

ANNUAL  
**REPORT**  
2025

**OCTOPUS**  
*DIGITAL*

# Letter from the CEO



## Dear Shareholders and Partners,

As we reflect on 2025, it is clear that this has been a defining year in Octopus Digital's journey toward becoming a leader in industrial AI. Over the past year, we have accelerated our transformation from a data platform company into a provider of intelligent, AI-driven products and solutions, where data, analytics, and automation converge to enable smarter and more efficient industrial operations.

The global manufacturing landscape continues to evolve rapidly, with generative AI becoming an increasingly important part of how industrial organizations operate. Industry estimates indicate that AI adoption in manufacturing is expanding significantly, with organizations increasingly leveraging machine learning and generative AI to enhance decision-making, optimize processes, and improve operational efficiency. At Octopus Digital, we recognized this shift early and took decisive steps to embed AI across our product ecosystem.

Our flagship platform, OmniConnect™, remains the backbone of our digital architecture, enabling seamless integration of IT and OT systems and providing real-time visibility across operations. Building on this foundation, we launched OmniChat during the year and continued to enhance its capabilities, enabling users to interact with complex enterprise data through natural language prompts in a more intuitive and meaningful way. In 2025, we further expanded this vision with the introduction of OmniDocs, enabling intelligent knowledge retrieval and transforming how organizations access and utilize enterprise information.

We also continued to enhance our digital twin capabilities across industrial assets under our APX brand and machine learning-driven solutions, enabling predictive maintenance, asset optimization, and improved operational performance. These technologies are helping our clients move beyond reactive operations toward more predictive and efficient environments.

During the year, we strengthened our footprint across the Middle East and Pakistan. Our growing portfolio of industrial clients reflects the increasing demand for scalable, AI-powered digital transformation solutions across sectors including manufacturing, energy, infrastructure, and more.

Equally important to our progress is our continued investment in people and culture. We remain committed to fostering an inclusive and high-performance environment, supporting talent development, and building a workforce equipped to lead in an increasingly digital and AI-driven world. During 2025, we significantly strengthened our learning and development initiatives, with 66 team members trained across 36 specialized courses spanning 9 functional areas, including data engineering, AI/ML, software development, and product management. Key programs included certifications in Azure Data Engineering, Generative AI implementation, Machine Learning, Advanced Power BI, and Agile Project Management, among others, alongside internal capability-building initiatives in safety, digital systems, and operational excellence.

As we look ahead to 2026, we see continued momentum in the adoption of generative AI and workflow automation across industrial operations. Our focus will remain on advancing our AI capabilities, enhancing platform scalability, and enabling more intuitive, user-centric experiences through natural language interfaces and intelligent systems. We are also committed to strengthening our partner ecosystem to accelerate global expansion and deliver greater value to our customers.

I would like to extend my sincere gratitude to our employees, clients, partners, and shareholders for their continued trust and support. Together, we are building a future-ready organization that is shaping the next generation of industrial intelligence.

**Tanveer Karamat**  
Chief Executive Officer  
Octopus Digital Limited



# 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**  
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](http://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  
[www.famcosrs.com](http://www.famcosrs.com)

## Headquarters Lahore, Punjab, Pakistan

**Lahore, Punjab, Pakistan**  
The Avanceon Building  
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Lahore, 54660, Punjab, Pakistan  
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Email: [support@octopusdtl.com](mailto:support@octopusdtl.com)

**Regional Headquarters – Pakistan Karachi, Sindh**  
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Email: [support@octopusdtl.com](mailto:support@octopusdtl.com)

**Islamabad**  
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ISE Towers, Jinnah Avenue  
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**Regional Headquarters – Middle East Dubai, UAE**  
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**Doha, Qatar**  
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Phone: +974 4141 7300  
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**Dammam / Al-Khobar, Saudi Arabia**  
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Al-Khobar, Kingdom of Saudi Arabia  
Phone: +966 53 322 4138  
Email: [support.meq@avanceon.ae](mailto:support.meq@avanceon.ae)



# Board of Directors



## **BAKHTIAR HAMEED WAIN**

### **Chairman of the Board**

As Founder and Chairman of the Board, Bakhtiar brings over 30 years of leadership experience. A Mechanical Engineer from UET Lahore (1983), he has worked at global companies like Exxon Chemicals, Fauji Fertilizer, and ICI Ltd. He founded Avanceon in 1984 with a vision to promote Pakistan's technically skilled human capital globally—an approach he has successfully upheld.

Appointed Chairman by the Board of Directors, he has led Octopus Digital to market leadership. He also serves as CEO of Avanceon Limited, Non-Executive Director at Empiric AI (Private) Limited, and Trustee of the Avanceon Limited Employees Provident Fund.

## **TANVEER KARAMAT**

### **Executive Director & Chief Executive Officer**

As the Director and Chief Executive Officer, Tanveer brings over 20 years of experience in automation solutions for the oil and gas sector. Tanveer holds a Bachelor's in Chemical Engineering from the University of Pakistan. He joined Avanceon in 2003 as Regional Manager and quickly turned around the South Region.

Promoted to GM Operations in 2006 and COO in 2011, he played a key role in building company value. In 2023, he became Director of Avanceon Limited and CEO of Empiric AI (Private) Limited. He now serves as a Director on Avanceon's Board and Trustee of the Avanceon Limited Employees Provident Fund.



## **KHALID H. WAIN**

### **Non Executive Director**

Brings over 40 years of international expertise in electrical engineering, cost engineering, project management, and business strategy to the Avanceon Board of Directors. Mr. Khalid Hamid Wain is the founder of H&G Control, which he owns and operates in Canada. H&G Control designs and manufactures customized electrical control panels.

He is also the co-founding partner and Director of Innovative Pvt. Ltd in Pakistan. Mr. Wain graduated in Electrical Engineering from the University of Engineering and Technology, Lahore, in 1976. His entrepreneurial acumen has driven business across South Asia, the Middle East, the United States, and Canada. He now serves as a Non-Executive Director on the Avanceon Limited Board.



## **MOHAMMAD ARIF JANJUA**

### **Independent Director**

Arif Janjua has over 35 years of experience in operational management and consulting within the software, mobile, and internet services industries. He holds a Bachelor's degree in Electrical Engineering from the University of Engineering and Technology, Lahore; a Master's in Electrical Engineering from the University of Windsor, Canada; and an MBA from the Haas School of Business at UC Berkeley.





**ADEEL KHALID**  
Executive Director

Has over 15 years of experience managing AMS business operations across the Middle East and Central Asia. He specializes in resource management systems through digital technology.

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**ASMAR AHMED ATIF**  
Executive Director

Asmar works at the intersection of business, technology, and regulation. His career spans more than 15 years across four continents in the field of Artificial Intelligence. He holds an MBA from Imperial College London.

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**HUMAYUN MAQBOOL**  
Independent Director

Brings over 30 years of experience in finance, investment banking, and industrial operations. He has held senior roles at Crescent Fibres, Smith Barney Inc. (New York), and Crescent Boards. He holds an MBA from LUMS and a BA in Economics from Boston University.

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**SALEHA ASIF**  
Independent Director

Saleha brings over 25 years of experience serving boards and C-level clients globally. She has held leadership roles at McKinsey & Company, PepsiCo, and Bank of America.

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# Chief Financial Officer Octopus Digital Limited



## FAISAL NADEEM SHEIKH

Faisal Nadeem Sheikh is an Associate Chartered Accountant serving as Chief Financial Officer of Octopus Digital Limited, Octopus Digital FZL LLC, and Empiric AI Pvt Ltd, and as Company Secretary of Avanceon Limited. With a career rooted in professional services at PwC Pakistan and enterprise technology at Systems Limited, he brings deep expertise in financial planning and analysis, ERP systems, data analytics, and corporate governance. Faisal leads group-wide finance for Octopus Digital across Pakistan and the Middle East, combining rigorous financial discipline with a technology-forward approach to drive performance across complex, multi-entity organisations.



# Chairman of the Board Review Report

On behalf of the Board of Directors, I am pleased to present the Chairman's Review for Octopus Digital Limited for the year ended December 31, 2025.

2025 has been a defining year in our journey toward becoming a global leader in industrial AI. Our focus remains on transforming operational data into actionable intelligence through scalable cloud platforms, advanced analytics, and AI-driven solutions—enabling industries to achieve greater efficiency, resilience, and autonomy.

The Board continued to provide strong governance and strategic oversight throughout the year. We remained actively engaged with management to monitor performance, guide strategic execution, and strengthen governance practices. The Board comprises a balanced mix of executive, non-executive, and independent directors, ensuring effective oversight and alignment with long-term shareholder value. During the year, the Board convened regularly to review performance, deliberate key matters, and reinforce governance and ESG priorities.

## Strategic Progress and Expansion

During the year, we made significant progress in executing our strategic agenda, with a focus on innovation, product development, and international expansion. We advanced the integration of AI across our platform, including agentic AI capabilities, and initiated our next phase of growth through expansion into the Middle East and North America. Pakistan continues to serve as a strong global delivery backbone supporting our international ambitions.

## Operational and Commercial Performance

The Company achieved strong commercial traction, onboarding leading industrial clients across multiple sectors and geographies. Our solutions delivered measurable value through improved operational visibility, enhanced efficiency, and data-driven decision-making. These achievements reinforce our positioning as a trusted partner for industrial digital transformation.

## Product Innovation

We further strengthened our product portfolio with the launch of next-generation solutions, including OmniChat and OmniDocs, alongside the introduction of APX (Asset Performance X) and Fintech Fuel. Enhancements to OmniOEE transformed it into a fully integrated performance management platform. These developments reflect our continued investment in innovation and our commitment to delivering a comprehensive industrial intelligence ecosystem.

## Governance, Risk, and Controls

The Board remains committed to maintaining a robust internal control environment and effective risk management framework. Supported by structured governance processes and oversight mechanisms, we are confident that the Company's controls provide reasonable assurance over financial integrity, operational efficiency, and regulatory compliance.

## People and Culture

Our people remain central to our success. We continue to invest in talent development, merit-based practices, and performance-driven culture, while fostering an inclusive and collaborative work environment. Our focus on capability building and employee engagement supports long-term innovation and sustainable growth.

## Technology, Security, and Resilience

As a data-driven organization, we place strong emphasis on cybersecurity, data protection, and operational resilience. Our frameworks are aligned with international standards to safeguard digital assets and ensure business continuity.

## Future Outlook

Looking ahead, artificial intelligence will remain at the core of our strategy. We will continue to invest in generative AI, predictive analytics, and intelligent automation, while advancing toward more intuitive, AI-driven decision systems. Our focus on R&D, platform scalability, and IT-OT convergence positions us to accelerate Industry 4.0 adoption globally.

## Closing Remarks

The Board remains confident in the Company's strategic direction and growth trajectory. With a strong foundation, differentiated technology, and a clear vision, Octopus Digital is well positioned to deliver sustained value to its shareholders.

On behalf of the Board, I extend my sincere appreciation to our shareholders, customers, partners, and employees for their continued trust and support.

**Bakhtiar H. Wain**  
Chairman of the Board  
Octopus Digital Limited

# OCTOPUS DIGITAL LIMITED

## NOTICE OF 9th ANNUAL GENERAL MEETING

Notice is hereby given that the 9th Annual General Meeting of Octopus Digital Limited "Company" will be held on Saturday, 23 May 2026 at 10:30 A.M. at The Nishat Hotel, Grand Imperial Hall, 9-A, 3rd Floor, Gulberg III, Mian Mehmood Ali Kasuri Road, Lahore, to transact the following business:

### A. ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on 30 April 2025.
2. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 December 2025 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.



3. To appoint Auditors of the Company and fix their remuneration. The Members are hereby notified that the Board Audit Committee and the Board of Directors have recommended the name of M/s Crowe Hussain Chaudhury & Co. Chartered Accountants for re-appointment as auditors of the Company for the year ending 31 December 2026.

### B. ANY OTHER BUSINESS:

4. To transact any other business with the permission of the Chair.

By Order of the Board

**Ahsan Khalil | Company Secretary**

**Lahore | Dated: 01 May 2026**

### WEBLINK FOR ONLINE MEETING VIA ZOOM:

Members are encouraged to attend the AGM through video conference facility managed by the Company, follow the below link:

**[https://us06web.zoom.us/webinar/register/WN\\_0QqQYntGQS6TpMzL8HvRPA](https://us06web.zoom.us/webinar/register/WN_0QqQYntGQS6TpMzL8HvRPA)**

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address **[agm@octopusdtl.com](mailto:agm@octopusdtl.com)**

Guidance as how-to login on Zoom to attend the AGM link: **<https://octopusdtl.com/investor-information/>**

Under Section 223(6) of The Companies Act, 2017, circulation of Audited Financial Statements has been allowed to be circulated in electronic format through email. The Annual Report of the Company and the Notice of Annual General Meeting shall be circulated via email to those shareholders whose email addresses are present in the records/database of the CDC and Share Registrar. The shareholders are encouraged to send/update their email addresses on the above-mentioned link or email or postal

address. The Annual Report has also been uploaded at the Company's website <https://octopusdtl.com/> and is readily accessible to the shareholders.

### NOTES:

#### FOR ATTENDING THE SHAREHOLDERS' MEETING

1. The share transfer books of the Company will be closed and no transfer of shares will be accepted for registration from Saturday, 16 May 2026 to Saturday 23 May 2026 (both days inclusive). Transfer received in order at our Registrar, M/S FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahr-e-Faisal, Karachi by the close of business hours on Friday, 15 May 2026 will be treated to have been in time for the purposes to attend & vote at the meeting.

2. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are up-loaded as per the Regulations, shall authenticate his/her identity by his/her Computerized National Identity Card (CNIC) or passport at the time of online registration/attending the meeting.

3. The shareholders registered on CDC are also requested to provide their particulars ID numbers and account numbers in CDS at the time of online registration/attending the meeting.

4. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be provided at the time of online registration/attending the meeting.

#### FOR APPOINTING PROXIES:

1. A member entitled to attend and vote at this meeting shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking, and voting at the Meeting as are available to a member. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the company.

2. In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the duly completed and stamped proxy form accordingly.

3. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

4. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

5. The proxy shall provide his/ her CNIC or passport at the time of online registration/attending the meeting.

6. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.

# SHAREHOLDERS INFORMATION

Notice is hereby given that the 9<sup>th</sup> Annual General Meeting of Octopus Digital Limited "Company" will be held on Saturday, 23 May 2026 at 10:30 A.M. at The Nishat Hotel, Grand Imperial Hall, 9-A Gulberg II, Mian Mehmood Ali Kasuri Road, Lahore any shareholder may appoint a proxy to vote on his or her behalf. The Proxies should be filed with the company at least 48 hours before the meeting time.

## **WEBLINK FOR ONLINE MEETING VIA ZOOM:**

Members are encouraged to attend the AGM through video conference facility managed by the Company, follow the below link:

[https://us06web.zoom.us/webinar/register/WN\\_0QqQYntGQS6TpMzL8HVRPA](https://us06web.zoom.us/webinar/register/WN_0QqQYntGQS6TpMzL8HVRPA)

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address [agm@octopusdtl.com](mailto:agm@octopusdtl.com)

Guidance as how-to login on Zoom to attend the AGM link: <https://octopusdtl.com/investor-information/>

## **Resolutions proposed – Shareholders Information**

### **ORDINARY BUSINESS**

1. To confirm the minutes of the Annual General Meeting held on 30 April 2025.
2. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 December 2025 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.

As required under section 223(6) of the Companies Act 2017 and S.R.O No.389(I)/2023 dated 21 March 2023, Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following weblink: <https://octopusdtl.com/investor-information/>



3. To appoint Auditors of the Company and fix their remuneration. The Members are hereby notified that the Board Audit Committee and the Board of Directors have recommended the name of M/s Crowe Hussain Chaudhury & Co. Chartered Accountants for re-appointment as auditors of the Company for the year ending 31 December 2026.

## **Ownership**

As on 31 December 2025 there were 8,479 holders on record of the Company's ordinary shares.

## **Quarterly Results**

The Company issues quarterly financial statements. The planned dates for release of the quarterly results in FY 2026 are

1st quarter:	18 May 2026
Half yearly:	27 August 2026
3rd quarter:	29 October 2026

All our quarterly reports are regularly posted to Pakistan Stock Exchange, all annual/quarterly reports are also placed at the Company's website: <https://octopusdtl.com/> The Company reserves the right to change any of the above dates.

As required under section 223(6) of the Companies Act 2017 and S.R.O No.389(I)/2023 dated 21 March 2023, Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link: <https://octopusdtl.com/investorinformation/>

The shareholders are encouraged to send/update their email addresses on the above-mentioned link or email or postal address. The Annual Report has also been uploaded at the Company's website <https://octopusdtl.com/> and is readily accessible to the shareholders. All registered shareholders should send information on changes of address to:



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# Octopus Digital Timeline



# History of major events

## Global events Gulfood 2025

As part of its regional growth strategy, Octopus Digital participated in Gulfood 2025, held from 17th to 21st February 2025 at the Dubai World Trade Centre. The Company's Chief Executive Officer, Mr. Tanveer Karamat, attended the event and engaged with a diverse range of industry stakeholders.

During the event, the Company conducted multiple meetings with prospective clients, explored new business opportunities, and strengthened relationships across the region. Participation in Gulfood 2025 contributed to enhancing Octopus Digital's market presence in the Middle East and supported its ongoing business development initiatives



# Company Events

## Breast Cancer Awareness

Octopus Digital organized a breast cancer awareness session as part of its commitment to employee well-being and health awareness. The session was conducted by a qualified medical professional and focused on educating employees about the importance of early detection, common myths and misconceptions, symptoms, and encouraging proactive health management and regular screening practices.



## Company Iftar

During the holy month of Ramadan, Octopus Digital hosted a Company Iftar to bring employees together in a spirit of unity and reflection. The event provided an opportunity for employees to connect in an informal setting, strengthening workplace relationships and promoting a sense of community across teams.



## Sports Event

The Company organized sports activities, including cricket and padel matches, to promote team engagement and collaboration. Employees participated in friendly competitions across teams, encouraging teamwork, communication, and a healthy work-life balance.



## Women's day

In celebration of International Women's Day, Octopus Digital organized yoga sessions aimed at promoting physical well-being and mental health. The sessions encouraged employees to focus on wellness, balance, and self-care.



## VISION:

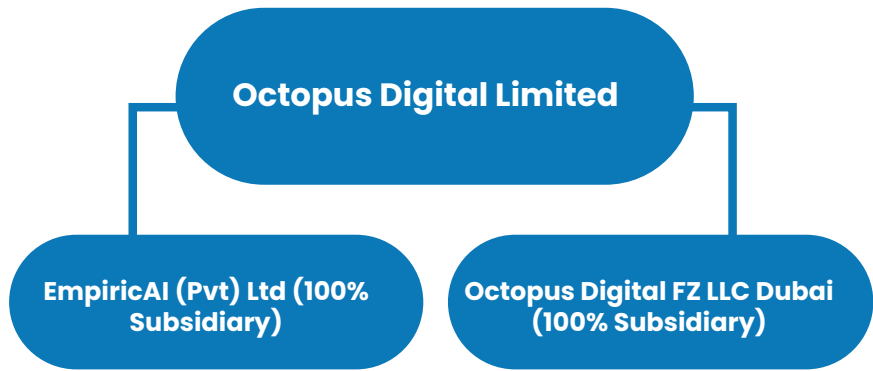
To become the global leader in operational intelligence where data and AI converge into a single, self-service ecosystem on which industries build resilient, scalable and autonomous operations.

## MISSION:

Our mission is to empower industrial organizations by transforming operational data into actionable intelligence through scalable cloud platforms, advanced analytics, and AI, enabling smarter decisions and more efficient operations.



# Company Profile



Octopus Digital Limited is a technology Company specializing in digital transformation solutions for industrial enterprises. The Company focuses on integrating operational technology (OT), information technology (IT), and engineering technology (ET) to enable data-driven industrial operations.



## Organizational structure

Octopus Digital Limited is a 74% subsidiary of Avanceon Limited Pakistan. The Company was originally incorporated on December 29, 2017, under the name Avanceon Digital (Private) Limited. On April 5, 2019, the Company was renamed Octopus Digital (Private) Limited after a comprehensive branding process to better align with its business focus and corporate values. Later, on November 11, 2020, the Company was converted into a Public Limited Company and adopted the name Octopus Digital Limited. It was subsequently listed on the Pakistan Stock Exchange (PSX) on October 4, 2021, under the ticker symbol "OCTOPUS."



## Acquisition of Empiric AI

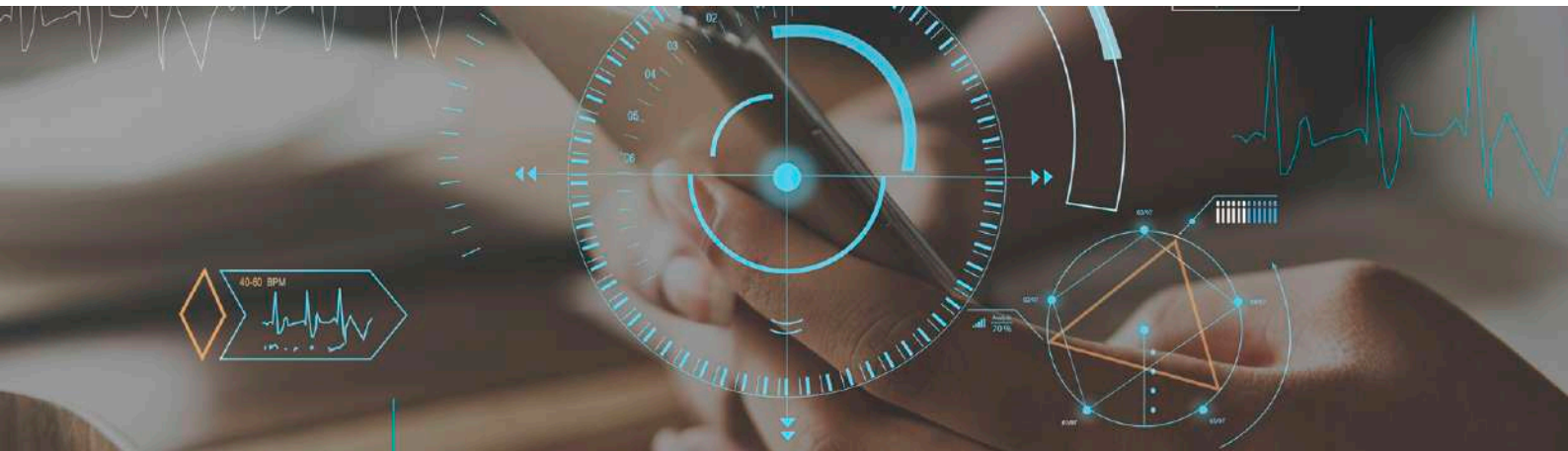
Octopus Digital Limited, in accordance with the relevant provisions of the Companies Act, 2017, acquired 100% shareholding of Empiric AI (Private) Limited from Avanceon Limited. This transfer represents the entire outstanding paid-up capital of Empiric AI (Private) Limited.

The transaction was executed in accordance with the EPL Business Transfer/Sale Agreement dated September 30, 2023, signed between Octopus Digital Limited and Avanceon Limited.



## Incorporation of Octopus Digital FZ-LLC

Octopus Digital Limited has established a wholly owned subsidiary in the United Arab Emirates, named Octopus Digital FZ-LLC, as a Free Zone Limited Liability Company under the Dubai Development Authority. The Company operates from Dubai Internet City and holds Commercial License Number 103074. The UAE's dynamic business environment and strategic global location provide an ideal platform for Octopus Digital FZ-LLC to strengthen the Company's international presence and deliver enhanced value to its global customers.



## Connect and analyze data for decision support

Octopus Digital enables organizations to integrate and analyze complex industrial and enterprise data, transforming it into actionable insights for improved decision-making across all levels of the organization. Its cloud-native, AI-powered platform presents data in an intuitive and accessible format, enabling both technical and non-technical users to derive value and take informed action.

## Changing the way you think about data

**Simplify complexity:** Integrates data from multiple enterprise and operational systems into a unified, single source of truth

**Deploy and adapt quickly:** Enables rapid implementation with minimal setup time and user onboarding

**Drive measurable impact:** Aligns operations, teams, and business objectives through real-time insights and performance visibility

## What's in it for customers?

Octopus Digital enables industrial organizations to improve operational efficiency, reduce costs, and enhance decision-making through real-time data visibility and AI-driven insights. Its solutions help customers identify inefficiencies, optimize asset performance, and minimize unplanned downtime.

By transforming operational data into actionable intelligence, the Company supports more predictive, reliable, and efficient industrial operations across sectors.

## What does Octopus Digital do?

Octopus Digital is a technology company specializing in digital transformation solutions for industrial enterprises. The Company develops and delivers cloud-native data platforms, AI-powered applications, and digital twin solutions that integrate operational technology (OT), information technology (IT), and enterprise systems.

Through its product ecosystem, including OmniConnect™, OmniChat, OmniDocs, OmniOEE, APX, and Digital Log, the Company enables organizations to monitor, analyze, and optimize industrial operations.

## How Octopus Digital accomplishes it

Octopus Digital leverages a cloud-native architecture to integrate data from diverse industrial systems into a unified, contextualized data platform. Advanced analytics, machine learning models, and digital twin technologies are applied to this data to generate predictive insights, detect anomalies, and optimize performance.

The Company combines its technology platforms with domain expertise in industrial operations, enabling scalable deployment, seamless integration, and the delivery of actionable insights that support real-time and data-driven decision-making.

# Geographical locations and business units

## 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 Middle East

### Dubai, UAE

DMC5 Building, Ground Floor  
Dubai Media City,  
Dubai, United Arab Emirates

Phone: +971 488 60 277

## Islamabad

Avanceon Ltd.  
The Hive, 6th Floor  
ISE Towers, Jinnah Avenue  
Blue Area, Islamabad, Pakistan

Email: support@octopusdtl.com

## Doha, Qatar

Avanceon QFZ LLC  
Office No. RA-16, Ras Bufontas  
Qatar Free Zone  
Doha, Qatar  
P.O. Box: 13565

Phone: +974 4141 7300  
Email: support@avanceon.ga

## Regional Headquarters Pakistan

### Karachi, Sindh

Office No 19 Building No S-4 First Floor  
NASTP Silicon Valley, Karachi,  
Main Shakra-e-Faisal Near PAF Museum,  
Karachi, Pakistan Tel: +92 21 111 940

Email: support@octopusdtl.com

## Dammam / Al-Khobar, Saudi Arabia

Level 4, MASA ZOMCO Building  
Al-Khobar, Kingdom of Saudi Arabia

Phone: +966 53 322 4138  
Email: support.me@avanceon.ae



# Principal business activities

The principal business activities of Octopus Digital include the development and deployment of industrial digital platforms and applications that enable organizations to monitor, analyze, and optimize their operational processes.

The company's key activities include:

- ✓ Development of industrial IoT data platforms
- ✓ Creation of cloud-based industrial data lakes
- ✓ Integration of OT, IT, and enterprise data systems
- ✓ Deployment of artificial intelligence and machine learning solutions
- ✓ Development of digital twin and asset performance analytics solutions
- ✓ Implementation of industrial data dashboards and analytics platforms
- ✓ Digitalization of industrial workflows and operational processes

Through these activities, the Company supports industrial organizations in transitioning towards Industry 4.0 and smart manufacturing.



# Key products and services

Octopus Digital offers a suite of digital solutions delivered through a cloud-native data platform supported by industrial applications and specialized services.

## 1. OmniConnect™

OmniConnect™ is Octopus Digital's flagship cloud-native IoT data platform designed to integrate operational technology (OT), engineering technology (ET), and information technology (IT) systems. The platform enables the creation of contextualized industrial data lakes that serve as the foundation for analytics, artificial intelligence, and operational insights.

### Key features

- Industrial data pipeline creation
- Integration of OT, IT, and enterprise systems
- Real-time industrial data ingestion
- Contextualized industrial data lakes
- Secure cloud-native infrastructure
- Integration with AI and machine learning tools

### Business value

- Eliminates data silos between industrial systems
- Enables advanced analytics and predictive insights
- Supports digital transformation initiatives
- Improves operational transparency and decision-making

## 2. Digital Log

Digital Log is a secure, cloud-based electronic logbook that replaces paper-based field operations with real-time, auditable, and compliant digital workflows.

### Key features

- Creation of a digital twin of facilities and assets through intuitive area and asset hierarchies
- Rapid checklist creation with built-in data validation and QR code integration
- Offline data entry capability for operators working in remote or low-connectivity environments
- Automated workflows to ensure data accuracy, completeness, and operational accountability
- Real-time monitoring for supervisors to track completed, pending, and missing tasks
- Built-in dashboards and reporting tools for visualization and sharing of operational data

### Business value

- Eliminates paper-based record keeping and manual data entry
- Improves accuracy and reliability of operational data
- Enhances operational visibility and accountability across teams
- Enables faster reporting and decision-making through real-time insights



## 3. OmniChat

OmniChat is a secure GenAI-powered assistant trained on your own data, giving you instant, business-specific answers with zero data leakage. Unlike public AI tools, it operates within a controlled environment, allowing users to access meaningful insights, visualizations, and forecasts without exposing sensitive information or requiring technical expertise.

### Key features

- Natural Language Processing (NLP) interface for ad-hoc queries
- Secure GenAI assistant trained on enterprise-specific data
- Unified access to enterprise systems and document repositories
- Integration with 500+ enterprise data connectors
- Real-time dashboards and visualizations from natural language queries
- Role-based access control for secure data access

### Business value

- Faster access to enterprise insights
- Reduced time spent searching for information
- Data-driven decision-making across teams
- Secure use of AI with no data leakage

## 4. OmniDocs

OmniDocs is a GenAI-powered semantic search solution that helps users retrieve insights from enterprise documents by understanding context and intent.

### Key Features

- Semantic search across enterprise documents
- Context-aware information retrieval
- GenAI-powered document intelligence
- Faster access to knowledge repositories

### Business value

- Improves access to enterprise knowledge
- Reduces time spent searching for information
- Supports faster and better-informed decision-making

## 5. OmniOEE

OmniOEE is a cloud-based application that helps manufacturers monitor and improve the performance of their production equipment. By providing real-time visibility into factory operations, the solution enables organizations to identify inefficiencies, understand production losses, and uncover opportunities to improve productivity. OmniOEE measures Overall Equipment Effectiveness (OEE), an industry-standard metric used to evaluate how effectively manufacturing assets are performing.

### Key Features

- Real-time visibility into equipment performance across the factory floor
- Monitoring of key OEE components including availability, performance, and quality
- Integration with industrial data through the OmniConnect™ platform
- Operational dashboards providing insights for plant operators and managers
- Root cause analysis tools to identify downtime and production losses
- Reporting and analytics to track equipment efficiency and trends

### Business value

- Helps manufacturers identify inefficiencies and production losses
- Improves operational visibility across equipment, lines, and shifts
- Enables faster problem resolution through data-driven insights
- Supports continuous improvement in productivity and asset utilization
- Helps organizations move toward world-class manufacturing performance

## 6. Asset Performance X (APX)

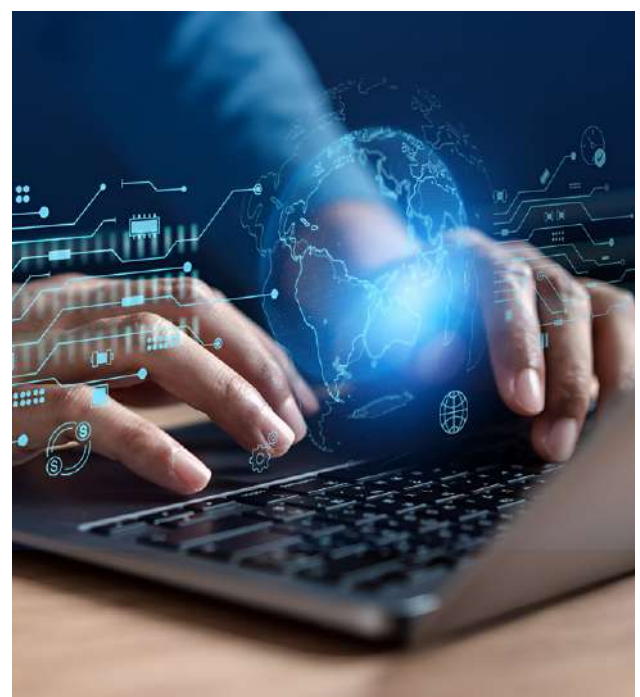
APX is a unified digital twin capability within OmniConnect that combines physics-based engineering models, machine learning models, automated anomaly detection algorithms, and AI-driven diagnostics to monitor, diagnose, and optimise asset performance and health, in real time.

### Key Features

- Digital twin models comparing expected and actual asset performance
- Real-time monitoring of asset efficiency and operating conditions
- Machine learning-based anomaly detection for early fault identification
- What-if simulations to evaluate operational or maintenance changes
- AI-driven diagnostics highlighting root causes of performance issues
- Integration with operational data for continuous asset monitoring

### Business value

- Early detection of asset degradation and operational risks
- Reduced energy losses and improved asset efficiency
- Improved maintenance planning and prioritization
- Reduced unplanned downtime and operational disruptions



## 7. AI/ML

Octopus Digital provides artificial intelligence and machine learning solutions designed to help industrial organizations transform operational data into predictive insights and actionable intelligence. These solutions analyze real-time and historical process data to detect anomalies, forecast operational outcomes, and optimize plant performance across industrial operations.

### Key Features

- AI-powered foaming detection in amine sweetening units
- AI-driven membrane lifecycle prediction for predictive maintenance
- Real-time machine learning models for operational monitoring
- AI-driven forecasting for revenue, OPEX, and production planning
- Advanced analytics to detect anomalies and optimize processes

### Business value

- Early detection of asset degradation and operational risks
- Reduced energy losses and improved asset efficiency
- Improved maintenance planning and prioritization
- Reduced unplanned downtime and operational disruptions

## 8. Fintech Fuel

Fintech Fuel is a specialized digital solution designed to improve fuel retail and fuel management operations through real-time monitoring, analytics, and automated reporting. The platform enables organizations to track fuel inventory, monitor transactions, and manage fuel distribution across retail sites and fleet operations.

### Key Features

- Real-time monitoring of fuel levels, transactions, and equipment across retail sites
- Fuel reconciliation and inventory tracking for accurate stock visibility
- Anomaly detection capabilities to identify potential fuel losses or theft
- Integrated analytics dashboards for monitoring operational trends
- Scalable architecture supporting single stations and large retail networks

### Business value

- Reduces fuel losses through enhanced monitoring and anomaly detection
- Improves operational efficiency and transparency across fuel retail operations

- Enables data-driven decision-making through real-time analytics and reporting
- Supports cost optimization and improved fuel utilization across operations

## 9. Energy Monitoring

Energy Monitoring is a solution designed to track, analyze, and optimize energy consumption in real time in order to improve efficiency and support sustainability objectives.

### Key Features

- Real-time energy monitoring
- Energy consumption analysis
- Identification of optimization opportunities
- Sustainability-focused performance tracking

### Business value

- Reduces energy costs
- Improves operational efficiency
- Supports sustainability and resource optimization initiatives

### Markets

- United Arab Emirates
- Qatar
- KSA
- United Arab Emirates
- Qatar
- KSA
- Pakistan

### Industries served

- Oil, gas, and energy
- Oil marketing
- FMCG
- Textile
- Polyester
- Chemical
- Infrastructure
- Tobacco



# General review of company performance



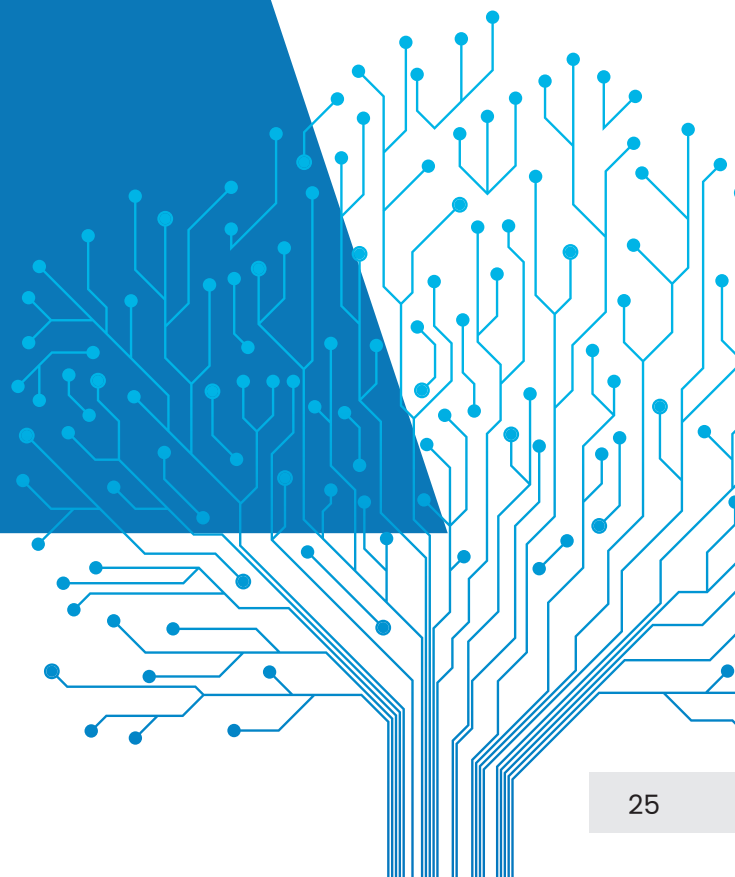
During the year under review, Octopus Digital continued to expand its digital transformation offerings for industrial enterprises.

The Company strengthened its portfolio of digital platforms and applications designed to integrate operational data, enable predictive analytics, and support real-time operational monitoring.

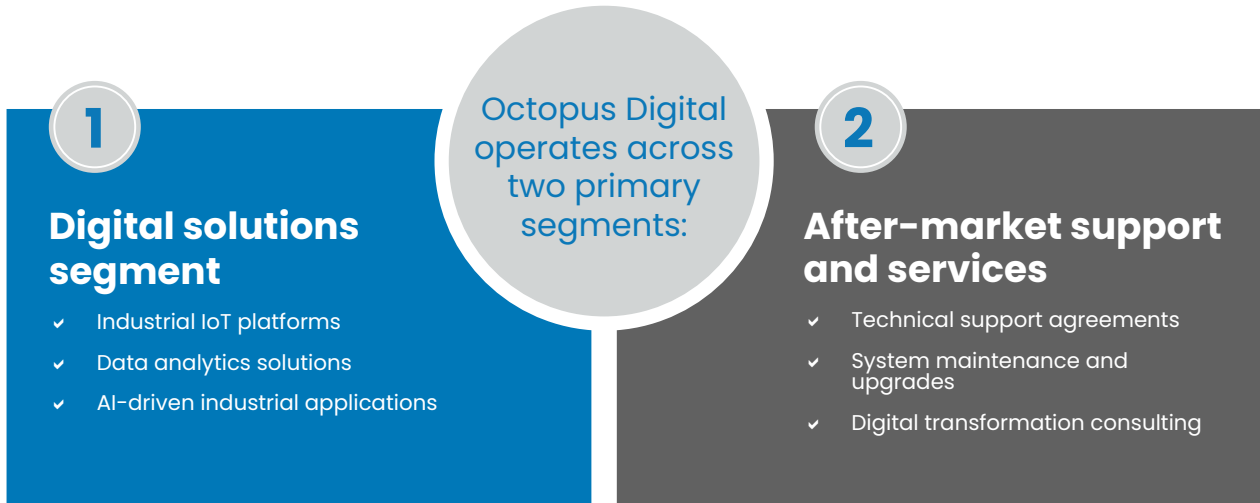
Strategic initiatives during the period included:

- ✓ Enhancement of the OmniConnect™ platform
- ✓ Expansion of AI and machine learning use cases
- ✓ Deployment of digital twin solutions for asset monitoring
- ✓ Increased focus on cloud-based industrial data architecture

The Company also continued to expand its customer base across industrial sectors and geographic regions.

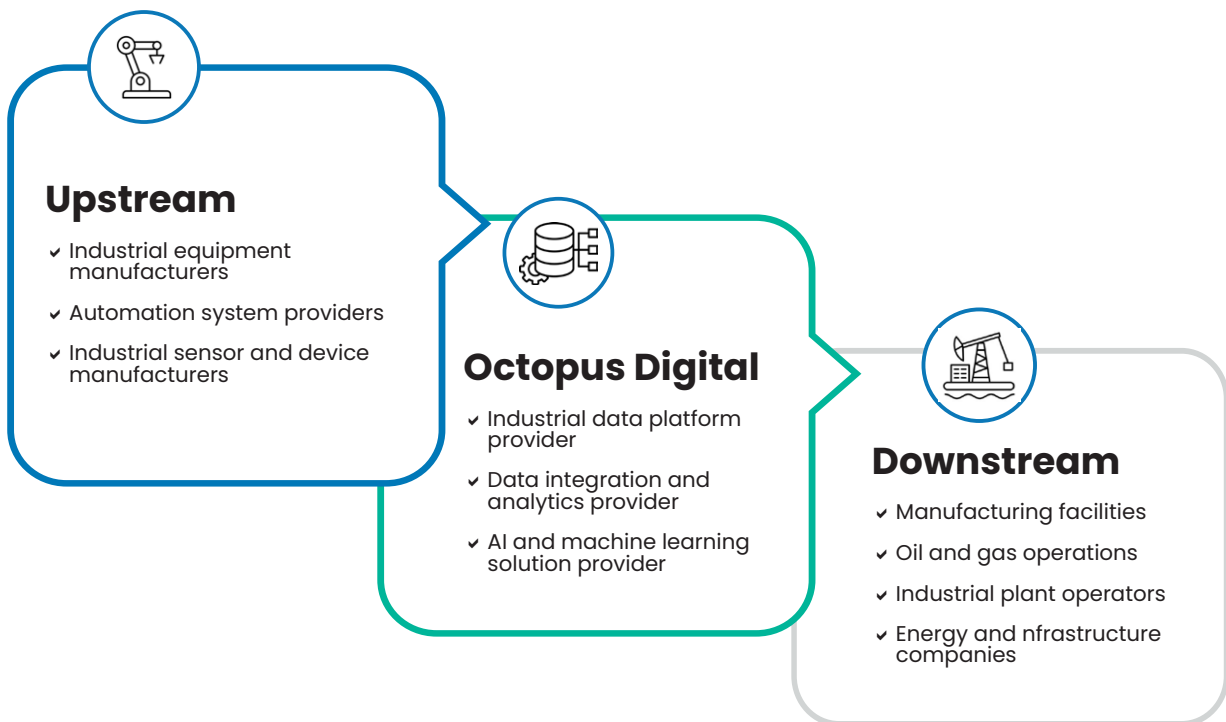


## Segment performance



## Position in the value chain

Octopus Digital operates within the industrial digital transformation value chain by integrating data from multiple enterprise and operational systems, including IT, ERP, HR, and industrial control systems, into a unified enterprise data layer. This enables the application of advanced analytics, machine learning, and AI-driven solutions for use cases such as asset monitoring, performance optimization, and operational intelligence.



# Pestel Analysis

## Political Environment

Government policies supporting digital transformation, industrial modernization, and smart infrastructure development contribute to the demand for industrial digital solutions.



## Technological Environment

Rapid advancements in cloud computing, artificial intelligence, machine learning, and IoT technologies are reshaping industrial operations.



## Economic Environment

Industrial investments and economic conditions influence technology adoption. However, the growing need for operational efficiency and cost optimization continues to drive digital transformation initiatives.



## Environmental Environment

Sustainability initiatives and environmental regulations are encouraging companies to adopt digital tools for monitoring energy consumption and reducing environmental impact.



## Social Environment

Organizations increasingly rely on digital technologies to improve operational transparency, workforce productivity, and collaboration.



## Legal and Regulatory Environment

Data protection regulations, cybersecurity standards, and industrial compliance requirements influence the deployment of digital platforms across different regions. digital solutions.



# SWOT Analysis



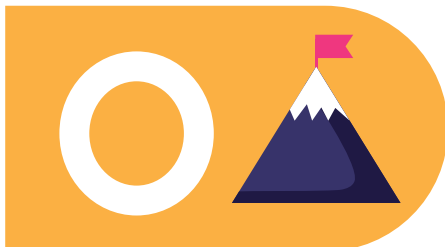
## Strengths

- Cloud-native industrial data platforms
- Expertise in AI, IoT, and advanced analytics
- Credible industrial background
- Presence in multiple industrial markets
- Strong, skilled, and multidisciplinary workforce with expertise in engineering, data science, and industrial operations
- Ability to stay nimble and customer-centric approach in implementation



## Weaknesses

- Dependence on industrial investment cycles
- Emerging brand compared with global competitors



## Opportunities

- Increasing adoption of Industry 4.0 technologies
- Growing demand for AI-driven industrial analytics
- Expansion into international markets



## Threats

- ✓ Keeping pace with rapid technological evolution

# Competitive Landscape

## Competitive landscape

The competitive landscape for industrial digital transformation solutions can be broadly categorized into the following two categories.

### 1. Platform-based SaaS providers

Companies offering integrated, cloud-based platforms that combine data integration, analytics, and AI-driven capabilities within scalable architectures. These platforms enable organizations to unify enterprise and operational data and generate real-time insights.

