD OF DIRECTORS

August 29, 2025

Lahore, Pakistan



Tanveer Karamat
Chief Executive Officer



Asmar Ahmed Atif
Director

Octopus Digital Limited
**Condensed Standalone
Interim Financial Statements**
For the half year ended June 30, 2025

Crowe Hussain Chaudhury & Co.
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 Lahore-54660, Pakistan
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OCTOPUS DIGITAL LIMITED

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **OCTOPUS DIGITAL LIMITED** ("the Company") as at June 30, 2025 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the condensed interim unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

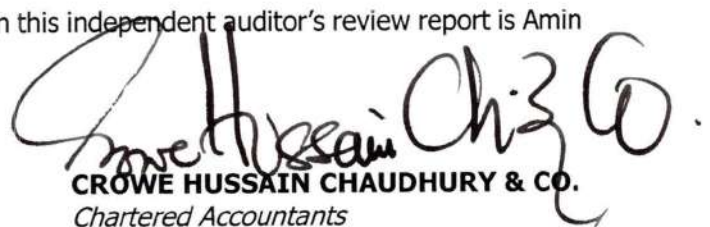
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

Pursuant to the requirement of Section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the company. Accordingly, the figures of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the three months period ended 30 June 2025 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's review report is Amin Ali.

LAHORE
 Dated: 2 September 2025
 UDIN: RR2025100519ROovVnUM


CROWE HUSSAIN CHAUDHURY & CO.
 Chartered Accountants

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
----Rupees in Thousands----			
ASSETS			
Non Current Assets			
Operating fixed assets	4	44,164	32,208
Intangible assets	5	80,449	3,647
Deferred tax assets		19,390	19,390
Long term investments	6	447,892	447,892
Long term deposits		100	100
		591,995	503,237
Current Assets			
Stock in trade		2,722	-
Trade debts	7	1,340,092	1,456,172
Contract assets	8	73,699	103,909
Advances, prepayments and other receivables	9	1,137,275	940,973
Short term investment	10	558	539
Bank balances		17,861	8,955
		2,572,207	2,510,548
		<u>3,164,202</u>	<u>3,013,785</u>
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital		<u>2,500,000</u>	<u>2,500,000</u>
Issued, subscribed and paid up share capital	11	1,572,625	1,572,625
Capital reserves			
Group restructuring reserve		(1,084,000)	(1,084,000)
Employees' share compensation reserve		58,914	37,480
Share premium		789,209	789,209
Revenue reserve - unappropriated profits		<u>1,366,728</u>	<u>1,375,814</u>
		2,703,476	2,691,128
Non Current Liabilities			
Diminishing musharaka finance		22,320	12,809
Current Liabilities			
Trade and other payables	12	403,294	280,764
Contract liabilities		1,033	2,224
Current portion of diminishing musharka finance		6,400	4,460
Provision for taxation		<u>27,679</u>	<u>22,400</u>
		438,406	309,848
Contingencies and Commitments			
	13	-	-
		<u>3,164,202</u>	<u>3,013,785</u>

The annexed notes from 1 to 23 form an integral part of Condensed Interim Un-Consolidated financial statements.




Chief Executive Officer



Chief Financial Officer



Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2025

		Half year ended June 30		Quarter ended June 30,	
	Note	2025	2024	2025	2024
		(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
		---- Rupees in Thousands ----			
Revenue from contracts with customers - net	14	179,435	499,107	128,011	279,905
Cost of sales		(90,181)	(253,013)	(61,687)	(152,907)
Gross Profit		89,254	246,094	66,324	126,998
Administrative expenses		(126,627)	(168,732)	(75,939)	(99,528)
Operating (Loss) /Profit		(37,373)	77,362	(9,615)	27,470
Other expenses		(17,127)	(63,352)	(17,127)	(63,341)
Finance cost		(2,023)	(1,440)	(1,173)	(1,377)
Other income	15	52,717	25,205	30,209	24,586
(Loss) / Profit before Levy and Taxation		(3,806)	37,775	2,294	(12,662)
Levy / final taxation	16	(131)	(1,294)	(47)	(911)
(Loss) / Profit before Taxation		(3,937)	36,481	2,247	(13,573)
Taxation	17	(5,149)	(1,279)	(3,309)	9,289
Net (Loss) / Profit for the Year		(9,086)	35,202	(1,062)	(4,284)
(Loss) / Earnings per share - Basic	18	(0.06)	0.22	(0.01)	(0.03)
(Loss) / Earnings per share - Diluted	18	(0.06)	0.22	(0.01)	(0.03)

The annexed notes from 1 to 23 form an integral part of Condensed Interim Un-Consolidated financial statements.

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Chief Executive Officer



Chief Financial Officer



Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2025

	Half year ended June 30		Quarter ended June 30,	
	2025	2024	2025	2024
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	---- Rupees in Thousands ----			
Net (Loss) / Profit for the Year	(9,086)	35,202	(1,062)	(4,284)
Other Comprehensive Income for the Year				
<i>Items that will not be re-classified subsequently to profit or loss</i>	-	-	-	-
<i>Items that may be re-classified subsequently to profit or loss</i>	-	-	-	-
Total Comprehensive (Loss) / Income for the Year	(9,086)	35,202	(1,062)	(4,284)

The annexed notes from 1 to 23 form an integral part of Condensed Interim Un-Consolidated financial statements.