Competition in this segment is driven by platform scalability, ease of integration, and the ability to deliver unified, data-driven industrial intelligence.

### 2. OEMs and specialized solutions providers

Companies focused on equipment-led solutions, targeted industrial use cases, or customized digital transformation implementations. This includes OEMs, niche analytics providers, and system integrators delivering industry-specific tools and services.

Competition in this segment is driven by domain expertise, installed base, implementation capabilities, and the ability to deliver measurable operational outcomes.

## Porter's five forces analysis



Force	Industry Impact	Implications
Threat of new entrants	Moderate barriers to entry due to the need for industrial domain expertise, complex system integration, and trusted relationships with industrial clients.	Octopus Digital benefits from its industrial automation heritage through Avanceon and strong domain knowledge, which creates a barrier for purely software-focused entrants.
Bargaining power of customers	Industrial clients typically have significant bargaining power due to the scale and complexity of their operations and the availability of multiple technology vendors.	Customers often require customized implementations and long-term support agreements, making strong service capability and technical expertise key competitive advantages.
Bargaining power of suppliers	Suppliers mainly include cloud infrastructure providers, industrial hardware vendors, and technology platform providers that support digital solutions.	Dependence on global cloud infrastructure and industrial data systems requires strong technology partnerships and cost optimization strategies.
Threat of substitute solutions	Organizations may adopt alternative solutions such as in-house digital platforms, proprietary systems from automation vendors, or standalone analytics tools.	Octopus Digital's open architecture and scalable cloud-native platform help reduce substitution risk by enabling integration with existing industrial systems.
Competitive rivalry	The market includes global industrial technology companies, specialized analytics providers, and system integrators competing on innovation, scalability, and industry expertise.	Octopus Digital differentiates itself through cloud-native data platforms, AI-driven analytics capabilities, and strong industrial domain expertise.

# Code of Conduct And Ethical Principles

Octopus Digital Limited is committed to maintaining the highest standards of integrity, transparency, and ethical business conduct in all of its operations. As a responsible and forward-looking organization, the Company strives to conduct its business in a manner that reflects its core values of honesty, accountability, and professionalism.

The Company believes that ethical business practices form the foundation of sustainable growth and long-term success. All employees, management, and stakeholders are expected to uphold these principles in their daily activities and professional conduct. Working with Octopus Digital implies adherence to these values and a commitment to maintaining uncompromised integrity in all interactions.

## Compliance with Laws and Regulations

Octopus Digital strictly complies with all applicable laws, rules, and regulations in the jurisdictions where it operates. The Company ensures that its operations and business activities align with legal requirements and recognized commercial practices.

The organization remains committed to honoring all valid contractual obligations and conducting business responsibly and transparently. Octopus Digital maintains a zero-tolerance policy toward corruption and any practices that violate applicable anti-corruption and anti-bribery laws.

By maintaining strong compliance standards, the Company safeguards its reputation while delivering sustainable and responsible solutions to its customers and partners.

## Information Technology and Communications

Octopus Digital is committed to maintaining transparency, accuracy, and integrity in all communications with stakeholders. The Company ensures that information shared internally and externally is reliable, responsible, and aligned with established communication policies.

Employees are expected to communicate responsibly while protecting confidential information and safeguarding the reputation of the Company and its stakeholders. Octopus Digital also prioritizes the protection of digital assets and information systems, implementing appropriate safeguards to mitigate internal and external cybersecurity risks.

## Employee Empowerment Framework

Octopus Digital recognizes that its employees are its most valuable asset and a key driver of its long-term success. The Company is committed to attracting, developing, and retaining talented individuals who can contribute meaningfully to the organization's growth and innovation.

The Company invests in employee development by providing opportunities for continuous learning, professional growth, and skill enhancement. Through

a supportive and enabling work environment, Octopus Digital encourages employees to perform at their best and actively contribute to the organization's success.

## Equal Employment Opportunity and Anti-Harassment

Octopus Digital is an equal-opportunity employer committed to fostering a respectful, inclusive, and collaborative workplace environment. The Company strictly prohibits discrimination or harassment of any kind.

Employment decisions at Octopus Digital are based solely on merit, qualifications, and professional capability. The Company does not tolerate discrimination based on gender, religion, disability, ethnicity, or any other protected characteristic.

The organization promotes a workplace culture where diversity of perspectives is respected and employees are empowered to contribute innovative ideas in a safe and supportive environment.

## Social Compliance and Workplace Policies

Octopus Digital adheres to comprehensive social compliance and workplace policies designed to ensure fair treatment, ethical practices, and safe working conditions for all employees.

The Company maintains clear policies governing working practices, employee conduct, and workplace standards, ensuring that all employees operate in an environment that encourages collaboration, creativity, and mutual respect.

## Customer-Centricity and Sustainability

Octopus Digital remains committed to delivering high-quality solutions that address the evolving needs of its customers. The Company places strong emphasis on customer satisfaction by maintaining strong work ethics, reliable services, and innovative technology solutions.

Sustainability is an integral part of the Company's long-term strategy. Octopus Digital strives to create positive value for the communities and industries it serves by delivering solutions that support responsible growth, operational efficiency, and sustainable development.

# Core values

## Innovation

Continuously developing advanced digital technologies that enable industrial enterprises to leverage data, artificial intelligence, and cloud platforms for improved performance and decision-making.

## Customer-Centricity

Designing solutions that address real operational challenges and deliver measurable business value for customers.

## Growth

Pursuing sustainable growth through continuous product development, expanding digital capabilities, and strengthening long-term customer and partner relationships.

## Global Expansion

Expanding presence in international markets by leveraging technology partnerships and industry expertise to deliver digital transformation solutions worldwide



# Nature of our Business

## Smart Manufacturing and Industry 4.0

### Market Size and Future Outlook

The global Smart Manufacturing Technology market size was valued at USD 200,388.34 million in 2021 and is expected to expand at a CAGR of 18.66% during the forecast period, reaching USD 431,963.31 million by 2027.

In 2024, the manufacturing industry underwent significant transformations, driven by rapid technological advancements, evolving workforce dynamics, and a stronger emphasis on sustainability. These changes reshaped manufacturing operations globally, setting the stage for continued innovation in the years ahead.

### Key manufacturing trends in 2025

#### Pervasive integration of Artificial Intelligence (AI) and Machine Learning (ML)

In 2025, artificial intelligence and machine learning became increasingly embedded across manufacturing operations. Manufacturers leveraged AI for predictive analytics, process optimization, and real-time decision-making. These technologies enabled predictive maintenance, improved quality control, and enhanced supply chain management, resulting in greater efficiency and reduced operational downtime.

#### Acceleration of smart manufacturing and digital transformation

The shift toward smart manufacturing accelerated further in 2025, driven by digitalization, cloud adoption, and interconnected systems. Manufacturers deployed IoT-enabled platforms and data-driven solutions to improve operational visibility and streamline production processes. This transition enabled better coordination across the manufacturing value chain and supported large-scale digital transformation initiatives.

#### Expansion of digital twins and simulation technologies

The adoption of digital twins expanded significantly in 2025 as manufacturers sought to optimize operations and reduce costs. Virtual replicas of physical assets allowed companies to simulate processes, predict failures, and improve system performance. These capabilities supported proactive maintenance, improved design efficiency, and enhanced operational performance.



## Resilient and regionalized supply chains

Supply chain resilience remained a key priority in 2025 as manufacturers responded to global uncertainties and disruptions. Companies diversified suppliers, regionalized operations, and adopted digital tools to improve supply chain visibility and responsiveness. These efforts strengthened operational continuity and reduced exposure to global risks. Key manufacturing trends in 2025

## Growth of advanced robotics and flexible automation

Manufacturers increased the adoption of advanced robotics and automation systems in 2025 to enhance productivity and address labor shortages. The integration of robotics with AI enabled higher precision, improved workplace safety, and more scalable production environments, supporting efficient and flexible manufacturing operations.

## Focus on workforce transformation and digital skills development

Workforce transformation remained a critical focus area in 2025 as manufacturing became more technology-driven. Organizations invested in upskilling and reskilling initiatives to equip employees with capabilities in AI, automation, and data analytics. These efforts supported a more adaptable workforce and helped address evolving industry skill requirements.

## Looking ahead

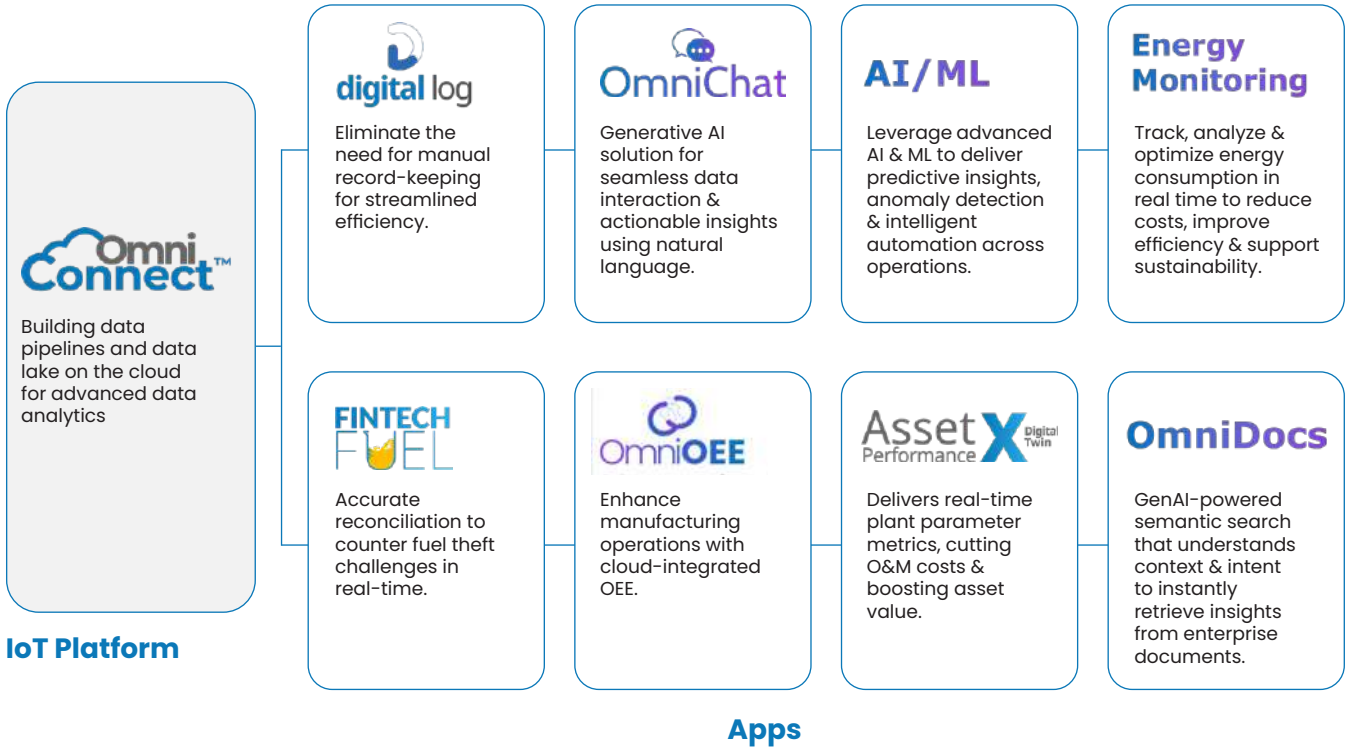
Manufacturing in 2025 was shaped by rapid technological advancements, increasing digitalization, and evolving global dynamics. These trends are expected to continue driving the industry toward more intelligent, resilient, and autonomous operations in the years ahead.

## Disclaimer:

The views and analyses expressed in this section are based on publicly available industry reports and research publications. Relevant sources are provided below for reference.

- <https://www.customertimes.com/ai-automation-in-manufacturing-2025-report?>
- <https://hexagon.com/resources/insights/digital-twin/statistics>
- <https://www.abiresearch.com/blog/artificial-intelligence-ai-in-supply-chain-survey-results>
- <https://www.washingtonpost.com/washington-post-live/2025/05/15/transcript-post-next-future-manufacturing>

## IoT Platform and Apps



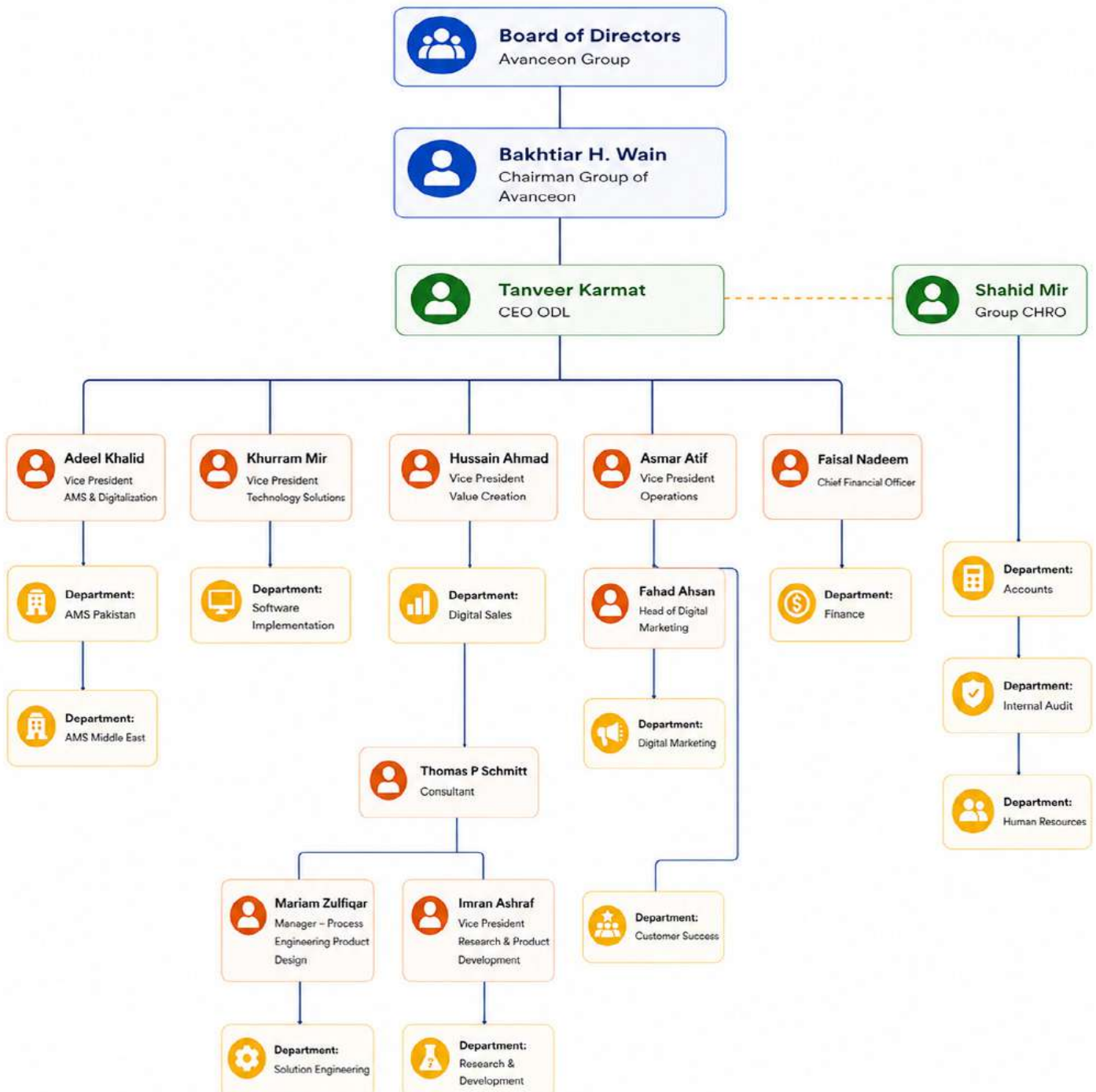
## Customers addition during FY 2025 for Digital Business



## Customers addition during FY 2025 for AMS Business



**COMPANYWIDE ORGANOGRAM**



# Strategy and Resource Allocation

## Strategic direction

Octopus Digital Limited is committed to advancing its position as a leading provider of cloud-native data platforms and digital transformation solutions for industrial enterprises. The Company's strategy is centered on enabling industrial organizations to harness the power of data, artificial intelligence, and cloud technologies to improve operational performance, asset reliability, and decision-making.

The Company continues to strengthen its capabilities in industrial data integration, advanced analytics, and AI-driven solutions while expanding its geographic presence and industry footprint. By combining its digital platforms with domain expertise in industrial automation, Octopus Digital aims to deliver scalable solutions that support the evolving needs of industrial organizations transitioning toward Industry 4.0.

Through this strategic direction, the Company seeks to create long-term value for its customers, stakeholders, and shareholders.

## Short, medium, and long-term strategic objectives

Octopus Digital continuously evaluates its strategic direction to remain aligned with evolving technological developments, customer expectations, and industry trends in the digital transformation landscape. The Company's strategy focuses on strengthening its digital platforms, expanding market presence, and delivering scalable solutions that enable industrial organizations to unlock value from their operational data. By combining advanced analytics, artificial intelligence, and cloud technologies with deep industrial expertise, Octopus Digital aims to drive sustainable growth and innovation across the markets it serves.

### Short-term strategic objectives

- Strengthen the capabilities and performance of the OmniConnect™ data platform
- Expand Generative AI and machine learning applications across industrial use cases
- Increase adoption of digital solutions across existing customers and sectors
- Improve operational efficiency through digital workflows and automation
- Build a robust customer success function to drive value, retention, and adoption

### Medium-term strategic objectives

- Increase market penetration across the Middle East and South Asia
- Expand presence in additional international markets
- Strengthen strategic partnerships with technology providers and system integrators
- Expand the portfolio of digital applications built on the OmniConnect™ platform
- Increase recurring revenue through digital platforms and long-term service agreements

### Long-term strategic objectives

- Establish Octopus Digital as a leading industrial data cloud platform provider
- Expand global customer reach across multiple industrial sectors
- Build a comprehensive digital ecosystem integrating IoT, AI, analytics, and digital twin technologies
- Deliver scalable digital platforms supporting Industry 4.0 and smart manufacturing initiatives
- Strategically plan and execute expansion into North America, targeting key industrial markets

# Resource Allocation

To successfully implement its strategy, Octopus Digital allocates resources across several forms of capital that support long-term value creation.

Capital	Resource Allocation Plan
Financial Capital	Investments are directed toward product innovation, platform development, and expansion into new markets. Financial resources support research and development, digital infrastructure, and the deployment of scalable cloud-based solutions.
Human Capital	Octopus Digital continues to invest in skilled professionals across software engineering, data science, artificial intelligence, and industrial automation. Training and development initiatives strengthen technical capabilities and leadership potential across teams.
Manufactured Capital	The Company utilizes modern cloud infrastructure, digital platforms, and software development environments to support the delivery of scalable digital solutions and reliable data analytics services.
Intellectual Capital	Proprietary technologies, digital platforms, and technical expertise form a core component of the Company's intellectual capital. Continuous product development and innovation enhance the capabilities of solutions such as OmniConnect™, AI/ML models, and digital twin applications.
Social & Relationship Capital	Long-term relationships with industrial clients, technology partners, and industry stakeholders enable Octopus Digital to expand its market presence and deliver high-value digital transformation solutions.
Natural Capital	Through digital monitoring and optimization solutions, the Company supports industrial organizations in improving energy efficiency and resource utilization, contributing to more sustainable industrial operations.



# Capabilities And Resources Supporting Competitive Advantage

## Strategic Direction

Octopus Digital's competitive advantage is supported by a combination of technological capabilities, industry expertise, and strategic partnerships.

### Key strengths include:

- A cloud-native industrial data platform architecture enabling scalable data integration.
- Expertise in artificial intelligence, machine learning, and advanced industrial analytics.
- Strong domain knowledge in industrial operations and automation systems.
- Long-term relationships with industrial customers across multiple sectors.
- Strategic alignment with the Avanceon Group's industrial expertise.

These capabilities enable the Company to deliver integrated digital solutions that generate measurable operational value for customers.

## Strategy for market development

Octopus Digital continues to expand its presence across regional and international markets by leveraging its digital platform capabilities and industry partnerships.

Market development initiatives focus on:

- Strengthening presence in existing regional markets including the Middle East and South Asia.
- Expanding customer engagement across industrial sectors such as energy, manufacturing, and infrastructure.
- Establishing strategic partnerships with technology providers and system integrators.
- Increasing adoption of digital platforms through targeted industry use cases.
- Exploring new international markets to expand the Company's global footprint and access high-growth industrial technology markets.



# Impact of key factors on strategy and resource allocation

## Technological changes

Rapid advancements in digital technologies such as AI, cloud computing, and IIoT continue to influence the Company's strategic direction. Octopus Digital actively invests in research and development to ensure that its digital platforms remain aligned with emerging technological trends.

## Sustainability reporting and challenges

Organizations are increasingly expected to demonstrate responsible business practices and sustainability commitments. Octopus Digital supports these efforts by developing digital solutions that enable industrial organizations to monitor energy consumption, optimize operations, and reduce environmental impact.

## Innovation initiatives

Innovation is embedded in the Company's strategic approach. Octopus Digital promotes innovation through continuous product development, investment in research and development, and collaboration with technology partners.

The Company also encourages internal innovation by fostering a culture that supports experimentation, learning, and technological advancement.

## Resource constraints

Like many technology companies, Octopus Digital may face challenges related to the availability of specialized technical talent and evolving technological requirements. The Company addresses these challenges by investing in employee development, strengthening recruitment initiatives, and leveraging strategic partnerships.

## Key Performance Indicators (KPIs)

The Company monitors several performance indicators to evaluate the effectiveness of its strategy and operational performance.

Key indicators include:

- Growth in digital platform adoption and customer base
- Recurring revenue generated through digital platform subscriptions and services
- Customer retention and satisfaction levels
- Expansion into new markets and industry sectors
- Innovation outcomes reflected through product enhancements and new digital capabilities

These indicators help the Company track progress toward its strategic objectives while ensuring that its digital solutions continue to deliver value to customers.

## Alignment of strategy with vision and mission

The Company's strategy is closely aligned with its mission and vision of empowering industrial organizations by transforming operational data into actionable, AI-driven intelligence through scalable cloud platforms and advanced analytics.

By advancing a unified, self-service ecosystem where data and AI converge, Octopus Digital continues to progress toward its vision of becoming a global leader in operational intelligence, enabling resilient, scalable, and increasingly autonomous industrial operations.

Through continuous innovation, customer-centric solutions, and strategic partnerships, the Company aims to drive smarter decision-making, operational efficiency, and long-term sustainable growth.

# Sustainability disclosures and Corporate Social Responsibility (CSR)

Octopus Digital recognizes that responsible and sustainable business practices are essential for long-term value creation. As a technology company focused on industrial digital transformation, the Company contributes to sustainability by enabling organizations to improve operational efficiency, optimize resource utilization, and reduce environmental impact through data-driven digital solutions.

The Company integrates sustainability considerations into its governance framework, operational practices, and strategic decision-making processes while aligning its initiatives with evolving regulatory requirements and stakeholder expectations.

## Board oversight of sustainability

The Board of Directors oversees sustainability and ESG-related matters as part of the Company's broader governance and risk management framework. Sustainability considerations are incorporated into strategic planning and operational decision-making to ensure that environmental, social, and governance factors are appropriately managed.

Management periodically reports to the Board on sustainability initiatives, emerging ESG trends, and operational practices that may influence the Company's long-term performance and risk profile.

## Sustainability risks and opportunities

Sustainability-related factors present both risks and opportunities for the Company and the industries it serves. These considerations are monitored as part of the Company's overall risk management and strategic planning processes.

Sustainability Area	Risks	Opportunities	Business Impact
Climate & environmental factors	Increasing regulatory requirements related to sustainability reporting and environmental performance.	Rising demand for digital solutions that help organizations monitor energy consumption and improve efficiency.	Expansion of solutions focused on energy optimization and operational efficiency.
Technological change	Rapid evolution of digital technologies requiring continuous investment in innovation.	Adoption of AI, IoT, and advanced analytics across industrial sectors.	Development of new digital solutions and platform capabilities.
Workforce development	Shortage of highly skilled professionals in AI, software engineering, and data science.	Investment in talent development and innovation capabilities.	Strengthening technical expertise and long-term competitiveness.
Market transformation	Increasing competition in digital transformation markets.	Growing global demand for Industry 4.0 technologies.	Expanded opportunities for digital platform adoption.

# Sustainability Framework

In line with emerging ESG reporting frameworks and SECP guidance, Octopus Digital approaches sustainability through four core pillars: Governance, Strategy, Risk Management, and Metrics & Targets.

Pillar	Approach
Governance	The Board oversees sustainability matters and ensures ESG considerations are incorporated into corporate governance and strategic decision-making.
Strategy	Sustainability considerations are integrated into the Company's digital solutions, enabling customers to improve operational efficiency and resource utilization.
Risk management	Sustainability-related risks are monitored through the Company's enterprise risk management and governance processes.
Metrics & targets	Performance is monitored through operational, financial, and innovation-related indicators that track platform adoption, product development, and customer impact.



# Diversity, Equity, and Inclusion (DE&I)

Octopus Digital is committed to maintaining a diverse and inclusive workplace that promotes equal opportunity and professional development. Employment decisions are based on merit, qualifications, and professional capability.

The Company fosters a collaborative environment where employees are encouraged to contribute innovative ideas while maintaining respect for diverse perspectives. Workplace policies prohibit discrimination and harassment and support a safe, respectful working environment.

## Sustainability initiatives

Sustainability Area	Key Initiatives	Impact
Social initiatives	<ul style="list-style-type: none"> <li>• Creating employment opportunities in software engineering, data science, and digital transformation roles</li> <li>• Providing employee training and professional development programs</li> <li>• Promoting workplace health, safety, and employee well-being</li> <li>• Supporting knowledge development through research and innovation in industrial technologies</li> </ul>	Strengthens workforce capabilities, promotes innovation, and contributes to professional development within the technology sector.
Environmental initiatives	<ul style="list-style-type: none"> <li>• Encouraging paperless operations through digital workflows and documentation systems</li> <li>• Promoting efficient use of office resources and energy</li> <li>• Supporting operational efficiency through digitalization and technology adoption</li> </ul>	Reduces resource consumption in internal operations and promotes responsible operational practices.
Technological innovation for sustainability	<ul style="list-style-type: none"> <li>• Development of AI-driven predictive maintenance solutions to reduce operational inefficiencies</li> <li>• Deployment of digital twin technologies to optimize asset performance and energy efficiency</li> <li>• Energy monitoring solutions that help industrial organizations track and optimize energy consumption</li> </ul>	Enables industrial organizations to improve operational efficiency, reduce resource wastage, and support more sustainable industrial operations.

# Resource consumption and environmental management

As a digital technology company, Octopus Digital has a relatively limited direct environmental footprint compared with industrial or manufacturing organizations. The Company’s primary resource consumption arises from office operations and the information technology infrastructure used to develop and operate its digital platforms.

Octopus Digital promotes responsible operational practices and continues to evaluate opportunities to improve efficiency in its internal operations while enabling sustainability improvements through its technology solutions.

Resource Area	Management Approach
Energy use	Energy consumption is primarily related to office facilities and the computing infrastructure used to develop and operate digital platforms. The Company promotes efficient use of energy within its offices and encourages responsible use of electronic equipment and digital infrastructure.
Digital infrastructure	The Company relies on cloud -based systems and digital platforms to support software development, data processing, and collaboration. The use of scalable cloud infrastructure allows computing resources to be managed efficiently and reduces reliance on physical IT infrastructure.
Paper and office materials	Octopus Digital promotes paperless workflows and digital documentation through the use of cloud collaboration tools, digital reporting systems, and electronic communication platforms.
Indirect environmental impact	Through its digital solutions, the Company enables industrial organizations to monitor energy usage, optimize operational efficiency, and reduce resource wastage. These technologies support improved environmental performance for customers operating in energy-intensive sectors.

## Board commitment to CSR

The Board of Directors remains committed to promoting responsible business practices and ensuring that sustainability considerations are integrated into the Company’s strategic direction.

The Board recognizes that responsible governance, ethical conduct, and sustainable innovation contribute to long-term organizational resilience and financial performance. Through its policies, governance practices, and digital technology solutions, Octopus Digital continues to support sustainable industrial transformation.

# Governance

## Investor relations and grievance management

Octopus Digital maintains effective investor relations practices to ensure that shareholders have access to accurate and timely information regarding the Company's performance and governance.

Investor queries and grievances are addressed through established communication channels, including corporate disclosures, investor relations platforms, and regulatory reporting mechanisms.

# Employee health, safety, and protection

Octopus Digital places strong emphasis on maintaining a safe, healthy, and environmentally responsible workplace for its employees and stakeholders. The Company recognizes that protecting the health and safety of its workforce is fundamental to sustainable operations and long-term organizational success.

The Company follows established Health, Safety and Environment (HSE) practices aligned with the broader governance and operational standards of the Avanceon Group. These practices are designed to ensure that employees, contractors, visitors, and surrounding communities are not exposed to unnecessary risk as a result of the Company's operations.

## HSE Objectives

- The Company's HSE framework focuses on the following objectives:
- Promoting a strong safety culture across all operational activities.
- Ensuring that employee health and safety remains a priority in all work processes.
- Preventing workplace incidents through proactive risk assessment and safety awareness.
- Encouraging responsible environmental practices within operational activities.

The Company strives to maintain a "Zero Incident" approach, emphasizing prevention, awareness, and continuous improvement in health and safety practices.

## Safety of records and information

Octopus Digital recognizes the importance of protecting corporate information, digital assets, and operational data. The Company maintains information security and governance practices designed to ensure the **confidentiality, integrity, and availability of information systems and business records**.

Information security practices are aligned with the broader governance framework of the Avanceon Group, which implements an **Information Security Management System (ISMS)** consistent with internationally recognized standards such as **ISO 27001**. These policies provide a structured framework for managing information security risks and safeguarding business data.

### Key elements of the Company's information security framework include:

- **Information Security Governance** through defined policies and procedures governing the use and protection of IT resources.
- **Access Control Mechanisms** to ensure that sensitive systems and data are accessible only to authorized personnel.
- **Data Protection and Confidentiality Measures** designed to safeguard company and customer information from unauthorized access or disclosure.
- **Cybersecurity Risk Monitoring** to identify and mitigate potential threats to digital infrastructure.
- **Employee Awareness and Responsible Use Policies** guiding the acceptable use of information systems and digital resources.

These practices help ensure that the Company's information assets remain secure while supporting reliable business operations and maintaining stakeholder trust.

# Business continuity and disaster recovery

Octopus Digital recognizes the importance of operational resilience and has implemented processes designed to ensure continuity of critical business operations in the event of unforeseen disruptions.

The Company's business continuity approach focuses on maintaining the availability of essential systems, protecting operational data, and minimizing disruption to customers and stakeholders.

## Key elements of the Company's continuity framework include:

- **Operational Continuity Planning** to ensure that critical business functions can continue during disruptions.
- **Cloud-Based Infrastructure and Data Backups** that support secure storage and recovery of operational data.
- **Disaster Recovery Procedures** designed to restore information systems and digital platforms within acceptable timeframes following unexpected incidents.
- **Risk Monitoring and Periodic Review** of operational processes and IT systems to identify potential vulnerabilities and improve resilience.
- **Remote Work and Digital Collaboration Capabilities** that support operational continuity during emergencies or external disruptions.

The Company periodically reviews its operational processes and digital infrastructure to ensure that its business continuity and disaster recovery practices remain effective and aligned with evolving operational requirements.



# Business Model

Octopus Digital’s business model is centered on developing and delivering digital transformation solutions that enable industrial organizations to unlock value from their operational data. The Company integrates operational technology (OT), information technology (IT), and enterprise technology (ET) to create scalable cloud-based platforms and analytics solutions that improve operational efficiency, asset performance, and decision-making.

Through its cloud-native industrial data platforms and digital applications, Octopus Digital transforms raw operational data into actionable insights that support industrial organizations in optimizing their processes, reducing operational risks, and improving productivity.

The Company’s business model can be described through four key components: inputs, business activities, **outputs, and outcomes**, consistent with widely recognized integrated reporting frameworks.

Component	Description
Inputs	The Company leverages multiple forms of capital to support its operations, including financial capital for product development and expansion, human capital in the form of skilled engineers, data scientists, and technology professionals, intellectual capital such as proprietary digital platforms and algorithms, and technology infrastructure including cloud platforms and digital development environments. Strategic relationships with customers, technology partners, and the Avanceon Group also represent key inputs supporting the Company’s operations.
Business activities	The Company develops and deploys industrial digital platforms and applications that integrate data from operational systems and enterprise systems. Core activities include the development of IoT data platforms, deployment of AI and machine learning solutions, implementation of digital twin technologies, integration of industrial data systems, and delivery of analytics solutions that enable real-time operational insights. The Company also provides digital transformation consulting, system integration, and after-market support services to customers across multiple industries.
Outputs	The Company delivers cloud-based digital platforms, industrial analytics solutions, and AI-driven applications that enable organizations to monitor, analyze, and optimize operational performance. Key outputs include solutions such as the OmniConnect™ industrial data platform, OmniChat GenAI assistant, digital logging solutions, OEE monitoring and predictive performance insights, asset performance monitoring tools, and energy optimization systems.
Outcomes	Through its digital solutions, the Company helps industrial organizations improve operational efficiency, enhance asset reliability, optimize energy consumption, and support data-driven decision-making. These outcomes contribute to improved productivity, reduced operational risks, and greater adoption of Industry 4.0 technologies across industrial sectors.

## Material changes in business model

During the year under review, there were no fundamental changes to the Company's core business model. Octopus Digital continues to focus on the development and deployment of industrial digital platforms and analytics solutions that support digital transformation initiatives across industrial sectors.

**However, the Company continued to strengthen and expand its digital capabilities through:**

- Enhancement of its cloud-native industrial data platform architecture.
- Expansion of artificial intelligence and machine learning applications across industrial use cases.
- Increased focus on scalable digital platforms supporting Industry 4.0 initiatives.

These developments reflect the Company's continued evolution as a technology-driven provider of industrial digital solutions while maintaining the core structure of its business model.



## Future outlook

Status of ongoing projects and alignment with previous forward-looking statements

During the year under review, Octopus Digital continued to make progress on several strategic initiatives that were previously identified as key priorities for the Company's growth.

### These initiatives included:

- Continued enhancement of the **OmniConnect™ industrial data platform** to support advanced analytics and data integration capabilities.
- Expansion of **Generative AI and machine learning applications** for industrial use cases, including predictive maintenance and process optimization.
- Development and deployment of **digital twin capabilities and asset performance analytics solutions**.
- Increased adoption of the Company's digital platforms across industrial sectors.

The progress achieved in these areas indicates that the Company's operational performance and strategic initiatives remain aligned with the forward-looking objectives outlined in the previous reporting period.

## Future R&D initiatives

Innovation remains a key priority for Octopus Digital, and the Company continues to invest in research and development to enhance the intelligence, scalability, and usability of its digital platforms..

### Future R&D initiatives are expected to focus on:

- Expanding **AI, machine learning, and generative AI technologies** across digital solutions.
- Developing **GenAI-powered knowledge assistants** for industrial and enterprise applications.
- Strengthening **data integration across OT, IT, and enterprise systems**.
- Improving platform scalability through **cloud-native architectures and advanced analytics frameworks**.

Through these initiatives, the Company aims to continue delivering innovative digital technologies that support industrial digital transformation and Industry 4.0 adoption.



# Enterprise Resource Planning (ERP) System Overview

As part of our continued commitment to operational excellence and digital transformation, the organization has successfully implemented a fully integrated Enterprise Resource Planning (ERP) system. This system centralizes and streamlines key business functions, enabling greater efficiency, transparency, and data-driven decision-making across all departments.

Leveraging our status as a Microsoft Gold ISV Partner, we utilize Microsoft Dynamics GP 2018 (October 2022 Release) under the Internal Use of Rights (IUR) program. The ERP platform serves as a unified solution for managing core business operations, including finance, human resources, procurement, inventory, supply chain, and project accounting.

By automating routine processes, enabling real-time reporting, and ensuring data consistency, the system significantly enhances operational performance and organizational agility.

## a Integration of Core Business Processes and Modules

The ERP system is built on a comprehensive suite of interconnected modules, including Finance, Human Resources, Inventory Management, Procurement, and Project Accounting. These modules operate in a fully integrated environment, allowing seamless data exchange and real-time synchronization across departments.

Key functions such as payroll processing, vendor management, asset tracking, budgeting, and project cost monitoring are unified within the system to ensure efficient workflows and accurate reporting.

To further strengthen operational consistency, a robust framework of Standard Operating Procedures (SOPs) has been developed and embedded within the ERP environment. These SOPs standardize processes, enhance accountability, and ensure compliance with organizational policies, enabling users to perform tasks efficiently and consistently.

## b Management Support in Implementation and Enhancement

Strong leadership commitment has been instrumental in the successful implementation and continuous improvement of the ERP system. Management has played a critical role in defining system requirements, selecting appropriate modules, and establishing clear implementation milestones.

Ongoing oversight is maintained through regular performance evaluations and stakeholder feedback sessions, ensuring that the ERP system remains aligned with organizational objectives.

Additionally, management actively supports system enhancements and upgrades by allocating necessary resources and promoting cross-functional collaboration. This proactive approach fosters a culture of ownership, innovation, and adaptability, ensuring that the ERP system evolves in line with business growth and technological advancements.

## b Structured User Training and Enablement

To ensure effective utilization of the ERP system, a comprehensive user training and enablement program has been implemented. New users undergo role-based training tailored to their specific responsibilities, enabling them to quickly adapt to system functionalities.

This is further supported by a centralized repository of digital user manuals and step-by-step video tutorials, providing users with continuous access to learning resources.

## d Risk Management in ERP Projects

Recognizing the importance of risk mitigation in ERP implementations, a comprehensive risk management framework has been established in collaboration with relevant departments.

- Regular data backups
- Periodic user access reviews
- Structured change management procedures
- Disaster Recovery Plan (DRP) testing

Before deploying system upgrades or introducing new modules, rigorous testing and validation processes are conducted to ensure system stability and data integrity. This structured approach minimizes operational risks and ensures business continuity.

# Risk Management Framework

At Octopus Digital Limited, the Board of Directors recognizes that effective risk management is fundamental to the achievement of the Company’s strategic and operational objectives. Risk management is embedded within the organization’s governance structure and is treated as a continuous and integral process aligned with business operations. The framework is designed to proactively identify, assess, and mitigate potential risks that may hinder the realization of organizational goals, thereby safeguarding stakeholder value and ensuring sustainable growth.

In line with the requirements of the **Code of Corporate Governance**, the Board has established an independent **Internal Audit Function** operating under a structured and systematic approach defined as under:



The Internal Audit Charter, approved by the Board Audit Committee, defines the mandate, authority, and responsibilities of the Internal Audit Function. The Charter aims to provide independent and objective assurance to the Board and management by evaluating the adequacy and effectiveness of governance processes, risk management practices, and internal controls. Through this mandate, the Internal Audit Function contributes to value creation, operational improvement, and enhanced transparency across the organization and its group entities.

The Internal Audit Function operates in accordance with the professional standards issued by the Institute of Internal Auditors and applies the principles of COSO Enterprise Risk Management Framework. Using structured tools such as Risk Control Matrices (RCM) and risk-based audit methodologies, the function develops and implements an Annual Risk-Based Internal Audit Plan. This plan prioritizes key risk areas and facilitates the periodic evaluation of internal controls through control testing, functional reviews, and process audits across the organization.

Furthermore, under the Enterprise Risk Management (ERM) framework, the Internal Audit Function supports management in identifying and mitigating enterprise-wide risks through the strengthening of internal control mechanisms. This structured approach promotes operational resilience, ensures business continuity, and supports the effective achievement of strategic and operational objectives at the enterprise level.



# Risk Methodology, Assessment & Reporting



## Risk Appetite & Threshold Matrix

Risk Appetite defines the maximum risk threshold level, an organization is willing to accept in chasing its strategic objectives. It sets the framework for resource allocation, risk boundaries, and tolerance limits, aligning with growth goals, operational plans, and regulatory requirements. Risk Appetite ensures the organization operates within acceptable risk limits, considering business plans and the macroeconomic environment.



# QHSE & SUSTAINABILITY UPDATES



## QHSE & Sustainability Excellence and Innovation in 2025

In 2025, we advanced our QHSE and Sustainability initiatives through targeted training, capability building, and continuous improvement. HSE sessions enhanced employee awareness and competency, while vendor pre-qualification ensured compliance with HSE standards. Sustainability efforts included awareness campaigns, World Earth Day activities, and office plantation drives. Regular monitoring, hazard identification, and preventive controls reinforced operational safety, while employee engagement strengthened our safety culture. These structured efforts improved compliance, operational effectiveness, and environmental responsibility.

## Capability Building & HSE & Sustainability Excellence

- 1. HSE Training:** Focused safety sessions were conducted with employees to enhance HSE awareness and promote a proactive safety culture across the organization.
- 2. ODL Vendor Pre-Qualification for HSE Compliance:** Pre-qualification of ODL was conducted for various vendors to ensure compliance with required HSE standards and regulatory requirements
- 3. World Earth Day:** A dedicated awareness session was conducted with employees to highlight the significance of World Earth Day, followed by a plantation drive within the office premises to promote environmental sustainability.
- 4. Employee Engagement & Safety Culture:** Encouraged employee participation in HSE initiatives through awareness sessions and engagement activities to strengthen a positive and proactive safety culture.
- 5. Compliance & Continuous Improvement:** Ensured alignment with applicable HSE regulations and internal standards through structured processes, periodic reviews, and a commitment to continuous improvement.
- 6. Operational Safety & Risk Management:** Maintained a strong focus on workplace safety through regular monitoring, hazard identification, and implementation of preventive controls to minimize risks and ensure a safe working environment.



ODL has aligned its disclosures with internationally recognized ESG reporting principles and sustainability frameworks, reflecting its commitment to transparent and responsible business practices. The disclosures provide a structured approach for identifying, managing, and reporting material environmental, social, and governance risks and opportunities, while supporting enhanced transparency, stronger governance practices, and informed stakeholder decision-making.