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Chief Executive Officer



Chief Financial Officer



Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED JUNE 30, 2025

Particulars	Issued, Subscribed and Paid up Share Capital	Capital Reserve			Revenue Reserve	Total
		Group Restructuring Reserve	Employees' Share Compensation Reserve	Share Premium	Unappropriated Profit	
---- Rupees in Thousands ----						
Balance as at December 31, 2023	1,572,625	(1,084,000)	9,264	789,209	1,283,378	2,570,476
Net profit for the year		-	-	-	35,202	35,202
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	35,202	35,202
Employee share option reserve	-	-	10,730	-	-	10,730
Balance as at June 30, 2024	1,572,625	(1,084,000)	19,994	789,209	1,318,580	2,616,408
Balance as at December 31, 2024	1,572,625	(1,084,000)	37,480	789,209	1,375,814	2,691,128
Net loss for the year	-	-	-	-	(9,086)	(9,086)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(9,086)	(9,086)
Employee share option reserve	-	-	21,434	-	-	21,434
Balance as at June 30, 2025	1,572,625	(1,084,000)	58,914	789,209	1,366,728	2,703,476

The annexed notes from 1 to 23 form an integral part of Condensed Interim Un-Consolidated financial statements.

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Chief Executive Officer



Chief Financial Officer



Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED JUNE 30, 2025

	Note	June 30, 2025 (Un-audited)	June 30, 2024 (Un-audited)
----Rupees in Thousands----			
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before Levy and Taxation		(3,806)	37,775
Adjustments for:			
- Depreciation on operating fixed assets	4	7,320	4,701
- Amortization on intangible assets	5	203	203
- Provision for Bad Earning Expense		3,402	-
- Provision for Penalty against the default surcharge		436	-
- Allowance for expected credit losses - trade debts		608	23,756
- Allowance for expected credit losses - contract asset		534	244
- Provision of allowance for expected credit losses - related party		-	-
- Employees' share option reserve		21,434	10,730
- Dividend income from other financial assets	15	(26)	(1,051)
- Exchange (gain) / loss	15	(27,619)	28,046
- Markup income from related parties	15	(25,064)	-
- Finance cost		2,023	115
		(16,749)	66,744
Operating (loss) / profit before working capital changes		(20,555)	104,519
(Increase) / Decrease in current assets:			
- Stock in trade		(2,722)	(429)
- Trade debts	7	115,472	(166,529)
- Contract assets	8	29,676	(35,420)
- Advances, prepayments and other receivables	9	(133,617)	(252,455)
(Decrease) / Increase in current liabilities:			
- Creditors, accrued and other liabilities	12	111,384	60,417
- Contract liabilities		(1,191)	22,551
		119,002	(371,865)
Cash Generated from / (Used in) Operations		98,447	(267,346)
Finance cost paid		(2,023)	(115)
Income tax paid		(2,696)	(1,122)
Net Cash Generated from / (Used in) Operating Activities		93,728	(268,583)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets		(4,038)	(3,545)
Addition in intangible asset	5	(77,005)	(108,099)
Short term investment		(19)	366,110
Dividend received from short term investment		26	10,664
Net Cash (Used in) / Generated from Investing Activities		(81,036)	265,130
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term diminishing musharaka repaid		(3,786)	(1,026)
Net Cash Used in Financing Activities		(3,786)	(1,026)
Net Increase / (Decrease) in Cash and Cash Equivalents		8,906	(4,479)
Cash and cash equivalents at the beginning of the year		8,955	29,359
Cash and Cash Equivalents at the End of the Year		17,861	24,880

The annexed notes from 1 to 23 form an integral part of Condensed Interim Un-Consolidated financial statements.



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2025

Note 1

The Company and its Operations

- 1.1** Octopus Digital Limited (the Company) was incorporated in Pakistan on December 29, 2017 as a private limited company under the Companies Act, 2017, which was converted to public Company on November 11, 2020. The Company is a subsidiary of a listed company namely Avanceon Limited (the Holding Company). The Company is listed on Pakistan Stock Exchange Limited. The Company is domiciled in Pakistan and 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 softwares and equipments etc.
- 1.2** The Information on geographical location and address of the Company's business is as under :
- The registered office is situated at 19 KM Main Multan Road, Lahore.
- 1.3** These condensed interim un-consolidated financial statements are the separate financial statements of the Company in which investment in subsidiary company is accounted for on the basis of actual cost incurred to acquire subsidiary.

Note 2

Basis of Preparation

2.1 Separate financial statements

These financial statements are separate condensed interim un-consolidated financial statements of the Company. Condensed interim consolidated financial statements of the Company are prepared separately.

2.2 Statement of compliance

These condensed interim un-consolidated financial statements (un-audited) are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 (the "Act") and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

These condensed interim un-consolidated financial statements are unaudited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the Company for the year ended December 31, 2024.

2.3 Basis of measurement

These condensed interim un-consolidated financial statements have been prepared under the historical cost convention, except for short-term investments, as disclosed in Note 10, which are measured at fair value in accordance with the applicable financial reporting framework.

2.4 Presentation and functional currency

These condensed interim un-consolidated financial statements are prepared and presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

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Note 3

Material Accounting Policy Information

The accounting policies adopted for the preparation of these condensed interim un-consolidated financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended December 31, 2024, except as disclosed in note 3.1 to the condensed interim un-consolidated financial statements.

3.1 Standards, interpretations and amendments to approved accounting standards which became effective during the year

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on January 01, 2025, but are neither relevant nor have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed interim un-consolidated financial information.

3.2 Standards, interpretation and amendments to approved accounting standards that are not yet effective

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim un-consolidated financial statements.

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Note 4

Operating Fixed Assets

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		----Rupees in Thousands----	
Operating fixed assets	4.1	44,164	32,208
4.1 Operating fixed assets			
Opening written down value		32,208	28,534
Additions during the period / year	4.1.1	19,276	14,262
Disposals during the period / year		-	-
		51,484	42,796
Depreciation charge for the period / year		(7,320)	(10,588)
		44,164	32,208

4.1.1 Following is the detail of additions during the period:

Vehicles	16,606	7,286
Computers	2,540	6,658
Office equipment	130	260
Tools and equipments	-	58
	19,276	14,262

Note 5

Intangible Assets

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		----Rupees in Thousands----	
Net Carrying Value			
Opening balance		3,647	262,064
Additions during the period / year		-	108,098
Work in process		77,005	-
		80,652	370,162
Amortization during the year		(203)	(405)
Sold during the year		-	(366,110)
Closing balance	5.1	80,449	3,647

5.1 As at June 30, 2025, the carrying value of Omniconnect is Rs. 39.44 million (2024: Nil), Fintech Fuel is Rs. 16.07 million (2024: Nil), OmniChat Rs. 18.36 million (2024: Nil), Digital Log Rs. 3.125 million (2024: Nil) and Website is Rs. 3.44 million (2024: Rs. 3.65 million). The residual value of these intangible assets is insignificant. These intangibles are internally generated.

Note 6

Long Term Investments

	Note	June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		----Rupees in Thousands----	
Investment in Subsidiaries			
Octopus Digital FZ-LLC	6.1	7,869	7,869
Empric AI Private Limited	6.2	440,023	440,023
		447,892	447,892

6.1 Octopus Digital FZ-LLC is a company incorporated in Dubai. As at the reporting date, the Company holds 100 shares (2024: 100 shares) at AED 1,000 each, representing 100% (2024: 100%) equity at AED 1,000 each. The principal line of business of the subsidiary is to carry on business of software related to consultancy customer service, developer, solution provider, and support service provider having its registered office situated at DMC, BLD0- VD-G00-792, Ground floor, Dubai Media City, Dubai, United Arab Emirates.

6.2 Empric AI (Private) Limited is a company incorporated in Pakistan. As at the reporting date, the Company holds 47.5 million shares (2024: 47.5 million shares) at Rs. 10 each, representing 100% (2024: 100%) equity at Rs. 10 each. The principal line of business of the subsidiary is to carry on business of analyzing potential opportunities and making available digital and technology services and products inside and outside Pakistan having its registered office situated at The Avanceon Building, 19 KM, Main Multan Road, Lahore, Pakistan.

Trade Debts

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
		----Rupees in Thousands----	
Related Parties			
Due from related parties - unsecured	7.1	1,465,357	1,574,704
Less: Allowance for expected credit loss		(167,092)	(167,092)
		1,298,265	1,407,612
Other Parties			
Due from others - unsecured		43,355	49,487
Less: Allowance for expected credit loss		(1,528)	(927)
		41,827	48,560
		<u>1,340,092</u>	<u>1,456,172</u>

7.1 Amount receivable from related parties included in trade debts are as under:

Avanceon Automation and Control WLL	1,083,225	1,053,708
Avanceon Saudi Energy Company	157,179	138,940
Octopus Digital FZ LLC	102,541	63,815
Avanceon FZE	81,682	77,491
Avanceon Limited	40,730	240,750
	<u>1,465,357</u>	<u>1,574,704</u>

Note 8

Contract Assets

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
		----Rupees in Thousands----	
Earnings in excess of billings - unsecured		57,392	57,163
Project deferred revenue - unsecured		19,447	49,352
	8.1	76,839	106,515
Less: Allowance for expected credit losses		(3,140)	(2,606)
		<u>73,699</u>	<u>103,909</u>

8.1 This represents unbilled debtors arising due to recognition of revenue as per IFRS 15 "Revenue from Contracts with Customers".