Category	Metric	Measurement Annual, unless specified	Remarks
Social	Employee Turnover	• Percentage: Year-over-year change for full-time employees	14%
		• Percentage: Year-over-year change for part-time employees	Not Applicable
		• Percentage: Year-over-year change for contractors and/or consultants	Not Applicable
	Gender Diversity	• Percentage: Total enterprise headcount held by men and women	Male: 86%, Female: 14%
		• Percentage: Entry- and mid-level positions held by men and women	Male: 83%, Female: 17%
		• Percentage: Senior- and executive-level positions held by men and women	Male: 93%, Female: 7%
	Temporary Worker Ratio	• Percentage: Total enterprise headcount held by part-time employees	Not Applicable
		• Percentage: Total enterprise headcount held by contractors and/or consultants	Not Applicable
	Non- Discrimination	• Does your company have a sexual harassment and/or non-discrimination, diversity, inclusion policy? Yes/No	Yes
		• Is there a confidential grievance, resolution, reporting and non-retaliation mechanism and procedure to address and respond to incidence of harassment and violence? Yes/ No	Yes
		• Percentage: differently-abled Women and men in the workforce	0% for both
	Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	Yes
	Child & Forced Labor	• Does your company follow a child and/or forced labor policy? Yes/No	Yes
		• If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	Yes
	Corporate Social Responsibility	• Please share a list of CSR activities undertaken along with total time spent on these and amounts (PKR) allocated to these	7,521,694
		the Number of employees and workers trained on these:	
		-Skill Upgradation	0
-Soft Skills		0	
	- Health and Safety Measures	Yes	
	• Percentage: Women and men promoted during the year	Male: 81 %, Female 19%	
	Human Rights	• Does your company follow a human rights policy? Yes/No	Yes
	• If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Yes	
	Working Conditions	• Number of complaints made by employees regarding working conditions during the reporting period.	0
• Number of complaints regarding working conditions resolved.		0	
Injury Rate	• Percentage: Frequency of injury events relative to total workforce time	0	
	• Number of safety-related incidents during the reporting year and Number of lost production hours as a result	0	
	• Disclose the percentage of employees/workers covered with Health and Safety Insurance	100% of All permanent Employees	
Marketing	• Do you have responsible gender sensitive marketing communication policy or a commitment embedded in larger corporate policy? Yes/No	No	

Category	Metric	Measurement Annual, unless specified	Remarks
GOVERNANCE	Board Diversity	<ul style="list-style-type: none"> <li>Percentage: Total board seats occupied by men and women</li> <li>Percentage: Committee chairs occupied by men and women</li> </ul>	Men: 87.50 % , Women: 12.50%
			Men: 100 , Female: 0%
	Board Independence	<ul style="list-style-type: none"> <li>Does company prohibit CEO from serving as board chair? Yes/No</li> <li>Percentage: Total board seats occupied by independents</li> </ul>	yes
			3
	Board competence	<ul style="list-style-type: none"> <li>Percentage of ESG-certified board members.</li> </ul>	No
	Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	No
	Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	No
	Supplier Code of Conduct	<ul style="list-style-type: none"> <li>Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No</li> <li>If yes, what percentage of your suppliers have formally certified their compliance with the code?</li> </ul>	Yes
			100%
	Ethics & Anti-Corruption	<ul style="list-style-type: none"> <li>Does your company follow an Ethics and/or Anti-Corruption policy? If yes, what percentage of your workforce has formally certified its compliance with the policy?</li> </ul>	yes
			100%
	Data Privacy	<ul style="list-style-type: none"> <li>Does your company follow a Data Privacy policy? Yes/No</li> <li>Does your company taken steps to comply with general data protection rules/ framework? Yes/No</li> </ul>	yes
			yes
Sustainability Reporting	<ul style="list-style-type: none"> <li>Does your company publish a sustainability report? Yes/No</li> <li>Is sustainability data included in your regulatory filings? Yes/No</li> </ul>	Yes	
		Yes	
Disclosure Practices	<ul style="list-style-type: none"> <li>Does your company provide sustainability data in line with any sustainability reporting frameworks? Yes/No</li> <li>Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No</li> <li>Does your company set targets and report progress on the UN SDGs? Yes/No</li> </ul>	No	
		Yes	
		No	
External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	No	

Category	Metric	Measurement Annual, unless specified	Remarks
ENVIRONMENT	GHG Emissions	<ul style="list-style-type: none"> <li>Total amount, in CO2 equivalents:</li> </ul>	Not Available
	Emissions Intensity	<ul style="list-style-type: none"> <li>Total GHG emissions per employee is.</li> </ul>	Not Available
	Energy Usage	<ul style="list-style-type: none"> <li>Total amount of energy <i>directly</i> consumed</li> <li>Total amount of energy <i>indirectly</i> consumed</li> </ul>	Not Available
			Not Available
	Energy Intensity	Total direct energy usage per output scaling factor	N/A
	Energy Mix	<ul style="list-style-type: none"> <li>Percentage: Energy usage by generation type</li> <li>Disclose the energy consumption from renewable sources as a percentage of total energy consumption</li> </ul>	Not Available
			0%
	Water Usage	<ul style="list-style-type: none"> <li>Total amount of water consumed</li> <li>Total amount of water reclaimed</li> </ul>	Not Available
			Not Available
	Environmental Operations	<ul style="list-style-type: none"> <li>Does your company follow a formal Environmental Policy? Yes, No</li> <li>Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No</li> <li>Specify the quantity of waste recycled or re-used as a percentage of total waste for the current and comparative period.</li> <li>Does your company use a recognized energy management system? Yes/No</li> </ul>	Yes
			No
			No
	Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	Yes
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes	
Sustainable Sourcing	<ul style="list-style-type: none"> <li>Does your company has a policy and procedures in place for sustainable sourcing? (Yes/No)</li> </ul>	Yes	
Climate Risk Mitigation and adaptation	Climate related transition and physical risks, climate related opportunities, capital deployment, internal carbon prices.	No	

# CORPORATE GOVERNANCE



Strong corporate governance is the foundation of an organization's long-term success and resilience. It is shaped by a well-defined set of principles, policies, and procedures that align with legal standards and the organization's internal framework. At its core, corporate governance promotes transparency and trust, providing assurance to all stakeholders — from shareholders and investors to regulators, partners, customers, and the broader community.

A culture rooted in transparency significantly enhances an organization's credibility by embedding ethical standards, accountability, and professionalism at every level. It extends beyond conventional oversight, serving as a strategic catalyst that aligns the varied interests of stakeholders, supports well-informed decision-making, and nurtures a stable, resilient environment where innovation, sustainable growth, and corporate reputation are continuously advanced.

To achieve effective governance, organizations must establish and maintain comprehensive internal controls, robust risk management frameworks, and diligent oversight of corporate activities. The Board's unwavering commitment to regulatory compliance—particularly with frameworks such as the Listed Companies (Code of Corporate Governance) Regulations, 2019—is fundamental to ensuring operational efficiency, protecting organizational assets, and preserving shareholder value. Equally important is strict adherence to local legal requirements and the accurate preparation of financial statements in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), which together reinforce transparency, legal compliance, and financial integrity. These governance mechanisms collectively support sound corporate management and safeguard the long-term interests of all stakeholders.

## BOARD COMPOSITION

The composition and qualifications of the Company's Board of Directors are meticulously aligned with the provisions of the Companies Act 2017, the Code of Corporate Governance, and the best practices stipulated in the Company's Articles of Association. This structure ensures full compliance with regulatory requirements while upholding the highest standards of governance, thereby fostering transparency, accountability, and effective oversight at all levels.

## BOARD DIVERSITY

The Board of Octopus Digital comprises eight directors who effectively represent the interests of shareholders. Its diverse composition promotes sound decision-making and equips the Board to address the complexities of managing the Company's affairs with precision. The breadth of knowledge and extensive experience among the directors provides a range of perspectives, enabling them to make well-informed, impartial decisions, free from undue influence. The Board is firmly committed to the highest standards of governance and strategic insight, ensuring the efficient management of the Company's operations.

Among the eight directors, three are independent, representing non-controlling interests. These directors are selected through a rigorous process utilizing the database maintained by the Pakistan Institute of Corporate Governance (PICG). Each independent director has formally consented to serve and has submitted a "Declaration to the Company," confirming their adherence to the independence criteria established under the Companies Act 2017. Additionally, the Board includes three executive directors and two non-executive directors, ensuring a well-rounded and balanced governance framework. None of the directors hold directorships in more than seven listed companies, maintaining focus and commitment to their roles at Octopus Digital.

## GENDER DIVERSITY IN GOVERNANCE

The governance framework at Octopus Digital is dedicated to promoting gender diversity within its Board of Directors. The Company is fully compliant with regulatory requirements, having one female director, as mandated for listed companies.

## CHANGES TO THE BOARD

The current Board was elected in June 2024, and its term will be completed by June 2027. There were no changes in the composition of the Board during the year 2025. The Board expresses sincere appreciation for the valuable contributions made by the outgoing director and extends a warm welcome to the new member. The Board remains confident in the team's ability to efficiently achieve the Company's objectives and drive continued financial success for shareholders.

## ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors holds primary responsibility for guiding the overall direction and governance of the Company. This includes managing business risks, ensuring the reliability and integrity of management information systems, and providing shareholders with transparent, accurate reporting. In addition, the Board oversees the Company's control environment, which features a comprehensive system of internal controls, clearly defined policies, procedures, and an organizational structure that supports a well-organized division of responsibilities. Furthermore, the Board ensures the effective execution of the internal audit program and that key functions are staffed with qualified personnel, supported by ongoing training and development to maintain high standards of performance.

The Board is dedicated to preserving shareholder trust and protecting the Company's reputation on both a national and international scale. To achieve this, it has implemented a robust governance framework grounded in global best practices. This framework encompasses key elements such as a formal Code of Conduct, Code of Business Ethics, Internal Control Framework, Risk Management Framework, and a Whistleblowing Policy. These initiatives not only meet but surpass the compliance and disclosure standards established by applicable legal and regulatory bodies, ensuring that the informational needs of all stakeholders are effectively addressed.

The Board consistently evaluates the Company's strategic direction to ensure it remains aligned with long-term objectives. Each year, the Board rigorously reviews the business plans and performance targets proposed by the Chief Executive, assessing them in relation to the Company's broader goals. The Board remains steadfast in its commitment to maintaining the highest standards of corporate governance, ensuring that the Company operates in full adherence to the regulations set forth by the Securities and Exchange Commission of Pakistan (SECP) and the applicable listing rules of the Pakistan Stock Exchange (PSX).

**In line with its commitment to sound corporate governance and financial reporting, the Board adheres to the following principles:**

1. The financial statements prepared by management fairly present the Company's financial position, results of operations, cash flows, and changes in equity.
2. Proper books of accounts have been maintained in compliance with legal requirements.
3. Accounting policies have been consistently applied in preparing financial statements, with estimates based on sound judgment.
4. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of the financial statements.
5. The internal control system is robust, effectively implemented, and regularly monitored.

6. The Company's ability to continue as a going concern is assured.
7. The best practices in corporate governance, as outlined in the listing regulations, have been diligently followed.

## ROLE AND RESPONSIBILITIES OF THE CHAIRMAN

The Chairman of the Board provides leadership to the Board of Directors, steering the strategic direction of the Company and ensuring its effective functioning. Acting as the principal liaison between the Board and the Company's management, the Chairman facilitates communication through the Chief Executive Officer, ensuring that the Board's objectives are aligned with the Company's operations. The Chairman is accountable to the Board for the overall performance of the Company and plays a key role in fostering a culture of strong governance and accountability throughout the organization.

## ROLES AND RESPONSIBILITIES OF THE CEO

The CEO is responsible for formulating the Company's strategy, supported by annual business plans and budgets, for approval by the Board. The CEO ensures the effective execution of business operations in line with Board decisions, striving to meet both financial and operational objectives. This includes overseeing succession planning and information technology strategies. Additionally, the CEO monitors the Company's performance and ensures compliance with regulatory requirements and corporate governance standards, reporting regularly to the Board. The CEO upholds the Company's adherence to relevant laws and best practices in governance while acting as its principal representative. In this capacity, the CEO is also accountable for recommending long-term strategies designed to enhance shareholder value and drive sustained growth.

The Board is composed of two executive directors and five non-executive directors, including three independent directors, all of whom are dedicated to ensuring effective governance of the Company. The non-executive directors maintain independence from the Company's management. The current Board is set to complete its three-year term on June 7, 2027. To facilitate its governance duties, the Board has established the following committees:

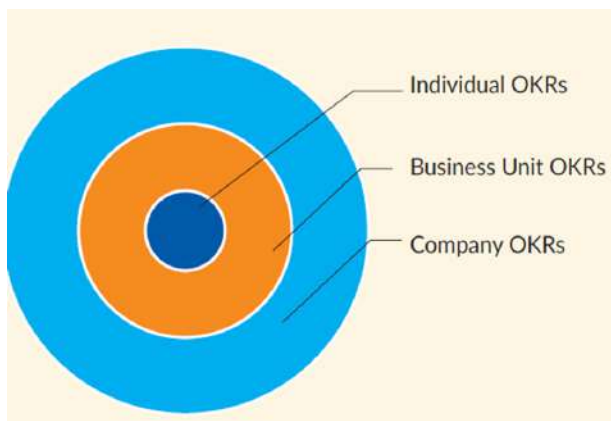
- Audit Committee
- Human Resource and Remuneration Committee / Compensation Committee for ESOS
- Executive / Stewardship Board

Through these committees, the Board provides proactive oversight in key areas of business operations and the CEO's performance. The Board regularly reviews the charters of these committees to ensure they align with best practices and continue to meet the Company's strategic objectives.

## ROLES AND RESPONSIBILITIES OF THE EXECUTIVE BOARD

The Executive Board is responsible for achieving the Company's main goals and key results (OKRs), which is a method used to align all efforts in the organization towards important objectives. This ensures that the leadership's goals are directly linked to the Company's overall success, driving performance and allowing progress to be measured using an OKR scorecard. The Executive Board consists of senior leaders from key areas of the business, including Sales, Engineering, Finance, HR, and Corporate departments, across the globe.

The Board's main role is to oversee the execution of the Company's plans. They meet regularly, typically on a monthly and quarterly basis, to track the progress of projects, improve business operations, solve any issues, and ensure there is enough cash flow. They also analyze costs related to specific events, take corrective actions when necessary, and focus on strategies that increase the value for shareholders. Key factors that drive performance include:



- Purchase Order (PO) Generation
- Revenue Recognition
- Invoicing
- Collections

## CEO PERFORMANCE REVIEW BY THE BOARD

The Board of Directors conducts an annual performance evaluation of the Chief Executive Officer (CEO), assessing progress against corporate goals and objectives, including business performance, long-term strategic achievements, and management development. This evaluation is communicated to the CEO and the Chairman of the Board for transparency and alignment.

## MANAGEMENT INITIATIVES ON CORPORATE GOVERNANCE

To familiarize key management personnel with corporate governance best practices, the Company has instituted comprehensive training programs for its directors and executives. These programs cover a variety of topics, including the structure, role, and importance of the Board, strategic planning models, succession planning, risk management, and internal controls.

## ETHICS

At Octopus Digital, ethics are integral to the Company's culture and guide the behaviour of all employees, ensuring that objectives are met efficiently, transparently, and fairly. The Company has implemented a comprehensive ethics program, anchored in a Code of Conduct that is approved by the Board and applicable to all employees. The program includes: ensuring that objectives are met efficiently, transparently, and fairly. The Company has implemented a comprehensive ethics program, anchored in a Code of Conduct that is approved by the Board and applicable to all employees. The program includes:

- Code of Ethics
- Employee Training Programs
- Whistle blowing Policy
- System for Reporting and Investigating Wrongdoing
- Corrective Action Procedures

The Code of Ethics is complemented by specific function-based codes, such as:

- Financial Code of Ethics: Defines ethical standards for senior executives, especially those responsible for public disclosure and financial information.
- Principles of Good Promotional Practices: Establishes rules for ethical promotional conduct.
- Personal Data Protection Charter: Outlines corporate guidelines for the collection, processing, and storage of personal data.
- Code for Prevention of Insider Trading: Provides rules to prevent insider trading within the Company.
- Ethical Charter for Buyers: Sets guidelines for employees involved in the purchasing process

## BUSINESS GOVERNING PRINCIPLES AND VALUES

Octopus Digital conducts business with honesty, integrity, and transparency, expecting the same from all stakeholders. We prioritize doing what is right, ensuring that all transactions adhere to legal frameworks, and underpin our actions with responsible financial reporting.

## INTEGRITY

Octopus Digital is committed to maintaining the highest standards of integrity and fairness. We prohibit any use of unfair means or instruments for business or financial gain. Employees are required to follow a policy regarding the acceptance of gifts from customers or vendors, ensuring no conflicts of interest arise from personal financial activities.

## CODE OF CONDUCT

The Board has adopted a comprehensive Code of Conduct for its members, executives, and staff, outlining business standards and ethical expectations. The Code covers areas such as:

- Corporate governance
- Relationships with employees, customers, and regulators
- Confidentiality of information
- Trading in Company shares
- Environmental responsibilities
- Harassment policy

## CORPORATE SOCIAL RESPONSIBILITY

Octopus Digital is deeply committed to corporate social responsibility (CSR). Through initiatives such as the fully funded education program for the children of support staff, we are creating meaningful societal value. This initiative, which covers school fees, books, uniforms, home tutors, and transportation, has received recognition from the National Forum for Education and Health. Many of these children are now employed within the Company, ensuring the future of Octopus Digital 's workforce.

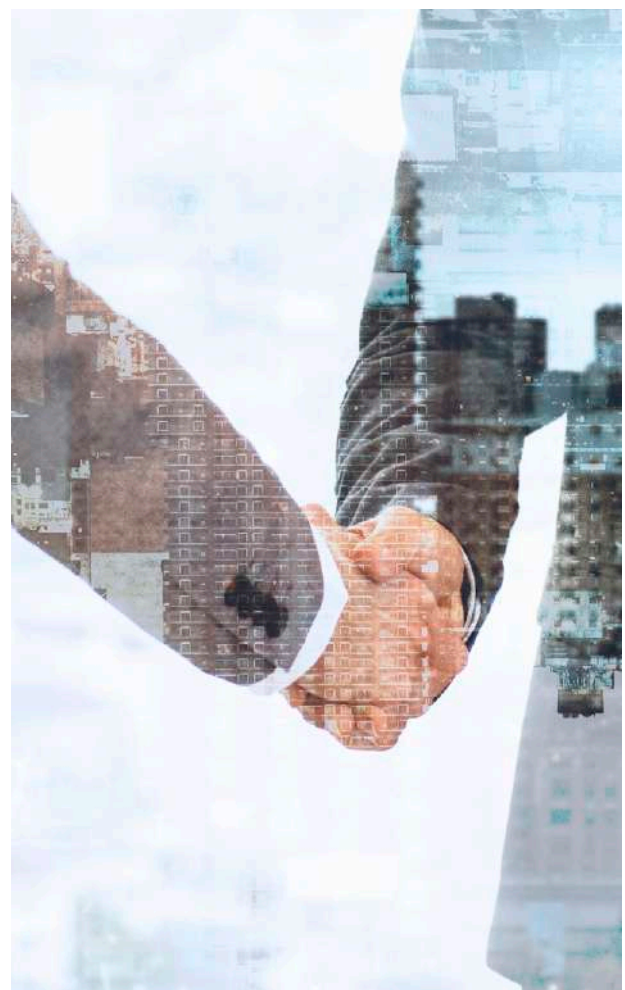
The Company also actively participates in environmental and social initiatives, including a four-pillar audit covering labour standards, health and safety, environmental practices, and business ethics. Octopus Digital is dedicated to environmental protection, energy conservation, and the welfare of its staff and the broader community.

## ENVIRONMENTAL PROTECTION

While Octopus Digital 's service-oriented activities do not directly harm the environment; the Company is committed to several green initiatives. Recently, over 50 employees participated in a tree plantation drive both within the office and at home. Additionally, the Company promotes a paperless work environment, reducing physical administrative forms through the use of the company intranet and encouraging on-demand printing. Environmental awareness campaigns are also conducted across all offices, involving employees and their families in sustainability efforts.

## EQUAL OPPORTUNITY EMPLOYER

Octopus Digital is proud to be an equal opportunity employer, committed to providing a diverse and inclusive work environment. We offer employment opportunities without regard to gender, ethnicity, religion, disability, or any form of discrimination. At Octopus Digital, we embrace diversity, with key roles across the organization filled by individuals from a range of nationalities, including American, Egyptian, Filipino, French, Indian, Japanese, and Pakistani. We particularly encourage the active participation of women across all levels of the organization.



## Board Diversity Policy

The Board of Directors at Octopus Digital is committed to fostering an inclusive environment that embraces diversity, with particular emphasis on gender representation. The Company recognizes the strategic value of varied perspectives in enhancing decision-making and corporate performance. As part of this commitment, measurable objectives have been set to improve gender diversity at the leadership level. Progress is reviewed annually, and the Board ensures alignment with global best practices to promote a culture of equity, fairness, and inclusion across the organization.

## Conflict of Interest Policy

The Board upholds the highest standards of ethical conduct and is committed to ensuring that decisions are made in the best interest of the Company, free from personal or professional conflicts. Directors must promptly disclose any actual or perceived conflicts of interest—such as financial interests, external directorships, or personal affiliations—that may influence their independence or objectivity.

Upon disclosure, the Board assesses the situation and determines the appropriate course of action, which may include recusal from related discussions or decisions. The Company actively monitors adherence to this policy to ensure transparency and compliance with all applicable governance and legal standards.

## Policy on Fees Earned by Executive Directors

The Board acknowledges that Mr. Tanveer Karamat, Executive Director at Octopus Digital, also serves in a non-executive capacity on the board of Avanceon Limited. In this role, he may receive remuneration or meeting fees in accordance with the remuneration framework of that entity. Such compensation is independent of his role at Octopus Digital and remains subject to the policies of the respective organizations.

## Security Clearance for Foreign Directors

Although no foreign director was appointed or elected during the year, Octopus Digital remains fully compliant with legal requirements governing the induction of foreign nationals to the Board. This includes obtaining mandatory security clearance from the Ministry of Interior through the SECP. The Company is fully committed to adhering to all legal and regulatory protocols in this regard.

## Details of Board Meetings held outside Pakistan

A total of four (04) Board meetings were held during the financial year 2025. All meetings were conducted simultaneously in both Pakistan and abroad via video link facility, ensuring full participation and engagement from all directors, regardless of location.

## Presence of Chairman of Audit Committee at the AGM

The Chairman of the Board Audit Committee was present at the AGM to respond to questions on the Audit Committees activities and matters within the scope of the Committees & responsibilities.

Best Corporate Report Criteria Cross Referenced With Annual Report's Page Numbers Information disclosed in accordance with BCR criteria as well as beyond BCR criteria is available on our website

<https://octopusdtl.com/investor-relations/>



# WHISTLE BLOWER POLICY



The Core Values that we talk about is the "Candor & Ethics", The Company and all its subsidiaries have applied a number of policies related to ethics and responsible behavior 'which define the high standard of governance and business conduct.

A concrete Whistleblower system is in effect at Octopus Digital Group. The Company expects employees, suppliers, and contractors at all affiliated companies to not only abide by our standards of business conduct but come forward without fear and;

**"Speak-out !"**

about any concerns they have regarding business ethics, safety, environmental performance, harassment and other employment related matters or other possible breaches of compliance.

Considerable efforts are made to maintain the confidentiality of complainants and to protect them from any form of retaliation or victimization for genuinely held concerns that are raised in good faith

Speak-outs are encouraged to report serious concerns that could have a significant impact on these

organizations, such as actions that

- are unlawful or may damage the reputation of Octopus Digital or an affiliate.
- are fraudulent and lead to a loss of assets
- may be intended to result in incorrect financial reporting
- are in violation of various corporate policies governing business conduct.
- are in violation of Safety Health & Environmental standards applicable to the business
- give rise to harassment, discrimination or other unfair

Independent "Speak Out" hotline 0092-42-37515129 or email to [speakout@octopusdtl.com](mailto:speakout@octopusdtl.com). to raise concerns. You can also write to **Speak Out (PO Box 4012, Lahore - Pakistan.)**

**Note:** During the year 2025 no cases were reported, highlighting ethical commitment of Company's stakeholders'.



# Stakeholder’s Relationship and Engagement

## Engaging Stakeholders for Sustainable Growth

Octopus Digital Limited believes that strong, transparent, and inclusive engagement with stakeholders is essential for long-term business sustainability and responsible corporate governance. The company is committed to recognizing and addressing the interests, expectations, and concerns of all key stakeholders through a structured engagement approach

## Identification of Key Stakeholders

Stakeholders are identified based on their influence on and interest in the operations, strategic decisions, and overall performance of Octopus Digital Limited. Engagement mechanisms are tailored to each group to ensure open dialogue, trust, and mutual value creation.

Stakeholder Group	Engagement Method	Engagement Frequency
<b>Shareholders</b>	<p>Octopus engages with shareholders through a variety of platforms to ensure the timely and relevant dissemination of information:</p> <p>Annual/Extra Ordinary General Meetings serve as key forums for shareholder interaction, approvals, and performance briefings. Meeting notices and resolutions are published in leading national newspapers in accordance with regulatory requirements. Ongoing communication is facilitated via investor briefings, our corporate website, and official social media platforms including LinkedIn, Facebook, and Instagram. We maintain an active Investor Relations function to address shareholder queries and provide timely responses.</p>	<p>General Meetings Regular</p>
<b>Customers and Suppliers</b>	<p>We view our customers and suppliers as long-term partners in our value chain:</p> <p>Regular customer feedback, performance reviews help us align offerings with evolving expectations. Supplier engagement sessions, capacity-building workshops, and ethical sourcing initiatives support strong and sustainable vendor relationships.</p>	<p>Customer feedback Regular/Frequent</p>

<p><b>Board of Directors</b></p>	<p>The Board of Directors, including Executive, Non-Executive, and Independent Directors, plays an essential role in steering Octopus’s long-term direction:</p> <ul style="list-style-type: none"> <li>• Engagement is maintained through structured board meetings, committee sessions, steward meeting and strategy retreats.</li> <li>• Directors receive timely updates on company performance, industry trends, and emerging risks.</li> </ul>	<p>Board Meetings Regular/ Quarterly</p>
<p><b>Human Resources Factory</b></p>	<p>Our people are our greatest asset. At Octopus, we ensure employees are engaged, empowered, and supported:</p>	<p>Regular/Frequent</p>
	<ul style="list-style-type: none"> <li>• Town hall meetings, quarterly meetups, newsletters, and digital platforms are used for two-way internal communication.</li> <li>• Structured training programs, career development pathways, and performance management systems enhance capabilities and motivation.</li> <li>• We maintain a positive work environment through inclusive policies, wellness initiatives, and fair HR practices.</li> </ul>	
<p><b>Regulators and Government Authorities</b></p>	<p>Octopus maintains full compliance with applicable laws and engages constructively with regulators:</p> <ul style="list-style-type: none"> <li>• We submit timely disclosures, audit reports, and compliance documentation in line with statutory requirements.</li> <li>• Our teams regularly monitor regulatory developments to adapt our governance practices accordingly.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular/Frequent</li> </ul>
<p><b>Lenders and Financial Institutions</b></p>	<p>Our relationship with financial institutions is built on integrity and transparency:</p> <ul style="list-style-type: none"> <li>• Regular financial statements, compliance updates, and business performance briefings are shared with lenders and banking partners.</li> <li>• Dedicated engagement ensures alignment on loan covenants, financial health, and strategic financing needs.</li> <li>• We maintain robust internal controls to safeguard stakeholder interests.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular/Frequent</li> </ul>

<p><b>Analysts and Potential Investors</b></p>	<p>We actively engage analysts and potential investors to communicate our strategy and outlook:</p> <ul style="list-style-type: none"> <li>• Earnings calls, analyst briefings, and investor conferences are platforms for sharing financial performance and business insights.</li> <li>• Investor queries are addressed through our Investor Relations function, supported by transparent and accessible disclosures on our media platform.</li> </ul>	<ul style="list-style-type: none"> <li>• Annually</li> </ul>
	<ul style="list-style-type: none"> <li>• These engagements improve visibility, attract capital, and support accurate company valuation.</li> </ul>	
<p><b>Institutional and Mutual Fund Investors</b></p>	<p>We build long-term relationships with both domestic and international institutional investors:</p> <ul style="list-style-type: none"> <li>• One-on-one meetings, group briefings, and participation in capital market events enable deeper dialogue.</li> <li>• Focused updates on strategy execution and future plans are provided regularly.</li> <li>• These investors are key partners in sustaining our growth journey.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular/Frequent</li> </ul>
<p><b>Media and General Public</b></p>	<p>We ensure that Octopus’s achievements, values, and contributions to society are effectively communicated:</p> <ul style="list-style-type: none"> <li>• Engagement with the media is maintained through press releases, briefings, and official announcements.</li> <li>• Public communication is enhanced via digital storytelling, multimedia campaigns, and interactive social media presence.</li> <li>• We are committed to presenting a responsible and authentic corporate image to the public.</li> </ul>	<ul style="list-style-type: none"> <li>• Occasional</li> </ul>
<p><b>Community and Social Impact</b></p>	<p>As part of our corporate citizenship efforts, we engage with local communities to drive meaningful social impact:</p> <ul style="list-style-type: none"> <li>• CSR initiatives, educational programs, and charitable donations form the foundation of our community investment.</li> <li>• We collaborate with NGOs, educational institutions, and welfare organizations to deliver impactful outcomes.</li> <li>• Employee volunteering is encouraged to cultivate empathy and strengthen social bonds.</li> </ul>	<ul style="list-style-type: none"> <li>• Occasional</li> <li>• Event-based</li> </ul>

<p><b>Internal and External Auditors</b></p>	<p>Auditors play a critical role in reinforcing our commitment to governance:</p> <ul style="list-style-type: none"> <li>• Regular internal audits, statutory reviews, and special-purpose audits are conducted to assess control effectiveness.</li> </ul>	<ul style="list-style-type: none"> <li>• External Audit: Bi-Annually</li> <li>• Internal Audit: Regularly</li> </ul>
	<ul style="list-style-type: none"> <li>• We respond promptly to audit observations and implement corrective measures as needed.</li> <li>• The Audit Committee oversees the audit process and ensures full compliance with financial and regulatory standards.</li> </ul>	

## Encouraging Minority Shareholders to Attend General Meetings

To encourage minority shareholders to attend general meetings, the management has implemented several key initiatives. Notices are sent through multiple channels, including email, post & Company’s website ensuring that all shareholders are informed. In addition, a public notice is published in newspapers (English & Urdu) to reach a wider audience. These notices are issued in full compliance with the Code of Corporate Governance (CCG), ensuring proper disclosure and adherence to legal timelines. Shareholders also receive timely reminders closer to the meeting date to ensure high attendance.

To make the meeting experience more appealing, the management offers complimentary refreshments, aiming to create a more welcoming environment for attendees. These efforts are designed to increase engagement, ensuring that minority shareholders are well-informed, motivated, and encouraged to participate actively in the meeting.

## Issues Raised in the Last AGM, Decisions Taken, and Implementation Status

- Question Answer Session**

A comprehensive QA session was held during the AGM, providing an opportunity for shareholders and stakeholders to raise their concerns and queries. The session was well-received, and no significant issues were raised.
- Circulation of AGM Minutes**

The minutes of the AGM were distributed to all relevant parties within the stipulated time frame, ensuring transparency and timely communication.
- Website Update**

In response to shareholder feedback, the company has updated its official website to prominently display a contact email address. This is aimed at enhancing communication and providing a direct channel for shareholder inquiries and concerns.
- Shareholder Concerns**

During the AGM, no significant issues or concerns were raised by the shareholders, indicating a smooth and effective meeting.

# Stakeholder Engagement and Corporate/Analyst Briefing

## Steps Taken to Solicit Stakeholder Views:

The Board has actively engaged with stakeholders through a series of Corporate/Analyst briefing sessions. These sessions were designed to foster transparency and open communication, allowing stakeholders to express their views and provide feedback on key issues. The Board made a concerted effort to understand the concerns and priorities of stakeholders, ensuring that their perspectives are considered in strategic decision-making. Feedback from these sessions has been instrumental in shaping the company's policies and practices moving forward.

## Corporate/Analyst Briefing Summary:

The company conducted an analyst briefing to provide insights into financial performance, strategic initiatives, and outlook. During the session, key points were addressed, including quarterly performance, upcoming projects, and market trends. The Board reviewed the feedback and expressed satisfaction with the constructive nature of the discussions, which further strengthened investor confidence and aligned future strategies with market expectations and mutual value creation.

## Redressal of Shareholders', Investors' and Stakeholders' Complaints:

Octopus Limited remains committed to fostering trust through transparent, responsive, and timely communication with its shareholders, investors, and other stakeholders.

To ensure efficient resolution of concerns, the Company maintains a comprehensive Investor Relations section on its official website, addressing matters such as dividends, bonus shares, and other corporate actions. Additionally, a dedicated 'Contact Us' link is available to facilitate direct communication with the Company.

For further facilitation, a link to the SECP Investor Complaint Form is also provided on the website, allowing stakeholders to escalate unresolved concerns to the Securities and Exchange Commission of Pakistan.

All complaints received during the reporting period were addressed promptly and resolved in an effective and satisfactory manner.



## The legitimate needs, interests of key stakeholders and industry trends.

Stakeholder	Legitimate Needs and Interests	Industry Trends
<b>Customers and Suppliers</b>	<ul style="list-style-type: none"> <li>- Quality services</li> <li>- Performance alignment through feedback</li> <li>- Ethical sourcing &amp; capacity building</li> </ul>	<ul style="list-style-type: none"> <li>- Customer-centric innovation</li> <li>- Ethical and sustainable sourcing</li> </ul>
<b>Employees (Human Resources)</b>	<ul style="list-style-type: none"> <li>- Career growth &amp; development</li> <li>- Work-life balance &amp; inclusion</li> <li>- Fair HR practices and structured communication</li> </ul>	<ul style="list-style-type: none"> <li>- Focus on employee wellbeing</li> <li>- Upskilling &amp; flexible workplace</li> </ul>
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>- Maximized returns</li> <li>- Transparent reporting</li> <li>- Timely communication</li> </ul>	<ul style="list-style-type: none"> <li>- Responsible investing</li> </ul>
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>- Strategic oversight</li> <li>- Timely updates on risks, performance, and trends</li> </ul>	<ul style="list-style-type: none"> <li>- Strong governance culture</li> <li>- Data-informed decision making</li> </ul>
<b>Regulators and Government Bodies</b>	<ul style="list-style-type: none"> <li>- Legal compliance</li> <li>- Timely disclosures and adherence to evolving regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Trusted Partner</li> </ul>
<b>Lenders and Financial Institutions</b>	<ul style="list-style-type: none"> <li>- Financial transparency</li> </ul>	<ul style="list-style-type: none"> <li>- Increased financial reporting requirements</li> <li>- Risk-based lending practices</li> </ul>
<b>Analysts and Potential Investors</b>	<ul style="list-style-type: none"> <li>- Accurate and timely insights</li> <li>- Transparent business outlook</li> </ul>	<ul style="list-style-type: none"> <li>- Greater demand for real-time data</li> </ul>
<b>Institutional and Mutual Fund Investors</b>	<ul style="list-style-type: none"> <li>- Strategic clarity</li> <li>- Long-term value creation</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainable growth focus</li> <li>- Deeper investor engagement</li> </ul>
<b>Media and General Public</b>	<ul style="list-style-type: none"> <li>- Authentic brand image</li> <li>- Social impact visibility</li> </ul>	<ul style="list-style-type: none"> <li>- Rise in digital storytelling</li> <li>- Real-time media interactions</li> </ul>
<b>Community and Social Impact Groups</b>	<ul style="list-style-type: none"> <li>- Meaningful CSR programs</li> <li>- Educational and charitable outreach</li> <li>- Employee volunteerism</li> </ul>	<ul style="list-style-type: none"> <li>- Emphasis on social value creation</li> </ul>
<b>Internal and External Auditors</b>	<ul style="list-style-type: none"> <li>- Access to data for review</li> <li>- Compliance with audit findings</li> </ul>	<ul style="list-style-type: none"> <li>- Robust internal controls</li> </ul>



**Crowe Hussain Chaudhury & Co.**  
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**INDEPENDENT AUDITOR’S REVIEW REPORT TO THE MEMBERS OF  
OCTOPUS DIGITAL LIMITED  
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN  
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)  
REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Octopus Digital Limited (“the Company”) for the year ended December 31, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company’s personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks.

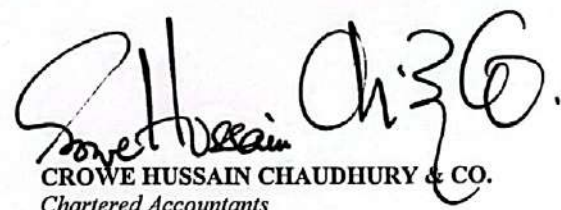
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2025.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No	Paragraph Reference	Description
1	9	Two Directors out of Eight Directors have not acquired the prescribed certification under the Directors’ Training Program as required under regulation 19 of the listed Companies Regulations.

Lahore  
Dated: April 29, 2026  
UDIN: CR202510051AW7TYBaIG

  
**CROWE HUSSAIN CHAUDHURY & CO.**  
 Chartered Accountants

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## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: **Octopus Digital Limited**  
For the year ended: **December 31, 2025**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are eight (08) as per the following, -
  - a. Male: Six (07)
  - b. Female: One (01)
2. The composition of Board is as follows:

Category	Name
Independent Directors	Mr. Humayun Maqbool Mr. Mohammad Arif Janjua Ms. Saleha Asif
Non-Executive Directors	Mr. Bakhtiar Hameed Wain Mr. Khalid Hamid Wain
Executive Directors*	Mr. Tanveer Karamat Mr. Asmar Ahmed Atif Mr. Adeel Khalid
Female Directors	Ms. Saleha Asif

\*Fraction (0.67) related to the requirement for number of Executive directors which is more than 0.5 and therefore, has been rounded up as one.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

9. The following directors have successfully completed the Directors' Training Program in accordance with the Regulations:

■ <b>Mr. Bakhtiar Hameed Wain</b>	Non Executive Director
■ <b>Mr. Tanveer Karamat</b>	Executive Director
■ <b>Mr. Adeel Khalid</b>	Executive Director
■ <b>Ms. Saleha Asif</b>	Independent Director

Additionally, Mr. Humayun Maqbool and Mr. Khalid Hamid Wain is exempted from the Directors' Training Program as per the applicable provisions. \*The remaining two directors have yet to complete the DTP, and the Company is focused on arranging training programs in the forthcoming year to ensure compliance and enhance the professional expertise of its board members.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The board has formed committees comprising of members given below:

a) Audit Committee

Mr. Humayun Maqbool	Chairman / Independent Director
Mr. Bakhtiar Hameed Wain	Member / Non-Executive Director
Mr. Khalid Hamid Wain	Member / Non-Executive Director
Mr. Mohammad Arif Janjua	Member / Independent Director

b) HR and Remuneration Committee

Mr. Humayun Maqbool	Chairman / Independent Director
Mr. Bakhtiar Hameed Wain	Member / Non-Executive Director
Mr. Khalid Hamid Wain	Member / Non-Executive Director
Mr. Tanveer Karamat	Member / Executive Director

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following,

	Frequency	Number of meetings held during the year
a) Audit Committee	Quarterly	5
b) HR and Remuneration Committee	Yearly	1


15. The Board has set up an effective internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with;

ON BEHALF OF THE BOARD



MR. BAKHTIAR HAMEED WAIN  
CHAIRMAN / DIRECTOR



MR. TANVEER KARAMAT  
CHIEF EXECUTIVE OFFICER

LAHORE  
DATE: March 27, 2026

## Disclosure of Policy for Actual & Perceived Conflicts of Interest

Octopus Digital's disclosure of policy for actual and perceived conflicts of interest is covered in the Conflict-of-Interest Policy, which requires employees to disclose relationships with a potential Guarantor or Vendor and provides guidance on managing conflicts. The purpose of this policy is to provide guidance in identifying and handling potential and actual conflicts of interest involving the organization. It applies to all permanent, contractual, and daily wage employees. Any action by an employee who deliberately or recklessly breaches this conflict-of-interest policy may result in disciplinary action, which may lead to termination of employment..

## Disclosure for IT Governance Policy

Information Security governing policy is covered in the Acceptable Use of IT Resources. The policy describes the acceptable use of IT resources for the company. The purpose is to outline the usage of Octopus Digital IT resources by all its employees. This policy applies to the use of all Octopus Digital IT resources (e.g., desktop computers, laptops, printers, disk space storage, software, telecommunications equipment, networks, Internet, email, etc.) and supporting infrastructure that is owned, leased, or controlled by Octopus Digital and used by its employees, contractors, interns, or other personnel at the central, regional, and satellite office locations.

## Human Resource Management Policies Including Preparation of Succession Plan

**Human Resource Management**  
Human Resource Management at Octopus Digital is covered across several policies, which serve as a comprehensive framework for managing people, workplace, and culture. Hiring and confirmation provisions ensure that Octopus Digital reserves the right to assess prior work experience and skill levels and to confirm applicants where applicable when considering full-time or part-time employment. Compensation encompasses 10 policies, the purpose of which is to ensure employees' well-being and growth. These include Vehicle Benefits, Education Allowance, Employee Professional Accreditations, Performance Bonuses, Sales Incentives, Technical Services Employee Incentives, Variable Pay Plans for managers and support staff, Umrah, and Employee Stock Option Plans, among others. Human resources management encompasses Salaries, Attendance, Asset Utilization, Rewards, Health, and other guidelines such as Mobile Usage, which are covered across 11 policies.



## Octopus Digital's Whistleblower Policy - "Speak Out!"

The Board of Directors of Octopus Digital has adopted several policies related to ethics and responsible behavior, which define the high standard of governance and business conduct to which we pledge ourselves as an organization. This has always been our core strength and is reinforced through voluntary reporting of irregularities and periodic reviews of business practices.

As an additional measure, a Whistleblower system has also been established. The company expects employees, suppliers, and contractors at all affiliated companies to not only abide by our standards of business conduct but also to speak out about any concerns they have regarding business ethics, safety, environmental performance, harassment, and other employment-related matters or other possible breaches of compliance.

They can use the independent "Speak Out" hotline 0092-42-37515129 or email [speakout@octopusdtl.com](mailto:speakout@octopusdtl.com) to raise their concerns.

They can also write to Speak Out (PO Box 4012, Lahore - Pakistan).

Every effort is made to maintain the confidentiality of complainants and to protect them from any form of retaliation or victimization for genuinely held concerns raised in good faith.

Speak-outs are encouraged to report serious concerns that could have a significant impact on the organization.

Actions that:

- Are unlawful or may damage the reputation of Octopus Digital or an affiliate
- Are fraudulent and lead to a loss of assets
- May be intended to result in incorrect financial reporting
- Are in violation of various corporate policies governing business conduct
- Are in violation of State Health & Environmental Standards
- Give rise to a risk to the business, the environment, or other unfair employment practices



## Medical and Insurance Policy

One of the most important tasks in creating a high-performance culture is taking care of employees. When employees' needs are met, they feel aligned with the mission, vision, and values of the organization. This results in high levels of engagement and commitment. They come to work with enthusiasm and are willing to go the extra mile to support the organization. At Octopus Digital, we ensure that the baseline rewards are fair and sufficient. These include some of the basic needs of an employee. One such need is medical and hospitalization coverage. At Octopus Digital, we have keenly and carefully devised a medical policy to cater to this criterion. With the best hospitals on our panel, we provide extensive hospitalization cover to the employee and his/her family and unlimited OPD coverage as well. Life insurance is also available under which employees are covered for permanent partial disability, temporary total disability, accidental death, and extended death benefits.

## Compassionate Leaves

All permanent and contractual employees are entitled to compassionate or bereavement leaves in addition to casual/sick and annual leaves. Compassionate leaves can be taken when a member of an employee's immediate family\* or household passes away or suffers a life-threatening illness or injury and requires extensive medical care.

\*(Immediate family of an employee includes spouse, child, parent, sibling, grandparent, and grandchild.)

## Pay Continuation Plan

The demise of an earner can have a debilitating effect on a household. To ensure that none of our employee's families must worry about their finances, life insurance policy has been revised to include the Pay Continuation Plan. In addition to employee benefits, in the event of an employee's demise, the grieving family will receive 50% of the employee's monthly gross salary for a period of ten years.

## Succession Planning Policies

Succession Planning Policy for Octopus Digital encompasses the company's best practices in terms of Human Resource Management. The purpose of the policy is to ensure replacement for key executive, management, and technical positions within the organization.

## Policy & Procedure for Stakeholder Engagement

Stakeholder engagement policies and procedures map out all aspects of outreach with the broader audience interested in Octopus Digital. The company provides committees at regular points throughout the year for specific inputs and general insights.

## Investor Grievance Policy

Investor grievances are covered in the Securities & Exchange Commission of Pakistan statutes as of May 11, 2001.

## Employee Development & Training

Octopus Digital plans to launch a set of policies focused on upskilling employees through validated programs and certifications in 2024. Training and Development will become a key feature for Octopus Digital staff, aligning with future objectives. Training policies will have the following objectives:

- Attracting and retaining talent
- Developing employees' capabilities
- Creating a value-based culture
- Improving Octopus Digital's reputation as an employer
- Motivating employees to engage

By providing Octopus Digital's employees with opportunities to develop new competencies within key industry domains, employees will feel valued and challenged at work.

# DIRECTOR'S REPORT

The directors of Octopus Digital Limited "The Company" take pleasure in presenting their report together with the Company's audited annual financial statements for the year ended December 31, 2025. All financial statements and notes to the accounts have been prepared by the management of the company as under:

1. They presented fairly its state of affairs, the result of its operations, cash flows and all changes in equity,
2. Proper books of account of the company have been maintained,
3. Appropriate accounting policies have been adopted and consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments,
4. The financial statements have been prepared in conformity with the Companies Act 2017 and International Financial Reporting Standards as applicable in Pakistan, and any departure there from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored
6. There are no significant doubts upon the company's ability to continue as a going concern
7. Where any statutory payment on account of taxes, duties, levies, and changes is outstanding, the amount together with a brief description and reasons for the same has been disclosed

The Directors' Report, prepared under relevant sections of the prevailing Companies Act, in Pakistan, will be put forward to the members at the 9th Annual General Meeting of the Company to be held on Saturday, 23rd May 2026 at 10:30 AM at The Nishat Hotel, Grand Imperial Hall 9-A, 3rd Floor, Gulberg-III Mian Mehmood Ali Kasuri Road, Lahore.