Note 9

Advances, Prepayments and Other Receivables

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
		----Rupees in Thousands----	
Advances - considered good - unsecured			
- To employees against expenses		6,824	9,804
- To suppliers		2,836	1,971
		9,660	11,775
Prepayments		877	2,444
Due from related party-unsecured	9.1	475,227	312,393
Markup receivable from the Parent Company		133,135	106,978
Tax refunds due from the government -Income tax		15,968	10,614
Sales tax refundable		6,058	1,410
Other receivables - considered good		2,329	1,338
Receivable against transfer of intangible	9.2	494,021	494,021
		<u>1,137,275</u>	<u>940,973</u>

9.1 This represents amount due from following related parties in respect of expenses incurred by the Company on their behalf:

Avanceon Limited	172,763	51,124
Octopus Digital FZ LLC	302,464	261,269
	<u>475,227</u>	<u>312,393</u>

9.2 This represents the amount receivable from Octopus Digital FZ LLC, a subsidiary company, on account of the transfer of intangibles.

Note 10

Short Term Investment

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
		----Rupees in Thousands----	
MCB Money Market Fund	10.1	558	539
5,609 units (2024: 5,145 units)			

10.1 Short term investments are designated at fair value through profit or loss. Fair value as at the reporting date has been determined based on net asset value of the Fund.

Note 11

Share Capital
11.1 Authorized share capital

June 30, 2025	December 31, 2024		June 30, 2025	December 31, 2024
(Un-audited)	(Audited)		(Un-audited)	(Audited)
Number of Shares in Thousands			----Rupees in Thousands----	
250,000	250,000	Authorized ordinary shares of Rs. 10 each	2,500,000	2,500,000

11.2 Issued, subscribed and paid up capital

28,350	28,350	Ordinary shares of Rs. 10 each issued as fully paid	283,500	283,500
108,400	108,400	Ordinary shares of Rs.10 each issued for consideration other than in cash	1,084,000	1,084,000
20,512	20,512	Ordinary shares of Rs. 10 each issued as fully as bonus shares	205,125	205,125
157,262	157,262		1,572,625	1,572,625

11.3 Movement in shares during the period is as follows:

Number of shares outstanding at the beginning of the period	157,263	157,263
Shares allotted as bonus shares	-	-
Number of shares outstanding at the end of the period	157,263	157,263

11.4 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

11.5 Avanceon Limited is the Parent Company, holding 74.54% (2024: 74.54%) of issued capital of the Company.

11.6 The Company is not subject to any externally imposed capital requirements

Note 12

Trade and Other Payables

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
		----Rupees in Thousands----	
Creditors - unsecured		21,430	38,638
Payable to related parties	12.1	286,462	185,865
Accrued liabilities		57,452	29,518
Advance from employees against vehicles		9,215	9,467
Payable to employees		5,683	1,532
Tax deducted at source		23,052	15,744
		403,294	280,764
12.1 Payable to related parties			
Empiric AI (Private) Limited	12.1.1	180,460	123,892
Avanceon Saudi Energy Company		48,430	10,648
Avanceon FZE		26,875	30,505
Avanceon Automation & Control WLL		30,697	20,820
		286,462	185,865

12.1.1 This amount represents the collection received by the Company from a customer on behalf of Empiric AI (Private) Limited.



Note 13
Contingencies and Commitments

The Deputy Commissioner of Inland Revenue issued an order under Section 205/137(1) of the Income Tax Ordinance, 2001 for Tax Year 2024, providing an opportunity for a hearing before imposing a default surcharge of Rs. 1,560,530. In response, the Company submitted a detailed explanation along with its own computation, that determined the surcharge liability to be Rs. 434,344. The balancing figures amounting to Rs. 1,126,186 remains under review, and the final decision is expected to be in the favour of the Company.

Note 14
Revenue from Contracts with Customers - Net

	Half year ended June 30		Quarter ended June 30,	
	2025 (Un-audited)	2024 (Un-audited)	2025 (Un-audited)	2024 (Un-audited)
	---- Rupees in Thousands ----			
Local Sales				
AMS business services - Avanceon Limited	77,954	57,648	60,754	31,613
Subscription and digital business services	46,358	40,123	26,758	23,145
Services rendered	19,795	99,221	16,476	67,622
Sale of goods	-	41	-	-
	144,107	197,033	103,988	122,380
Export Sales				
Back office support-Octopus Digital FZ-LLC	30,683	-	30,683	-
Revenue from export sales - subcontracted	17,409	286,701	2,183	166,831
Subscription and digital business - Export	2,613	9,278	1,313	7,145
Revenue from export sales - transfer of profits	-	32,980	-	-
	50,705	328,959	34,179	173,976
	194,812	525,992	138,167	296,356
Less: Sales tax				
Sale of goods	-	(7)	-	-
Services rendered	(15,377)	(26,878)	(10,156)	(16,451)
	(15,377)	(26,885)	(10,156)	(16,451)
	179,435	499,107	128,011	279,905

14.1 Disaggregation of revenue from contract with customers
Type of products - net local sales

Services rendered	128,730	170,114	93,832	105,929
Sale of goods	-	34	-	-
	128,730	170,148	93,832	105,929

Type of products - net export sales

Services rendered	50,705	328,959	34,179	173,976
	179,435	499,107	128,011	279,905

Note 15
Other Income

	Half year ended June 30		Quarter ended June 30,	
	2025 (Un-audited)	2024 (Un-audited)	2025 (Un-audited)	2024 (Un-audited)
	---- Rupees in Thousands ----			
Exchange gain - net	27,619	-	17,603	-
Markup from related parties	25,064	22,565	12,585	22,565
Dividend on short term investment	26	1,051	13	745
Other income	8	1,589	8	1,276
	52,717	25,205	30,209	24,586

Note 16
Levy / Final Taxation

	Half year ended June 30		Quarter ended June 30,	
	2025 (Un-audited)	2024 (Un-audited)	2025 (Un-audited)	2024 (Un-audited)
	---- Rupees in Thousands ----			
Charge for the year	131	1,294	47	911

16.1 This represents portion of final tax paid under section 169 of the Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

Note 17
Taxation

	Half year ended June 30		Quarter ended June 30,	
	2025 (Un-audited)	2024 (Un-audited)	2025 (Un-audited)	2024 (Un-audited)
	---- Rupees in Thousands ----			
Current tax	5,149	6,807	3,309	(3,761)
Deferred tax	-	(5,528)	-	(5,528)
	<u>5,149</u>	<u>1,279</u>	<u>3,309</u>	<u>(9,289)</u>

17.1

Note 18
Earnings Per Share

		Half year ended June 30		Quarter ended June 30,	
		2025 (Un-audited)	2024 (Un-audited)	2025 (Un-audited)	2024 (Un-audited)
		---- Rupees in Thousands ----			
18.1 Basic earnings per share					
Net (loss) / profit for the period	Rupees	(9,086)	35,202	(1,062)	(4,284)
Weighted average number of ordinary shares	Numbers	157,262	157,262	157,262	157,262
(Loss) / Earnings per share	Rupees	(0.06)	0.22	(0.01)	(0.03)

18.2 Diluted earnings per share

Diluted earnings per share is calculated by adjusting weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Net (loss) / profit for the period	Rupees	(9,086)	35,202	(1,062)	(4,284)
Weighted average number of ordinary shares	Numbers	157,262	157,262	157,262	157,262
Adjustment for share options	Numbers	2,592	2,592	2,592	1,102
Weighted average number of ordinary shares for diluted earnings per share	Numbers	159,854	159,854	159,854	158,364
Diluted (Loss) / Earnings per share	Rupees	(0.06)	0.22	(0.01)	(0.03)

Note 19
Transactions with Related Parties

Related parties comprise parent company, associated companies due to common directorship, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Outstanding balances at the reporting date are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. Significant balances and transactions with related parties are as follows:

Related Party	Relationship	Nature of Transaction	Half Year Ended June 30,	
			2025 (Un-audited)	2024 (Un-audited)
			----Rupees in Thousands----	
Avanceon FZE -UAE (AVFZE)	Associated Company due to common directorship	Markup expense on Current account AVFZE	1,405	-
		Payments to employees by AVFZE	37,035	10,995
		Subscription Digital Business	-	3,488
		AMS business services rendered	-	6,732
		Sub-contracted services	-	16,402
		Cash received from AVFZE	-	10,769
		Payment to suppliers by AVFZE on behalf of the Company	-	58,656
		Payments to suppliers by ODL	-	222
		Payments to employees by ODL	-	1,375

Note 19, Transactions with Related Parties - Continued...

			Half Year Ended June 30,	
			2025	2024
			(Un-audited)	(Un-audited)
			----Rupees in Thousands----	
Avanceon Automation And Control WLL- QATAR (AVAC)	Associated Company due to common directorship	Payments to suppliers by AVAC	3,474	3,065
		Subcontracted Projects Revenue	1,995	276,167
		Payment to employees by AVAC	1,906	11,502
		Markup expense on Current account AVAC	1,230	-
		AMS business services rendered	-	14,695
		Payment to employees by ODL	-	223
		Collection/adjustment from AVAC	-	42,414
		Payments to suppliers by ODL	-	335,679
		Payments of salaries by AVAC	-	92,633
Avanceon Limited (AVL)	Parent Company	Payments to AVL	82,068	112,835
		Back office Support	56,702	25,831
		AMS business services rendered	48,000	53,064
		Subcontracted Projects Revenue	25,161	37,787
		Collection received from AVL	186,407	32,595
		inter company adjustments from AVL	67,775	-
		Markup income on Current account AVL	9,365	-
		Payment of salaries by ODL	6,759	-
		Payment to Suppliers by AVL	1,652	3,625
		Payment to Suppliers by ODL	1,623	4,571
		Salaries payment to employees by AVL	501	121,247
		Payment to employees by ODL	345	-
		Payments to employees by AVL	178	4,987
		Payments to Employees by ODL	-	1,810
Avanceon Saudi Energy Company - KSA (AVSEC)	Associated	Subcontracted Projects Revenue	15,413	61,565
		Payments to employee by AVSEC	14,062	2,061
		Payments to suppliers by AVSEC	9,740	676
		Markup expense on Current account AVSEC	1,174	-
		Payments / adjustments to AVSEC	-	18,559
		Collections / adjustments from AVSEC	-	21,306
		AMS business services rendered	-	11,553
Octopus Digital Free Zone LLC (ODFZ LLC)	Subsidiary	BOS charged by AVL	27,101	-
		Payment to suppliers by ODFZE	15,535	21,721
		BOS charged by ODL	30,683	-
		Markup income on Current Aaccount ODFZ LLC	8,210	-
		Payment to Suppliers by ODL	6,245	-
		Payment of salaries by ODL	1,460	-
		Payment to employees by ODFZ LLC	815	-
Empiric AI Private Limited (EAI)	Subsidiary	Subcontracted Projects Revenue	-	40,064
		Collection / adjustments from EAI	58,052	18,732
		Markup Expense on Current account ODL	8,574	-
		Salary payments by ODL	7,836	3,694
		Payment to employees by ODL	1,695	2,568
		Payment to suppliers by ODL	528	35,188
		Salary payments by EAI	-	7,169
Key management personnel		Payments / adjustments to EAI	-	18,886
		BOS charged by ODL	-	25,831
		Remuneration and other benefits	5,042	11,281