## THE COMPANY:

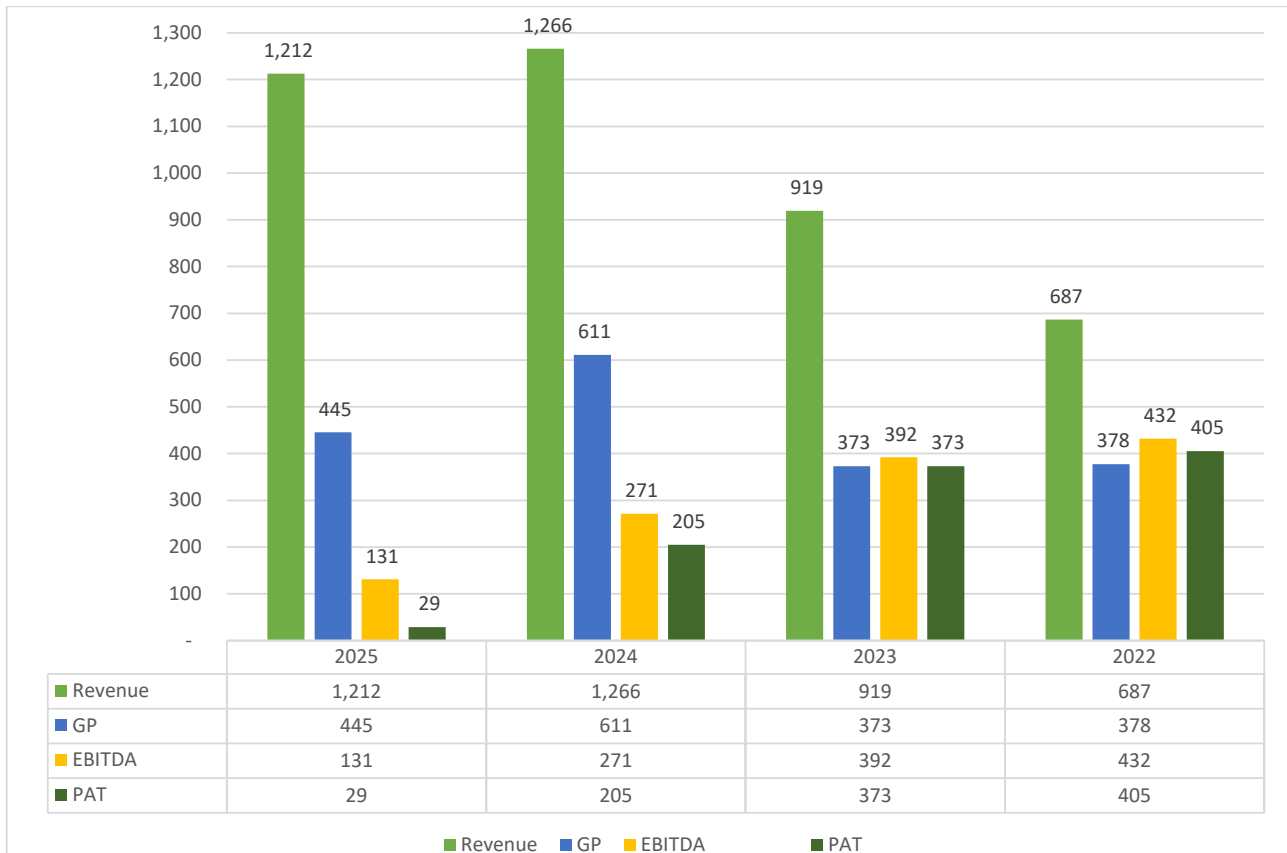
Octopus Digital Limited helps businesses digitalize their manufacturing, supply chain and financial workflows backed by strategic and operational maintenance support services in the US, Middle East and South Asia. Thus, making decision support, actionable insights, and business intelligence available 24x7x365 as managed and unmanaged service on a multi-year monthly subscription basis.

## THE REPORT:

The performance of the Company during the current year faced significant headwinds, resulting in a contraction across key financial metrics including revenue, profit before tax, and profit after tax compared to the previous year's benchmarks. Unlike the previous year's vital growth, the current fiscal period reflects a period of consolidation and a need for tighter strategic alignment to navigate the shifting economic landscape and restore the profitability levels envisioned in the five-year business plan.

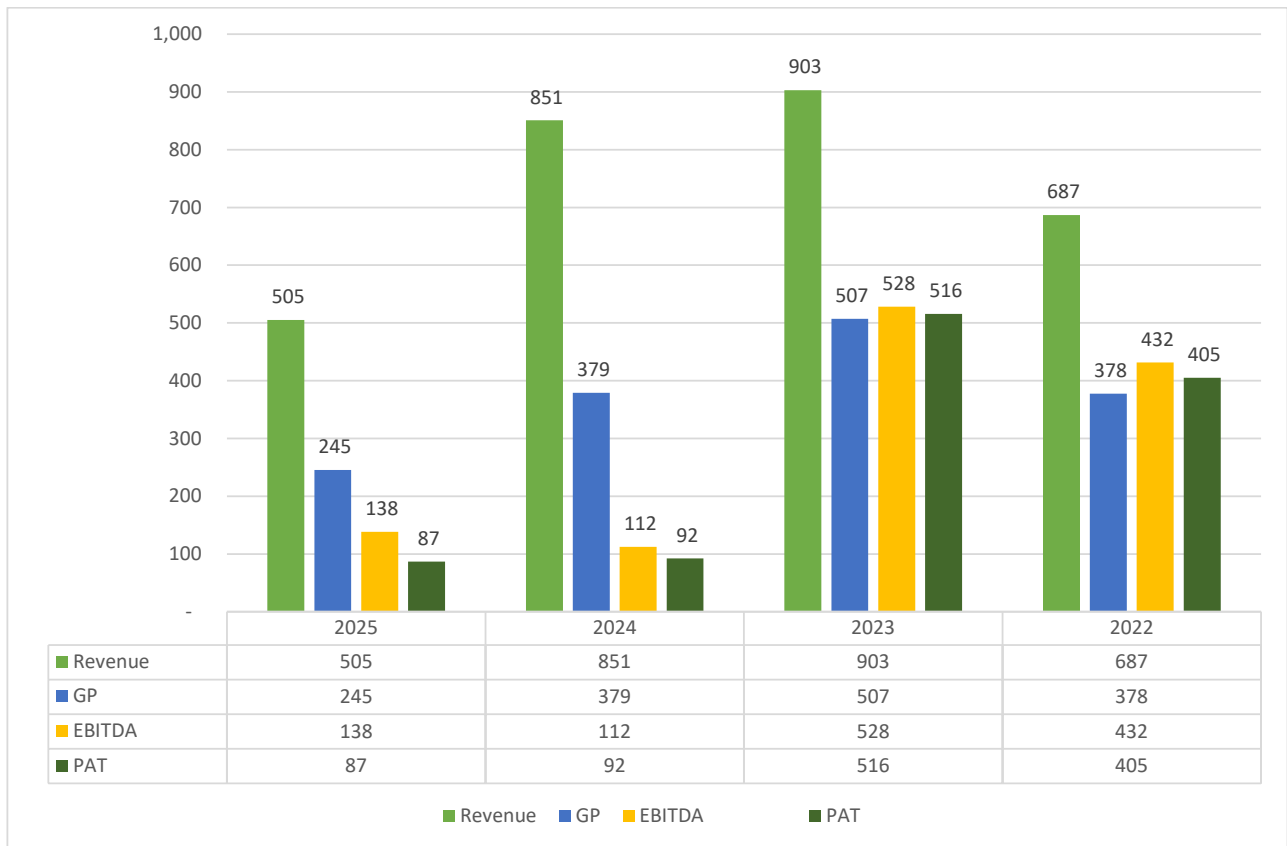
## OPERATING RESULTS (CONSOLIDATED)

(Rupees in '000)	2025	2024	Variation	% Variation
Revenue	1,212,399	1,266,023	(53,624)	-4%
Profit before tax	62,608	211,826	(149,218)	-70%
Profit after tax	28,896	205,025	(176,129)	-86%



## OPERATING RESULTS (STANDALONE)

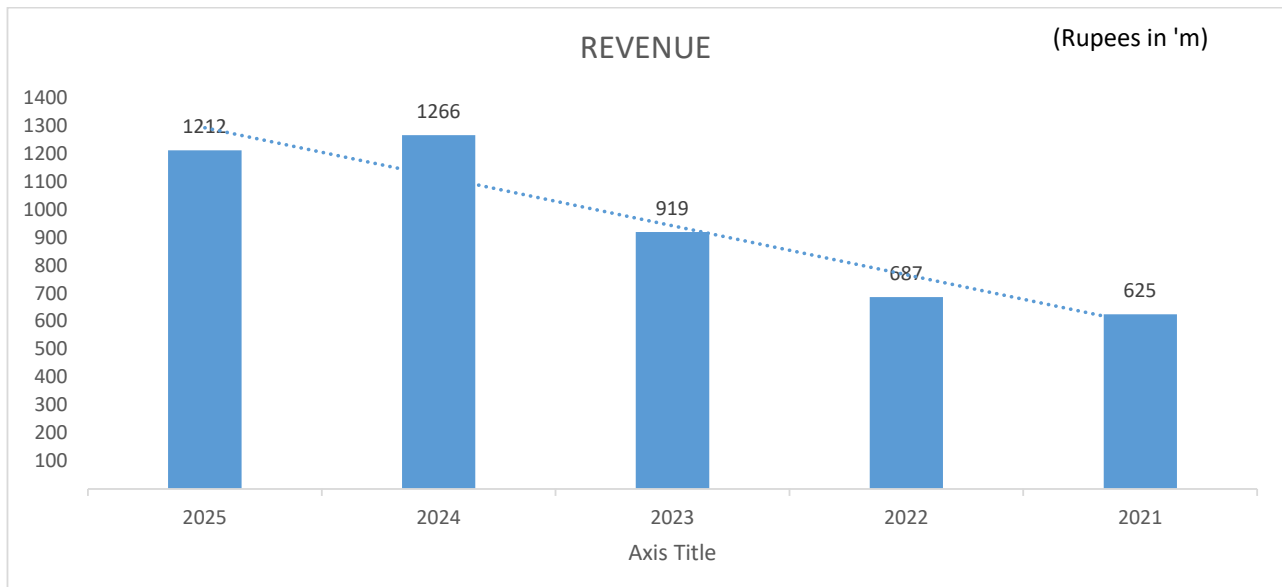
(Rupees in '000)	2025	2024	Variation	% Variation
Revenue	505,225	850,728	(345,503)	-41%
Profit before tax	118,326	101,145	17,181	17%
Profit after tax	86,708	92,436	(5,728)	-6%



## FINANCIAL PERFORMANCE (CONSOLIDATED)

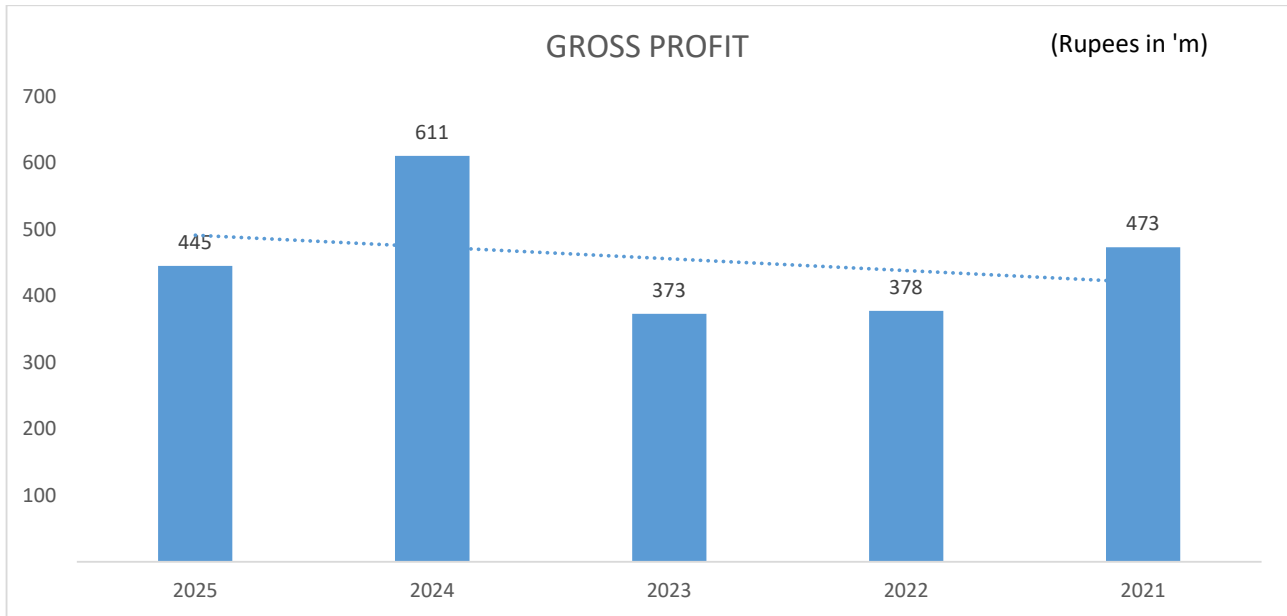
### REVENUE

The Company revenue of Rs. 1,212 million has 4% decreased as compared to last financial year. The company’s revenue has demonstrated an overall upward trajectory over the last five years, growing from PKR 625 million in 2021 to a peak of PKR 1,266 million in 2024. Despite a slight correction to PKR 1,212 million in 2025, the long-term trend remains positive, with current revenue levels nearly doubling those reported at the start of the five-year period.

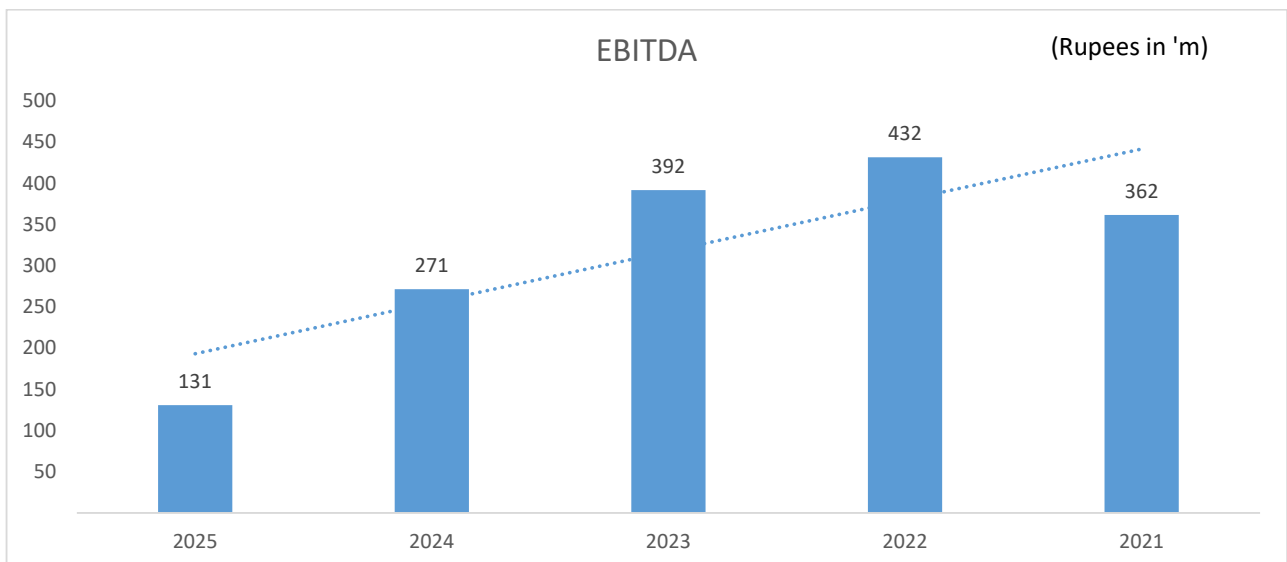


## GROSS PROFIT

Following a significant peak of PKR 611 million in 2024, the Gross Profit for 2025 normalized to PKR 445 million, reflecting a moderate 11% decrease as the company navigated a more competitive fiscal environment.

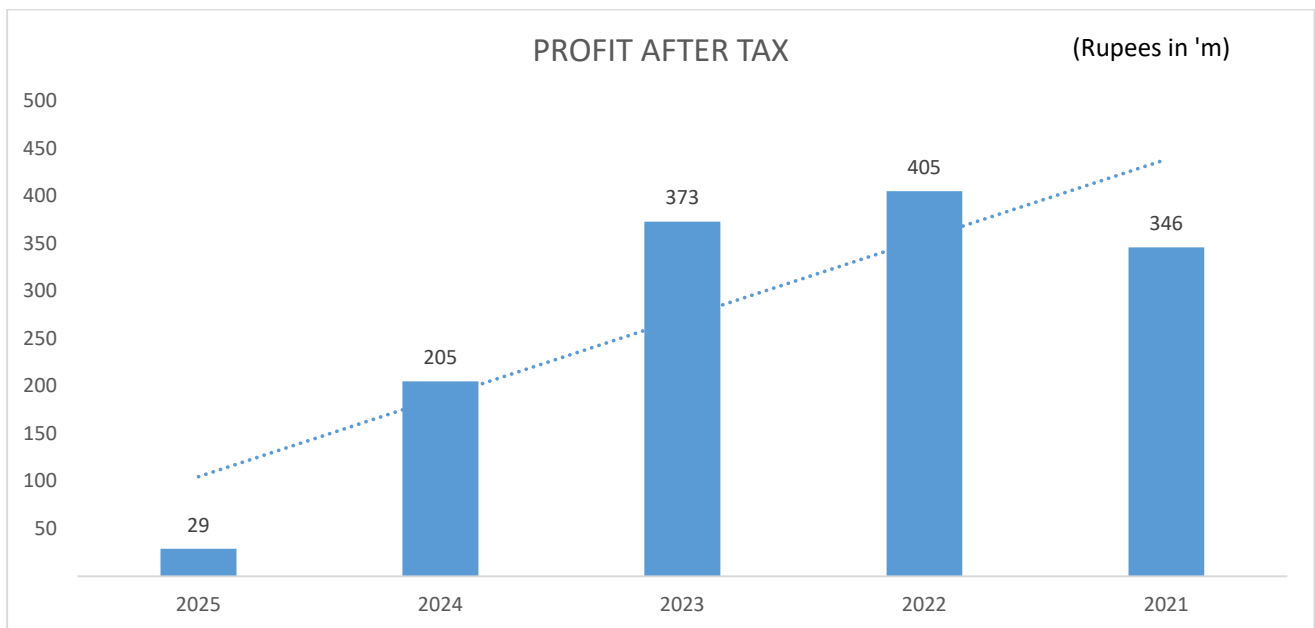


## EBITDA (Earnings before Interest, Tax, Depreciation & Amortization)



## PROFIT AFTER TAXATION

For the fiscal year ended December 31, 2025, the company's Profit after Tax witnessed a sharp decline of 86%, falling to PKR 28.9 million from PKR 205.0 million in the previous year. This contraction was primarily driven by a significant 17% increase in the cost of revenue and a nearly six-fold jump in taxation expenses, which rose to PKR 31.4 million. These financial pressures align with broader economic challenges in Pakistan, where businesses faced high inflation (averaging over 6% by late 2025) and a tightening fiscal regime and increased corporate tax scrutiny. In contrast, while the UAE economy showed robust resilience with a 4.8% GDP growth and a favorable low-tax environment that continued to attract regional capital, the company's domestic performance remained constrained by the rising operational and tax costs inherent in the Pakistani market.



## EARNINGS PER SHARE

### Consolidated:

The basic earnings per share after tax is Rs. 0.18 whereas the EPS in FY 2024 was 1.30.

The diluted earnings per share after tax is Rs.0.18 whereas the EPS in FY 2024 was 1.28.

### Standalone:

The basic earnings per share after tax is Rs. 0.55 whereas the EPS in FY 2024 was 0.59.

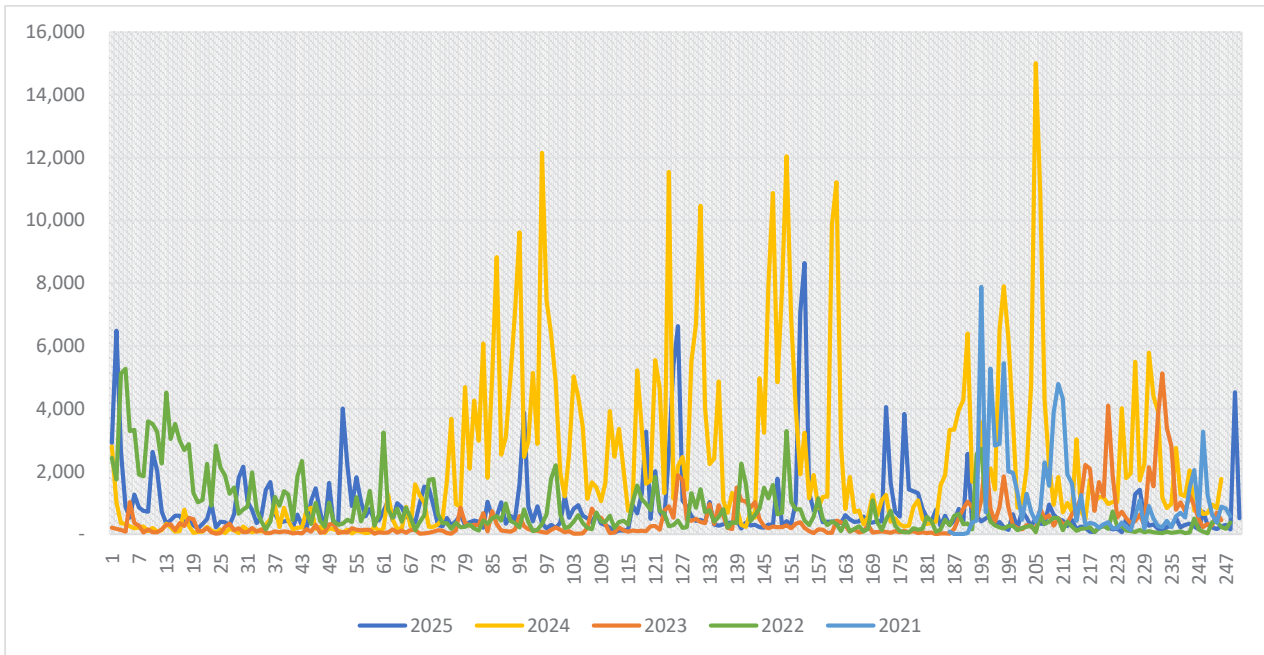
The diluted earnings per share after tax is Rs.0.54 whereas the EPS in FY 2024 was 0.58.

## REASON FOR NOT DECLARATION OF DIVIDEND

Given the Current Pakistan economy situation and Company's growth plan in the digital drive, it is decided by the Board to preserve cash for business growth and R&D for the intellectual property. The Company has sufficient cash balances available at FY 2025 end, which company plans to spend on business growth and development/improvement of Intellectual Properties.

Business generated from above mentioned activities shall contribute to earnings of the company which is expected to favorably impact the prospect of dividend payment in future.

## STOCK LIQUIDITY



## PATTERN OF SHAREHOLDING

SNO.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	8	71,454	0.05
2	Associated Companies, Undertakings and related Parties	1	116,877,484	74.32
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non-Banking Financial Institutions			
5	Insurance Companies	4	332,264	0.21
6	Modarabas and Mutual Funds	5	245,404	0.16
7	Shareholders holding 10%	1	116,877,484	74.32
8	General Public:			
	a. local	8,390	35,984,791	22.88
	b. Foreign			
9	Others	71	3,751,105	2.39
<b>Total (excluding: shareholders holding 10%)</b>		<b>8,479</b>	<b>157,262,502</b>	<b>100.00</b>

## SHARES TRADED BY EXECUTIVES

During the year, the below mentioned executives have traded the stock of Octopus and informed to Stock Exchange

Name of Company	Employee Name	Designation	Transaction Type	No. Of Shares	Price	Transaction Type	Date of Transaction	Date of Submission
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## COMPOSITION OF BOARD AUDIT COMMITTEE

The board audit committee consists of four members listed below;

Sr #	Name of Members	Designation	Status / Directorship
1	Humayun Maqbool	Chairman BAC	Independent Director / Non-Executive Director
2	Bakhtiar Hameed Wain	Member	Non-Executive Director
3	Khalid Hamid Wain	Member	Non-Executive Director
4	Mohammad Arif Janua	Member	Independent Director / Non-Executive Director

## COMPOSITION OF BOARD HR & REMUNERATION COMMITTEE

The board of HR and Remuneration committee consists of four members listed below;

Sr #	Name of Members	Designation	Status / Directorship
1	Humayun Maqbool	Chairman	Independent Director / Non-Executive Director
2	Bakhtiar Hameed Wain	Member	Non-Executive Director
3	Tanveer Karamat	Member	Executive Director
4	Khalid Hamid Wain	Member	Non-Executive Director

## COMPOSITION OF BOARD OF DIRECTORS

The board consist of eight directors listed below;

Sr #	Name of Director	Designation
1	Bakhtiar Hameed Wain	Chairman/Non-Executive Director
2	Khalid Hamid Wain	Non-Executive Director
3	Tanveer Karamat	Chief Executive Officer / Executive Director
4	Asmar Ahmed Atif	Executive Director
5	Mohammad Arif Janua	Independent Director / Non-Executive Director
6	Adeel Khalid	Executive Director
7	Humayun Maqbool	Independent Director / Non-Executive Director
8	Saleha Asif	Independent Director / Non-Executive Director

The total number of directors are eight as per the following, -

- a. Male: Seven
- b. Female: One

## BOARD OF DIRECTOR'S MEETINGS

During the year, the Board of Directors has conducted 04 board meeting, the following honorable members participating:

Sr No.	Name of Director	Present	Leave Granted
1.	Bakhtiar H. Wain	4	0
2.	Khalid Hamid Wain	4	0
3.	Tanveer Karamat	4	0
4.	Asmar Ahmad Atif	4	0
5.	Mohammad Arif Janua	4	0
6.	Adeel Khalid	4	0
7.	Humayun Maqbool	4	0
8.	Saleha Asif	4	0

## CAPITAL STRUCTURE

The Company is not a geared business entity and maintains a balance capital structure which is evidence of its financial strength and excellent liquidity management.

## LIQUIDITY STRATEGY

The Company's liquidity strategy for FY 2026 remains centered on maintaining a robust capital structure to fuel operational growth and ensure consistent shareholder returns. Building upon the framework established in FY 2024, the primary focus is the systematic repatriation of receivables from related party balances. This structured inflow of capital is critical to meeting the escalating financial requirements of our expanding business footprint and fulfilling our corporate dividend policy obligations. Management maintains a high level of confidence in the execution of this strategy, leveraging the targets defined in the 2024 policy to ensure financial agility and long-term fiscal stability.

## FUTURE PROSPECTS

Looking ahead to FY 2026, the Board and Management have crafted a strategy that balances aggressive global expansion with high-level technological innovation. Central to this vision is the strengthening of our presence in the USA and European markets, where we are committing the necessary resources to capture significant growth opportunities. This international push is supported by our evolution into a cloud-agnostic organization, providing the flexibility and scalability required to compete on a global stage.

Technologically, we are pivoting toward the future by developing cutting-edge machine learning solutions that will fundamentally enhance our product delivery and service innovation. To sustain this momentum, we are investing heavily in human capital through our data engineering nursery, which focuses on integrating top-tier university graduates into our core operations. Furthermore, we are scaling our after-market support business in the KSA and implementing a structured global channel partner program designed to catalyze revenue growth through a collaborative ecosystem. By continuously improving our existing portfolio while engineering new solutions for the industry, we remain dedicated to securing our position as a market leader throughout 2026 and beyond.

## SERVICE TO SOCIETY

As a company, we are committed to being active and responsible corporate citizens. We believe that businesses have a responsibility to give back to society and help address key issues such as education, healthcare, public safety, and environmental health. We are committed to creating powerful synergies by working with other entities to improve the conditions of the society in which we operate. Our company and employees have generously given their time and money to support flood relief activities, including donating tents, quilts, medicine, and ration bags to the affected population. We have set up medical camps in South Punjab in the Dera Ghazi Khan district, providing food, medical treatment, and financial support to approximately 5,000 affected individuals for rehabilitation. We are proud of our ongoing efforts to support those in need and make a positive impact in the communities where we operate.

## HEALTH, SAFETY AND ENVIRONMENT

At Octopus Digital Limited, we take health, safety, and environmental (HSE) standards seriously. We recognize the importance of actively managing HSE risks associated with our business and are continuously working to improve our procedures to minimize the risk of fire, accidents, or injuries to our employees and visitors. Our commitment to HSE is reflected in our policies and practices, which aim to reduce, remove or control any potential hazards at our working sites and offices. Additionally, we ensure that our products are shipped safely, complying with all relevant safety standards and legal requirements. Our HSE efforts demonstrate our dedication to creating a safe and healthy work environment for our employees and visitors while also meeting our obligations to society and the environment. We will continue to prioritize HSE in all our operations to ensure the well-being of our employees, customers, and the broader community.

## ISSUES RAISED IN THE LAST AGM

During the Annual General Meeting for the year ending 31 December 2024, No major issues were raised.

**AGENDA # 1:** To confirm the minutes of the Extraordinary General Meeting held on 08 June 2024.

**AGENDA # 2:** Consider the Audited Accounts for the year ended 31 December 2024.

**AGENDA # 3:** The re-appointment of present auditor Crowe Hussain Chaudhury & Co, Chartered Accountants for FY 2025.

All above agenda items have been discussed, approved, and adopted. A question-and-answer session was conducted.

An interactive questions & answers session was held and Mr. Mohammad Shahid Mir and Mr. Faisal Nadeem Sheikh answered all queries regarding entitlements and auditor's remuneration.

## BOARD OF DIRECTORS' REMUNERATION

The board of directors of the Company is comprised of two Non-Executive Directors and three executive directors. The executive directors are paid fixed salary and benefits as per Company's HR policies and salary levels. Performance of executive directors is evaluated against approved criteria by the Human Resource and Remuneration Committee and recommended to the Board for approval. No other directors are being paid for attending board meetings except one independent director.

## TRANSACTIONS WITH RELATED PARTIES

The transactions with related parties were carried out at arm's length prices and purely on commercial terms determined in accordance with the comparable uncontrolled prices method.

## CORPORATE GOVERNANCE PRACTICES

The Board of Directors of Octopus Digital Limited is committed to the company principles and complies with requirements of Code of Corporate Governance included in the regulations of the Companies Act 2017.

## ACKNOWLEDGEMENT

The Board is pleased with the continued dedication and efforts of the employees of the company.

For and on Behalf of the

Board of Directors



**Mr. Tanveer Karamat**  
Chief Executive Officer



**Mr. Asmar Ahmad Atif**  
Director

Lahore:

29 April 2026

# Six Years at a Glance

## RATIOS FOR 6 YEARS

YEARS	2025	2024	2023	2022	2021	2020
<b>Profitability Ratios</b>						
Gross Profit ratio	37%	48%	41%	55%	76%	97%
Operating Result Ratio	5%	17%	41%	63%	58%	92%
Profit Before Tax	5%	17%	41%	63%	58%	92%
Profit After Tax	2%	16%	41%	59%	55%	79%
Return On Capital Employed	2%	8%	15%	21%	22%	110%
EBITDA (Rs. In million)	267	390	432	362	254	254
EBITDA Margin	22%	31%	47%	53%	41%	92%
<b>Growth Ratios</b>						
Net Sales	-4%	38%	34%	10%	N/A	N/A
Operating Results	-70%	-44%	-12%	19%	N/A	N/A
EBITDA	-32%	-10%	19%	42%	N/A	N/A
Profit After Tax	-86%	-45%	-8%	17%	57%	N/A
<b>Cost Ratios</b>						
Gross Profit ratio	48%	41%	55%	76%	97%	100%
Gross Profit ratio	48%	41%	55%	76%	97%	100%
<b>Return to Shareholders</b>						
Return on Equity-Before Tax	2%	8%	15%	21%	22%	110%
Return on Equity-After Tax	1%	8%	15%	20%	21%	95%
Earning per Share (Basic) (Rs.)	0.2	1.3	2.5	2.7	2.5	2.0
Earning per Share (Diluted) (Rs.)	0.2	1.3	2.5	2.7	2.5	2.0
Break Up value per share (Rs.)	0.2	0.2	0.2	0.1	0.1	0.0
<b>Equity Ratios</b>						
Price Earning Ratio	315	60	-	-	-	-
Dividend Per Share	-	-	0%	0%	0%	0%
Dividend Payout Ratio	-	-	0%	0%	0%	0%
Market Value at the end of The Year	57	78	0.00	0.00	0.00	0.00
Market Value at the start of the Year	84	44	0.00	0.00	0.00	0.00
Highest Value During Year	111	81	0.00	0.00	0.00	0.00
Lowest Value During Year	56	44	0.00	0.00	0.00	0.00
Dividend Yield Ratio	0%	0%	N/A	N/A	N/A	N/A
Dividend Cover Ratio	N/A	N/A	N/A	N/A	N/A	N/A
<b>Asset Utilization</b>						
Total Asset turnover (Times)	0.39	0.42	0.34	0.32	0.36	1
Fixed Asset Turnover (Times)	32	39	30	174	168	N/A
Trade Debts Turnover (Times)	8	5	6	7	9	19.63
Trade Creditors Turnover (Times)	8	19	45	46	9	1.88
Capital Employed Turnover (Times)	0.44	0.47	0.37	0.34	0	1.20
<b>Operating Cycle</b>						
Trade Debt collection period (No. of days)	46	61	57	51	39	19
Trade Creditors payment period (No. of days)	46	20	8	8	42	194
<b>Liquidity/Leverage</b>						
Current ratio (Times)	6	7	8	25	21	3
Quick ratio (Times)	6	7	8	25	21	3
Cash to current liabilities (Times)	0.27	0.08	0.18	0.25	11	0
Total liabilities to equity (Times)	0.13	0.11	0.11	0.04	0.05	0.38

# Analysis of Financial Statements

## BALANCE SHEET

(Rupees in million)

Particulars	2025	2024	2023	2022	2021	2020
<b>Non-Current Assets</b>						
Property and Equipment	38	32	31	4	4	3
Intangible assets	991	772	557	120	52	20
Deferred tax asset	19	19	21	10	3	-
Long term Contract Asset	8	-	-	-	-	-
Long-term advances and deposits	0.1	0.1	0.1	0.1	0.1	-
<b>Total Non-Current Assets</b>	<b>1,056</b>	<b>824</b>	<b>608</b>	<b>134</b>	<b>58</b>	<b>23</b>
<b>Current Assets</b>						
Stock in Trade	0.15	-	1	-	-	-
Trade debts	1,297	1,429	1,502	1,236	665	281
Contract assets	154	210	142	96	67	14
Advances, deposits, prepayments and other receivables	545	518	442	339	31	0.47
Short term investments	1	1	10	-	300	-
Short term loan	-	-	-	300	-	-
Cash and bank balances	99	22	38	20	599	0.43
<b>Total Current Assets</b>	<b>2,096</b>	<b>2,280</b>	<b>2,135</b>	<b>1,991</b>	<b>1,662</b>	<b>296</b>
<b>Total Assets</b>	<b>3,152</b>	<b>3,004</b>	<b>2,744</b>	<b>2,125</b>	<b>1,720</b>	<b>320</b>
<b>Equity and Liabilities</b>						
<b>Share Capital and reserves</b>						
Issued, subscribed and paid up capital	1,573	1,573	1,573	1,368	1,368	1,094
Group restructuring reserve	(1,050)	(1,050)	(1,050)	(1,084)	(1,084)	(1,084)
Employees' share compensation reserve	78	37	9	-	-	-
Exchange translation reserve	0.40	4	-	-	-	-
Share premium	789	789	789	789	789	-
Un-appropriated profit	1,375	1,346	1,141	973	568	222
	2,765	2,699	2,462	2,045	1,640	232
<b>NON CURRENT LIABILITIES</b>						
Long term diminishing musharaka	17	13	11	-	-	-
<b>Current Liabilities</b>						
Creditors, accrued and other liabilities	222	262	203	23	45	48
Contract liabilities	96	2	12	7	18	4
Current portion of long term liabilities	8	4	3	-	-	-
Taxation - Net	44	23	53	50	17	36
<b>Total Current Liabilities</b>	<b>370</b>	<b>292</b>	<b>271</b>	<b>80</b>	<b>80</b>	<b>88</b>
<b>Total Equity and Liabilities</b>	<b>3,152</b>	<b>3,004</b>	<b>2,744</b>	<b>2,125</b>	<b>1,720</b>	<b>320</b>

# Analysis of Financial Statements

## PROFIT AND LOSS ACCOUNT

(Rupees in million)

PARTICULARS	2025	2024	2023	2022	2021	2020
Revenue from contracts with customers	1212	1266	919	687	625	277
Cost of revenue	(767)	(655)	(545)	(309)	(152)	(8)
<b>Gross Profit</b>	<b>445</b>	<b>611</b>	<b>375</b>	<b>378</b>	<b>473</b>	<b>269</b>
Administrative and selling expenses	(356)	(368)	(322)	(204)	(124)	(15)
Other Expenses	(67)	(58)	(47.4)	(0.2)	-	(0.2)
Finance cost	(5)	(4)	(2)	-	-	-
Other Income	46	31	376	257	11	-
	(382)	(399)	5	53	(113)	(16)
<b>Profit before Levy &amp; Taxation</b>	<b>63</b>	<b>212</b>	<b>380</b>	<b>430</b>	<b>360</b>	<b>254</b>
Levy/Final Taxation	(2)	(2)	(3)	-	-	-
<b>Profit before tax</b>	<b>61</b>	<b>210</b>	<b>377</b>	<b>430</b>	<b>360</b>	<b>254</b>
Taxation	(31)	(5)	(4)	(25)	(15)	(34)
<b>Profit after Tax</b>	<b>29</b>	<b>205</b>	<b>373</b>	<b>405</b>	<b>346</b>	<b>220</b>
Combined earnings/(loss) per Share						
Basic in Rs.	0.18	1.30	2.52	2.74	2.53	2.01
Diluted in Rs.	0.18	1.28	2.50	2.74	2.53	2.01

### Analysis of Financial Statements

#### Cash Flow Statement

(Rupees in million)

Particulars	2025	2024	2023	2022	2021	2020
Cash flow from operating activities	319	241	56	(509)	(131)	20
Cash flow from investing activities	(249)	(262)	(51)	(70)	(333)	(24)
Cash flow from financing activities	8	4	14	-	1,063	-
<b>Increase/(decrease) in cash &amp; cash equivalent</b>	<b>77</b>	<b>(17)</b>	<b>18</b>	<b>(579)</b>	<b>598</b>	<b>(3)</b>

# Analysis of Financial Statements

## CASH FLOW STATEMENT

### INDIRECT METHOD

PARTICULARS	Rupees in million					
	2025	2024	2023	2022	2021	2020
<b>Cash flows from operating activities</b>						
Cash generated from operations	393	253	76	(514)	(81)	20
Profit received on short term Investment	0	0	-	5	2	-
Addition in Long term Advances	-	0	-	-	(0)	-
Finance cost paid	(5)	(4)	(2)	-	-	-
Taxes paid	(32)	(7)	(18)	-	(52)	(0)
<b>Net cash (used in) / generated from operating activities</b>	<b>356</b>	<b>242</b>	<b>56</b>	<b>(509)</b>	<b>(131)</b>	<b>20</b>
<b>Cash flows from investing activities</b>						
Purchase of property and equipment	(7)	(14)	(29)	(2)	(1)	(4)
Addition in intangible assets	(266)	(258)	(142)	(68)	(32)	(20)
Loan to Holding Company	-	-	131	(300)	-	-
Short term investments	0	11	(10)	300	(300)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(272)</b>	<b>(262)</b>	<b>(51)</b>	<b>(70)</b>	<b>(333)</b>	<b>(24)</b>
<b>Cash flows from financing activities</b>						
Issuance of ordinary shares	-	-	-	-	274	-
Increase in share premium due to issuance of shares	-	-	-	-	789	-
Long term diminishing musharaka	-	6	14	-	-	-
Repayment of diminishing musharaka	(7)	(3)	(1)	-	-	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(7)</b>	<b>4</b>	<b>14</b>	<b>-</b>	<b>1,063</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>78</b>	<b>(17)</b>	<b>18</b>	<b>(579)</b>	<b>598</b>	<b>(3)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>22</b>	<b>38</b>	<b>20</b>	<b>599</b>	<b>0.4</b>	<b>4</b>
<b>Effect of cash and Cash equivalents of subsidiary disposed off</b>						
<b>Cash and cash equivalents at the end of the year</b>	<b>99</b>	<b>22</b>	<b>38</b>	<b>20</b>	<b>599</b>	<b>0</b>

# Analysis of Financial Statements

## CASH FLOW STATEMENT

### DIRECT METHOD

Rupees in million

PARTICULARS	2025	2024	2023	2022	2021	2020
<b>Cash flows from operating activities</b>						
Cash flows from Customers	78	57	(90)	(433)	(435)	(270)
Cash flows from Creditors	(17)	59	179	(21)	(3)	47
Cash flows from Stocks	(0)	1	(1)	-	-	-
Other cash flows from operations	333	136	(12)	(59)	357	244
Cash (used in) / generated from continuing operations	393	253	76	(514)	(81)	20
Profit received on short term Investment	0	0	-	5	2	-
Finance cost paid	(5)	(4)	(2)	-	-	-
Taxes paid	(32)	(7)	(18)	-	(52)	-
<b>Net cash (used in) / generated from operating activities</b>	<b>356</b>	<b>241</b>	<b>56</b>	<b>(509)</b>	<b>(131)</b>	<b>20</b>
<b>Cash flows from Investing activities</b>						
Purchase of property and equipment	(7)	(14)	(29)	(2)	(1)	(4)
Addition in intangible assets	(266)	(258)	(142)	(68)	(32)	(20)
Loan to Holding Company	-	-	131	(300)	-	-
Short term investments	0	11	(10)	300	(300)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(272)</b>	<b>(262)</b>	<b>(51)</b>	<b>(70)</b>	<b>(333)</b>	<b>(24)</b>
<b>Cash flows from financing activities</b>						
Issuance of ordinary shares	-	-	-	-	274	-
Share premium	-	-	-	-	789	-
Long term diminishing musharaka	-	6	14	-	-	-
Repayment of diminishing musharaka	(7)	(3)	(1)	-	-	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(7)</b>	<b>4</b>	<b>14</b>	<b>-</b>	<b>1,063</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>78</b>	<b>(17)</b>	<b>18</b>	<b>(579)</b>	<b>599</b>	<b>(3)</b>
Cash and cash equivalents at the beginning of the year	22	38	20	599.0	0.5	3.7
Effect of cash and Cash equivalents of subsidiary disposed off	-	-	-	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>99</b>	<b>22</b>	<b>38</b>	<b>20</b>	<b>599</b>	<b>0</b>

# 6 Years Vertical And Horizontal Analysis

## BALANCE SHEET

Particulars	Vertical Analysis						Horizontal Analysis					
	2025	2024	2023	2022	2021	2020	2025	2024	2023	2022	2021	2020
	----- (in % age) -----						----- (in % age) -----					
<b>Non-Current Assets</b>												
Property and Equipment	1%	1%	1%	0%	0%	1%	117%	105%	780%	106%	N/A	N/A
Intangible assets	31%	25%	20%	6%	3%	6%	128%	139%	465%	231%	N/A	N/A
Long term Contract Asset	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A
Long-term advances and deposits	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	N/A	N/A
<b>Total Non-Current Assets</b>	<b>34%</b>	<b>27%</b>	<b>22%</b>	<b>6%</b>	<b>3%</b>	<b>7%</b>	<b>128%</b>	<b>135%</b>	<b>454%</b>	<b>230%</b>	<b>N/A</b>	<b>N/A</b>
<b>Current Assets</b>												
Stock in Trade	0%	0%	0%	0%	0%	0%	N/A	0%	N/A	N/A	N/A	N/A
Contract assets	5%	8%	5%	4%	4%	4%	63%	171%	149%	143%	N/A	N/A
Advances, deposits, prepayments	17%	17%	16%	16%	2%	0%	105%	117%	130%	1108%	N/A	N/A
Short term investments	0%	0%	0%	0%	17%	0%	108%	5%	N/A	0%	N/A	N/A
Short term loan	0%	0%	0%	14%	0%	0%	N/A	N/A	0%	N/A	N/A	N/A
Cash and bank balances	3%	1%	1%	1%	35%	0%	460%	56%	190%	3%	N/A	N/A
<b>Total Current Assets</b>	<b>66%</b>	<b>73%</b>	<b>78%</b>	<b>94%</b>	<b>97%</b>	<b>93%</b>	<b>95%</b>	<b>104%</b>	<b>107%</b>	<b>120%</b>	<b>N/A</b>	<b>N/A</b>
<b>Total Assets</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>104%</b>	<b>111%</b>	<b>129%</b>	<b>124%</b>	<b>N/A</b>	<b>N/A</b>
<b>Equity and Liabilities</b>												
<b>Share Capital and reserves</b>												
Issued, subscribed and paid up capital	50%	52%	57%	64%	80%	342%	100%	100%	115%	100%	N/A	N/A
Group restructuring reserve	-33%	-35%	-38%	-51%	-63%	-339%	100%	100%	97%	100%	N/A	N/A
Un-appropriated profit	44%	44%	42%	46%	33%	69%	102%	118%	117%	171%	N/A	N/A
	88%	89%	90%	96%	95%	72%	102%	110%	120%	125%	N/A	N/A
<b>Current Liabilities</b>												
Creditors, accrued and other liabilities	7%	9%	7%	1%	3%	15%	85%	129%	881%	51%	N/A	N/A
Contract liabilities	3%	1%	0%	0%	1%	1%	274%	291%	181%	38%	N/A	N/A
Current portion of long term liabilities	0%	0%	0%	0%	0%	0%	200%	160%	N/A	N/A	N/A	N/A
Taxation - Net	1%	1%	2%	2%	1%	11%	191%	44%	105%	291%	N/A	N/A
<b>Total Current Liabilities</b>	<b>12%</b>	<b>11%</b>	<b>10%</b>	<b>4%</b>	<b>5%</b>	<b>28%</b>	<b>114%</b>	<b>120%</b>	<b>340%</b>	<b>100%</b>	<b>N/A</b>	<b>N/A</b>
<b>Total Equity and Liabilities</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>104%</b>	<b>111%</b>	<b>129%</b>	<b>124%</b>	<b>N/A</b>	<b>N/A</b>