Note 20

Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

Note 20, Financial Risk Management - Continued...

20.1 Financial instruments by categories

a) Financial assets at amortised cost

Long term deposits
Trade debts
Contract assets
Long term investments
Loans and advances
Cash and bank balances
Short term investments

June 30, 2025 (Un-audited)	December 31, 2024 (Audited)
----Rupees in Thousands----	
100	100
1,340,092	1,456,172
73,699	103,909
447,892	447,892
1,137,275	940,973
17,861	8,955
558	539
<u>3,017,477</u>	<u>2,958,540</u>

b) Financial liabilities at amortized cost

Diminishing musharaka finance
Trade and other payables

28,720	17,269
403,294	280,764
<u>432,014</u>	<u>298,033</u>

20.2 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates. As at December 31, 2024 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Note 21

Capital Risk Management

While managing capital, the objectives of the Company are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing rights shares or repurchasing shares, if possible, selling surplus operating fixed assets without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

Note 22

Date of Authorization for Issue

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on August 29, 2025.

Note 23

General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. Following immaterial rearrangements / reclassifications have been made in these financial statements for better presentation:

Nature	From	To	Amount
----Rupees in Thousands----			
Taxation-Half Year ended June 30, 2024	Taxation (Note 17)	Levy / final taxation (Note 16)	1,294
ECL expense for the period June 30, 2024	Administrative expenses	Other operating expenses	23,999



Chief Executive Officer



Chief Financial Officer



Director

Octopus Digital Limited

Consolidated Condensed Interim Financial Statements

For the half year ended June 30, 2025

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR ENDED JUNE 30, 2025

	Un-Audited Jun 30, 2025	Audited Dec 31, 2024
	(Rupees in '000)	
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		
157,262,502 (2024: 157,262,502) ordinary shares @ Rs. 10 each	1,572,625	1,572,625
CAPITAL RESERVES		
Share premium	789,209	789,209
Exchnage revaluation reserve	17,151	4,226
Group restructuring reserve	(1,050,259)	(1,050,259)
Employees' share compensation reserve	58,914	37,480
	(184,985)	(219,344)
REVENUE RESERVES		
Un-appropriated Profit	1,376,355	1,346,008
	2,763,995	2,699,289
NON CURRENT LIABILITIES		
Long Term Diminishing Musharika	22,320	12,810
	22,320	12,810
CURRENT LIABILITIES		
Creditors, accrued and other liabilities	546,099	262,230
Current portion of Diminishing Musharika	6,400	4,460
Contract Liabilities	1,033	2,224
Taxation-Net	28,038	22,758
	581,569	291,672
TOTAL EQUITY & LIABILITIES	3,367,884	3,003,771
ASSETS		
NON CURRENT ASSETS		
Property and equipment	44,197	32,436
Capital Work in Progress	-	-
Intellectual Properties - Intangibles	877,236	772,127
Deferred Tax Assets	19,390	19,390
Long term deposits	100	100
	940,923	824,053
CURRENT ASSETS		
Stock in trade	2,722	-
Trade debts	1,629,085	1,428,742
Contract Assets	164,349	210,554
Advances, deposits, prepayments and other receivable	609,912	518,356
Short Term Investment	558	539
Cash and bank balances	20,334	21,527
	2,426,961	2,179,718
TOTAL ASSETS	3,367,884	3,003,771


Chief Executive Officer


Chief Financial Officer


Director

CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2025

	For the half year ended		For the quarter ended	
	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
	(Rupees in '000)		(Rupees in '000)	
Revenues	537,427	628,124	305,969	314,265
Cost of revenue	(297,175)	(286,485)	(168,564)	(177,136)
Gross Profit / (Loss)	240,252	341,640	137,405	137,129
Administrative and selling expenses	(226,772)	(225,922)	(132,043)	(155,736)
Other expenses	(20,371)	(30,690)	(20,321)	(30,392)
Other income	45,886	9,573	24,068	8,876
	(201,257)	(247,038)	(128,296)	(177,252)
Profit / (Loss) from operations	38,995	94,601	9,109	(40,123)
Finance costs	(3,368)	(1,628)	5,851	(1,553)
Profit / (Loss) before Levy & Income Tax	35,627	92,973	14,960	(41,676)
Levy / final taxation (2024: Restated)	(131)	(1,294)	(47)	(1,294)
Profit / (Loss) before income tax	35,497	91,679	14,914	(42,970)
Taxation (2024: Restated)	(5,149)	(1,279)	(3,309)	9,673
Profit / (Loss) for the period after Tax	30,347	90,400	11,605	(33,296)
Combined Earnings per share				
Basic	0.19	0.57	0.07	(0.21)
Diluted	0.19	0.57	0.07	(0.21)

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



Chief Executive Officer



Chief Financial Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2025

	For the half year ended		For the quarter ended	
	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
	(Rupees in '000)		(Rupees in '000)	
Profit / (Loss) for the period	30,347	90,400	11,605	(33,297)
Other comprehensive income				
- Exchange difference on translating	12,923	-	7,395	-
- Bargain purchase gain on Investment				
Total comprehensive income for the period	43,270	90,400	18,999	(33,297)



Chief Executive Officer



Chief Financial Officer



Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2025

	CAPITAL RESERVES					REVENUE RESERVES	Non- Controlling Interest	TOTAL
	Share capital	Share premium reserve	Employee share compensation reserve	Group Restructuring Reserve	Exchange revaluation reserve	Un- appropriated (loss) / profit		
Balance as on January 01, 2024	1,572,625	789,209	9,263	(1,050,259)		1,140,983		(Rupees in '000) 2,461,821
Profit for the period						205,025		205,025
Other comprehensive income						205,025		205,025
Employee share option reserve			28,216					28,216
Exchange translation reserve			28,216		4,226			4,226
								32,442
Balance as on December 31, 2024	1,572,625	789,209	37,480	(1,050,259)	4,226	1,346,008		2,699,288
Profit for the period						30,347		30,347
Exchange translation reserve					12,925			12,925
						12,925		43,272
Employee share option reserve			21,434					21,434
Balance as on June 30, 2025	1,572,625	789,209	58,914	(1,050,259)	17,151	1,376,355		2,763,994

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



Chief Executive Officer



Chief Financial Officer




Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2025

	For the half year ended	
	Jun 30, 2025	Jun 30, 2024
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax	35,627	92,973
Adjustments for:		
Depreciation on property and equipment	7,513	6,078
Amortization	10,370	10,370
Exchange gain	3,107	28,604
Exchange revaluation reserve	12,925	
Makup on loan to parent company	(5,469)	(3,357)
Finance cost	3,368	1,628
Employee share option exp.	31,245	17,811
Provision for ECL - related parties		22,280
Provision for ECL - contract assets	534	244
Provision for ECL - trade debts	608	1,476
Income on bank deposits	(320)	(435)
	63,881	84,699
	99,508	177,672
Profit before working capital changes		
(Increase) / decrease in current assets		
- Stock in trade	(2,722)	(429)
- Trade debts	(204,010)	(126,987)
- Contract Assets	45,671	(114,696)
- Advances, deposits, prepayments and other receivables	(95,898)	74,356
(decrease) / Increase in current liabilities		
- Creditors, accrued and other liabilities	283,690	287,056
- Contract Liabilities	(1,191)	22,551
	25,540	141,851
Cash (used in) / generated from operations	125,048	319,523
Finance costs	(3,368)	(1,628)
Taxes	131	(16,048)
Net cash (used in) / generated from operating activities	121,811	301,847



Chief Executive Officer



Chief Financial Officer



Director


CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASHFLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2025

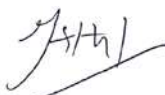
	For the half year ended	
	Jun 30, 2025	Jun 30, 2024
	(Rupees in '000)	
Net cash (used in) / generated from operating activities	121,811	301,847
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(19,274)	(3,342)
Proceeds from disposal of property and equipment	-	-
Additions in intangible assets - capital work in progress	-	-
Additions in intangible assets	(115,480)	(110,290)
Increase / decrease in short term Investment	(19)	(9,612)
Receipts on disposal of Short term investment	-	-
Profit on bank deposit	320	435
Net cash (used in) / generated from investing activities	(134,454)	(122,809)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Dividend paid	-	-
Repayment of lease liabilities	11,449	(201,846)
Net cash (used in) / generated from financing activities	11,449	(201,846)
Net (decrease) / increase in cash and cash equivalents	(1,194)	(3,584)
Cash and cash equivalents at the beginning of year	21,527	38,403
Cash and cash equivalents at the end of period	20,334	34,819