# 6 Years Vertical And Horizontal Analysis

## PROFIT AND LOSS ACCOUNT

PARTICULARS	Vertical Analysis						Horizontal Analysis					
	2025	2024	2023	2022	2021	2020	2025	2024	2023	2022	2021	2020
	------(in % age)-----						------(in % age)-----					
Revenue from contracts with customers	100%	100%	100%	100%	100%	100%	96%	138%	134%	110%	226%	N/A
Cost of revenue	-63%	-52%	-59%	-45%	-24%	100%	117%	120%	176%	204%	1960%	N/A
<b>Gross Profit</b>	<b>37%</b>	<b>48%</b>	<b>41%</b>	<b>55%</b>	<b>76%</b>	<b>97%</b>	<b>73%</b>	<b>163%</b>	<b>99%</b>	<b>80%</b>	<b>176%</b>	<b>N/A</b>
Administrative and selling expenses	-29%	-29%	-35%	-30%	-20%	-6%	97%	114%	158%	164%	805%	N/A
Other Expenses	-6%	-5%	-5%	0%	0%	0%	116%	122%	21273%	N/A	0%	N/A
Finance cost	0%	0%	0%	0%	0%	0%	114%	256%	N/A	N/A	N/A	N/A
Other Income	4%	2%	41%	37%	2%	0%	146%	8%	146%	2303%	N/A	N/A
	-32%	-32%	1%	8%	-18%	-6%	96%	-8100%	9%	-47%	723%	N/A
<b>Profit before Levy &amp; Taxation</b>	<b>5%</b>	<b>17%</b>	<b>41%</b>	<b>63%</b>	<b>58%</b>	<b>92%</b>	<b>30%</b>	<b>56%</b>	<b>88%</b>	<b>119%</b>	<b>142%</b>	<b>N/A</b>
Levy/Final Taxation	0%	0%	0%	0%	0%	0%	127%	70%	N/A	N/A	N/A	N/A
<b>Profit before tax</b>	<b>5%</b>	<b>17%</b>	<b>41%</b>	<b>63%</b>	<b>58%</b>	<b>92%</b>	<b>29%</b>	<b>56%</b>	<b>88%</b>	<b>119%</b>	<b>142%</b>	<b>N/A</b>
Taxation	-3%	0%	0%	-4%	-2%	-12%	630%	124%	16%	173%	43%	N/A
<b>Profit after Tax</b>	<b>2%</b>	<b>16%</b>	<b>41%</b>	<b>59%</b>	<b>55%</b>	<b>79%</b>	<b>14%</b>	<b>55%</b>	<b>92%</b>	<b>117%</b>	<b>157%</b>	<b>N/A</b>
Combined earnings/(loss) per Share												
Basic	0.01%	0.10%	0.27%	0.40%	0.40%	0.73%	14%	52%	92%	108%	126%	N/A
Diluted	0.01%	0.10%	0.27%	0.40%	0.40%	0.73%	14%	51%	91%	108%	126%	N/A

## Cash Flow Statement

PARTICULARS	Vertical Analysis						Horizontal Analysis					
	2025	2024	2023	2022	2021	2019	2025	2024	2023	2022	2021	2019
	------(in % age)-----						------(in % age)-----					
Cash flow from operating activities	414%	-1430%	307%	88%	-22%	-623%	132%	432%	-11%	388%	-643%	N/A
Cash flow from investing activities	-324%	1551%	-282%	12%	-56%	723%	95%	510%	74%	21%	1407%	N/A
Cash flow from financing activities	10%	-21%	75%	0%	178%	0%	217%	26%	N/A	0%	N/A	N/A

# 6 Years Vertical And Horizontal Analysis

## CASH FLOW STATEMENT

### Vertical Analysis

	2025	2024	2023	2022	2021	2020
<b>Cash flows from operating activities</b>						
Cash generated from operations	506%	-1525%	417%	89%	-14%	-623%
Profit received on short term Investment	0%	-1%	0%	-1%	0%	0%
Finance cost paid	-7%	27%	-9%	0%	0%	0%
Taxes paid	-41%	44%	-101%	0%	-9%	1%
<b>Net cash (used in) / generated from operating activities</b>	<b>460%</b>	<b>-1443%</b>	<b>307%</b>	<b>88%</b>	<b>-22%</b>	<b>-623%</b>
<b>Cash flows from investing activities</b>						
Purchase of property and equipment	-8%	86%	-162%	0%	0%	111%
Addition in intangible assets	-343%	1556%	-783%	12%	-5%	611%
Short term investments	0%	-64%	-56%	-52%	-50%	0%
<b>Net cash (used in) / generated from investing activities</b>	<b>-351%</b>	<b>1564%</b>	<b>-1001%</b>	<b>-40%</b>	<b>-56%</b>	<b>723%</b>
<b>Cash flows from financing activities</b>						
Issuance of ordinary shares	0%	0%	0%	0%	46%	0%
Increase in share premium due to issuance of shares	0%	0%	0%	0%	132%	0%
Repayment of diminishing musharaka	-9%	17%	-4%	0%	0%	0%
<b>Net cash (used in) / generated from financing activities</b>	<b>-9%</b>	<b>17%</b>	<b>-4%</b>	<b>0%</b>	<b>178%</b>	<b>0%</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>100%</b>	<b>138%</b>	<b>-698%</b>	<b>48%</b>	<b>100%</b>	<b>100%</b>

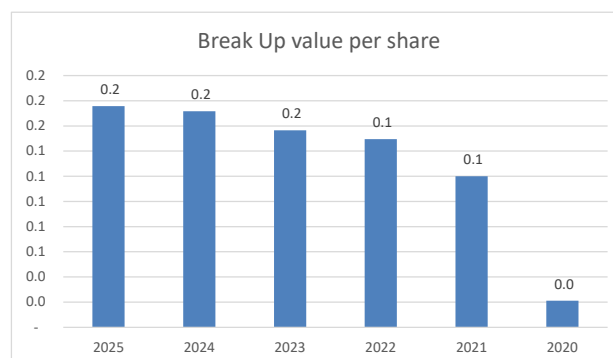
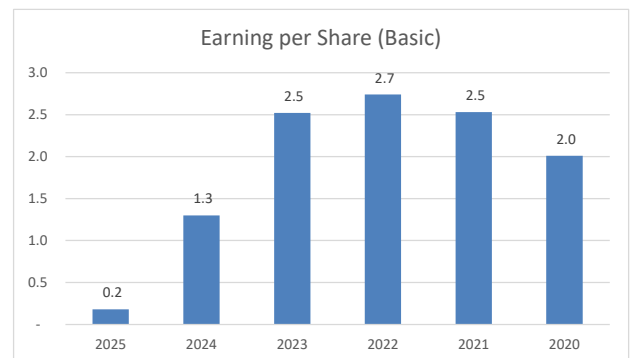
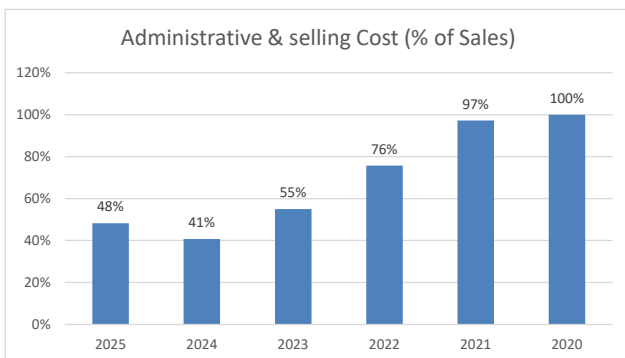
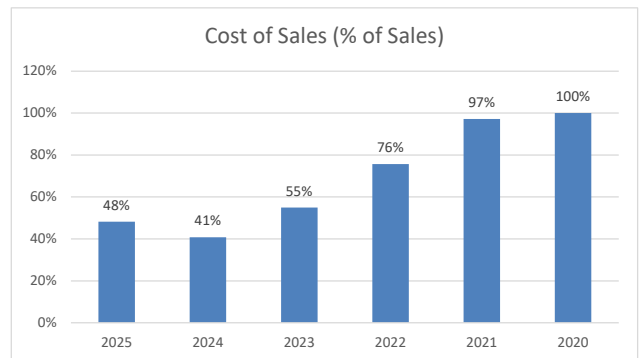
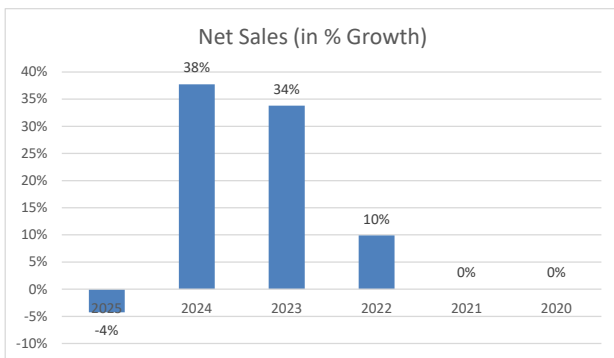
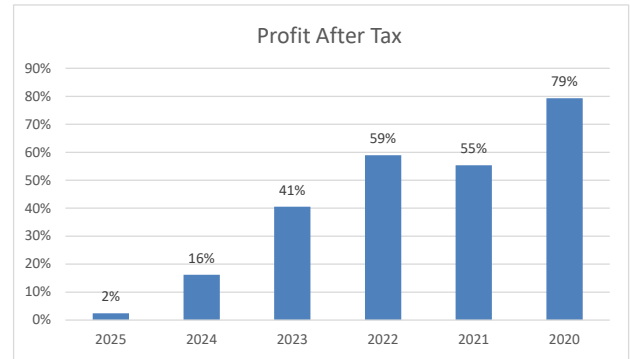
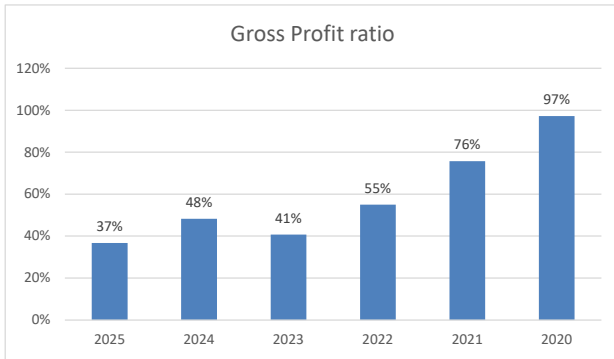
### Horizontal Analysis

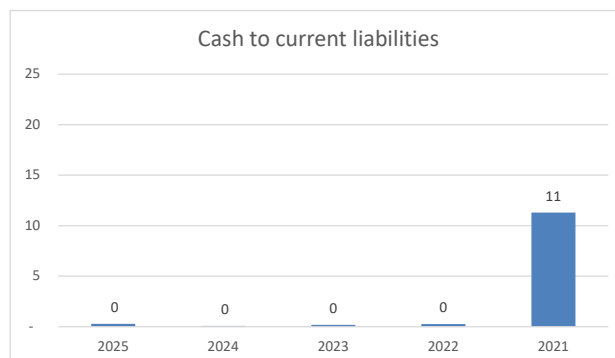
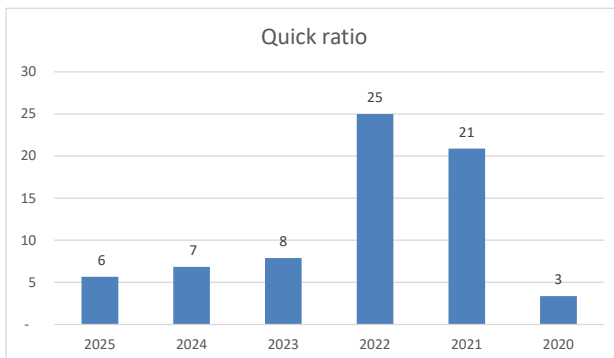
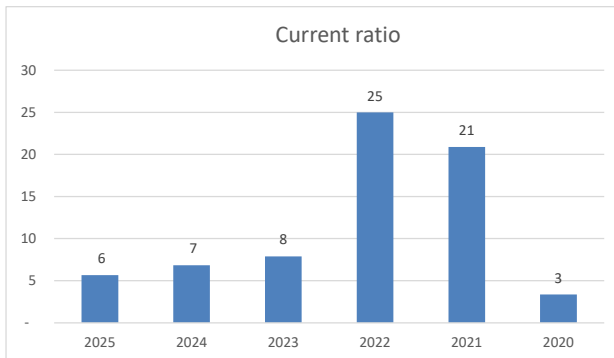
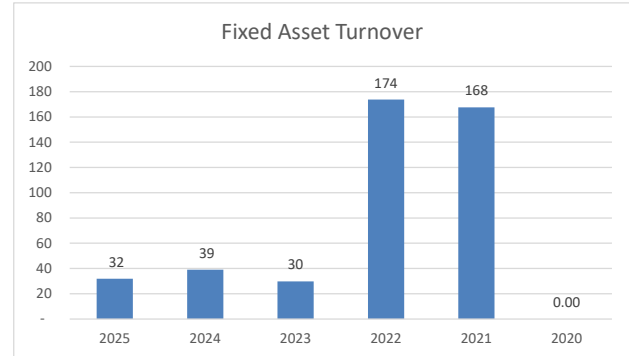
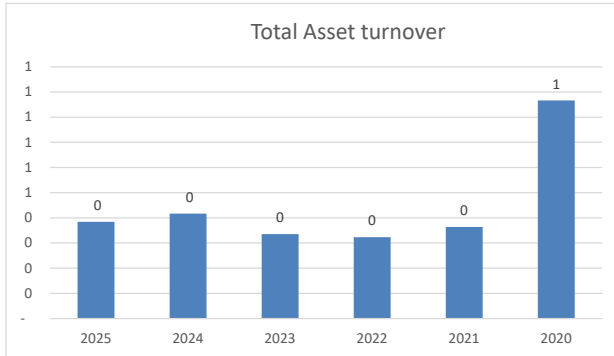
	2025	2024	2023	2022	2021	2020
<b>Cash flows from operating activities</b>						
Cash generated from operations	155%	334%	-15%	635%	N/A	N/A
Profit received on short term Investment	245%	N/A	0%	268%	N/A	N/A
Finance cost paid	115%	275%	N/A	N/A	N/A	N/A
Taxes paid	433%	40%	N/A	0%	N/A	N/A
<b>Net cash (used in) / generated from operating activities</b>	<b>148%</b>	<b>432%</b>	<b>-11%</b>	<b>388%</b>	<b>N/A</b>	<b>N/A</b>
<b>Cash flows from investing activities</b>						
Purchase of property and equipment	46%	48%	1681%	121%	N/A	N/A
Addition in intangible assets	103%	181%	209%	214%	N/A	N/A
Short term investments	1%	-105%	-3%	-100%	N/A	N/A
<b>Net cash (used in) / generated from investing activities</b>	<b>104%</b>	<b>510%</b>	<b>74%</b>	<b>21%</b>	<b>N/A</b>	<b>N/A</b>
<b>Cash flows from financing activities</b>						
Issuance of ordinary shares	N/A	N/A	N/A	0%	N/A	N/A
Increase in share premium due to issuance of shares	N/A	N/A	N/A	0%	N/A	N/A
Repayment of diminishing musharaka	0%	391%	N/A	N/A	N/A	N/A
<b>Net cash (used in) / generated from financing activities</b>	<b>-189%</b>	<b>26%</b>	<b>N/A</b>	<b>0%</b>	<b>N/A</b>	<b>N/A</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>-463%</b>	<b>-92%</b>	<b>-3%</b>	<b>-97%</b>	<b>N/A</b>	<b>N/A</b>

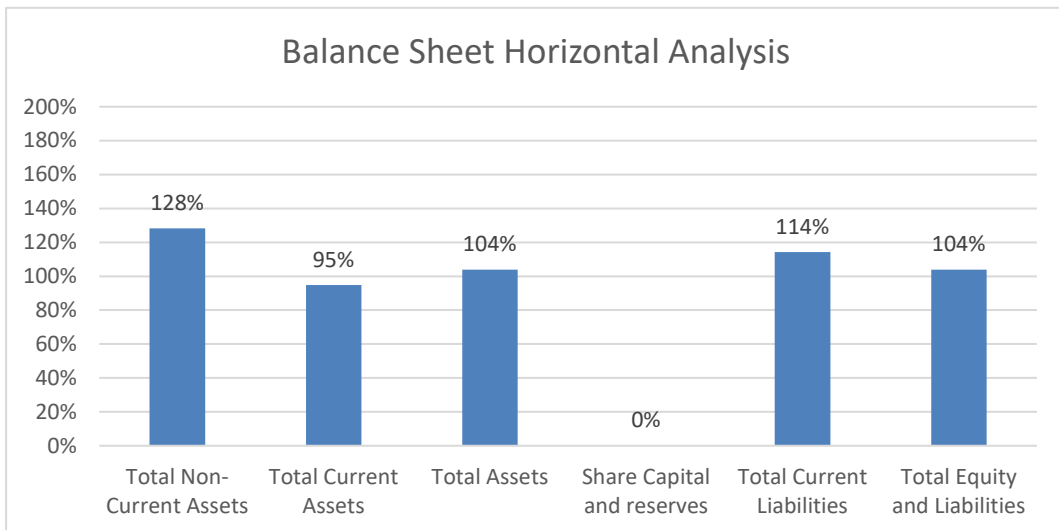
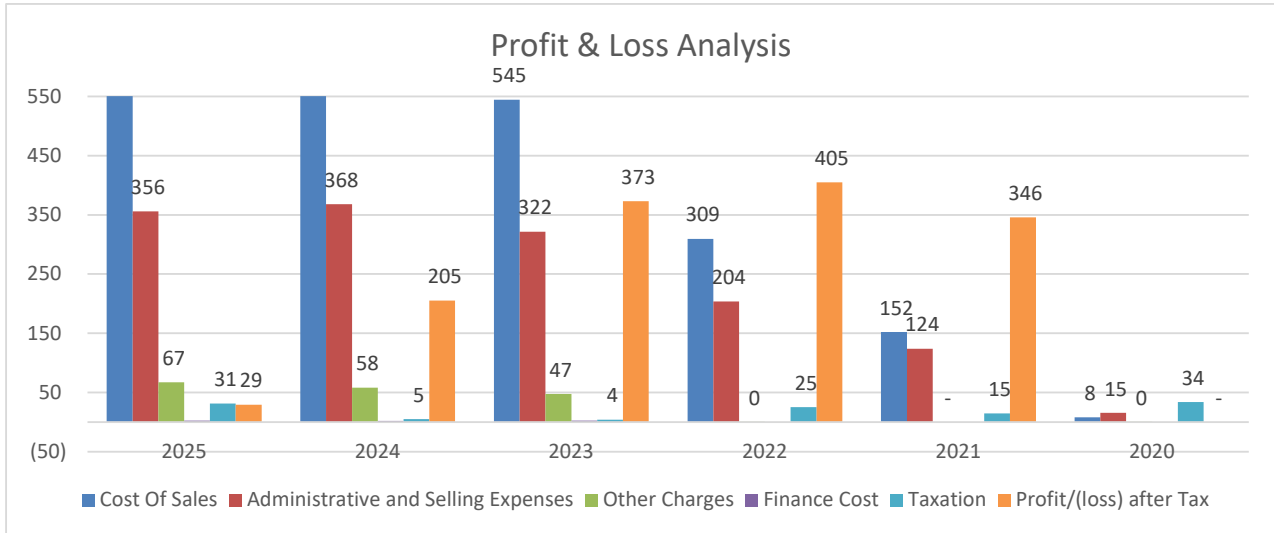
# DuPont Analysis

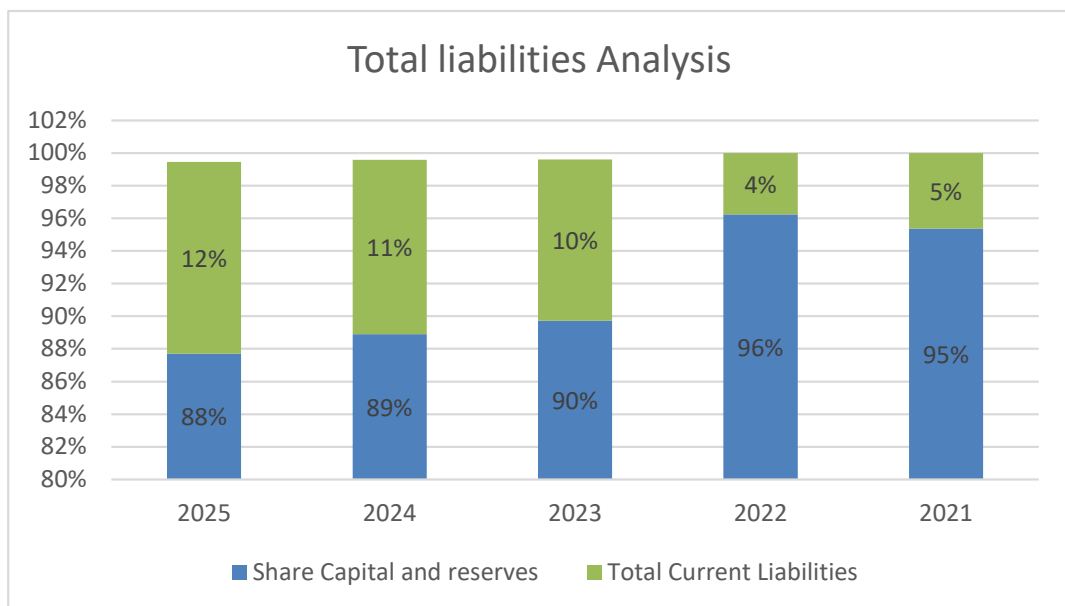
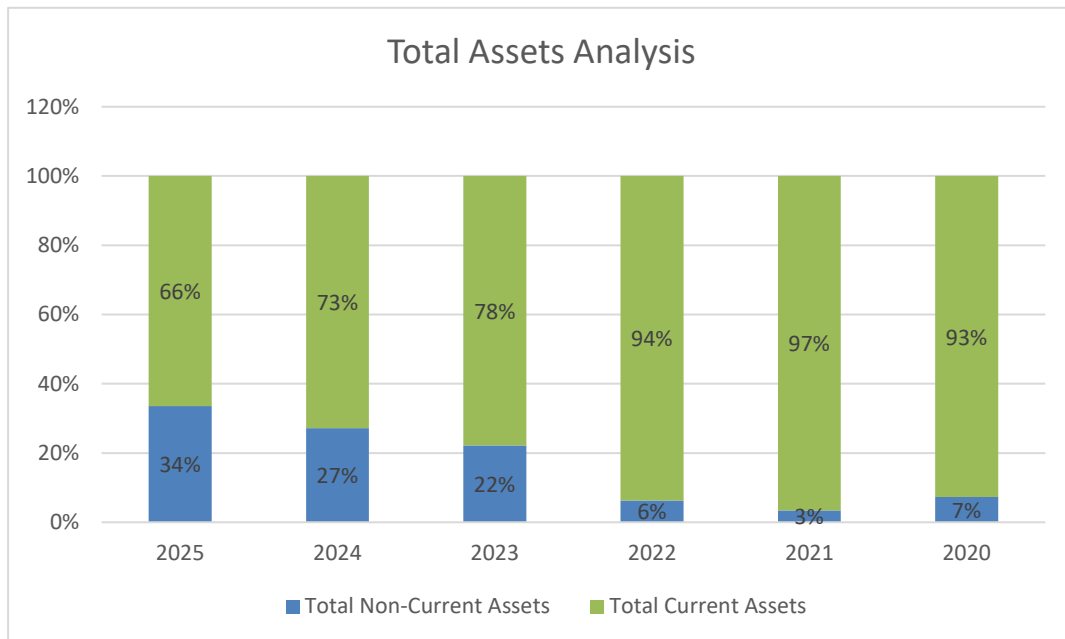
## 2025 – 2024





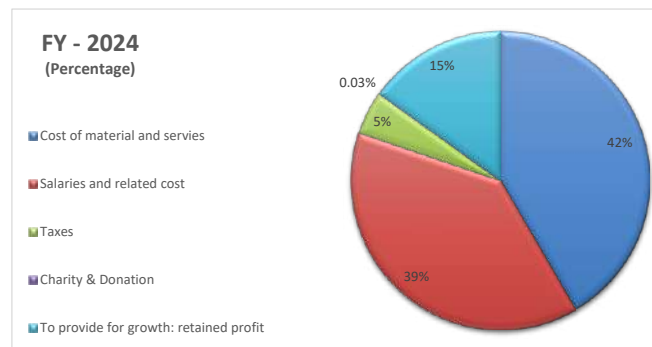
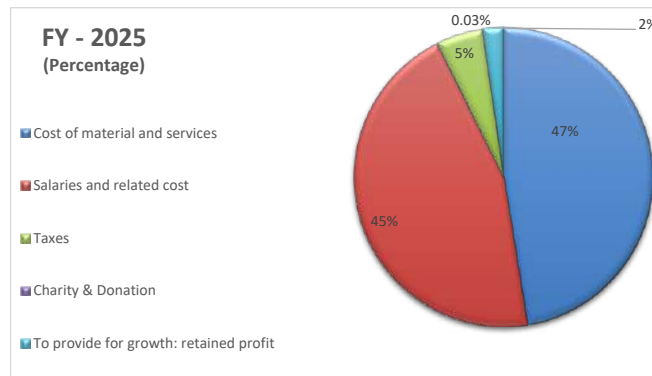






# Statement Of Value Addition

	2025		2024	
	Rs. In '000	%age	Rs. In '000	%age
<b>Wealth Generated</b>				
Sales included sales tax	1,279,975	97%	1,322,948	98%
Other operating income	46,093	3%	31,486	2%
	<b>1,326,068</b>		<b>1,354,434</b>	
<b>Wealth Distributed</b>				
Cost of material and services	629,532	47%	563,314	42%
<b>To Employees</b>				
Salaries and related cost	599,625	45%	522,019	39%
<b>To Government</b>				
Taxes	67,576	5%	63,726	5%
<b>To Society</b>				
Charity & Donation	439	0.0%	350	0.0%
<b>Retain in the business</b>				
To provide for growth: retained profit	28,896	2%	205,025	15%
	<b>1,326,068</b>		<b>1,354,434</b>	





**OCTOPUS DIGITAL LIMITED  
 PATTERN OF SHAREHOLDING  
 AS AT DECEMBER 31, 2025**

NO OF SHAREHOLDERS	NO. OF SHAREHOLDINGS		Total Shares
	FROM	TO	
1,365	1	100	51,128
1,447	101	500	479,425
2,273	501	1,000	1,591,447
2,238	1,001	5,000	5,455,724
550	5,001	10,000	4,194,895
192	10,001	15,000	2,430,213
114	15,001	20,000	2,098,788
80	20,001	25,000	1,838,264
37	25,001	30,000	1,022,417
35	30,001	35,000	1,153,962
15	35,001	40,000	576,255
15	40,001	45,000	630,618
19	45,001	50,000	929,740
15	50,001	55,000	786,451
8	55,001	60,000	470,052
4	60,001	65,000	250,746
10	65,001	70,000	687,840
3	70,001	75,000	221,910
6	75,001	80,000	467,829
2	80,001	85,000	164,390
7	85,001	90,000	607,425
3	90,001	95,000	274,700
6	95,001	100,000	596,897
3	100,001	105,000	307,300
2	105,001	110,000	217,500
2	120,001	125,000	242,740
3	125,001	130,000	379,420
1	150,001	155,000	150,000
5	155,001	160,000	785,396
2	160,001	165,000	323,487
1	185,001	190,000	187,518
2	195,001	200,000	399,895
1	205,001	210,000	207,363
1	225,001	230,000	225,000
1	235,001	240,000	238,000
2	250,001	255,000	504,211
1	260,001	265,000	261,593
1	285,001	290,000	287,017
1	355,001	360,000	355,753
1	495,001	500,000	495,605
1	655,001	660,000	658,811
1	850,001	855,000	854,770
1	920,001	925,000	920,681
1	5,400,001	5,405,000	5,401,842
1	116,875,001	116,880,000	116,877,484
<b>8,479</b>			<b>157,262,502</b>

## OCTOPUS DIGITAL LIMITED CATEGORIES OF SHAREHOLDING AS AT DECEMBER 31, 2025

SNO.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	8	71,454	0.05
2	Associated Companies, Undertakings and related Parties	1	116,877,484	74.32
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions			
5	Insurance Companies	4	332,264	0.21
6	Modarabas and Mutual Funds	5	245,404	0.16
7	Share holders holding 10%	1	116,877,484	74.32
8	General Public :			
	a. local	8,390	35,984,791	22.88
	b .Foreign			
9	Others	71	3,751,105	2.39
<b>Total (excluding : share holders holding 10%)</b>		<b>8,479</b>	<b>157,262,502</b>	<b>100.00</b>

**OCTOPUS DIGITAL LIMITED**
**Category Details of Shareholding as at December 31, 2025**  
**Directors, Chief Executive Officer, and their spouse and minor children**

SNO.	FOLIO	NAME	HOLDING
1	03525-112897	BAKHTIAR HAMEED WAIN	1
2	03525-81917	HUMAYUN MAQBOOL	2,374
3	05264-48871	TANVEER KARAMAT	67,501
4	10629-168776	ADEEL KHALID	1
5	10629-169329	ASMAR AHMED ATIF	1
6	10629-285760	SALEHA ASIF	1
7	10629-527005	KHALID HAMID WAIN	1,000
8	14746-81294	MOHAMMAD ARIF JANJUA	575
<b>TOTAL &gt;&gt;</b>			<b>71,454</b>

**Associated Companies, Undertakings and related Parties**

SNO.	FOLIO	NAME	HOLDING
1	03277-116359	AVANCEON LIMITED	116,877,484
<b>TOTAL &gt;&gt;</b>			<b>116,877,484</b>

**Insurance Companies**

SNO.	FOLIO	NAME	HOLDING
1	03277-90405	DAWOOD FAMILY TAKAFUL LIMITED	90,700
2	03277-90406	DAWOOD FAMILY TAKAFUL LIMITED	187,518
3	03277-90408	DAWOOD FAMILY TAKAFUL LIMITED	20,046
4	07450-1792	DAWOOD FAMILY TAKAFUL LIMITED	34,000
<b>TOTAL &gt;&gt;</b>			<b>332,264</b>

**Modarabas and Mutual Funds**

SNO.	FOLIO	NAME	HOLDING
1	00620-68812	TRUST MODARABA	60,000
2	03277-4962	FIRST ALNOOR MODARABA	55,000
3	12120-28	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	80,360
4	17921-26	CDC - TRUSTEE GOLDEN ARROW STOCK FUND	50,000
5	18721-29	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	44
<b>TOTAL &gt;&gt;</b>			<b>245,404</b>

**Others**

SNO.	FOLIO	NAME	HOLDING
1	00695-12417	BMA FUNDS LIMITED [PK1555-0]	57,593
2	01826-102285	ESSITY PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	900
3	01826-119222	DESCON STAFF PROVIDENT FUND TRUST	3,509
4	01826-137232	ABCDATA (PRIVATE) LIMITED	9,371
5	01826-185066	OTO PAKISTAN (PRIVATE) LIMITED	284
6	01826-84699	SHAHNAWAZ (PRIVATE) LIMITED	3,165
7	01826-89250	AHMED SPINNING MILLS LIMITED	4,000
8	03244-25	ZAFAR SECURITIES (PVT) LTD.	19,998
9	03244-90174	PITCO (PVT.) LIMITED	31,193
10	03277-105054	KODVAWALA TRUST	86,593
11	03277-13154	TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	3,450
12	03277-26973	TRADING ENTERPRISES (PVT) LTD	52,500
13	03277-48863	CUMBERLAND (PVT) LIMITED	261,593
14	03277-82361	TRUSTEES OF HAMID ADAMJEE TRUST	300
15	03277-87162	PAKISTAN SYNTHETICS LIMITED	85,486
16	03350-22	ZAHID LATIF KHAN SECURITIES (PVT) LTD.	150
17	03525-110187	AFFINITY CAPITAL (PVT.) LIMITED	31,185
18	03525-87235	MAPLE LEAF CAPITAL LIMITED	1
19	03525-93319	IQBAL HAMID TRUST	25,889
20	03525-98202	TRUSTEES BPS GROUP COMPANIES EMPLOYEES PROVIDENT FUND	6,394
21	04085-24	MRA SECURITIES LIMITED	15,000
22	04234-25	RAFI SECURITIES (PRIVATE) LIMITED	35,000
23	04366-20	MULTILINE SECURITIES LIMITED	7,000
24	04366-29417	SUPER PETROCHEMICALS PRIVATE LIMITED	35,000
25	04432-21357	VENUS ENTERTAINMENT COMPANY (PVT.) LIMITED	2,500
26	04432-24195	MODISH MOVE (PRIVATE) LIMITED	16,000
27	04432-25036	NOVA BRIDGE (PRIVATE) LIMITED	2,000
28	04440-20	ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD.	3
29	04457-45	FDM CAPITAL SECURITIES (PVT) LIMITED	10,000
30	04879-28	AKHAI SECURITIES (PRIVATE) LIMITED	500
31	05348-21	HH MISBAH SECURITIES (PRIVATE) LIMITED	2,374
32	05470-26	B & B SECURITIES (PRIVATE) LIMITED	5

33	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	854,770
34	06445-144057	TOOBITECH (PRIVATE) LIMITED	500
35	06445-28	DARSON SECURITIES (PRIVATE) LIMITED	3,750
36	06452-35	ARIF HABIB LIMITED	62,500
37	06502-5986	UNITED TOWEL EXPORTERS (PVT.) LIMITED	10,000
38	06601-27	AXIS GLOBAL LIMITED	1,500
39	07054-24	BHAYANI SECURITIES (PVT) LTD.	238,000
40	07443-1546	SOUTHERN AGENCIES (PRIVATE) LIMITED	75,829
41	07450-24497	B. R. R. INVESTMENT (PRIVATE) LIMITED	10,000
42	07450-24620	BRR FINANCIAL SERVICES (PVT.) LIMITED	5,000
43	10629-1035	AQEEL KARIM DHEDHI SECURITIES (PVT.) LIMITED STAFF PRO.FUND	3,899
44	10629-236961	MIANSONS TEXTILES (PRIVATE) LIMITED	2,000
45	11692-21	ABA ALI HABIB SECURITIES (PVT) LIMITED	1,000
46	12666-2375	PHILIP MORRIS (PAK) LIMITED EMPLOYEES CONTRIBUTORY PROV FUND	7,500
47	12666-2383	PHILIP MORRIS (PAK) LTD. EMPLOYEES GRATUITY FUND	10,000
48	12666-908	GETZ PHARMA (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	154
49	12732-3143	AVANCEON LTD. EMPLOYEES PROVIDENT FUND	150,000
50	12955-28	INTERMARKET SECURITIES LTD(FORMERLY EFG HERMES PAK.LTD) - MF	5,000
51	13649-24	JS GLOBAL CAPITAL LIMITED - MF	41,078
52	14118-27	ASDA SECURITIES (PVT.) LTD.	3,835
53	14753-20	ARIF HABIB LIMITED - MF	25,000
54	14886-25	VENUS SECURITIES (PVT.) LIMITED	225,000
55	15057-24	NINI SECURITIES (PRIVATE) LIMITED	16,881
56	16410-29	ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	12,500
57	16857-26	MRA SECURITIES LIMITED - MF	100,300
58	16899-22	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	658,811
59	17004-27	FAWAD YUSUF SECURITIES (PRIVATE) LIMITED - MF	4,000
60	17103-25	DARSON SECURITIES (PRIVATE) LIMITED - MF	23,200
61	17509-26	TRUST SECURITIES & BROKERAGE LIMITED - MF	14,000
62	17525-24	BAWANY SECURITIES (PRIVATE) LIMITED - MF	10,000
63	18432-102649	SARMAAYA FINANCIALS (PRIVATE) LIMITED	126,221
64	18432-104389	MBITSOFT (SMC-PRIVATE) LIMITED	50,000
65	18432-154285	SIA EQUITIES (PRIVATE) LIMITED	1,700
66	18432-46846	GPH SECURITIES (PRIVATE) LIMITED	22,000
67	18432-46853	HIGH LAND SECURITIES (PRIVATE) LIMITED	1,000
68	18432-5594	Z. A GHAFFAR SECURITIES (PRIVATE) LIMITED	1,800
69	18432-79698	K & I GLOBAL CAPITAL (PRIVATE) LIMITED	441
70	18457-23	ADAM USMAN SECURITIES (PRIVATE) LIMITED	87,500
71	19273-24	ORBIT SECURITIES (PRIVATE) LIMITED - MF	75,500

**TOTAL >> 3.751.105**

# Unconsolidated Financial Statements for the year ended December 31, 2025





**Crowe Hussain Chaudhury & Co.**  
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## INDEPENDENT AUDITOR’S REPORT

To the Members of Octopus Digital Limited

### Report on the Audit of the Unconsolidated Financial Statements

#### Opinion

We have audited the annexed unconsolidated financial statements of **OCTOPUS DIGITAL LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2025 and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company’s affairs as at December 31, 2025 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

Following are the key audit matters:

Key Audit Matters	How the Matter was Addressed in Our Audit
<b>1. Revenue recognition</b>	
Refer to Notes 3.11 and 23 to the	Our key audit procedures included:



Key Audit Matters	How the Matter was Addressed in Our Audit
<p>unconsolidated financial statements.</p> <p>The Company has earned revenue of Rs. 505 million for the year ending December 31, 2025. The Company's revenue is derived from multiple revenue streams, as referred to in Note 23 to the accompanying unconsolidated financial statements, including product sale, rendering of services and provision of digital business services.</p> <p>Each stream has its own revenue recognition policy based on the nature of revenue and underlying contractual arrangements as referred to in Note 3.11. Certain contracts with customers require significant management judgment to determine the appropriate timing and method of revenue recognition.</p> <p>We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company with multiple revenue streams and inherent risk of material misstatement.</p>	<ul style="list-style-type: none"> <li>• Obtaining an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls</li> <li>• Assessing the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards</li> <li>• Compared a sample of transactions comprising various revenue streams during the year with underlying documentation including contracts with customers, sales invoices and where relevant, underlying time sheets and other supporting documents to assess whether the revenue was recorded in accordance with the Company's revenue recognition policy and applicable financial reporting framework</li> <li>• Performed substantive analytical procedures by developing an expectation of project revenue for the year based on contracts entered to date and analyzing the amounts recognized against the cost incurred and time elapsed respectively</li> <li>• Critically assessed the significant management judgments applied in determining the timing and method of revenue recognition</li> <li>• Performed a comparative analysis of the revenue recognized in the current year with that of the prior year, investigating any significant variances or trends</li> <li>• Verified revenue accuracy by cross-checking recorded transactions, on sample basis, with bank deposits and customer invoices, ensuring that all revenue entries were properly supported by actual cash receipts and linked to specific billings</li> <li>• Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period</li> </ul>



Key Audit Matters	How the Matter was Addressed in Our Audit
	<ul style="list-style-type: none"> <li>• Obtained additional written representations as required under the International Standards on Auditing</li> <li>• Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards</li> </ul>
<b>2. Valuation of Trade Debtors and Contract Assets</b>	
<p>Refer to note 3.5, 9, 10 and 11 to the unconsolidated financial statements.</p> <p>The Company's gross trade debts and contract assets as at December 31, 2025 are Rs. 1,419.980 million and Rs. 113.964 million respectively against which allowances for expected credit losses of Rs. 202.848 million and Rs 2.606 million have been recognized.</p> <p>The loss allowance for expected credit losses (ECL model) on trade debts and contract assets has been recognized in the unconsolidated financial statements using the guidance included in IFRS 9 'Financial Instruments'. Determination of ECL provision for trade debts and contract assets requires significant judgment and assumptions.</p> <p>We have considered this area as a key audit matter due to its size, representing 40.49% of the total assets of the Company as at December 31, 2025 and the significant management judgement involved in valuation.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Considered management's process of application of ECL model to calculate impairment loss against trade debts and contract assets</li> <li>• Evaluated key decisions / assumptions made by the Company's management with respect to estimates and judgements in relation to application of the ECL model</li> <li>• Evaluated the ECL model for appropriateness of the methodology applied and checked arithmetical accuracy of the model</li> <li>• Circularized balance confirmation requests for trade debts on a sample basis and evaluated responses received. Where response was not received, performed subsequent receipts testing and alternative substantive procedures</li> <li>• Checked subsequent clearance of balances due as of December 31, 2025 on sample basis</li> <li>• Assessed financial impacts and appropriateness of disclosures made in the unconsolidated financial statements to determine whether these are in accordance with the accounting and reporting standards as applicable in Pakistan</li> </ul>
<b>3. Related Party Transactions</b>	
<p>Refer to note 34 to the unconsolidated financial statements</p> <p>The Company has transactions with numerous subsidiaries and associated companies as explained in the relevant notes to unconsolidated financial statements.</p> <p>Transactions with related parties include</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's policies and procedures for determining and recording related party transactions / balances, in accordance with the accounting and reporting standards as applicable in Pakistan</li> <li>• Obtained a list of related parties and</li> </ul>



Key Audit Matters	How the Matter was Addressed in Our Audit
<p>rendering of after-market services, sub-contract and subscription services and back-office support. It also includes payments / adjustments made on behalf of related parties to employees and suppliers etc. and vice versa. These transactions result in significant receivable and payable balances with related parties, as disclosed in the accompanying unconsolidated financial statements.</p> <p>We have considered related party transactions as a key audit matter as they require significant auditors' attention, and the amounts are material to the unconsolidated financial statements as a whole.</p>	<p>transactions entered into with them during the year from the management</p> <ul style="list-style-type: none"> <li>• Performed substantive procedures on related party transactions and balances including review of contract terms, underlying invoices, balance confirmations and assessment of recoverability of receivable balances</li> <li>• Reviewed the approval process for related party transactions including approval by those charged with governance</li> <li>• Obtained an understanding of the Company's policies and procedures for calculating and recording Expected Credit Losses (ECL) on related party balances and performed audit procedures to verify the ECL calculations across group entities</li> <li>• Assessed whether appropriate disclosures have been made in the unconsolidated financial statements regarding related party transactions and balances in accordance with approved accounting and reporting standards as applicable in Pakistan</li> </ul>

**Information Other than the Unconsolidated Financial Statements and Auditor's Reports Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the



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

Board of Directors of the Company is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

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

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

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

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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

**Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Lahore  
Dated: April 29, 2026  
UDIN: AR202510051a89hpdKeb



**CROWE HUSSAIN CHAUDHURY & CO.**  
Chartered Accountants

# OCTOPUS DIGITAL LIMITED

## UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

### AS AT DECEMBER 31, 2025

	Note	2025	2024
--- Rupees in Thousands ---			
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Operating fixed assets	5	37,666	32,208
Intangible assets	6	195,534	3,647
Deferred tax assets	7	19,390	19,390
Long term investments	8	447,893	447,893
Long term contract assets	9	7,657	-
Long term deposits		100	100
		708,240	503,238
<b>Current Assets</b>			
Stock in trade		146	-
Trade debts	10	1,217,132	1,456,172
Contract assets	11	103,701	103,909
Advances, prepayments and other receivables	12	1,211,841	940,973
Short term investment	13	577	539
Bank balances	14	39,536	8,955
		2,572,933	2,510,548
		<u>3,281,173</u>	<u>3,013,786</u>
<b>CAPITAL AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized share capital			
250,000,000 (2024: 250,000,000) ordinary shares of Rs. 10 each		2,500,000	2,500,000
Issued, subscribed and paid up share capital	15	1,572,625	1,572,625
Capital reserves			
Group restructuring reserve		(1,084,000)	(1,084,000)
Employees' share compensation reserve	16	77,867	37,481
Share premium		789,209	789,209
Revenue reserve - unappropriated profits		1,462,522	1,375,814
		2,818,223	2,691,129
<b>Non Current Liabilities</b>			
Diminishing musharaka finance	17	16,867	12,810
<b>Current Liabilities</b>			
Trade and other payables	18	316,507	280,764
Contract liabilities	19	77,888	2,224
Current portion of diminishing musharka finance	20	8,161	4,460
Provision for taxation	21	43,527	22,399
		446,083	309,847
<b>Contingencies and Commitments</b>			
	22	-	-
		<u>3,281,173</u>	<u>3,013,786</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.

*we*



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# OCTOPUS DIGITAL LIMITED

## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2025

		<b>2025</b>	<b>2024</b>
	Note	--- Rupees in Thousands ---	
Revenue from contracts with customers - net	23	505,225	850,729
Cost of revenue	24	<u>(259,765)</u>	<u>(471,611)</u>
<b>Gross Profit</b>		245,460	379,118
Administrative expenses	25	<u>(191,048)</u>	<u>(266,629)</u>
<b>Operating Profit</b>		54,412	112,489
Other operating expenses	26	(64,707)	(71,832)
Finance cost	27	(4,083)	(3,539)
Other operating income	28	<u>132,704</u>	<u>64,027</u>
<b>Profit before Levy and Taxation</b>		118,326	101,145
Levy / final taxation	29	<u>(217)</u>	<u>(1,458)</u>
<b>Profit before Taxation</b>		118,109	99,687
Taxation	30	(31,401)	(7,250)
<b>Net Profit for the Year</b>		<u><u>86,708</u></u>	<u><u>92,437</u></u>
Earnings per share - Basic	31	<u>0.55</u>	<u>0.59</u>
Earnings per share - Diluted	31	<u>0.54</u>	<u>0.58</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.