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



Chief Executive Officer

 www.octopusdtl.com



Chief Financial Officer



Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED JUNE 30, 2025

1 The Group and its Operations

1.1 The Group consists of:

Status within the Group

-Octopus Digital Limited (ODL)	Holding Company
-Empiric AI (Private) Limited (EAL)	Subsidiary of ODL
-Octopus Digital FZ LLC (ODFZ)	Subsidiary of ODL

- 1.2 Octopus Digital Limited (the Parent Company) was incorporated in Pakistan on December 29, 2017 as a private limited Company under the Companies Act, 2017, which was converted into public Company on November 11, 2020. ODL is a subsidiary of a listed Company namely Avanceon Limited (the ultimate Parent Company, "AVN"). ODL is listed on Pakistan Stock Exchange Limited. ODL is domiciled in Pakistan and its prime business is to carry out Information Technology enabled services which include 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 softwares and equipment etc.

The registered office of the Octopus Digital FZ LLC is located at the DMC-BLD05-VD-G00-792, Ground Floor, DMC5 Dubai Media City, United Arab Emirates. It was established with primary objective of software consultancy, customer service, solution provider, support service provider.

Business Unit

Geographical Location

Head office / Registered Office

19 KM Main Multan Road Lahore

Subsidiary Office

DMC - BLD05 - VD - G00 - 792 , Ground Floor, DMC5 Building, Dubai Media City, Dubai, United Arab Emirates

- 1.3 EAL is incorporated as a private limited company under the Companies Act, 2017 of Pakistan on May 19, 2020. The registered office of the Company is located in Pakistan. The primary objective of the Company is to analyze potential opportunities and to provide digital and technology services and products both within Pakistan and internationally.
- 1.4 ODFZ is a Limited Liability Company incorporated pursuant to the regulations of the Dubai Development Authority, Government of Dubai, United Arab Emirates, and was issued Commercial License No. 103074 on June 16, 2023. Its registered office is located at DMC-BLD05-VD-G00-792, Ground Floor, DMC5 Building, Dubai Media City, Dubai, United Arab Emirates. The principal activities of the Entity are to provide software consultancy, software customer service, software development, software solutions, and software support services. The management of the Entity is vested with its Director, Mr. Bakhtiar Hameed Wain, a Pakistani national.

Octopus Digital Limited is a majority owned subsidiary of Avanceon Limited.

The Group is also using the head office of its parent Group, situated at 19 KM Main Multan Road, Lahore.

1.5 Consolidated Financial Statements

These financial statements are the consolidated financial statements of the ODL and its subsidiaries (the Group).

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated 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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- 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, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention.

2.3 Presentation and functional currency

These unconsolidated financial statements are prepared and presented in Pak Rupees (Rs.) which is the Company's functional and presentation currency. All the figures have been rounded off to the nearest rupee, unless otherwise stated.

2.4 Basis of consolidation

2.4.1 Subsidiaries

Subsidiaries are such entities over which the Holding Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. These consolidated financial statements include separate financial statements of Holding Company and its subsidiaries companies in which Holding Company directly or indirectly controls, beneficially owns more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The existing voting rights that are currently exercisable are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date the control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Inter-company transactions, balances and unrealized gains on transactions amongst Group companies are eliminated. Accounting policies of subsidiaries are amended, where necessary, to ensure consistency with the policies adopted by the Group.

When the Group ceases to consolidate an investment in a subsidiary because of loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to statement of profit or loss.

2.4.2 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses, if any. Excess of Group's share of the net identifiable asset over cost is recognized in consolidated statement profit or loss as a bargain purchase gain.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the period ended

The following standards, amendments and interpretations are effective for the period ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
IAS 1 Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7 Amendments to IAS 7 "Statement of Cash Flows"	January 1, 2024
IFRS 7 Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 1, 2024
IFRS 16 Amendments to IFRS 16 "Leases" - Clarification on how seller- lessee subsequently measures sale and lease back transaction	January 1, 2024

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
IAS 21 Amendments to lack of exchangeability	January 01, 2025
IFRS 7 & Amendments to Classification and Measurement of Financial 9 Instruements - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 & Contracts referencing Nature-dependent Electricity 9	January 01, 2026
IFRS 1, Annual Improvements to IFRS Accounting Standards 7, 9, 10 & IAS 7	January 01, 2026

4 CONTINGENCIES AND COMMITMENTS

The Deputy Commissioner of Inland Revenue issued an order under Section 205/137(1) of the Income Tax Ordinance, 2001 for Tax Year 2024, providing an opportunity for a hearing before imposing a default surcharge of Rs. 1,560,530. In response, the Company submitted a detailed explanation along with its own computation, that determined the surcharge liability to be Rs. 434,344. The balancing figures amounting to Rs. 1,126,186 remains under review, and the final decision is expected to be in the favour of the Company.

5 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim consolidated financial information was authorized for issue on August 29, 2025 by the Board of Directors of the Holding Company.

6 GENERAL

Figures have been rounded off to the nearest thousand rupees.



Chief Executive Officer



Chief Financial Officer



Director



www.octopusdtl.com

OCTOPUS

DIGITAL

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