*Chie*



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# OCTOPUS DIGITAL LIMITED

## UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	--- Rupees in Thousands ---	
<b>Net Profit for the Year</b>	86,708	92,437
<b>Other Comprehensive Income for the Year</b>		
<i>Items that will not be re-classified to profit or loss</i>	-	-
<i>Items that may be re-classified subsequently to profit or loss</i>	-	-
	-	-
<b>Total Comprehensive Income for the Year</b>	86,708	92,437

The annexed notes from 1 to 42 form an integral part of these financial statements.

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**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# OCTOPUS DIGITAL LIMITED

## UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2025

Description	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 ---						
<b>Balance as at January 01, 2024</b>	1,572,625	(1,084,000)	9,264	789,209	1,283,378	2,570,476
Net profit for the year	-	-	-	-	92,436	92,436
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	92,436	92,436
Employee share option reserve	-	-	28,217	-	-	28,217
<b>Balance as at December 31, 2024</b>	1,572,625	(1,084,000)	37,481	789,209	1,375,814	2,691,129
Net profit for the year	-	-	-	-	86,708	86,708
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	86,708	86,708
Employee share option reserve	-	-	40,386	-	-	40,386
<b>Balance as at December 31, 2025</b>	<u>1,572,625</u>	<u>(1,084,000)</u>	<u>77,867</u>	<u>789,209</u>	<u>1,462,522</u>	<u>2,818,223</u>

The annexed notes from 1 to 42 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# OCTOPUS DIGITAL LIMITED

## UNCONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
--- Rupees in Thousands ---			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before levy and taxation		118,326	101,145
Adjustments for:			
- Depreciation on operating fixed assets	5 & 24 & 25	15,246	10,588
- Amortization of intangible assets	6 & 25	405	405
- Allowance for expected credit losses - due from others	10.5 & 26	1,223	1,035
- Allowance for expected credit losses - contract asset	11.2 & 26	-	329
- Balance written off	26	2,524	-
- Allowance for expected credit losses - due from related party	10.3 & 26	39,223	23,105
- Employees' share option expense	16 & 25	48,879	28,217
- Intangible transferred to subsidiary	6	-	366,110
- Dividend income from other financial assets	28	(53)	(1,094)
- Exchange (gain) / loss - net	28	(10,370)	31,571
- Markup from related parties	28	(122,049)	(61,344)
- Markup to related parties	26	20,548	-
- Finance cost	27	4,083	3,539
		<u>(341)</u>	<u>402,461</u>
<b>Operating profit before working capital changes</b>		<b>117,985</b>	<b>503,606</b>
(Increase) / decrease in current assets:			
- Stock in trade		(146)	623
- Trade debts	10	206,478	(7,578)
- Contract assets	11	(9,973)	(1,600)
- Advances, prepayments and other receivables	12	(135,598)	(458,963)
Increase / (Decrease) in current liabilities:			
- Creditors, accrued and other liabilities	18	14,736	100,426
- Contract liabilities	19	75,664	(9,819)
		<u>151,161</u>	<u>(376,911)</u>
<b>Cash Generated from Operations</b>		<b>269,146</b>	<b>126,695</b>
Finance cost paid	27	(4,083)	(3,540)
Income tax paid		<u>(29,259)</u>	<u>(35,452)</u>
<b>Net Cash Generated from Operating Activities</b>		<b>235,804</b>	<b>87,703</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of operating fixed assets	5 & 24 & 25	(6,195)	(14,262)
Addition in intangible asset	6.1	(192,292)	(108,099)
Short term investment (made) / encashed	13	(38)	9,580
Dividend received from short term investment	28	53	1,094
		<u>(198,472)</u>	<u>(111,687)</u>
<b>Net Cash Used in Investing Activities</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term diminishing musharaka repaid	17	(6,751)	(2,845)
Long term diminishing musharaka obtained	17	-	6,425
		<u>(6,751)</u>	<u>3,580</u>
<b>Net Cash (Used in) / Generated from Financing Activities</b>			
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>30,581</b>	<b>(20,404)</b>
Cash and cash equivalents at the beginning of the year		8,955	29,359
<b>Cash and Cash Equivalents at the End of the Year</b>	14	<u><b>39,536</b></u>	<u><b>8,955</b></u>

The annexed notes from 1 to 42 form an integral part of these financial statements.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# OCTOPUS DIGITAL LIMITED

## NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 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 into a public Company on November 11, 2020. The Company is listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of another listed company namely Avanceon Limited (the Holding Company). The Company 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 equipments etc.

1.2 The Information on geographical location and address of the Company's business is as under :

<b>Business unit</b>	<b>Geographical location</b>
Registered office	19 KM, Main Multan Road, Lahore.
Karachi Office	Office No 19, Building No S-4, First Floor, NASTP Silicon Valley, Main Shahra-e-Faisal, Near PAF Museum, Karachi.
Islamabad Office	The Hive, 6th Floor, Islamabad Stock Exchange Tower, Block JF 7/1, Blue Area, Islamabad.

Note 2

### Basis of Preparation

#### 2.1 Separate financial statements

These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiary companies is accounted for on the basis of actual cost incurred to acquire subsidiary. Consolidated financial statements are prepared separately.

#### 2.2 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of, directives and notifications issued under the Companies Act, 2017.

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

#### 2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except for valuation of certain financial instruments which are carried at fair value / amortized cost as disclosed in respective accounting policies or notes to the unconsolidated financial statements.

#### 2.4 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 thousand of Rupee, unless otherwise stated.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

### 2.5 Accounting policies

The accounting policies adopted for the preparation of these unconsolidated 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.

### 2.6 Key judgements and estimates

The preparation of unconsolidated financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the year in which such revisions are made. Significant management estimates in these unconsolidated financial statements relate primarily to:

- Useful lives, residual values, depreciation method of operating fixed assets – Note 3.1 & 5
- Provision for expected credit losses – Note 3.4, 10, 11 & 12
- Impairment loss of non-financial assets other than inventories – Note 3.18
- Intangible assets – Note 3.2 & 6
- Current income tax expense and provision for current tax - Note 3.10, 21 & 30
- Other financial assets - Note 3.4.1
- Estimation of provision and contingent liabilities - Note 4.2, 4.4 & 22
- Deferred Taxation - Note 3.10 & 7
- Employee Stock Option Scheme - Note 3.13 & 16

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these unconsolidated financial statements.

### 2.7 Changes in accounting standards, interpretations and pronouncements

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

The following standards, amendments, and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact 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 1, 2025

#### 2.7.2 Standards, interpretation and amendments to approved accounting standards 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
IFRS 7, 9 & 19	Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9 January 01, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity January 01, 2026
IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards January 01, 2026
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information July 01, 2027
IFRS S2	Climate-Related Disclosures July 01, 2027
IFRS 19	IFRS 19 'Subsidiaries Without Public Accountability: Disclosures' January 01, 2027
IFRS 18	Presentation and Disclosure in Financial Statements January 01, 2027
IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, IAS 37	Disclosures about Uncertainties in the Financial Statements January 01, 2026

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

### Note 2, Basis of Preparation - Continued

**2.7.3** Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at reporting date:

IFRS 1      First Time Adoption of IFRS

### Note 3

#### Material Accounting Policy Information

Material accounting policy information adopted in the preparation of these unconsolidated financial statements is set out below. These policies have been consistently applied to all the periods presented

#### 3.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and identified impairment losses, if any. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable costs of bringing assets to their working condition. Subsequently assets are stated at cost less accumulated depreciation and any identified impairment loss.

Depreciation is charged to the profit or loss using straight line method so as to write off the historical cost of an asset over its estimated useful life at the rates specified in Note 5 without taking into account any residual value which is considered insignificant. Depreciation on assets is charged from the date of additions (i.e., the date when the asset is ready for use) up till the date of disposal.

The Company reviews the useful life and residual value of operating fixed assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of operating fixed assets with a corresponding effect on depreciation charge.

Subsequent cost is included in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Day to day maintenance and normal repairs are charged to profit or loss as and when incurred. Gains or losses on disposal of operating fixed assets are included in the current year's profit or loss.

#### Impairment

Carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value, the recoverable amount is determined to be the value in use. Impairment losses are recognized as expense in the profit or loss.

#### 3.2 Intangible assets

##### Research and software products development

Expenditure on research (or the research phase of an internal project) is recognized as an expense in the period in which it is incurred.

Development costs incurred on specific projects are capitalized when all the following conditions are satisfied:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Company intends to complete the intangible asset and use or sell it;
- The Company has the ability to use or sell the intangible asset;
- Intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The Company's ability to measure reliably the expenditure attributable to the intangible asset during its development.

There are two components of intangible assets:

- a. In-house developed intangible assets
- b. Intangible assets acquired from market

##### (a) In-house developed intangible assets

The Company may capitalize certain computer software development costs in accordance with IAS-38 "Intangible Assets". Costs incurred internally to create a computer software product or to develop an enhancement to an existing product are charged to expense when incurred as research and development expense until technological feasibility for the respective product is established. Thereafter, all software development costs are capitalized and reported at the lower of unamortized cost or recoverable amount. Capitalization will cease when the product or enhancement is available for general release to customers.

# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

### Note 3, Material Accounting Policy Information - Continued

#### **(b) Intangible assets acquired from market**

Intangible assets acquired from market are stated at cost less accumulated amortization and identified impairment losses, if any.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to profit or loss when they occur.

Amortization is charged by applying straight line method to write off the cost over the remaining useful life of the intangible assets unless such lives are indefinite. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Amortization is charged from the date the asset is acquired or capitalized until the date the asset is disposed for impairment. Rates of amortization are stated in note 6.

#### **3.3 Investments**

##### **3.3.1 Investments in subsidiaries**

Investments in subsidiaries are measured at cost in these unconsolidated financial statements. Cost in relation to investments made in foreign currency is determined by translating the consideration paid in foreign currency into rupees at exchange rates prevailing on the date of transactions.

##### **3.3.2 Other investments**

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. The management determines the appropriate classification of its investments at the time of purchase and re-evaluates such assets designation on a regular basis.

#### **3.4 Financial instruments**

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

##### **3.4.1 Financial assets**

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

##### **Classification**

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Company classifies its financial assets at amortized cost. This classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

##### **Initial recognition and measurement**

All financial assets are initially measured at cost plus transaction costs that are directly attributable to their acquisition except for trade receivables. Trade receivables are initially measured at the transaction price, if these do not contain significant financing component, as per IFRS - 15.

##### **Subsequent measurement**

Financial assets measured at amortized cost are subsequently measured using the effective interest rate (EIR) method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

##### **Derecognition**

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

##### **Impairment of financial assets**

The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

*Note 3, Material Accounting Policy Information - Continued*

### **3.4.2 Financial liabilities**

#### ***a) Initial recognition and measurement***

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and include trade and other payables, borrowings and accrued mark up etc. The Company does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are charged to profit or loss.

#### ***b) Subsequent measurement***

The Company measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when a liability is derecognized.

### **3.4.3 Off-setting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the unconsolidated financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

### **3.5 Balances from contract with customers**

#### ***Contract assets***

A contract asset is the right to consideration in exchange for goods transferred or services rendered to the customer. The Company recognizes a contract asset for the earned consideration that is conditional if the Company performs by transferring goods to a customer or services are rendered before the customer pays consideration or before payment is due.

#### ***Trade receivables***

A receivable represents the Company's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off as and when identified.

#### ***Contract liabilities***

A contract liability is the obligation to transfer goods or render services to a customer for which the Company has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Company transfers goods or renders services to the customer.

#### ***Write-off policy***

The Company writes off financial assets when there is information indicating that the trade receivable is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in profit or loss.

### **3.6 Cash and cash equivalents**

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cheque in transit and deposit with banks that are free of encumbrances.

### **3.7 Trade and other payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company.

### **3.8 Staff retirement benefits**

The Company operates a defined contribution provident fund for its employees. Equal monthly contributions are made both by the Company and the employees to the fund at the rate of 10% (2024: 10%) of the basic salary. The Company's contribution is recognized as cost in profit or loss.

# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

### Note 3, Material Accounting Policy Information - Continued

#### 3.9 Compensated absences

The Company also provides benefit to employees to accumulate earned leave and carries a provision for its liability in respect of accumulated leave. Employees are granted 14 days' leave each year. No leaves are carried forward to next year; however, if employee leaves during the year then they get encashment on pro rata basis.

#### 3.10 Taxation

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

##### **Current**

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the year end. The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. Super tax applicable on the Company is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess is recognized as an asset.

The Company offsets current tax assets and current tax liabilities if, and only if, the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When the minimum tax exceeds the tax computed on taxable income, the excess amount is recognized as a levy in accordance with IFRIC 21. Accordingly, the Company records this excess as a tax expense under levy.

##### **Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the unconsolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences unused tax losses and tax credits can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

*Note 3, Material Accounting Policy Information - Continued*

### **3.11 Revenue recognition**

Revenue is to be recognised in accordance with the aforementioned principle by applying the following steps:

- i) Identify the contract with a customer;
- ii) Identify the performance obligation in the contract;
- iii) Determine the transaction price of the contract;
- iv) Allocate the transaction price to each of the separate performance obligations in the contract; and
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

#### **Sale of goods**

Revenue from sale of goods is recognized at a point in time when the control of goods is transferred to the customers, generally on delivery of products to customers.

#### **Fee for Technical Services**

The fee for technical services is charged at a predetermine rate for the hours of engineers subcontracted to related parties for various projects. This fee is recognized as and when the services are rendered.

#### **Rendering of services**

Maintenance and service income comprise revenue earned from service level agreements, where the customer enters into a contract with the Company for a fixed period of time and fee amount, both pre-defined in the contract, for various technical and engineering services. Revenue is recognized on the basis of percentage of rendering of services, i.e. on the number of days of services performed out of the total contracted days for service level agreements. Revenue from rendering of services is recognized at point over time.

#### **Project revenue**

Revenue is accounted for using input method, according to which the Company's progress towards satisfaction of performance obligations is determined by dividing actual cost incurred on the project to date by total forecasted cost, which is calculated by a team of engineers on the inception of the project. Project revenue is recognized at a point over time.

#### **Back Office Support revenue**

Back Office Support revenue represents income generated from the administrative, operational, and support services provided by the Company to its subsidiaries. This revenue includes services related to management operations, IT and IT-enabled services, engineering, finance, accounting, bookkeeping, human resources, marketing, value creation, administrative support, procurement, logistics, corporate functions, and other office support activities. Revenue from these services is recognized over time as the services are provided.

#### **Revenue from the After Market Services (AMS) segment**

Revenue from the After Market Services (AMS) segment comprises income from post-sale services and customer support.

AMS activities are also conducted through structured arrangements with related parties. In certain cases, AMS projects are executed through related parties on behalf of the Company under intercompany agreements. In such instances, the related parties retain their respective costs together with an agreed management fee for execution, and remit the residual net amount to the Company, which is recognized as revenue.

In other cases, AMS projects are executed by the Company as a subcontractor to related parties, with revenue recognized in accordance with the terms of the underlying contracts, reflecting the consideration to which the Company expects to be entitled for services performed.

### **3.12 Share based payment transactions**

The Company operates an equity settled share based Employee Stock Option Scheme. The compensation committee of the Board of Directors of the Company evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of the Company's shares at exercise price determined on the date of grant of options.

The fair value of options determined at the grant date is recognized as an employee compensation expense on a straight line basis over the vesting period. Fair value of options is arrived at using Black Scholes pricing model.

When share options are exercised, the proceeds received, net of any related transaction costs, are recognized in equity by crediting share capital for the nominal value of the shares issued and share premium for the excess amount. The balance previously recognized in the share-based payment reserve during the vesting period is also transferred to share premium.



# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

### Note 3, Material Accounting Policy Information - Continued

#### 3.13 Earnings per share - basic and diluted

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

#### 3.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Company has access at that date. There are three levels which are as under:

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Company determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

#### 3.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

#### 3.16 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party are at arm's length prices determined using the comparable uncontrolled price method, except in circumstances where it is not in the interest of the Company to do so.

#### 3.17 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak rupees at exchange rates prevailing at the date of transaction. Exchange gains and losses are included in profit or loss.

Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

#### 3.18 Impairment of non financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 4

### Other Accounting Policy Information

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Other accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been applied consistently for all periods presented, unless otherwise stated.

#### 4.1 Stock in trade

Stock in trade, except for those in transit are valued principally at the lower of weighted average cost and net realizable value. Cost of finished goods comprises cost of direct materials, labour and appropriate overheads.

Materials in transit are stated at cost comprising invoice value plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in ordinary course of business less costs necessary to be incurred in order to make a sale.

#### 4.2 Provisions

Provisions are recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

#### 4.3 Dividend and other appropriations

Dividend to the shareholders is recognized as a liability in the period in which these are approved by the Board of Directors.

#### 4.4 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

#### 4.5 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

#### 4.6 Advances and deposits

These are recognized at nominal amount which is fair value of considerations to be received in future.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 5  
**Operating Fixed Assets**

Description	Tools and Equipment	Office Equipment	Furniture	Computers	Vehicles	Total
--- Rupees in Thousands ---						
<b>Year Ended December 31, 2025</b>						
<b>Cost</b>						
Balance as at January 01, 2025	5,411	630	20	19,750	24,918	50,729
Additions	-	423	-	3,675	16,606	20,704
Balance as at December 31, 2025	5,411	1,053	20	23,425	41,524	71,433
<b>Accumulated depreciation</b>						
Balance as at January 01, 2025	3,939	170	7	9,093	5,312	18,521
Charge for the year	778	155	4	6,700	7,609	15,246
Balance as at December 31, 2025	4,717	325	11	15,793	12,921	33,767
Carrying Value as at December 31, 2025	694	728	9	7,632	28,603	37,666
<b>Depreciation Rates</b>	20%	20%	20%	33%	20%	
<b>Year Ended December 31, 2024</b>						
<b>Cost</b>						
Balance as at January 01, 2024	5,353	370	20	13,092	17,632	36,467
Additions	58	260	-	6,658	7,286	14,262
Balance as at December 31, 2024	5,411	630	20	19,750	24,918	50,729
<b>Accumulated depreciation</b>						
Balance as at January 01, 2024	2,857	87	3	3,811	1,175	7,933
Charge for the year	1,082	83	4	5,282	4,137	10,588
Balance as at December 31, 2024	3,939	170	7	9,093	5,312	18,521
Carrying Value as at December 31, 2024	1,472	460	13	10,657	19,606	32,208
<b>Depreciation Rates</b>	20%	20%	20%	33%	20%	

**5.1 Depreciation charge for the year has been apportioned as follows:**

		2025	2024
	Note	--- Rupees in Thousands ---	
Cost of sales	24	7,623	5,294
Administrative expenses	25	7,623	5,294
		15,246	10,588

**5.2** The operating fixed assets include fully depreciated assets which are still in use of the Company, as outlined below:

Tools and equipment		3,651	-
Office equipment		55	55
Computers		2,716	1,556
Total		6,422	1,611

**5.3** All assets are in the name of the Company and in the Company's possession and control except for the vehicles that are obtained through Diminishing Musharaka, having cost amounting to Rs. 41.524 million (2024: Rs. 24.918 million).

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 6

**Intangible Assets**

	2025	2024
Note	--- Rupees in Thousands ---	
Operating intangible assets	3,242	3,647
Capital work in progress	192,292	-
	<u>195,534</u>	<u>3,647</u>
<b>Net Carrying Value</b>		
Opening balance	3,647	262,063
Add: Additions during the year	-	108,099
	<u>3,647</u>	<u>370,162</u>
Less: Amortization charge during the year	6.2 (405)	(405)
Less: Sold during the year	6.3 -	(366,110)
Closing balance	<u>3,242</u>	<u>3,647</u>
<b>Gross Carrying Value</b>		
Cost	4,052	4,052
Less: Accumulated amortization	(810)	(405)
Net book value	<u>3,242</u>	<u>3,647</u>
Amortization rate	<u>10%</u>	<u>10%</u>

**6.1 Capital Work in Progress**

Opening balance	-	-
Add: Additions during the year	192,292	-
	<u>192,292</u>	<u>-</u>

**6.2** Amortization charge for the year has been allocated to administrative expenses.

**6.3** This represented the transfer of software during 2024 to Octopus Digital FZ-LLC (wholly owned subsidiary in UAE), at cost. These softwares (IPs) are continuously being enhanced and updated as part of ongoing development efforts to improve functionality, performance, and overall customer experience. These software may undergo regular updates and refinements to adapt to evolving business needs and technological advancements.

Note 7

**Deferred Tax Assets**

	2025	2024
Note	--- Rupees in Thousands ---	
Deferred tax asset	7.1 <u>19,390</u>	<u>19,390</u>
<b>7.1 Breakup of Deferred tax Asset</b>		
<b>Taxable temporary differences</b>		
Accelerated tax depreciation	-	(363)
<b>Deductible temporary differences</b>		
Accelerated tax depreciation	688	-
Accelerated tax amortization	10	-
Allowance for expected credit loss	51,501	19,753
Employee compensation reserve	17,707	-
	<u>69,906</u>	<u>19,390</u>
Deferred tax asset not recognised	(50,516)	-
	<u>19,390</u>	<u>19,390</u>

**7.2** Being prudent, the Company has decided not to recognize deferred tax asset amounting to Rs. 50.516 million (2024: Nil).

**7.3** Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% (2024: 29%).

**7.4 Reconciliation of deferred tax liabilities / (assets) - Net**

Opening balance	19,390	21,056
Deferred tax expense during the year recognised in profit or loss	-	(1,666)
Closing balance	<u>19,390</u>	<u>19,390</u>

# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 7, *Deferred Tax Assets - Continued*

### 7.5 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2025	2024	2025	2024
	--- Rupees in Thousands ---			
Accelerated tax depreciation and amortization	(363)	(363)	-	(34)
Provision for doubtful debts	19,451	19,451	-	8,170
Provision for contract assets	302	302	-	123
Alternate corporate tax	-	-	-	(9,925)
	<u>19,390</u>	<u>19,390</u>	<u>-</u>	<u>(1,666)</u>

Note 8

### Long Term Investments

		2025	2024
	Note	--- Rupees in Thousands ---	
<b>Investment in subsidiaries - at cost</b>			
Octopus Digital FZ-LLC	8.1	7,870	7,870
Empiric AI (Private) Limited	8.2	440,023	440,023
		<u>447,893</u>	<u>447,893</u>

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

**8.2** Empiric 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) of Rs. 10 each, representing 99.99996% (2024: 99.99996%) equity. The principal line of business of the subsidiary is to carry on the business of analyzing potential opportunities and making available digital and technology services and products inside and outside Pakistan. The registered office of the subsidiary is situated at The Avanceon Building, 19 KM, Main Multan Road, Lahore, Pakistan.

Note 9

### Long Term Contract Assets

		2025	2024
	Note	--- Rupees in Thousands ---	
Considered good - unsecured	9.1	14,781	-
Less: discounting of contract asset		<u>(7,124)</u>	<u>-</u>
		<u>7,657</u>	<u>-</u>

**9.1** This represents unbilled receivables arising from the recognition of revenue under a long-term contract, in accordance with IFRS 15 "Revenue from Contracts with Customers".

Note 10

### Trade Debts

		2025	2024
	Note	--- Rupees in Thousands ---	
Due from related parties - unsecured	10.1 & 10.2	1,381,660	1,574,704
Less: Allowance for expected credit loss	10.3	<u>(200,704)</u>	<u>(167,092)</u>
		1,180,956	1,407,612
Due from others - unsecured	10.4	38,320	49,487
Less: Allowance for expected credit loss	10.5	<u>(2,144)</u>	<u>(927)</u>
		36,176	48,560
		<u>1,217,132</u>	<u>1,456,172</u>

#### 10.1 Due from related party

Avanceon Limited	71,768	240,750
Avanceon FZE	65,240	77,491
Octopus Digital FZ-LLC	131,559	63,815
Avanceon Automation and Control W.L.L.	1,027,926	1,053,708
Avanceon Saudi for Energy Company	85,167	138,940
	<u>1,381,660</u>	<u>1,574,704</u>

**10.1.1** The amounts due from related parties are interest free and repayable in normal course of business.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 10, Trade Debts - Continued

10.2 Aging of outstanding balance of related parties as at December 31, 2025, is as under:

	2025					Total
	Avanceon Limited	Avanceon FZE	Avanceon Automation and Control W.L.L.	Octopus Digital FZ-LLC	Avanceon Saudi for Energy Company	
	--- Rupees in Thousands ---					
Not overdue	-	-	-	-	-	-
Less than 30 days	6,835	8,571	-	30,300	-	45,706
31 to 90 days	21,710	8,571	2,508	-	-	32,789
91 to 180 days	17,050	-	54,846	-	-	71,896
181 to 360 days	21,926	4,191	29,517	38,342	18,240	112,216
Over 360 days	4,247	43,907	941,055	62,917	66,927	1,119,053
	<u>71,768</u>	<u>65,240</u>	<u>1,027,926</u>	<u>131,559</u>	<u>85,167</u>	<u>1,381,660</u>

	2024					Total
	Avanceon Limited	Avanceon FZE	Avanceon Automation and Control W.L.L.	Octopus Digital FZ-LLC	Avanceon Saudi for Energy Company	
	--- Rupees in Thousands ---					
Not overdue	6,143	220	3,448	183	11,516	21,510
Less than 30 days	1,208	192	-	-	-	1,400
31 to 90 days	10,615	-	4,464	-	12,082	27,161
91 to 180 days	15,571	1,041	2,428	627	12,488	32,155
181 to 360 days	54,476	13,380	60,354	9,729	43,053	180,992
Over 360 days	152,737	62,658	983,013	53,276	59,802	1,311,486
	<u>240,750</u>	<u>77,491</u>	<u>1,053,707</u>	<u>63,815</u>	<u>138,941</u>	<u>1,574,704</u>

10.2.1 The maximum amount outstanding at any time during the year calculated by reference to the month end balance is as follows:

	2025	2024
	--- Rupees in Thousands ---	
Avanceon Limited	203,541	240,750
Avanceon FZE	65,240	83,316
Avanceon Automation and Control W.L.L.	1,027,926	1,173,085
Octopus Digital FZ-LLC	131,559	63,815
Avanceon Saudi for Energy Company	85,167	138,940

10.3 Allowance for expected credit losses - Related party

Opening balance	167,092	143,987
Add: Loss allowance for the year	39,223	23,105
Less: Balance written off against allowance for ECL	(5,611)	-
As at December 31	<u>200,704</u>	<u>167,092</u>

10.4 Ageing of due from others

Not overdue	-	3,117
Past due less than 30 days	16,713	17,061
Past due less than 90 days	8,430	4,100
Past due less than 180 days	4,866	2,296
Past due less than 360 days	937	8,591
Past due over 360 days & above	7,374	14,322
Total	<u>38,320</u>	<u>49,487</u>

10.5 Allowance for expected credit losses - Others

As of January 01	927	97
Add: Loss allowance for the year	1,223	-
Less: Reversal for the year	-	830
Less: Balance written off	(6)	-
As at December 31	<u>2,144</u>	<u>927</u>

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

**Note 11**
**Contract Assets**

	2025	2024
Note	--- Rupees in Thousands ---	
Earnings in excess of billings - unsecured	72,430	57,163
Project deferred revenue - unsecured	36,401	49,352
	<u>108,831</u>	<u>106,515</u>
Less: Written off	(2,524)	-
Less: Allowance for expected credit losses	11.2 <u>(2,606)</u>	<u>(2,606)</u>
	<u>103,701</u>	<u>103,909</u>

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

**11.2 Allowance for expected credit losses**

As of January 01	2,606	2,277
Add: Loss allowance for the year	-	329
As at December 31	<u>2,606</u>	<u>2,606</u>

**11.3** There is a net decrease of Rs. 2.08 million in contract assets as compared to last year (2024: net increase of Rs. 2.755 million). The explanation of significant changes is as follows:

Opening balance	106,515	104,915
Add: Revenue recognized	163,361	31,245
Less: Invoices raised	<u>(163,569)</u>	<u>(29,645)</u>
Closing balance	<u>106,307</u>	<u>106,515</u>

**Note 12**
**Advances, Prepayments and Other Receivables**

	2025	2024
Note	--- Rupees in Thousands ---	
Advances (considered good - unsecured)		
- To employees	12.1 <u>8,526</u>	<u>9,805</u>
- To suppliers	<u>4,856</u>	<u>1,970</u>
	13,382	11,775
Margin paid against bank guarantees	4,703	-
Prepayments	1,704	2,444
Due from related party - unsecured	12.2 430,381	312,393
Markup receivable from related party	12.5 230,119	106,978
Tax refunds due from the government - Income tax	29,383	10,614
Sales tax refundable	2,945	1,410
Other receivables - considered good	2,162	1,338
Receivable against transfer of intangible	12.3 <u>497,062</u>	<u>494,021</u>
	<u>1,211,841</u>	<u>940,973</u>

**12.1** This includes advance given to the CEO of the Company amounting to Rs. 3.625 million (2024: Rs. 2.458 million) and directors of the Company amounting to Rs. 0.345 million (2024: Rs. 0.845 million). The movement is as follows:

CEO		Directors	
2025	2024	2025	2024
--- Rupees in Thousands ---			

Opening balance	2,458	-	845	-
Add: Advance given during the year	17,651	9,751	353	9,277
Less: Advance recovered during the year	<u>(16,484)</u>	<u>(7,293)</u>	<u>(853)</u>	<u>(8,432)</u>
Closing balance	<u>3,625</u>	<u>2,458</u>	<u>345</u>	<u>845</u>
Number of Persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>

**12.1.1** The maximum outstanding balances during the year were Rs. 15.999 million (2024: Rs. 2.458 million) in respect of the Chief Executive Officer and Rs. 0.345 million (2024: Rs. 0.845 million) in respect of the directors.

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

	2025	2024
	--- Rupees in Thousands ---	
Avanceon Limited	118,575	51,124
Octopus Digital FZ-LLC	303,580	261,269
Avanceon Saudi for Energy Company	<u>8,226</u>	<u>-</u>
	<u>430,381</u>	<u>312,393</u>

**12.3** This represents amount receivable from Octopus Digital FZ-LLC, a subsidiary company on account of transfer of intangibles. Markup @ 01 month KIBOR + 2% is charged on the outstanding balance at the end of each month.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 12, Advances, Prepayments and Other Receivables - Continued

<b>12.4 Ageing of receivable against transfer of intangible</b>	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
Past due less than 360 days	-	494,021
Past due over 360 days & above	497,062	-
Total	<u>497,062</u>	<u>494,021</u>
<b>12.5</b> The balances with related parties are maintained on a running account basis and markup @ 01 month KIBOR + 2% is charged on the outstanding balance at the end of each month:		
Avanceon Limited	60,757	40,347
Octopus Digital FZ-LLC	162,689	59,958
Avanceon Saudi for Energy Company	6,673	6,673
	<u>230,119</u>	<u>106,978</u>
<b>12.6</b> The maximum amount outstanding in current account at any time during the year calculated by reference to the month end balances is as follows:		
Avanceon Limited	168,876	132,340
Octopus Digital FZ-LLC	330,329	389,179
Avanceon Saudi for Energy Company	8,226	-

Note 13

### Short Term Investment

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
MCB Money Market Fund - 5,803 units (2024: 5,145 units)	13.1	<u>577</u> <u>539</u>

**13.1** 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 14

### Bank Balances

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
Current accounts	<u>39,536</u>	<u>8,955</u>

**14.1** The above figures of bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

**14.2** This includes bank balances amounting to Rs. 0.531 million (2024: Rs. 3.390 million) in Shariah-Compliant banks.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 15

### Issued, Subscribed and Paid up Capital

#### 15.1 Issued, subscribed and paid up capital

2025	2024		2025	2024
Number of Shares			--- Rupees in Thousands ---	
28,350,002	28,350,002	Ordinary shares of Rs. 10 each issued as fully paid in cash	283,500	283,500
108,400,000	108,400,000	Ordinary shares of Rs. 10 each issued for consideration other than in cash (Note 15.4)	1,084,000	1,084,000
<u>20,512,500</u>	<u>20,512,500</u>	Ordinary shares of Rs. 10 each issued as fully as bonus shares	<u>205,125</u>	<u>205,125</u>
<u>157,262,502</u>	<u>157,262,502</u>		<u>1,572,625</u>	<u>1,572,625</u>

#### 15.2 Movement in shares during the year is as follows:

	2025	2024
	Number of Shares	
Number of shares outstanding as at the beginning of the year	157,262,502	157,262,502
Shares further issued / cancelled during the period	-	-
Number of shares outstanding as at the end of the year	<u>157,262,502</u>	<u>157,262,502</u>

15.3 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.

15.4 During the year 2020, the Company issued ordinary shares of Rs. 10 each for consideration other than in cash to its parent company, Avanceon Limited, against the acquisition of the After Market Sales (AMS) segment.

15.5 Avanceon Limited is the Parent Company, holding 74.32% (2024: 74.32%) of issued capital of the Company.

15.6 The Company is not subject to any externally imposed capital requirements.

#### 15.7 Shares held by related parties other than Parent Company are as follows:

Name of Related Party	Relationship	2025	2024	2025	2024
		(Percentage)		(Number of Shares)	
Mr. Tanveer Karamat	Directors	0.0429225%	0.0429225%	67,501	67,501
Mr. Mohammad Arif Janjua	Directors	0.0003656%	0.0003656%	575	575
Mr. Adeel Khalid	Directors	0.0000006%	0.0000006%	1	1
Mr. Asmar Ahmed Atif	Directors	0.0000006%	0.0000006%	1	1
Mr. Bakhtiar Hameed Wain	Directors	0.0000006%	0.0000006%	1	1
Mr. Mohammad Shahid Mir	Directors	0.0000006%	0.0000006%	1	1
Ms. Saleha Asif	Directors	0.0000006%	0.0000006%	1	1
				<u>68,081</u>	<u>68,081</u>

Note 16

### Employees' Share Compensation Reserve

	2025	2024
	--- Rupees in Thousands ---	
Balance as at the beginning of the year	37,481	9,264
Compensation expense recorded during the year	<u>40,386</u>	<u>28,217</u>
Balance as at the end of the year	<u>77,867</u>	<u>37,481</u>

#### Description of scheme

Employee Share Option Scheme, 2022 (the Scheme) was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 04, 2022 which comprises an entitlement pool of 10% of the paid-up capital of the Company is increased from time to time. The number of shares that can be issued under the Scheme shall not exceed 10% (13.675 million shares) of its share capital as on December 31, 2021. Under the Scheme, share options of the Company will be granted to permanent employees of all cadres based on the performance ranking process of the Company. The share options can be exercised within a period of maximum six months from the expiry of the minimum vesting period. The minimum vesting period is 12 months from the date of grant of options as stipulated in the approved Scheme. The vesting period for options granted on April 01, 2023 is three years. Exercise Price of an option shall be determined from time to time by the Board of Directors of the Company at the time of grant of option(s), which shall be calculated as the weighted average of the closing quoted market price of the share of the Company for last 90 consecutive calendar days immediately preceding the date of entitlement of option(s). Provided further that options can be issued at a maximum discount of 90% of the weighted average of the closing market price of the share of the Company for last 90 consecutive calendar days immediately preceding the date of entitlement of option(s) as determined by the Board. The exercise price shall not be in any case less than the face value of the share i.e Rs. 10 per share.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 16, Employees' Share Compensation Reserve - Continued

### Measurement of fair value

The Company uses "Black Scholes Pricing Model" to determine the fair value of options at the grant date. Fair value at grant date of the equity settled share based arrangement was calculated using the following assumptions:

	2025	2024
Total number of options granted	3,820	2,592
Per option fair value at the grant date	32.95 - 50.02	32.95 - 35.70
Exercise price per option	10	10
Annual rate of quarterly dividends	0%	0%
Discount Rate - bond equivalent yield	10% - 14%	10% - 14%
Annual volatility	25% - 46%	32% - 46%

### Movement in employee share options during the year:

The following table illustrates the number and weighted average exercise prices of, and movements in, share options during the year:

	2025		2024	
	Number of options (in thousands)	Weighted Average exercise price (Rupees)	Number of options (in thousands)	Weighted Average exercise price (Rupees)
Options outstanding at the beginning of the year	2,592	10.00	1,445	10.00
Add: Options granted during the year	1,228	10.00	1,639	10.00
Less: Options lapsed during the year	-	10.00	(492)	10.00
Options outstanding at the end of the year	<u>3,820</u>	<u>10.00</u>	<u>2,592</u>	<u>10.00</u>

- 16.1** Out of the total 3.820 million options granted, the directors and executives are entitled to 0.945 million (2024: 0.68 million) and 2.875 million (2024: 1.912 million) options respectively.

Note 17

### Diminishing Musharaka Finance

	2025	2024
Note	--- Rupees in Thousands ---	
Opening balance	17,270	13,690
Add: Addition during the year	14,509	6,425
Less: Payments made during the year	<u>(6,751)</u>	<u>(2,845)</u>
	25,028	17,270
Less: Current portion	20	<u>(8,161)</u>
Closing balance	<u>16,867</u>	<u>12,810</u>

- 17.1** The Company acquired certain vehicles under the diminishing musharaka financing arrangements from First Habib Modaraba, spanning over a period of 48 to 60 months commencing from October 2023. During the year, the Company acquired 02 more vehicles under the diminishing musharaka financing arrangements from First Habib Modaraba, spanning over a period of 60 months commencing from March 2025. The effective profit rate is 3 months KIBOR plus 2.00% (2024: 3 months KIBOR plus 2.25%) per annum and is to be paid on monthly basis. The facility is secured by post-dated cheques covering all instalments, registration of vehicles in the name of the customer under Hire Purchase Agreement (HPA) with hypothecation marking in favor of First Habib Modaraba.

Note 18

### Trade and Other Payables

	2025	2024
Note	--- Rupees in Thousands ---	
Creditors - unsecured	31,343	38,638
Payable to related parties	18.1 & 18.2	119,289
Markup payable to related party	18.3	44,059
Accrued liabilities	35,658	24,934
Payable to provident fund	36	49,263
Advance from employees against vehicles	10,162	9,467
Payable to employees	2,992	1,532
Tax deducted at source	<u>23,741</u>	<u>15,744</u>
	<u>316,507</u>	<u>280,764</u>

# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

*Note 18, Trade and Other Payables - Continued*

**18.1** Payable to related parties is as follows:

		2025	2024
		--- Rupees in Thousands ---	
Avanceon Saudi for Energy Company	18.2	-	7,941
Empiric AI (Private) Limited	18.2	97,949	108,793
Avanceon FZE	18.2	3,249	24,799
Avanceon Automation and Control W.L.L.	18.2	18,091	20,820
		<u>119,289</u>	<u>162,353</u>

**18.2** This represents the amount payable to related parties in respect of expenses incurred on behalf of the Company. The balance is interest-bearing, and interest is charged at a rate one month KIBOR plus 2% prevailing on the start of each month.

**18.3** Markup payable to related parties is as follows:

Avanceon Saudi for Energy Company	1,346	2,707
Empiric AI (Private) Limited	34,658	15,099
Avanceon FZE	6,861	5,706
Avanceon Automation and Control W.L.L.	1,194	-
	<u>44,059</u>	<u>23,512</u>

**18.4** The maximum amount outstanding at any time during the year calculated by reference to the month end balances is as follows:

Avanceon Saudi for Energy Company	37,376	21,304
Empiric AI (Private) Limited	186,832	146,406
Avanceon FZE	35,376	34,823
Avanceon Automation and Control W.L.L.	30,028	144,162

Note 19

**Contract Liabilities**

		2025	2024
		--- Rupees in Thousands ---	
Advances from customers	19.1	39,734	237
Billing in excess of earnings	19.2	38,154	1,987
		<u>77,888</u>	<u>2,224</u>

**19.1** This amount relates to the advance received from customers against future sale of goods / services to be recorded in future.

**19.2** **Movement of billings in excess of earnings:**

As at January 01	1,987	5,161
Add: Addition during the year	90,677	-
Less: Recognized as revenue during the year	(54,510)	(3,174)
As at December 31	<u>38,154</u>	<u>1,987</u>

Note 20

**Current Portion of Diminishing Musharka Finance**

		2025	2024
		--- Rupees in Thousands ---	
Current portion of diminishing musharka finance	17	8,161	4,460

**20.1** Other than the facilities obtained under diminishing musharaka financing, additional facilities are available to the Company as sub-limits under the aggregate sanctioned credit limits of its parent company, Avanceon Limited. These facilities are obtained under markup arrangements and are secured against first charge of Rs. 134 million on present and future current assets of the Company with a 25% margin, along with personal guarantees of the CEO and Directors of the Company. In addition, these facilities are secured through a 10% cash margin or as per the State Bank of Pakistan (SBP) mandatory margin requirement (whichever is higher), lien over import documents under Letters of Credit (LC) and Usance Payable at Documents (UPAD), and trust receipt with a 10% margin at the time of LC opening. Details of the facilities are as follows:

Nature of Facility	Limit		Un-Utilized Portion		Markup / Commission Rate	Expiry / Review Date
	2025	2024	2025	2024		
	Rs. in million		Rs. In million			
Sight LC	50	100	50	100	0.20% per annum	30-Jun-26
ULC / Acceptance / UPAD – 180 days	50	100	50	100	0.20% per annum	
FATR – 180 days	50	100	50	100	3M KIBOR + 3% per annum	
LG – 2 years	50	100	3	100	0.20% per quarter	

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 21

**Provision for Taxation**

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
Opening balance	22,399	50,810
Add: Charge for the year	43,527	8,435
	65,926	59,245
Less: Adjustments against completed assessments	(22,399)	(36,846)
	43,527	22,399

Note 22

**Contingencies and Commitments**

**22.1 Contingencies**

**22.1.1** During the year 2025, the Company received a notice under Section 205/137(1) for Tax Year 2024 from the Deputy Commissioner Inland Revenue for alleged failure to pay tax with the return, proposing a default surcharge of Rs. 1,560,530. The Company submitted a detailed reply along with its computation of the default surcharge amounting to Rs. 434,344. The matter is currently under consideration by the tax authorities, and based on the opinion of the Company's legal counsel, the management expects that the final outcome will be in line with the Company's computation; accordingly, no further provision has been recognized in these unconsolidated financial statements.

**22.2 Commitments**

**22.2.1** Bank guarantees have been issued amounting to Rs. 47.031 million (2024: Nil) against performance of various contracts to Cnergyico PK Limited and Harbin Electric International Company Limited.

**22.2.2** The Company has capital commitments amounting to Rs. 62.057 million (2024: Nil) in respect of the development of intangible assets as at the reporting date.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 23

**Revenue from Contracts with Customers - Net**

	2025	2024
	--- Rupees in Thousands ---	
	Note	
<b>Local Sales</b>		
Sale of goods	7,346	5,006
Services rendered	55,382	155,956
AMS business services	321,999	154,316
Subscription and digital business services	104,414	81,446
	489,141	396,724
<b>Export Sales</b>		
AMS business services	17,409	420,052
Subscription and digital business services	5,269	15,538
Revenue from Back Office Support (BOS)	60,982	-
Revenue from transfer of profits	-	81,991
	83,660	517,581
	572,801	914,305
<b>Less: Sales tax</b>		
Sale of goods	(1,121)	(901)
Services rendered	(66,455)	(62,675)
	(67,576)	(63,576)
	505,225	850,729

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

Sale of goods	6,225	4,105
Services rendered	415,340	329,043
	421,565	333,148

**Type of products - net export sales**

Services rendered	83,660	517,581
	505,225	850,729

**23.2 Country wise breakup of export revenue are:**

Qatar	1,995	110,027
Dubai	66,252	252,824
Kingdom of Saudi Arabia	15,413	154,730
	83,660	517,581

**23.3 Contract balances**

Trade receivables	10	1,217,132	1,456,172
Contract assets	11	103,701	103,909
Long term contract assets	9	7,657	-
Contract liabilities	19	77,888	2,224

**23.4** Revenue from the sale of goods is recognized at a point in time upon the transfer of control to the customer. Revenue from services is primarily recognized over time, based on the satisfaction of performance obligations. For fixed-cost contracts, revenue is recognized using the percentage of completion method, while for service-based agreements, it is recognized in proportion to time elapsed.

**23.5** Amount of revenue recognized from opening balance of contract liabilities:

Opening balance of contract liabilities	2,224	12,043
Revenue recognized	2,224	12,043

**23.6** The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31, 2025 amounts to Rs. 374,369,645 (2024: Rs. 426,770,085).

# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

**Note 24**
**Cost of Sales**

		<b>2025</b>	<b>2024</b>
	Note	--- Rupees in Thousands ---	
Materials consumed		26,938	79,609
Salaries, wages, allowances and other benefits	24.1	87,857	54,447
Installation charges relating to engineering services		84,382	233,160
Travelling and conveyance relating to engineering services		34,939	67,263
Back office support		1,250	5,000
Management fee		225	-
Telephone, postage and telex		659	1,589
Entertainment relating to engineering services		501	789
Fees and subscription		13,523	19,176
Rent, rates and taxes		92	93
Repairs and maintenance		5	1,127
Import cost		13	158
Training and tuition		-	24
Depreciation on operating fixed assets	5.1	7,623	5,294
Other expenses		1,758	3,882
		<u>259,765</u>	<u>471,611</u>

**24.1** This includes Rs. 5,508,458 (2024: Rs. 5,441,171) contribution to provident fund by the Company.

**Note 25**
**Administrative Expenses**

		<b>2025</b>	<b>2024</b>
	Note	--- Rupees in Thousands ---	
Directors' remuneration	25.1	31,111	40,537
Salaries, wages, allowances and other benefits	25.2	68,065	127,043
Employees' share option expense	25.3	48,879	40,519
Travelling and conveyance		14,460	9,922
Back office support	25.4	1,250	5,000
Telephone, postage and telex		659	1,589
Rent, rates and taxes		92	93
Sales promotion expense		145	30
Legal and professional charges		2,149	4,185
Auditors' remuneration	25.5	2,217	2,483
Fees and subscription		3,455	17,975
Advertisement		173	446
Repairs and maintenance		5	1,127
Management fee		187	182
Insurance		5,280	5,676
Depreciation on operating fixed assets	5.1	7,623	5,294
Printing and stationery		358	390
Entertainment expense		3,613	3,440
Amortization		405	405
Other expenses		922	293
		<u>191,048</u>	<u>266,629</u>

**25.1** This includes Rs. 2,299,131 (2024: Rs. 2,622,697) relating to provident fund contribution by the Company.

**25.2** This includes Rs. 4,854,541 (2024: Rs. 10,073,369) relating to provident fund contribution by the Company.

**25.3** This includes an amount of Rs. 8.49 million (2024: Rs. 12.302 million) allocated to the Company by its Parent Company, Avanceon Limited, in respect of share options granted by the parent company to the employees of the Company.

**25.4** This represents management fee charged by the Parent Company for sharing office premises, operational, human resource and administrative support as per the agreement between the parties. This has been equally allocated to cost of sales and administrative expenses.



# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

**Note 25, Administrative Expenses - Continued**

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
<b>25.5 Auditor's remuneration</b>		
Statutory audit	1,300	1,300
Audit of consolidated financial statements	200	100
Half year review fee	500	483
Other certifications	150	100
Out of pocket expenses	67	500
	<u>2,217</u>	<u>2,483</u>

**Note 26**
**Other Operating Expenses**

		<b>2025</b>	<b>2024</b>
	Note	--- Rupees in Thousands ---	
Donations	26.1	439	350
Exchange loss		-	31,571
Markup to related parties		20,548	15,097
Allowance for expected credit losses - trade debts	10.5	1,223	1,035
Allowance for expected credit losses - contract assets		-	329
Allowance for expected credit losses - related parties	10.3	39,223	23,105
Penalties paid		750	345
Contract assets written off		2,524	-
		<u>64,707</u>	<u>71,832</u>

**26.1** The Directors and their spouses do not have any interest in the donee.

**Note 27**
**Finance Cost**

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
Markup on diminishing musharaka finance	3,665	2,975
Bank charges	418	564
	<u>4,083</u>	<u>3,539</u>

**Note 28**
**Other Operating Income**

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
Markup from related parties	122,049	61,344
Dividend on short term investment	53	1,094
Exchange gain - net	10,370	-
Other income	232	1,589
	<u>132,704</u>	<u>64,027</u>

**Note 29**
**Levy / Final Taxation**

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
Charge for the year	<u>217</u>	<u>1,458</u>

**29.1** The Company falls under the ambit of final tax regime under section 169 of the Income Tax Ordinance, 2001 for the current year.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

**Note 25, Administrative Expenses - Continued**

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
<b>25.5</b> Auditor's remuneration		
Statutory audit	1,300	1,300
Audit of consolidated financial statements	200	100
Half year review fee	500	483
Other certifications	150	100
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	--- Rupees in Thousands ---	
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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

*Note 25, Administrative Expenses - Continued*

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
<b>25.5</b> Auditor's remuneration		
Statutory audit	1,300	1,300
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		<b>2025</b>	<b>2024</b>
	Note	--- Rupees in Thousands ---	
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	<u>4,083</u>	<u>3,539</u>

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	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
Markup from related parties	122,049	61,344
Dividend on short term investment	53	1,094
Exchange gain - net	10,370	-
Other income	232	1,589
	<u>132,704</u>	<u>64,027</u>

Note 29

**Levy / Final Taxation**

	<b>2025</b>	<b>2024</b>
	--- Rupees in Thousands ---	
Charge for the year	<u>217</u>	<u>1,458</u>

**29.1** The Company falls under the ambit of final tax regime under section 169 of the Income Tax Ordinance, 2001 for the current year.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 30

### Taxation

	Note	2025	2024
--- Rupees in Thousands ---			
Current tax	30.2	43,310	5,584
Prior period adjustment		(11,909)	-
Deferred tax	7	-	1,666
		<u>31,401</u>	<u>7,250</u>

**30.1** The current tax expense for the year is calculated using corporation tax rate of 29% (2024: 29%). Deferred tax assets and liabilities on temporary differences are measured at effective rate of 29% (2024: 29%).

### 30.2 Reconciliation of tax charge for the year

Profit before tax	<u>118,326</u>	<u>101,145</u>
Tax @ 29% (2024: 29%) on profit before taxation	34,315	29,332
Tax effect of add backs / allowed deductions	8,995	(23,748)
	<u>43,310</u>	<u>5,584</u>
Applicable income tax rate	29%	29%
Current tax	<u>43,310</u>	<u>5,584</u>

**30.3** Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows

Current Tax liability as per applicable tax laws	43,527	7,042
Portion of current tax liability representing income tax as per IAS -12	(43,310)	(5,584)
Portion of current tax liability representing levy as per IFRIC 21 / IAS 37	(217)	(1,458)
Difference	<u>-</u>	<u>-</u>

Note 31

### Earnings Per Share

		2025	2024
<b>31.1 Basic earnings per share</b>			
Net profit for the year	Rupees in thousands	86,708	92,437
Weighted average number of ordinary shares	Numbers	157,262,502	157,262,502
Earnings per share	Rupees	<u>0.55</u>	<u>0.59</u>

### 31.2 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 profit for the year	Rupees in thousands	86,708	92,437
Weighted average number of ordinary shares	Numbers	157,262,502	157,262,502
Adjustment for share options	Numbers	<u>2,828,848</u>	<u>2,592,000</u>
Weighted average number of ordinary shares for diluted earnings per share	Numbers	160,091,350	159,854,502
Diluted earnings per share	Rupees	<u>0.54</u>	<u>0.58</u>

Note 32

### Liabilities arising from Financing Activities

	As at December 31, 2024	Non-cash changes	Cash flows (Net)	As at December 31, 2025
--- Rupees in Thousands ---				
Diminishing musharaka finance - net	17,270	14,509	(6,751)	25,028
	As at December 31, 2023	Non-cash changes	Cash flows (Net)	As at December 31, 2024
--- Rupees in Thousands ---				
Diminishing musharaka finance - net	13,690	-	3,580	17,270

**32.1** The Company classifies the finance cost paid as cashflow from operating activities.

# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 33

### Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in these unconsolidated financial statements for remuneration, allowances including all benefits to the Chief Executive, Directors and other Executives of the Company are as follows:

	Chief Executive Officer		Executive Directors		Other Executives	
	2025	2024	2025	2024	2025	2024
	--- Rupees in Thousands ---					
Managerial remuneration	14,671	13,286	10,120	14,341	131,463	95,710
House rent	1,467	1,329	208	2,913	28,426	9,571
Utilities	1,467	2,125	832	1,308	13,146	19,676
Provident fund	1,467	1,329	832	1,294	13,146	9,571
Others	24	21	23	225	887	807
	<u>19,096</u>	<u>18,090</u>	<u>12,015</u>	<u>20,081</u>	<u>187,068</u>	<u>135,335</u>
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>43</u>	<u>24</u>

**33.1** Apart from the above, the chief executive officer and executives are provided with the Company maintained cars.

**33.2** No meeting fee has been paid to any director of the Company.

**33.3** An executive is defined as an employee, other than chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 34

### Balances and Transactions with Related Parties

Related parties comprise parent company, subsidiary companies, other subsidiary companies of the parent company, 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 / other adjustments. The Company utilized facilities obtained by the parent company as disclosed in note 20.1. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

Related party	Nature of transaction	2025	2024
		--- Rupees in Thousands ---	
Avanceon FZE (AVFZE)	Sub-contracted services	5,269	26,001
	AMS business services rendered	-	21,193
	Payments to employees by ODL on behalf of AVFZE	86	-
	Payments to employees by AVFZE on behalf of ODL	188	-
	Payments to suppliers by AVFZE on behalf of ODL	207	31,762
	Markup expense	1,155	6,673
	Exchange loss - net	242	10,738
	Collections / adjustment from AVFZE	25,641	125,783
	Payments / adjusted to AVFZE	24,196	13,564
Avanceon Automation and Control W.L.L. (AVAC)	Sub-contracted services	1,995	211,959
	AMS business services rendered	-	40,865
	Payments to suppliers by AVAC on behalf of ODL	12,435	3,065
	Payment to employees by AVAC on behalf of ODL	4,342	154,112
	Payments / adjusted to AVAC	16,819	-
	Payment to employees by ODL on behalf of AVAC	2,557	-
	Collections / adjustment from AVAC	43,401	125,783
	Exchange gain - net	8,016	548
	Markup expense	1,194	1,578

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 34, Balances and Transactions with Related Parties - Continued

Related party	Nature of transaction	2025	2024
--- Rupees in Thousands ---			
Avanceon Limited (AVL)	AMS business services rendered	224,731	84,605
	Sub-contracted services	52,854	45,021
	Subscription Digital Business	38,748	-
	Payments to suppliers by AVL on behalf of ODL	26,498	-
	Payments to suppliers by ODL on behalf of AVL	-	8,647
	Collection / adjustment from AVL	635,991	85,482
	Payments / adjusted to AVL	363,283	346,250
	Payment of salaries by ODL	5,736	-
	Payment of salaries by AVL on behalf of ODL	501	-
	ESOS expense charged by AVL	8,493	-
BOS charged to ODL	120,210	113,405	
Markup income	20,409	5,860	
Avanceon Saudi for Energy Company (AVSEC)	AMS business services rendered	-	19,934
	Subcontracted projects	15,413	131,216
	Payments to Employees by ODL on behalf of AVSEC	60	-
	Payments to employee by AVSEC on behalf of ODL	10,762	15,353
	Collection / adjusted from AVSEC	71,941	8,439
	Payment / adjusted to AVSEC	61,165	-
	Exchange gain - net	833	-
	Markup expense on current	1,346	-
	Payment to Suppliers by AVSEC on behalf of ODL	29,651	-
Octopus Digital FZ-LLC (ODFZ)	Payment of salaries by ODL on behalf of ODFZ	9,019	12,042
	Back office support charged by the Company	60,599	33,391
	Apportionment of BOS charged by Av	83,053	134,620
	Payment to suppliers by ODL on behalf of ODFZ	-	25,951
	Payments / Adjusted to ODFZ	1,940	-
	Payment of Salaries by ODFZ on behalf of ODL	-	7,455
	Collection / adjusted from ODFZ	-	350
	Payment to suppliers by ODFZ on behalf of ODL	53,261	41,140
	Markup Income on current Account	36,627	48,812
	Markup Income on receivable against intangible	66,105	-
Exchange gain - net	4,825	4,183	
Empiric AI (Private) Limited (EAI)	Payment to employees by ODL on behalf of EAI	2,917	4,097
	Payment of Salaries by ODL on behalf of EAI	9,872	-
	Collection / adjustment from EAI	98,771	66,279
	Payments / Adjusted to EAI	91,516	-
	Payment to suppliers by ODL on behalf of EAI	5,311	27,814
	Back office support charged by ODL	-	9,931
Markup expense on current account	16,925	15,097	
<b>Outstanding Balance as at the year end</b>			
Avanceon FZE (AVFZE)	Trade debts	65,240	77,491
	Trade payables	3,249	24,799
	Contract asset	313	6,869
	Contract liability	7,122	7,652
	Markup payable	6,861	5,706
Avanceon Automation and Control W.L.L. (AVAC)	Trade debts	1,027,926	1,053,708
	Trade payables	18,091	20,820
	Contract asset	4,301	5,291
	Contract liability	20,410	13,662
	Markup payable	1,194	-
Avanceon Limited (AVL)	Trade debts	71,768	240,750
	Advances	118,575	51,124
	Contract asset	9,698	16,120
	Contract liability	3,616	5,227
	Markup receivable	60,757	40,347

# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 34, Balances and Transactions with Related Parties - Continued

Related party	Nature of transaction	2025	2024
--- Rupees in Thousands ---			
Avanceon Saudi for Energy Company (AVSEC)	Trade debts	85,167	138,940
	Advances	8,242	-
	Trade payables	-	10,649
	Contract asset	1,146	1,146
	Markup receivable	6,673	6,673
	Markup payable	1,347	-
Octopus Digital FZ-LLC (ODFZ)	Trade debts	131,559	63,815
	Advances	303,481	261,269
	Receivable against intangible	497,062	494,021
	Contract asset	-	6,821
	Markup receivable	162,689	59,958
Empiric AI (Private) Limited (EAI)	Trade payables	97,948	108,793
	Markup payable	32,024	15,099

34.1 Following are the related parties with whom the Company has arrangements / agreements in place.

Sr. No.	Related Party	Relationship	Aggregate % of Shareholding
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#### Key Management Personnel

1	Mr. Tanveer Karamat	Chief Executive Officer	0.04292%
2	Mr. Adeel Khalid	Executive Director	0.0000006%
3	Mr. Asmar Ahmed Atif	Executive Director	0.0000006%
4	Mr. Faisal Nadeem Sheikh	Chief Financial Officer	N/A
5	Mr. Ahsan Khalil	Company Secretary	0.0003332%
6	Mr. Khalid Hameed Wain	Non-Executive Director	N/A
7	Mr. Bakhtiar Hameed Wain	Non-Executive Director	0.0000006%

#### Associates

8	Avanceon Limited	Parent Company of ODL	74.32%
9	Octopus Digital FZ-LLC	Subsidiary of ODL	100%
10	Empiric AI (Private) Limited	Subsidiary of ODL	100%
11	Avanceon Saudi for Energy Company	Associated Company	N/A
12	Avanceon Automation and Control W.L.L.	Associated Company	N/A
13	Avanceon FZE	Associated Company	N/A

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 35

### Operating Segment Information

Operating segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker. The Chief Executive Officer (CEO) of the Company has been identified as the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. The CEO is responsible for the management of the Company's entire business which is considered as a single operating segment. The Company's assets allocation decisions are based on a single integrated investment strategy and the Company's performance is evaluated on an overall basis.

The internal reporting provided to the CEO for the Company's assets, liabilities and performance is prepared on a basis consistent with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

- *Information about major customers*

No sale has been made to any customer representing 10% or more of total sales for the year. (2024: Nil).

- *Information about geographical areas*

All non-current assets of the Company except for long term investments are located in Pakistan as at the reporting date.

The sales percentage by geographic region is as follows:

	2025	2024
	%	%
Pakistan	85.4%	43.4%
Qatar	0.3%	12.0%
Dubai	11.6%	27.7%
Kingdom of Saudi Arabia	2.7%	16.9%
	100%	100%

Note 36

### Provident Fund

**36.1** All investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

**36.2** The provident fund of the Company is maintained and managed by its parent company, Avanceon Limited.

Note 37

### 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.

**(a) Market risk**

**(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is exposed to foreign currency risk on receivables, payables and revenues which are entered in a currency other than Pak Rupees. As at the reporting date, the Company's exposure to currency risk was as follows:

		2025	2024
	Note	--- Rupees in Thousands ---	
Trade debts	10	1,309,892	1,333,954
Trade creditors	18	(20,436)	(26,225)
Due from related party	12	311,806	261,269
Markup receivable from related party	12	169,362	66,631
Receivable against transfer of intangible	12	497,062	494,021
Payable to related parties	18	(21,340)	(53,560)
Markup payable to related party	18	(9,401)	(8,413)
Advance to suppliers	12	3,168	1,353
		2,240,113	2,069,030

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

### Note 37 Financial Risk Management - Continued

The following significant exchange rates were applied during the year:

<b>December 31, 2025</b>	<b>USD</b>	<b>EUR</b>	<b>AED</b>	<b>SAR</b>	<b>QAR</b>
Average rate	279.24	309.00	76.22	74.36	76.54
Reporting date rate	280.12	328.85	76.28	74.69	76.85
<b>December 31, 2024</b>	<b>USD</b>	<b>EUR</b>	<b>AED</b>	<b>SAR</b>	<b>QAR</b>
Average rate	280.38	301.13	76.79	74.67	76.92
Reporting date rate	278.35	289.14	76.15	74.02	76.23

If the functional currency, as at the reporting date, had weakened / strengthened by 1% against the foreign currencies with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 22.401 million (2024: Rs. 20.690 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not entirely reflect the exposure during the year.

#### (ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is exposed to price risk in respect of certain investments amounting to Rs. 0.577 million (2024: Rs. 0.539 million).

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Company by Rs. 0.006 million (2024: Rs. 0.005 million) on the basis that all other variables remain constant.

#### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from diminishing musharaka finance, due to / due from related party, markup payable / receivable from related party and receivable against transfer of intangible. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk.

As at the reporting date the interest rate profile of the Company's interest bearing financial instruments was as under:

	Note	2025	2024
<b>Floating rate instruments</b>		--- Rupees in Thousands ---	
<b>Financial assets</b>			
Short term investments	13	577	539
Due from related party		430,381	312,393
Markup receivable from related party		230,119	106,978
Receivable against transfer of intangible		497,062	494,021
		1,158,139	913,931
<b>Financial liabilities</b>			
Diminishing musharaka finance		25,028	17,270
Payable to related parties		119,289	162,353
Markup payable to related party		44,059	23,512
		188,376	203,135
		969,763	710,796

#### Cash flow sensitivity analysis for variable rate instruments

As at December 31, 2025, if interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 9.698 million (2024: Rs. 7.108 million), mainly as a result of interest exposure on variable rate instruments.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 37, Financial Risk Management - Continued

### 37.1 Financial instruments by categories

<u>a) Financial assets at amortized cost</u>	Note	2025	2024
		--- Rupees in Thousands ---	
Long term deposits		100	100
Trade debts	10	1,419,980	1,456,172
Long term investments	8	447,893	447,893
Other receivables	12	1,164,427	924,535
Bank balances	14	39,536	8,955
		3,071,936	2,837,655
<u>b) Financial liabilities at amortized cost</u>			
Diminishing musharaka finance	17	25,028	17,270
Trade and other payables	18	233,341	250,969
		258,369	268,239

### 37.2 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, 2025 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

The fair values of all financial assets and liabilities are not considered to be significantly different from their carrying values. The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

The Company has held the following short term investment at fair value:

	Note	Total	Level 1	Level 2	Level 3
		--- Rupees in Thousands ---			
Short term investment - 2025	13	577	577	-	-
Short term investment - 2024	13	539	539	-	-

Note 38

### 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 and exercising the option of issuing right shares or repurchasing shares, if possible, without affecting the optimal operating level and regulating its dividend payout thus maintaining smooth capital management.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital employed is calculated as equity, as shown in the statement of financial position, plus net debt.

As at the reporting date, the gearing ratio of the Company was worked out as under:

	2025	2024
	--- Rupees in Thousands ---	
Total borrowings - diminishing musharaka	25,028	17,270
Cash and bank balances	(39,536)	(8,955)
Net debt	(14,508)	8,315
Equity	2,818,223	2,691,129
Total capital employed	2,803,715	2,699,444
Gearing ratio %	Not Geared	0.31%

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Unconsolidated Financial Statements

Note 39

### Shari'ah Screening Disclosure

	Note	2025 --- Rupees in Thousands ---	2024
<b>Statement of financial position – Assets</b>			
<b>Shariah Compliant</b>			
Long term investments	8	-	-
Short term investment	13	577	539
Bank balances	14	531	3,390
<b>Statement of financial position – Liabilities</b>			
Diminishing musharaka finance	17	25,028	17,270
Accrued markup		-	-
<b>Statement of profit or loss</b>			
Revenue	23	505,225	850,729
Dividend on short term investment	28	53	1,094
Exchange gain / (loss) - net	28	10,370	(31,571)
Markup on diminishing musharaka finance	27	3,665	2,975
Markup expense on intercompany current accounts	26	20,548	15,097
Markup income on intercompany current accounts	28	122,049	61,344
Others	28	232	1,589
<b>Names of the Company's shariah compliant financial institutions</b>			
		<b>Relationship</b>	
Faysal Bank Limited		Cash and bank balances	
Dubai Islamic Bank		Cash and bank balances	
MCB Islamic Bank		Cash and bank balances	
First Habib Modaraba		Diminishing Musharaka	

Note 40

### Number of Employees

	2025 Number	2024 Number
Total number of employees as at December 31,	87	91
Average number of employees during the year	89	88

Note 41

### Date of Authorization for Issue

These unconsolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on April 29, 2026.

Note 42

### General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material rearrangements / reclassifications have been made in these financial statements.





CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



# Consolidated Financial Statements for the year ended December 31, 2025



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## INDEPENDENT AUDITOR’S REPORT

### To the Members of Octopus Digital Limited

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the annexed consolidated financial statements of **OCTOPUS DIGITAL LIMITED** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

##### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

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

Following are the key audit matters:

Key Audit Matters	How the Matter was Addressed in Our Audit
<b>1. Revenue recognition</b>	
Refer to Notes 3.11 and 22 to the consolidated financial statements.	Our key audit procedures included:
The Group has earned revenue of Rs. 1,212.399 million for the year ending December	
	<ul style="list-style-type: none"> <li>• Obtaining an understanding of the Group’s processes and related internal controls for revenue recognition and on a</li> </ul>



Key Audit Matters	How the Matter was Addressed in Our Audit
<p>31, 2025. The Group’s revenue is derived from multiple revenue streams, as referred to in Note 22 to the accompanying consolidated financial statements, including product sale, rendering of services and provision of digital business services.</p> <p>Each stream has its own revenue recognition policy based on the nature of revenue and underlying contractual arrangements as referred to in Note 3.11. Certain contracts with customers require significant management judgment to determine the appropriate timing and method of revenue recognition.</p> <p>We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group with multiple revenue streams and inherent risk of material misstatement.</p>	<p>sample basis, tested the operating effectiveness of those controls</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the Group’s revenue recognition policies and their compliance with applicable accounting and reporting standards</li> <li>• Compared a sample of transactions comprising various revenue streams during the year with underlying documentation including contracts with customers, sales invoices and where relevant, underlying time sheets and other supporting documents to assess whether the revenue was recorded in accordance with the Group’s revenue recognition policy and applicable financial reporting framework</li> <li>• Performed substantive analytical procedures by developing an expectation of project revenue for the year based on contracts entered to date and analyzing the amounts recognized against the cost incurred and time elapsed respectively</li> <li>• Critically assessed the significant management judgments applied in determining the timing and method of revenue recognition</li> <li>• Performed a comparative analysis of the revenue recognized in the current year with that of the prior year, investigating any significant variances or trends</li> <li>• Verified revenue accuracy by cross-checking recorded transactions, on sample basis, with bank deposits and customer invoices, ensuring that all revenue entries were properly supported by actual cash receipts and linked to specific billings</li> <li>• Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period</li> <li>• Obtained additional written representations as required under the International Standards on Auditing</li> </ul>



Key Audit Matters	How the Matter was Addressed in Our Audit
	<ul style="list-style-type: none"> <li>Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards</li> </ul>
<p><b>2. Valuation of Trade Debtors and Contract Assets</b></p>	
<p>Refer to note 3.5, 8, 9 and 10 to the consolidated financial statements.</p> <p>The Group's gross trade debts and contract assets as at December 31, 2025 are Rs. 1,499.433 million and Rs. 170.193 million respectively against which allowances for expected credit losses of Rs. 202.848 million and Rs 7.948 million have been recognized.</p> <p>The loss allowance for expected credit losses (ECL model) on trade debts and contract assets has been recognized in the consolidated financial statements using the guidance included in IFRS 9 'Financial Instruments'. Determination of ECL provision for trade debts and contract assets requires significant judgment and assumptions.</p> <p>We have considered this area as a key audit matter due to its size, representing 46.29% of the total assets of the Group as at December 31, 2025 and the significant management judgement involved in valuation.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>Considered management's process of application of ECL model to calculate impairment loss against trade debts and contract assets</li> <li>Evaluated key decisions / assumptions made by the Group's management with respect to estimates and judgements in relation to application of the ECL model</li> <li>Evaluated the ECL model for appropriateness of the methodology applied and checked arithmetical accuracy of the model</li> <li>Circularized balance confirmation requests for trade debts on a sample basis and evaluated responses received. Where response was not received, performed subsequent receipts testing and alternative substantive procedures</li> <li>Checked subsequent clearance of balances due as of December 31, 2025 on sample basis</li> <li>Assessed financial impacts and appropriateness of disclosures made in the consolidated financial statements to determine whether these are in accordance with the accounting and reporting standards as applicable in Pakistan</li> </ul>
<p><b>3. Related Party Transactions</b></p>	
<p>Refer to note 33 to the consolidated financial statements</p> <p>The Group has transactions with associated companies as explained in the relevant notes to consolidated financial statements.</p> <p>Transactions with related parties include rendering of after-market services, sub-contracting and subscription services and back-office support. It also includes payments / adjustments made on behalf of related parties to employees and suppliers etc. and vice versa.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the Group's policies and procedures for determining and recording related party transactions / balances, in accordance with the accounting and reporting standards as applicable in Pakistan</li> <li>Obtained a list of related parties and transactions entered into with them during the year from the management</li> <li>Performed substantive procedures on related</li> </ul>



Key Audit Matters	How the Matter was Addressed in Our Audit
<p>These transactions result in significant receivable and payable balances with related parties, as disclosed in the accompanying consolidated financial statements.</p> <p>We have considered related party transactions as a key audit matter as they require significant auditors' attention, and the amounts are material to the consolidated financial statements as a whole.</p>	<p>party transactions and balances including review of contract terms, underlying invoices, balance confirmations and assessment of recoverability of receivable balances</p> <ul style="list-style-type: none"> <li>• Reviewed the approval process for related party transactions including approval by those charged with governance</li> <li>• Obtained an understanding of the Group's policies and procedures for calculating and recording Expected Credit Losses (ECL) on related party balances and performed audit procedures to verify the ECL calculations across group entities</li> <li>• Assessed whether appropriate disclosures have been made in the consolidated financial statements regarding related party transactions and balances in accordance with approved accounting and reporting standards as applicable in Pakistan</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor's Reports Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Board of Directors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



The Board of Directors of the Group is responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

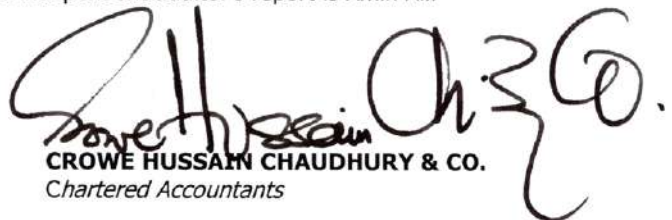
We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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

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

Lahore  
Dated: April 29, 2026  
UDIN: RR202510051xg6ID5FU3

  
**CROWE HUSSAIN CHAUDHURY & CO.**  
*Chartered Accountants*

# OCTOPUS DIGITAL LIMITED

## Consolidated Statement Of Financial Position

### As At December 31, 2025

		2025	2024
	Note	---- Rupees in Thousands ----	
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Operating fixed assets	5	38,016	32,436
Intangible assets	6	990,572	772,127
Deferred tax assets	7	19,390	19,390
Long term contract asset	8	7,657	-
Long term deposits		100	100
		1,055,735	824,053
<b>Current Assets</b>			
Stock in trade		146	-
Trade debts	9	1,296,585	1,428,742
Contract assets	10	154,588	210,554
Advances, prepayments and other receivables	11	545,360	518,355
Short term investment	12	577	539
Bank balances	13	98,613	21,528
		2,095,869	2,179,718
		<u>3,151,604</u>	<u>3,003,771</u>
<b>CAPITAL AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized share capital	14	<u>2,500,000</u>	<u>2,500,000</u>
Issued, subscribed and paid up share capital	14	1,572,625	1,572,625
Capital reserves			
Group restructuring reserve	15	(1,050,259)	(1,050,259)
Employees' share compensation reserve	15	77,865	37,479
Exchange translation reserve		403	4,226
Share premium		789,209	789,209
Revenue reserve - unappropriated profits		1,374,904	1,346,008
		<u>1,192,122</u>	<u>1,126,663</u>
Shareholder's equity		2,764,747	2,699,288
<b>Non Current Liabilities</b>			
Diminishing musharaka finance	16	16,867	12,810
<b>Current Liabilities</b>			
Trade and other payables	17	222,278	262,230
Contract liabilities	18	95,593	2,224
Current portion of diminishing musharaka finance	19	8,161	4,460
Provision for taxation	20	43,958	22,759
		369,990	291,673
<b>Contingencies and Commitments</b>	21	-	-
		<u>3,151,604</u>	<u>3,003,771</u>

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

*CEO*



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# OCTOPUS DIGITAL LIMITED

## Consolidated Statement Of Profit Or Loss For The Year Ended December 31, 2025

	Note	2025	2024
---- Rupees in Thousands ----			
Revenue from contracts with customers - net	22	1,212,399	1,266,023
Cost of sales	23	<u>(767,150)</u>	<u>(655,117)</u>
<b>Gross Profit</b>		445,249	610,906
Administrative and selling expenses	24	<u>(356,259)</u>	<u>(368,186)</u>
<b>Operating Profit</b>		88,990	242,720
Other operating expenses	25	(67,429)	(57,982)
Finance cost	26	(5,046)	(4,398)
Other operating income	27	<u>46,093</u>	<u>31,486</u>
<b>Profit before Levy and Taxation</b>		62,608	211,826
Levy / final taxation	28	<u>(2,311)</u>	<u>(1,815)</u>
<b>Profit before Taxation</b>		60,297	210,011
Taxation	29	(31,401)	(4,986)
<b>Net Profit for the Year</b>		<u><u>28,896</u></u>	<u><u>205,025</u></u>
Earnings per share - Basic	30	<u>0.18</u>	<u>1.30</u>
Earnings per share - Diluted	30	<u>0.18</u>	<u>1.28</u>

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

CXC



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# OCTOPUS DIGITAL LIMITED

## Consolidated Statement Of Comprehensive Income For The Year Ended December 31, 2025

	2025	2024
	---- Rupees in Thousands ----	
<b>Net Profit for the Year</b>	28,896	205,025
<b>Other Comprehensive Income</b>		
<i>Items that will not be re-classified to profit or loss</i>	-	-
<i>Items that may be re-classified subsequently to profit or loss:</i>		
- Exchange difference on translating foreign operations	(3,823)	4,226
<b>Total Comprehensive Income for the Year</b>	25,073	209,251

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

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**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# OCTOPUS DIGITAL LIMITED

## Consolidated Statement Of Changes In Equity For The Year Ended December 31, 2025

	Issued, Subscribed and Paid up Share Capital	Capital Reserve				Revenue Reserve	Total
		Group Restructuring Reserve	Employees' Share Compensation Reserve	Exchange Revaluation Reserve	Share Premium	Unappropriated Profit	
---- Rupees in Thousands ----							
<b>Balance as at January 01, 2024</b>	1,572,625	(1,050,259)	9,263	-	789,209	1,140,983	2,461,821
Net profit for the year	-	-	-	-	-	205,025	205,025
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	205,025	205,025
Exchange difference on translating foreign operations	-	-	-	4,226	-	-	4,226
Employee share option reserve	-	-	28,216	-	-	-	28,216
<b>Balance as at December 31, 2024</b>	1,572,625	(1,050,259)	37,479	4,226	789,209	1,346,008	2,699,288
Net profit for the year	-	-	-	-	-	28,896	28,896
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	28,896	28,896
Exchange difference on translating foreign operations	-	-	-	(3,823)	-	-	(3,823)
Employee share option reserve	-	-	40,386	-	-	-	40,386
<b>Balance as at December 31, 2025</b>	1,572,625	(1,050,259)	77,865	403	789,209	1,374,904	2,764,747

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# OCTOPUS DIGITAL LIMITED

## Consolidated Statement Of Cash Flows For the Year Ended December 31, 2025

	Note	2025	2024
---- Rupees in Thousands ----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before levy and taxation		62,608	211,826
Adjustments for:			
- Depreciation on operating fixed assets	5.1	15,504	12,652
- Amortization and exchange adjustment on intangible assets	6.1 & 6.3	47,129	42,608
- Allowance for expected credit losses - trade debts	25	1,223	830
- Allowance for expected credit losses - contract asset	25	5,342	329
- Allowance for expected credit losses - related party	25	53,389	23,105
- Contract asset written off	25	2,524	-
- Employees' share option expense	24	48,879	28,216
- Dividend income from other financial assets	27	(53)	(1,094)
- Exchange (gain) / loss - net	25 & 27	(8,294)	32,945
- Markup expense on loan from Parent Group	25	1,592	-
- Markup income on loan to Parent Group	27	(19,318)	(14,416)
- Foreign operation translation reserve		(3,823)	4,226
- Remission of liabilities	27	(15,774)	(10,607)
- Profit on savings accounts	27	(343)	655
- Reversal of provision for expected credit loss	27	-	(3,125)
- Finance cost	26	5,046	4,398
		<u>133,023</u>	<u>120,722</u>
<b>Operating profit before working capital changes</b>		195,631	332,548
(Increase) / decrease in current assets:			
- Stock in trade		(146)	624
- Trade debts	9	77,545	56,904
- Contract assets	10	40,443	(101,453)
- Advances, prepayments and other receivables	11	3,270	(117,807)
(Decrease) / Increase in current liabilities:			
- Creditors, accrued and other liabilities	17	(17,476)	59,727
- Contract liabilities	18	93,369	22,829
		<u>197,005</u>	<u>(79,176)</u>
<b>Cash Generated from Operations</b>		392,636	253,372
Finance cost paid	26	(5,046)	(4,398)
Income tax paid		(31,620)	(7,619)
<b>Net Cash Generated from Operating Activities</b>		<u>355,970</u>	<u>241,355</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	5	(6,575)	(14,263)
Addition in intangible asset	6.2	(265,574)	(258,221)
Short term investment - net	12	15	10,674
<b>Net Cash Used in Investing Activities</b>		<u>(272,134)</u>	<u>(261,810)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term diminishing musharaka repaid	16	(6,751)	(2,845)
Long term diminishing musharaka obtained		-	6,425
<b>Net Cash (Used in) / Generated from Financing Activities</b>		<u>(6,751)</u>	<u>3,580</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<u>77,085</u>	<u>(16,875)</u>
Cash and cash equivalents at the beginning of the year	13	21,528	38,403
<b>Cash and Cash Equivalents at the End of the Year</b>		<u><u>98,613</u></u>	<u><u>21,528</u></u>

The annexed notes from 1 to 42 form an integral part of these consolidated financial statements.

CKC



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# OCTOPUS DIGITAL LIMITED

## Notes To And Forming Part Of The Consolidated Financial Statements For the Year Ended December 31, 2025

Note 1

### The Group and its Operations

1.1	The Group consists of:	Note	Status within the Group
	- Octopus Digital Limited (ODL)	1.2	Holding Company
	- Empiric AI (Private) Limited (EAL)	1.3	Subsidiary of ODL
	- Octopus Digital FZ LLC (ODFZ)	1.4	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 a public Company on November 11, 2020. The Company is listed on Pakistan Stock Exchange Limited. The Company is a subsidiary of another listed company namely Avanceon Limited (the ultimate Parent Company "AVN"). The Company 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 equipments etc.

**1.3** Empiric AI (Private) Limited 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** Octopus Digital FZ LLC 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. 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.

**1.5** The Information on geographical location and address of the Group's business is as under :

Business unit	Geographical location
Head Office	19 KM, Main Multan Road, Lahore.
Karachi Office	Office No 19, Building No S-4, First Floor, NASTP Silicon Valley, Main Shahra-e-Faisal, Near PAF Museum, Karachi.
Islamabad Office	The Hive, 6th Floor, Islamabad Stock Exchange Tower, Block JF 7/1, Blue Area, Islamabad.
Octopus Digital FZ LLC	DMC, BLD0- VD-G00-792, Ground Floor, Dubai Media City, Dubai, United Arab Emirates.
Empiric AI (Private) Limited	The Avanceon Building, 19 KM, Main Multan Road, Lahore, Pakistan.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

Note 2

### Basis of Preparation

#### 2.1 Consolidated Financial Statements

These financial statements are the consolidated financial statements of the Octopus Digital Limited and its subsidiaries (the Group).

#### 2.2 Statement of compliance

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

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

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

#### 2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for valuation of certain financial instruments which are carried at fair value / amortized cost as disclosed in respective accounting policies or notes to the consolidated financial statements.

#### 2.4 Presentation and functional currency

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

#### 2.5 Basis of consolidation

##### 2.5.1 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.

##### 2.5.2 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.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

*Note 2, Basis of Preparation - Continued*

### 2.6 Accounting policies

The accounting policies adopted for the preparation of these consolidated financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Group for the year ended December 31, 2024.

### 2.7 Key judgements and estimates

The preparation of consolidated financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on the historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

These estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the year in which such revisions are made. Significant management estimates in these consolidated financial statements relate primarily to:

- Useful lives, residual values, depreciation method of operating fixed assets – Note 3.1 & 5
- Provision for expected credit losses – Note 3.4, 9, 10 & 11
- Impairment loss of non-financial assets other than inventories – Note 3.18
- Intangible assets – Note 3.2 & 6
- Current income tax expense and provision for current tax - Note 3.10, 20, 28 & 29
- Other financial assets - Note 3.4.1
- Estimation of provision and contingent liabilities - Note 4.2, 4.4 & 21
- Deferred Taxation - Note 3.10 & 7
- Employee Stock Option Scheme - Note 3.12 & 15

However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in these consolidated financial statements.

### 2.8 Changes in accounting standards, interpretations and pronouncements

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

The following standards, amendments, and interpretations are effective for the year ended December 31, 2025. These standards, amendments and interpretations are either irrelevant to the Group's operations or are not expected to significantly impact the Group'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 1, 2025

#### 2.8.2 Standards, interpretation and amendments to approved accounting standards 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 Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

Standard or Interpretation	Effective Date - Annual Periods Beginning on or After
IFRS 7, 9 & 19      Amendments to Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 & 9      Contracts referencing Nature-dependent Electricity	January 01, 2026
IFRS 1, 7, 9, 10 and IAS 7      Annual Improvements to IFRS Accounting Standards	January 01, 2026
IFRS S1      General Requirements for Disclosure of Sustainability-related Financial Information	July 01, 2027
IFRS S2      Climate-Related Disclosures	July 01, 2027
IFRS 19      Subsidiaries Without Public Accountability: Disclosures'	January 01, 2027
IFRS 18      Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36, IAS 37      Disclosures about Uncertainties in the Financial Statements	January 01, 2026

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

### Note 2, Basis of Preparation - Continued

**2.8.3** Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Group, by the Securities and Exchange Commission of Pakistan (SECP) as at reporting date:

IFRS 1 First Time Adoption of IFRS

### Note 3

#### Material Accounting Policy Information

Material accounting policy information adopted in the preparation of these consolidated financial statements is set out below. These policies have been consistently applied to all the periods presented

#### 3.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and identified impairment losses, if any. Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable costs of bringing assets to their working condition. Subsequently assets are stated at cost less accumulated depreciation and any identified impairment loss.

Depreciation is charged to the profit or loss using straight line method so as to write off the historical cost of an asset over its estimated useful life at the rates specified in Note 5 without taking into account any residual value which is considered insignificant. Depreciation on assets is charged from the date of additions (i.e., the date when the asset is ready for use) up till the date of disposal.

The Group reviews the useful life and residual value of operating fixed assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of operating fixed assets with a corresponding effect on depreciation charge.

Subsequent cost is included in the carrying amount of an asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Day to day maintenance and normal repairs are charged to profit or loss as and when incurred. Gains or losses on disposal of operating fixed assets are included in the current year's profit or loss.

#### Impairment

Carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value, the recoverable amount is determined to be the value in use. Impairment losses are recognized as expense in the profit or loss.

#### 3.2 Intangible assets

##### Research and software products development

Expenditure on research (or the research phase of an internal project) is recognized as an expense in the period in which it is incurred.

Development costs incurred on specific projects are capitalized when all the following conditions are satisfied:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Group intends to complete the intangible asset and use or sell it;
- The Group has the ability to use or sell the intangible asset;
- Intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The Group's ability to measure reliably the expenditure attributable to the intangible asset during its development.

There are two components of intangible assets:

- a. In-house developed intangible assets
- b. Intangible assets acquired from market

##### (a) In-house developed intangible assets

The Group may capitalize certain computer software development costs in accordance with IAS-38 "Intangible Assets". Costs incurred internally to create a computer software product or to develop an enhancement to an existing product are charged to expense when incurred as research and development expense until technological feasibility for the respective product is established. Thereafter, all software development costs are capitalized and reported at the lower of unamortized cost or recoverable amount. Capitalization will cease when the product or enhancement is available for general release to customers.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

Note 3, Material Accounting Policy Information - Continued

### **(b) Intangible assets acquired from market**

Intangible assets acquired from market are stated at cost less accumulated amortization and identified impairment losses, if any.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other expenses are charged to profit or loss when they occur.

Amortization is charged by applying straight line method to write off the cost over the remaining useful life of the intangible assets unless such lives are indefinite. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Amortization is charged from the date the asset is acquired or capitalized until the date the asset is disposed for impairment. Rates of amortization are stated in note 6.

### **3.3 Investments**

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. The management determines the appropriate classification of its investments at the time of purchase and re-evaluates such assets designation on a regular basis.

### **3.4 Financial instruments**

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

#### **3.4.1 Financial assets**

All financial assets are recognized at the time when the Group becomes a party to the contractual provisions of the instrument.

##### ***Classification***

Financial assets are classified in either of the three categories: at amortized cost, at fair value through other comprehensive income and at fair value through profit or loss. Currently, the Group classifies its financial assets at amortized cost. This classification is based on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The management determines the classification of its financial assets at the time of initial recognition.

##### ***Initial recognition and measurement***

All financial assets are initially measured at cost plus transaction costs that are directly attributable to their acquisition except for trade receivables. Trade receivables are initially measured at the transaction price, if these do not contain significant financing component, as per IFRS - 15.

##### ***Subsequent measurement***

Financial assets measured at amortized cost are subsequently measured using the effective interest rate (EIR) method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss.

##### ***Derecognition***

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired. The difference between the carrying amount and the consideration received is recognized in profit or loss.

##### ***Impairment of financial assets***

The Group recognizes an allowance for expected credit losses (ECLs) for all financial assets which are measured at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

Note 3, Material Accounting Policy Information - Continued

### 3.4.2 Financial liabilities

#### a) Initial recognition and measurement

Financial liabilities are initially classified at amortized cost. Such liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument and include trade and other payables, borrowings and accrued mark up etc. The Group does not reclassify any of its financial liabilities.

Financial liabilities are initially recognized at fair value minus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value and transaction costs are charged to profit or loss.

#### b) Subsequent measurement

The Group measures its financial liabilities subsequently at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss. Difference between carrying amount and consideration paid is recognized in profit or loss when a liability is derecognized.

### 3.4.3 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set off the recognized amount and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

### 3.5 Balances from contract with customers

#### Contract assets

A contract asset is the right to consideration in exchange for goods transferred or services rendered to the customer. The Group recognizes a contract asset for the earned consideration that is conditional if the Group performs by transferring goods to a customer or services are rendered before the customer pays consideration or before payment is due.

#### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional. Trade receivables are carried at original invoice amount less expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off as and when identified.

#### Contract liabilities

A contract liability is the obligation to transfer goods or render services to a customer for which the Group has received consideration from the customer. A contract liability is recognized at earlier of when the payment is made or the payment is due if a customer pays consideration before the Group transfers goods or renders services to the customer.

#### Write-off policy

The Group writes off financial assets when there is information indicating that the trade receivable is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made against financial assets written-off are recognized in profit or loss.

### 3.6 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cheque in transit and deposit with banks that are free of encumbrances.

### 3.7 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in future for goods and services received or to be delivered or for any other amount, whether or not billed to the Group.

### 3.8 Staff retirement benefits

The Group operates a defined contribution provident fund for its employees. Equal monthly contributions are made both by the Group and the employees to the fund at the rate of 10% (2024: 10%) of the basic salary. The Group's contribution is recognized as cost in profit or loss.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

*Note 3, Material Accounting Policy Information - Continued*

### 3.9 Compensated absences

The Group also provides benefit to employees to accumulate earned leave. Employees are granted 14 days' leave each year. No leaves are carried forward to next year; however, if employee leaves during the year then they get encashment on pro rata basis.

### 3.10 Taxation

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

#### **Current**

Income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the year end. The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. Super tax applicable on the Group is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Group in accordance with the provisions of the Income Tax Ordinance, 2001.

Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments.

Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess is recognized as an asset.

The Group offsets current tax assets and current tax liabilities if, and only if, the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The management periodically evaluates positions taken in the tax returns with respect to situation in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

When the minimum tax exceeds the tax computed on taxable income, the excess amount is recognized as a levy in accordance with IFRIC 21. Accordingly, the Group records this excess as a tax expense under levy.

#### **Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from the difference between the carrying amount of the assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences unused tax losses and tax credits can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent of probable future taxable profit available that will allow deferred tax asset to be recovered.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

### Note 3, Material Accounting Policy Information - Continued

#### 3.11 Revenue recognition

Revenue is to be recognised in accordance with the aforementioned principle by applying the following steps:

- i) Identify the contract with a customer;
- ii) Identify the performance obligation in the contract;
- iii) Determine the transaction price of the contract;
- iv) Allocate the transaction price to each of the separate performance obligations in the contract; and
- v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

##### Sale of goods

Revenue from sale of goods is recognized at a point in time when the control of goods is transferred to the customers, generally on delivery of products to customers.

##### Fee for Technical Services

The fee for technical services is charged at a predetermine rate for the hours of engineers subcontracted to related parties for various projects. This fee is recognized as and when the services are rendered.

##### Rendering of services

Maintenance and service income comprise revenue earned from service level agreements, where the customer enters into a contract with the Group for a fixed period of time and fee amount, both pre-defined in the contract, for various technical and engineering services. Revenue is recognized on the basis of percentage of rendering of services, i.e. on the number of days of services performed out of the total contracted days for service level agreements. Revenue from rendering of services is recognized at point over time.

##### Project revenue

Revenue is accounted for using input method, according to which the Group's progress towards satisfaction of performance obligations is determined by dividing actual cost incurred on the project to date by total forecasted cost, which is calculated by a team of engineers on the inception of the project. Project revenue is recognized at a point over time.

##### Back Office Support revenue

Back Office Support revenue represents income generated from the administrative, operational, and support services provided by the Group to its subsidiaries. This revenue includes services related to management operations, IT and IT-enabled services, engineering, finance, accounting, bookkeeping, human resources, marketing, value creation, administrative support, procurement, logistics, corporate functions, and other office support activities. Revenue from these services is recognized over time as the services are provided.

##### Revenue from the After Market Services (AMS) segment

Revenue from the After Market Services (AMS) segment comprises income from post-sale services and customer support.

AMS activities are also conducted through structured arrangements with related parties. In certain cases, AMS projects are executed through related parties on behalf of the Group under agreements with related parties. In such instances, the related parties retain their respective costs together with an agreed management fee for execution, and remit the residual net amount to the Group, which is recognized as revenue.

In other cases, AMS projects are executed by the Group as a subcontractor to related parties, with revenue recognized in accordance with the terms of the underlying contracts, reflecting the consideration to which the Group expects to be entitled for services performed.

#### 3.12 Share based payment transactions

The Group operates an equity settled share based Employee Stock Option Scheme. The compensation committee of the Board of Directors of the Group evaluates the performance and other criteria of employees and approves the grant of options. These options vest with employees over a specified period subject to fulfilment of certain conditions. Upon vesting, employees are eligible to apply and secure allotment of the Group's shares at exercise price determined on the date of grant of options.

The fair value of options determined at the grant date is recognized as an employee compensation expense on a straight line basis over the vesting period. Fair value of options is arrived at using Black Scholes pricing model.

When share options are exercised, the proceeds received, net of any related transaction costs, are recognized in equity by crediting share capital for the nominal value of the shares issued and share premium for the excess amount. The balance previously recognized in the share-based payment reserve during the vesting period is also transferred to share premium.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

### Note 3, Material Accounting Policy Information - Continued

#### 3.13 Earnings per share - basic and diluted

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by adjusting basic EPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Group that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

#### 3.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date in an orderly transaction between market participants in the principal, or in its absence, the most advantageous market to which the Group has access at that date. There are three levels which are as under:

The Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

When there is no quoted price in an active market, the Group determines transaction price by applying valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received.

If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is credited or charged to the profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

#### 3.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

#### 3.16 Related party transactions

Transactions with related parties are based on the transfer pricing policy that all transactions between the Group and the related party are at arm's length prices determined using the comparable uncontrolled price method, except in circumstances where it is not in the interest of the Group to do so.

#### 3.17 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak rupees at exchange rates prevailing at the date of transaction. Exchange gains and losses are included in profit or loss.

Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

#### 3.18 Impairment of non financial assets

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses on fixed assets are charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date. Where impairment loss is recognized, the depreciation / amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value, over its remaining useful life.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

### Note 3, Material Accounting Policy Information - Continued

#### 3.19 Segment reporting

The chief operating decision-maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Senior Management Team that makes strategic decisions. The management has determined the operating segments based on the reports reviewed by CODM of the Group. For management purposes, the Group is organized into operating segments based on their products and services. Each operating segment has a manager responsible for the operations who periodically reports to the CODM the outcome of the operating segment's efforts and its resource requirements. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

### Note 4

#### Other Accounting Policy Information

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Other accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently for all periods presented, unless otherwise stated.

#### 4.1 Stock in trade

Stock in trade, except for those in transit are valued principally at the lower of weighted average cost and net realizable value. Cost of finished goods comprises cost of direct materials, labour and appropriate overheads.

Materials in transit are stated at cost comprising invoice value plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in ordinary course of business less costs necessary to be incurred in order to make a sale.

#### 4.2 Provisions

Provisions are recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses.

#### 4.3 Dividend and other appropriations

Dividend to the shareholders is recognized as a liability in the period in which these are approved by the Board of Directors.

#### 4.4 Contingent liabilities

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group.

A contingent liability is also disclosed when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

#### 4.5 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are charged to profit or loss in the period in which they are incurred.

#### 4.6 Advances and deposits

These are recognized at nominal amount which is fair value of considerations to be received in future.

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# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 5  
**Operating Fixed Assets**

Description	Tools and equipment	Office equipment	Furniture	Computers	Vehicles	Total
---- Rupees in Thousands ----						
<b>Year Ended December 31, 2025</b>						
<b>Cost</b>						
Balance as at January 01, 2025	5,411	983	21	22,387	24,919	53,721
Additions	-	423	-	4,055	16,606	21,084
Balance as at December 31, 2025	<u>5,411</u>	<u>1,406</u>	<u>21</u>	<u>26,442</u>	<u>41,525</u>	<u>74,805</u>
<b>Accumulated depreciation</b>						
Balance as at January 01, 2025	3,939	510	7	11,517	5,312	21,285
Charge for the year	778	167	4	6,946	7,609	15,504
Balance as at December 31, 2025	<u>4,717</u>	<u>677</u>	<u>11</u>	<u>18,463</u>	<u>12,921</u>	<u>36,789</u>
<b>Balance as at December 31, 2025</b>	<u>694</u>	<u>729</u>	<u>10</u>	<u>7,979</u>	<u>28,604</u>	<u>38,016</u>
<b>Depreciation Rates</b>	<u>20%</u>	<u>20% - 25%</u>	<u>20% - 25%</u>	<u>25% - 33.33%</u>	<u>20%</u>	
<b>Year Ended December 31, 2024</b>						
<b>Cost</b>						
Balance as at January 01, 2024	5,353	723	21	15,729	17,632	39,458
Additions	58	260	-	6,658	7,287	14,263
Balance as at December 31, 2024	<u>5,411</u>	<u>983</u>	<u>21</u>	<u>22,387</u>	<u>24,919</u>	<u>53,721</u>
<b>Accumulated depreciation</b>						
Balance as at January 01, 2024	2,857	177	3	4,421	1,175	8,633
Charge for the year	1,082	333	4	7,096	4,137	12,652
Balance as at December 31, 2024	<u>3,939</u>	<u>510</u>	<u>7</u>	<u>11,517</u>	<u>5,312</u>	<u>21,285</u>
<b>Balance as at December 31, 2024</b>	<u>1,472</u>	<u>473</u>	<u>14</u>	<u>10,870</u>	<u>19,607</u>	<u>32,436</u>
<b>Depreciation Rates</b>	<u>20%</u>	<u>20% - 25%</u>	<u>20% - 25%</u>	<u>25% - 33.33%</u>	<u>20%</u>	

**5.1 Depreciation charge for the year has been apportioned as follows:**

		2025	2024
	Note	---- Rupees in Thousands ----	
Cost of sales	23	7,849	7,358
Administrative expenses	24	7,655	5,294
		<u>15,504</u>	<u>12,652</u>

**5.2** The operating fixed assets include fully depreciated assets which are still in use of the Group, as outlined below:

Tools and equipment		3,651	-
Office equipment		1,501	55
Computers		12,474	1,556
Total		<u>17,626</u>	<u>1,611</u>

**5.3** All assets are in the name of the Group and in the Group's possession and control except for those obtained through Diminishing Musharakah from First Habib Modaraba having cost amounting to Rs. 41.525 million (2024: Rs. 24.919 million).

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# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 6

### Intangible Assets

	Note	2025 ---- Rupees in Thousands ----	2024
Intangible assets	6.1	354,870	401,999
Capital work-in-progress - software	6.2	413,891	148,317
Goodwill	6.4 & 6.5	221,811	221,811
		<u>990,572</u>	<u>772,127</u>
<b>6.1 Intangible assets</b>			
Opening book value		401,999	72,639
Add: Additions during the year - cost		-	371,968
Less: Amortization	6.3	(47,842)	(42,588)
Exchange adjustment		713	(20)
Closing book value		<u>354,870</u>	<u>401,999</u>
Amortization rate		<u>10%-20%</u>	<u>10%-20%</u>
<b>6.2 Capital work-in-progress - software</b>			
Opening book value		148,317	262,064
Add: Additions during the year - cost		265,574	252,363
		413,891	514,427
Transfer during the year to intangibles		-	(366,110)
Closing book value		<u>413,891</u>	<u>148,317</u>
<b>6.3 Amortization charge for the year has been apportioned as follows:</b>			
Cost of sales	23	10,380	20,741
Administrative expenses	24	37,462	21,847
		<u>47,842</u>	<u>42,588</u>
<b>6.4 Goodwill arising from the acquisition has been recognised as follows:</b>			
Consideration transferred		440,024	440,024
Carrying value of identifiable net assets		(218,213)	(218,213)
Goodwill		<u>221,811</u>	<u>221,811</u>
<b>6.5</b> The goodwill is attributable to the skills and technical talent of Empiric AI (Private) Limited's workforce and the synergies expected to be achieved from integrating the Group into its existing Standard Artificial Intelligence business. None of the goodwill recognised is expected to be deductible for tax purposes.			

Note 7

### Deferred Tax Asset

	Note	2025 ---- Rupees in Thousands ----	2024
Deferred tax asset	7.1	19,390	19,390
<b>7.1 Breakup of Deferred tax Asset</b>			
<b>Taxable temporary differences</b>			
Accelerated tax depreciation		-	(363)
<b>Deductible temporary differences</b>			
Accelerated tax depreciation		688	-
Accelerated tax amortization		10	-
Allowance for expected credit loss		51,501	19,753
Employee compensation reserve		17,707	-
		69,906	19,390
Less: Deferred tax asset not recognised		(50,516)	-
		<u>19,390</u>	<u>19,390</u>
<b>7.2</b> Being prudent, the Group has decided not to recognize deferred tax asset amounting to Rs. 50.516 million (2024: Nil).			
<b>7.3</b> Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% (2024: 29%).			
<b>7.4 Reconciliation of deferred tax liabilities / (assets) - Net</b>			
Opening balance		19,390	21,056
Deferred tax expense during the year recognised in profit or loss		-	(1,666)
Closing balance		<u>19,390</u>	<u>19,390</u>
<b>7.5 Analysis of deferred tax</b>			

Statement of Financial Position		Statement of Profit or Loss	
2025	2024	2025	2024
		---- Rupees in Thousands ----	
Accelerated tax depreciation and amortization	(363)	-	(34)
Provision for doubtful debts	19,451	19,451	8,170
Provision for contract assets	302	302	123
Alternate corporate tax	-	-	(9,925)
	<u>19,390</u>	<u>19,390</u>	<u>(1,666)</u>

# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 8

**Long Term Contract Assets**

	Note	2025	2024
---- Rupees in Thousands ----			
Considered good - unsecured	8.1	14,781	-
Less: Discounting of contract asset		(7,124)	-
		<u>7,657</u>	<u>-</u>

**8.1** This represents unbilled receivables arising from the recognition of revenue under a long-term contract, in accordance with IFRS 15 "Revenue from Contracts with Customers".

Note 9

**Trade Debts**

	Note	2025	2024
---- Rupees in Thousands ----			
Due from related parties - unsecured	9.1	1,454,042	1,510,889
Less: Allowance for expected credit loss	9.3	(200,704)	(167,092)
		<u>1,253,338</u>	<u>1,343,797</u>
Due from others - unsecured	9.4	45,391	85,872
Less: Allowance for expected credit loss	9.5	(2,144)	(927)
		<u>43,247</u>	<u>84,945</u>
		<u>1,296,585</u>	<u>1,428,742</u>

**9.1 Due from related party**

Avanceon Limited	71,768	240,750
Avanceon FZE	82,523	77,491
Avanceon Automation and Control W.L.L.	1,134,405	1,053,708
Avanceon Arabia for Infotech	14,217	-
Avanceon Saudi for Energy Company	151,129	138,940
	<u>1,454,042</u>	<u>1,510,889</u>
Less: Allowance for expected credit losses	(200,704)	(167,092)
	<u>1,253,338</u>	<u>1,343,797</u>

**9.1.1** The amounts due from related parties are interest free and repayable in normal course of business.

**9.2** Aging of outstanding balance of related parties as at December 31, 2025, is as under:

	2025					
	Avanceon Limited	Avanceon FZE	Avanceon Automation and Control W.L.L.	Avanceon Saudi for Energy Company	Avanceon Arabia for Infotech	Total
---- Rupees in Thousands ----						
Not overdue	-	-	-	-	-	-
Past due less than 30 days	6,835	8,571	40,570	8,174	-	64,150
Past due less than 90 days	21,710	8,571	26,713	16,136	1,533	74,663
Past due less than 180 days	17,050	2,192	88,159	24,281	9,165	140,847
Past due less than 360 days	21,926	4,191	37,908	26,414	3,519	93,958
Past due over 360 days & above	4,247	58,998	941,055	76,124	-	1,080,424
	<u>71,768</u>	<u>82,523</u>	<u>1,134,405</u>	<u>151,129</u>	<u>14,217</u>	<u>1,454,042</u>

	2024					
	Avanceon Limited	Avanceon FZE	Avanceon Automation and Control W.L.L.	Avanceon Saudi for Energy Company	Avanceon Arabia for Infotech	Total
---- Rupees in Thousands ----						
Not overdue	6,143	220	3,448	11,517	-	21,328
Past due less than 30 days	1,208	192	-	-	-	1,400
Past due less than 90 days	10,615	-	4,464	12,081	-	27,160
Past due less than 180 days	15,571	1,041	2,428	12,487	-	31,527
Past due less than 360 days	54,476	13,380	60,354	43,053	-	171,263
Past due over 360 days & above	152,737	62,658	983,014	59,802	-	1,258,211
	<u>240,750</u>	<u>77,491</u>	<u>1,053,708</u>	<u>138,940</u>	<u>-</u>	<u>1,510,889</u>

**9.2.1** The maximum amount outstanding at any time during the year calculated by reference to the month end balance is as follows:

Avanceon Limited	240,750	240,750
Avanceon FZE	89,578	83,316
Avanceon Automation and Control W.L.L.	1,134,405	1,173,085
Avanceon Saudi for Energy Company	157,179	138,940
Avanceon Arabia for Infotech	14,217	-

# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

**Note 9, Trade Debts - Continued**
**9.3 Allowance for expected credit losses - Related party**

	2025	2024
	---- Rupees in Thousands ----	
Opening balance	167,092	143,987
Loss allowance for the year	39,223	23,105
Less: Balance written off	(5,611)	-
As at December 31	<u>200,704</u>	<u>167,092</u>

**9.4 Ageing of due from others**

Not overdue	-	36,083
Past due less than 30 days	18,478	17,061
Past due less than 90 days	8,430	6,459
Past due less than 180 days	4,866	3,357
Past due less than 360 days	937	8,590
Past due over 360 days & above	12,680	14,322
Total	<u>45,391</u>	<u>85,872</u>

**9.5 Allowance for expected credit losses**

As of January 01	927	3,222
Add: Loss allowance for the year	1,223	830
Less: Reversal for the year	-	(3,125)
Less: Balance written off	(6)	-
As at December 31	<u>2,144</u>	<u>927</u>

**Note 10**
**Contract Assets**

	2025	2024
	---- Rupees in Thousands ----	
Contract assets	165,060	213,160
Less: Contract assets written off	(2,524)	-
Less: Allowance for expected credit losses	(7,948)	(2,606)
	<u>154,588</u>	<u>210,554</u>

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

**10.2 Allowance for expected credit losses**

As of January 01	2,606	2,277
Add: Allowance for the year	5,342	329
As at December 31	<u>7,948</u>	<u>2,606</u>

**10.3** There is a net decrease of Rs. 48.073 million in contract assets as compared to last year (2024: net increase of Rs. 68.477 million). The explanation of significant changes is as follows:

Opening balance	210,554	142,077
Add: Revenue recognized	110,127	98,122
Less: Invoices raised	(163,569)	(29,645)
Less: Written off	(2,524)	-
Closing balance	<u>154,588</u>	<u>210,554</u>

**Note 11**
**Advances, Prepayments and Other Receivables**

	2025	2024
	---- Rupees in Thousands ----	
<i>Advances - considered good - unsecured</i>		
- To employees against expenses	8,526	10,017
- To suppliers	4,856	8,837
	<u>13,382</u>	<u>18,854</u>
Margin paid against bank guarantees	4,703	-
Prepayments	2,086	2,934
Due from related party - unsecured	407,695	426,144
Markup receivable from the Parent Group	72,540	47,020
Sales tax refundable	12,015	10,480
Tax refunds due from the government -Income tax	30,486	11,379
Other receivables - considered good	2,453	1,544
	<u>545,360</u>	<u>518,355</u>

**11.1** This includes advance given to the CEO of the Group amounting to Rs. 3.625 million (2024: Rs. 2.458 million) and directors of the Group amounting to Rs. 0.424 million (2024: Rs. 0.845 million). The movement is as follows:

	CEO		Directors	
	2025	2024	2025	2024
	---- Rupees in Thousands ----			
Opening balance	2,458	-	845	-
Add: Advance given during the year	17,651	9,751	521	9,277
Less: Advance recovered during the year	(16,484)	(7,293)	(942)	(8,432)
Closing balance	<u>3,625</u>	<u>2,458</u>	<u>424</u>	<u>845</u>
Number of Persons	1	1	2	2

# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

*Note 11, Loans, Advances and Prepayments - Continued*

**11.1.1** The maximum amount outstanding balance at any time during the year of advance to CEO was Rs. 15.999 million (2024: Rs. 2.458 million) and that of directors was Rs. 0.424 million (2024: Rs. 0.845 million)

**11.2** This represents amount due from following related parties in respect of expenses incurred by the Group on their behalf:

	2025	2024
	---- Rupees in Thousands ----	
Avanceon Limited	139,731	56,473
Avanceon FZE	258,779	304,806
Avanceon Automation and Control W.L.L.	4,960	64,865
Avanceon Saudi for Energy Company	8,226	-
Avanceon Arabia for Infotech	10,165	-
	<u>421,861</u>	<u>426,144</u>
Less: Allowance for expected credit losses	(14,166)	-
	<u>407,695</u>	<u>426,144</u>

**11.3** The maximum amount outstanding in current account at any time during the year calculated by reference to the month end balances is as follows:

Avanceon Limited	227,139	132,340
Avanceon FZE	<u>345,062</u>	<u>304,806</u>
Avanceon Automation and Control W.L.L.	4,988	64,865
Avanceon Saudi for Energy Company	10,884	-
Avanceon Arabia for Infotech	10,165	-

**11.4** The balances with related parties are maintained on a running account basis and interest @ 01 month KIBOR + 2% is charged on the outstanding balance at the end of each month:

Avanceon Limited	60,757	40,347
Avanceon Saudi for Energy Company	6,673	6,673
Avanceon FZE	5,110	-
	<u>72,540</u>	<u>47,020</u>

Note 12

**Short Term Investment**

		2025	2024
	Note	---- Rupees in Thousands ----	
MCB Money Market Fund - 5,803 units (2024: 5,145 units)	12.1	<u>577</u>	<u>539</u>

**12.1** 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.

Note 13

**Bank Balances**

		2025	2024
	Note	---- Rupees in Thousands ----	
Current Accounts:			
- Local - conventional banks		39,035	6,224
- Local - shariah compliant banks		531	3,390
- Foreign - current accounts		59,018	11,652
Saving Accounts:			
- Local - saving banks	13.2	29	262
		<u>98,613</u>	<u>21,528</u>

**13.1** The above figures of bank balances reconcile to the amount of cash and cash equivalents shown in the statement of cash flows.

**13.2** Profit on balances in saving accounts ranges from 8% to 13% (2024: 14% to 21%) per annum.

etc

# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 14

**Share Capital**
**14.1 Authorized share capital**

2025	2024	2025	2024
Number of Shares		---- Rupees in Thousands ----	
250,000,000	250,000,000	2,500,000	2,500,000
Authorized ordinary shares of Rs. 10 each			

**14.2 Issued, subscribed and paid up capital**

28,350,002	28,350,002	283,500	283,500
108,400,000	108,400,000	1,084,000	1,084,000
Ordinary shares of Rs. 10 each issued as fully paid in cash			
Ordinary shares of Rs. 10 each issued for consideration other than in cash (Note 14.5)			
20,512,500	20,512,500	205,125	205,125
157,262,502	157,262,502	1,572,625	1,572,625
Ordinary shares of Rs. 10 each issued as fully paid bonus shares			

**14.3 Reconciliation of number of shares outstanding**

	2025	2024
	Number of Shares	
Number of shares outstanding at the beginning of the year	157,262,502	157,262,502
Shares further issued / cancelled during the year	-	-
Number of shares outstanding as at the end of the year	157,262,502	157,262,502

**14.4** All ordinary shares rank equally with regard to residual assets of the Group. 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 Group. Voting and other rights are in proportion to the shareholding.

**14.5** During the year 2020, the Group issued ordinary shares of Rs. 10 each for consideration other than in cash to its parent Group, Avanceon Limited, against the acquisition of the After Market Sales (AMS) segment.

**14.6** Avanceon Limited, Pakistan is the ultimate parent company holding 74.32% (2024 : 74.32%) of issued capital of the Group.

**14.7** The Group is not subject to any externally imposed capital requirements for the financial years 2025 and 2024.

**14.8 Shares held by related parties other than Ultimate Parent Company are as follows:**

Name of Related Party	Relationship	2025	2024	2025	2024
		(Percentage)		(Number of Shares)	
Mr. Tanveer Karamat	Director	0.0429225%	0.0429225%	67,501	67,501
Mr. Mohammad Arif Janjua	Director	0.0003656%	0.0003656%	575	575
Mr. Adeel Khalid	Director	0.0000006%	0.0000006%	1	1
Mr. Asmar Ahmed Atif	Director	0.0000006%	0.0000006%	1	1
Mr. Bakhtiar Hameed Wain	Director	0.0000006%	0.0000006%	1	1
Mr. Mohammad Shahid Mir	Director	0.0000006%	0.0000006%	1	1
Ms. Saleha Asif	Director	0.0000006%	0.0000006%	1	1
				68,081	68,081

Note 15

**Reserves**

	2025	2024
	---- Rupees in Thousands ----	
<b>Capital Reserve</b>		
Group restructuring reserve	(1,050,259)	(1,050,259)
Employees' share compensation reserve	77,865	37,479
Exchange translation reserve	403	4,226
Share premium	789,209	789,209
<b>Revenue Reserve</b>		
Unappropriated profit	1,374,904	1,346,008
	1,192,122	1,126,663

**15.1** This reserve can be utilized by the Group only for the purposes specified in Section 81(2) of the Companies Act, 2017.

**15.2 Share Options Scheme**

Balance as at the beginning of the year	37,479	9,263
Compensation expense booked during the period	40,386	28,216
Balance at the end of the year	77,865	37,479

**Description of scheme**

Employee Share Option Scheme, 2022 (the Scheme) was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 04, 2022 which comprises an entitlement pool of 10% of the paid-up capital of the Group as increased from time to time. The number of shares that can be issued under the Scheme shall not exceed 10% (13.675 million shares) of its share capital as on December 31, 2021. Under the Scheme, share options of the Group will be granted to permanent employees of all cadres based on the performance ranking process of the Group. The share options can be exercised within a period of maximum six months from the expiry of the minimum vesting period. The minimum vesting period is 12 months from the date of grant of options as stipulated in the approved Scheme. The vesting period for options granted on April 01, 2023 is three years. Exercise Price of an option shall be determined from time to time by the Board of Directors of the Group at the time of grant of option(s), which shall be calculated as the weighted average of the closing quoted market price of the share of the Group for last 90 consecutive calendar days immediately preceding the date of entitlement of option(s). Provided further that options can be issued at a maximum discount of 90% of the weighted average of the closing market price of the share of the Group for last 90 consecutive calendar days immediately preceding the date of entitlement of option(s) as determined by the Board. The exercise price shall not be in any case less than the face value of the share i.e Rs. 10 per share.

# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 15, Reserves - Contd..

### Measurement of fair value

The Group uses "Black Scholes Pricing Model" to determine the fair value of options at the grant date. Fair value at grant date of the equity settled share based arrangement was calculated using the following assumptions:

	2025	2024
Total number of options granted	3,820	2,592
Per option fair value at the grant date	32.95 - 50.02	32.95 - 35.70
Exercise price per option	10	10
Annual rate of quarterly dividends	0%	0%
Discount Rate - bond equivalent yield	10% - 14%	10% - 14%
Annual volatility	25% - 46%	32% - 46%

### Movement in employee share options during the year:

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2025		2024	
	Number of options (in thousands)	Weighted Average exercise price (Rupees)	Number of options (in thousands)	Weighted Average exercise price (Rupees)
Options outstanding at the beginning of the year	2,592	10.00	1,445	10.00
Add: Options granted during the year	1,228	10.00	1,639	10.00
Less: Options lapsed during the year	-	10.00	(492)	10.00
Options outstanding at the end of the year	<u>3,820</u>	<u>10.00</u>	<u>2,592</u>	<u>10.00</u>

**15.2.1** Out of the total 3.820 million options granted, the directors and executives are entitled to 0.945 million (2024: 0.68 million) and 2.875 million (2024: 1.912 million) options respectively.

Note 16

### Diminishing Musharaka Finance

	Note	2025 ---- Rupees in Thousands ----	2024
Opening balance		17,270	13,690
Add: Addition during the year		14,509	6,425
Less: Payments made during the year		<u>(6,751)</u>	<u>(2,845)</u>
		25,028	17,270
Less: Current portion	19	<u>(8,161)</u>	<u>(4,460)</u>
Closing balance		<u>16,867</u>	<u>12,810</u>

**16.1** The Group acquired certain vehicles under the diminishing musharaka financing arrangements from First Habib Modaraba, spanning over a period of 48 to 60 months commencing from October 2023. During the year, the Group acquired 02 more vehicles under the diminishing musharaka financing arrangements from First Habib Modaraba, spanning over a period of 60 months commencing from March 2025. The effective profit rate is 3 months KIBOR plus 2.00% (2024: 3 months KIBOR plus 2.25%) per annum and is to be paid on monthly basis. The facility is secured by post-dated cheques covering all instalments, registration of vehicles in the name of the customer under Hire Purchase Agreement (HPA) with hypothecation marking in favor of First Habib Modaraba.

Note 17

### Trade and Other Payables

	Note	2025 ---- Rupees in Thousands ----	2024
Creditors-unsecured		41,970	43,104
Payable to related parties	17.1	21,944	110,493
Markup Payable to Current Accounts	17.2 & 17.3	9,401	8,413
Accrued liabilities		40,587	24,005
Payable to employees		9,079	1,532
Tax deducted at source		23,741	15,744
Sales tax payable		66	311
Advance from employees against vehicles		10,162	9,467
Payable to provident fund		64,693	11,535
Other payables		635	37,626
		<u>222,278</u>	<u>262,230</u>

#### 17.1 Payable to related parties

Avanceon Limited	-	39,346
Avanceon Saudi for Energy Company	-	19,414
Avanceon Automation and Control W.L.L.	18,091	20,820
Avanceon FZE	3,853	30,913
	<u>21,944</u>	<u>110,493</u>

**17.2** This represents the amount payable to related parties in respect of expenses incurred on behalf of the Group. The balance is interest-bearing, and interest is charged at a rate one month KIBOR plus 2% prevailing on the start of each month.

#### 17.3 Markup payable to related parties is as follows:

Avanceon Saudi for Energy Company	1,346	2,707
Avanceon FZE	6,861	5,706
Avanceon Automation and Control W.L.L.	1,194	-
	<u>9,401</u>	<u>8,413</u>

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# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 18

### Contract Liabilities

	Note	2025	2024
		---- Rupees in Thousands ----	
Advances from customers	18.1	39,734	237
Billing in excess of earnings	18.2	38,154	1,987
Project deferred revenue	18.3	17,705	-
		<u>95,593</u>	<u>2,224</u>

**18.1** This amount relates to the advance received from customers for invoices to be recorded in the future.

#### 18.2 Movement of billings in excess of earnings

As at January 01	1,987	5,160
Addition during the year	90,677	-
Recognized as revenue during the year	<u>(54,510)</u>	<u>(3,173)</u>
As at December 31	<u>38,154</u>	<u>1,987</u>

**18.3** This represents contract liabilities arising from customer contracts, where revenue is recognized progressively over time as performance obligations are satisfied.

Note 19

### Current Portion of Diminishing Musharka Finance

	Note	2025	2024
		---- Rupees in Thousands ----	
Current portion of diminishing musharka finance	16	<u>8,161</u>	<u>4,460</u>

**19.1** Other than the facilities obtained under diminishing musharaka financing, additional facilities are available to the Group as sub-limits under the aggregate sanctioned credit limits of its ultimate parent company, Avanceon Limited. These facilities are obtained under markup arrangements and are secured against first charge of Rs. 134 million on present and future current assets of the Group with a 25% margin, along with personal guarantees of the CEO and Directors of the Group. In addition, these facilities are secured through a 10% cash margin or as per the State Bank of Pakistan (SBP) mandatory margin requirement (whichever is higher), lien over import documents under Letters of Credit (LC) and Usance Payable at Documents (UPAD), and trust receipt with a 10% margin at the time of LC opening. Details of the facilities are as follows:

Nature of Facility		Limit		Un-Utilized Portion		Markup / Commission Rate	Expiry / Review Date
		2025	2024	2025	2024		
		Rs. in million		Rs. in million			
Sight LC	Un-Funded	50	100	50	100	0.20% per annum	30-Jun-26
ULC / Acceptance / UPAD – 180 days	Un-Funded	50	100	50	100	0.20% per annum	
FATR – 180 days	Funded	50	100	50	100	3M KIBOR + 3% per	
LG – 2 years	Un-Funded	50	100	3	100	0.20% per quarter	

Note 20

### Provision for Taxation

	2025	2024
	---- Rupees in Thousands ----	
Opening balance	22,759	52,678
Add: Charge for the year	43,956	9,065
Prior year adjustment	-	<u>(2,264)</u>
	66,715	59,479
Adjustments / payment against completed assessments	<u>(22,757)</u>	<u>(36,720)</u>
	<u>43,958</u>	<u>22,759</u>

Note 21

### Contingencies and Commitments

#### 21.1 Contingencies

**21.1.1** During the year 2025, the Group received a notice under Section 205/137(1) for Tax Year 2024 from the Deputy Commissioner Inland Revenue for alleged failure to pay tax with the return, proposing a default surcharge of Rs. 1,560,530. The Group submitted a detailed reply along with its computation of the default surcharge amounting to Rs. 434,344. The matter is currently under consideration by the tax authorities, and based on the opinion of the Group's legal counsel, management expects that the final outcome will be in line with the Group's computation; accordingly, no further provision has been recognized in these consolidated financial statements.

#### 21.2 Commitments

**21.2.1** Bank guarantees have been issued amounting to Rs. 47.031 million (2024: Nil) against performance of various contracts to Cnergyco PK Limited and Harbin Electric International Company Limited.

**21.2.2** The Group has capital commitments amounting to Rs. 352 million (2024: Nil) in respect of the development of intangible assets as at the reporting date.

# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 22

**Revenue from Contracts with Customers - net**

	2025	2024
	---- Rupees in Thousands ----	
Local Sales		
Sale of goods	7,346	4,890
Services rendered	187,245	156,149
AMS business services	321,999	154,507
Subscription and digital business services	118,035	28,861
	634,625	344,407
Export Sales		
AMS business services - subcontracted	608,387	764,118
Subscription and digital business services	36,963	132,433
Revenue from transfer of profits	-	81,990
	645,350	978,541
	1,279,975	1,322,948
Less: Sales tax		
Sale of goods	(1,121)	(785)
Services rendered	(66,455)	(54,676)
	(67,576)	(55,461)
Less : Discount allowed	-	(1,464)
	1,212,399	1,266,023
<b>22.1 Disaggregation of revenue from contract with customers</b>		
<b><u>Type of products - net local sales</u></b>		
Sale of goods	6,225	4,105
Services rendered	560,824	284,841
	567,049	288,946
<b><u>Type of products - net export sales</u></b>		
Services rendered	645,350	978,541
<b>22.2 Country wise breakup of export revenue are:</b>		
Qatar	494,129	110,027
Dubai	5,269	514,559
Kingdom of Saudi Arabia	145,952	154,730
Others	-	199,225
	645,350	978,541
<b>22.3 Contract balances</b>		
Trade receivables	1,296,585	1,428,742
Contract assets	154,588	210,554
Long term contract assets	7,657	-
Contract liabilities	95,593	2,224
<b>22.4</b> Revenue from sale of goods is recognized at a point in time upon the transfer of control to the customer. Revenue from services is primarily recognized over time, based on the satisfaction of performance obligations. For fixed-cost contracts, revenue is recognized using the percentage of completion method, while for service-based agreements, it is recognized in proportion to time elapsed.		
- Revenue recognized at point in time	6,225	4,105
- Revenue recognized over time	1,206,174	1,261,918
	1,212,399	1,266,023
<b>22.5</b> Amount of revenue recognized from opening balance of contract liabilities:		
Opening balance of contract liabilities	2,224	12,042
Revenue recognized	2,224	12,042
<b>22.6</b> The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31, 2025 amounts to Rs. 984.369 million (2024: Rs. 1,079.91 million).		

*etc*

# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

**Note 23**
**Cost of Sales**

	2025	2024
	---- Rupees in Thousands ----	
	Note	
Materials consumed		45,801
Salaries, wages, allowances and other benefits	23.1	209,653
Installation charges relating to engineering services		405,130
Travelling and conveyance relating to engineering services		61,851
Back office support	23.2	1,250
Management fee		225
Telephone, postage and telex		3,843
Entertainment relating to engineering services		1,598
Fee and subscription		13,586
Rent, rates and taxes		92
Repairs and maintenance		15
Import cost		13
Training and tuition		-
Depreciation on operating fixed assets	5.1	7,849
Other expenses		5,864
Amortization	6.3	10,380
		<u>767,150</u>
		<u>655,117</u>

**23.1** This includes Rs. 6.87 million (2024: 5.441 million) contribution to provident fund by the Group.

**23.2** This represents management fee charged by the Parent Company for sharing office premises, operational, human resource and administrative support as per agreement between the parties. This has been equally allocated to cost of sales and administrative expenses.

**Note 24**
**Administrative and Selling Expenses**

	2025	2024
	---- Rupees in Thousands ----	
	Note	
Salaries, wages, allowances and other benefits	24.1	166,556
Employees' share option expense	24.2	48,879
Travelling and conveyance		16,466
Back office support	23.2	47,017
Telephone, postage and telex		3,843
Rent, rates and taxes		1,227
Sales promotion expense		145
Legal and professional charges		3,739
Auditors' remuneration	24.2	6,110
Fee and subscription		4,975
Advertisement		173
Repairs and maintenance		7
Management fee		187
Insurance		5,280
Depreciation on operating fixed assets	5.1	7,655
Printing and stationery		358
Entertainment		3,613
Amortization	6.3	37,462
Other expense		2,567
		<u>356,259</u>
		<u>368,186</u>

**24.1** This includes Rs. 7.154 million (2024: 12.696 million) relating to provident fund contribution by the Group.

**24.2** This includes an amount of Rs. 8.49 million (2024: Rs. 12.302 million) allocated to the Group by its ultimate Parent Company, Avanceon Limited, in respect of share options granted by the ultimate Parent Company to the employees of the Group.

**24.2** Auditor's remuneration

Statutory audit	5,043	2,657
Audit of consolidated financial statements	200	100
Half yearly review fee	500	483
Other certifications	150	100
Out of pocket expenses	217	500
	<u>6,110</u>	<u>3,840</u>

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# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 25

**Other Operating Expenses**

		2025	2024
	Note	---- Rupees in Thousands ----	
Exchange loss - net		2,079	32,945
Markup to related parties		1,592	-
Donations	25.1	439	350
Penalty paid to Pakistan Stock Exchange Limited		750	345
Allowance for expected credit losses - trade debts - related parties	9.3 & 11.2	53,389	23,105
Allowance for expected credit losses - trade debts - others	9.5	1,223	830
Allowance for expected credit losses - contract assets	10.2	5,342	329
Contract asset written off		2,524	-
Other expense		41	-
Zakat		50	78
		67,429	57,982

25.1 The Directors and their spouses do not have any interest in the donee.

Note 26

**Finance Cost**

		2025	2024
		---- Rupees in Thousands ----	
Markup on diminishing musharaka finance		3,665	2,975
Bank charges		1,381	1,423
		5,046	4,398

Note 27

**Other Operating Income**

		2025	2024
	Note	---- Rupees in Thousands ----	
Exchange gain - net		10,373	-
Markup from related parties		19,318	14,416
Remission of liabilities		15,774	10,607
Reversal of provision for expected credit loss	9.5	-	3,125
Profit on saving accounts		343	655
Dividend on short term investment		53	1,094
Other income		232	1,589
		46,093	31,486

Note 28

**Levy / Final Taxation**

		2025	2024
		---- Rupees in Thousands ----	
Charge for the year		2,311	1,815

28.1 The Group falls under the ambit of final tax regime with respect to export sale under section 169 of the Income Tax Ordinance, 2001 for the current year.

28.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows

Current tax liability as per applicable tax laws	45,621	7,399
Portion of current tax liability representing income tax as per IAS -12	(43,310)	(5,584)
Portion of current tax liability representing levy as per IFRIC 21 / IAS 37	(2,311)	(1,815)
Difference	-	-

Note 29

**Taxation**

		2025	2024
	Note	---- Rupees in Thousands ----	
Current	29.1 & 28.2	43,310	5,584
Prior period adjustment		(11,909)	(2,264)
Deferred tax expense / (income)		-	1,666
		31,401	4,986

29.1 Reconciliation between accounting profit and tax expense for the current year is not presented as the provision for current income tax for the year is based on the local laws of the Group companies.



# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

**Note 30**  
**Earnings Per Share**

	<b>2025</b>	<b>2024</b>
---- Rupees in Thousands ----		
<b>30.1 Basic earnings per share</b>		
Net profit for the year	28,896	205,025
Weighted average number of ordinary shares	157,263	157,263
Earnings per share	0.18	1.30
<b>30.2 Diluted earnings per share</b>		
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 profit for the year	28,896	205,025
Weighted average number of ordinary shares	157,263	157,263
Adjustment for share options	2,829	3,084
Weighted average number of ordinary shares for diluted earnings per share	160,092	160,347
Diluted earnings per share	0.18	1.28

**Note 31**  
**Liabilities Arising from Financing Activities**

		<b>As at December 31, 2024</b>	<b>Non-cash changes</b>	<b>Cash flows (Net)</b>	<b>As at December 31, 2025</b>
---- Rupees in Thousands ----					
Diminishing musharaka finance - net	16	17,270	14,509	(6,751)	25,028
		<b>As at December 31, 2023</b>	<b>Non-cash changes</b>	<b>Cash flows (Net)</b>	<b>As at December 31, 2024</b>
---- Rupees in Thousands ----					
Diminishing musharaka finance - net	16	13,690	-	3,580	17,270

**31.1** The Group classifies the finance cost paid as cashflow from operating activities.

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# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 32

### Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in the financial statements for remuneration, allowances including all benefits to the Chief Executive, Directors and other Executives of the Group are as follows:

	Chief Executive Officer		Executive Directors		Other Executives	
	2025	2024	2025	2024	2025	2024
	---- Rupees in Thousands ----					
Managerial remuneration	14,671	13,286	51,370	14,341	137,651	105,755
House rent	1,467	1,329	9,812	2,913	29,629	11,277
Utilities	1,467	2,125	4,336	1,308	13,765	21,418
Provident fund	1,467	1,329	832	1,294	13,772	10,920
Others	24	21	1,867	225	942	887
	<u>19,096</u>	<u>18,090</u>	<u>68,217</u>	<u>20,081</u>	<u>195,759</u>	<u>150,257</u>
Number of persons	1	1	2	2	47	30

32.1 Apart from the above, the chief executive officer and executives are provided with the Group maintained cars.

32.2 No meeting fee has been paid to any director of the Group.

32.3 An executive is defined as an employee, other than chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 33

### Balances and Transactions with Related Parties

Related parties comprise parent company, subsidiary companies of the parent company, staff retirement funds, directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties. The Group 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 / other adjustments. The Group utilized facilities obtained by the parent company as disclosed in note 19.1. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

Related party	Nature of transaction	2025	2024
		---- Rupees in Thousands ----	
Avanceon FZE (AVFZE)	Sub-contracted services	26,269	26,001
	AMS business services rendered	104,208	21,193
	Payments to employees by ODL on behalf of AVFZE	86	-
	Payments to employees by AVFZE on behalf of ODL	188	-
	Payments to suppliers by AVFZE on behalf of ODL	22,009	31,762
	Markup expense	1,155	6,673
	Exchange loss - net	242	10,738
	Collections / adjustment from AVFZE	101,051	125,783
	Payments / adjusted to AVFZE	24,196	13,564
Avanceon Automation and Control W.L.L. (AVAC)	Sub-contracted services	1,995	211,959
	AMS business services rendered	419,282	40,865
	Payments to suppliers by AVAC on behalf of ODL	96,662	3,065
	Payment to employees by AVAC on behalf of ODL	219,808	154,112
	Payments / adjusted to AVAC	11,819	-
	Payment to employees by ODL on behalf of AVAC	2,557	-
	Collections / adjustment from AVAC	128,066	125,783
	Exchange gain - net	8,016	548
	Markup expense	1,194	1,578
Avanceon Limited (AVL)	AMS business services rendered	224,731	84,605
	Sub-contracted services	52,854	45,021
	Subscription Digital Business	38,748	-
	Payments to suppliers by AVL on behalf of ODL	26,502	-
	Payments to suppliers by ODL on behalf of AVL	-	8,647
	Collection / adjustment from AVL	744,558	85,482
	Payments / adjusted to AVL	487,696	346,250
	Payment of salaries by ODL	5,701	-
	Payment of salaries by AVL on behalf of ODL	501	-
	ESOS expense charged by AVL	8,493	-
	BOS charged to ODL	120,210	113,405
	Markup income	20,409	5,860

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# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 33, Balances and Transactions with Related Parties - Continued

Related party	Nature of transaction	2025	2024
---- Rupees in Thousands ----			
Avanceon Saudi for Energy Company (AVSEC)	AMS business services rendered	-	19,934
	Subcontracted projects	132,099	131,216
	Payments to Employees by ODL on behalf of AVSEC	60	-
	Payments to employee by AVSEC on behalf of ODL	27,910	14,353
	Collection / adjusted from AVSEC	79,741	8,439
	Payment / adjusted to AVSEC	54,688	-
	Exchange gain - net	991	-
	Markup expense on current	1,346	-
	Payment to Suppliers by AVSEC on behalf of ODL	37,651	-
Avanceon Arabia for Infotech (AAIT)	Sub-contracted services	14,217	-
	AMS business services rendered	10,165	-
<b>Outstanding Balance as at the year end</b>			
Avanceon FZE (AVFZE)	Trade debts	82,523	77,491
	Trade payables	3,853	30,913
	Contract asset	406	6,869
	Contract liability	7,122	7,652
	Markup payable	6,861	5,706
	Markup receivable	5,110	-
Avanceon Automation and Control W.L.L. (AVAC)	Trade debts	1,134,405	1,053,708
	Trade payables	18,091	20,820
	Contract asset	4,301	5,291
	Contract liability	37,060	13,662
	Markup payable	1,194	-
	Advances	4,960	64,865
Avanceon Limited (AVL)	Trade debts	71,768	240,750
	Advances	139,731	56,473
	Contract asset	9,698	16,120
	Contract liability	3,616	5,227
	Markup receivable	60,757	40,347
Avanceon Arabia for Infotech (AAIT)	Trade debts	14,217	-
	Advances	10,165	-
Avanceon Saudi for Energy Company (AVSEC)	Trade debts	151,129	138,940
	Advances	8,226	-
	Trade payables	-	19,414
	Contract asset	1,146	1,146
	Markup receivable	6,673	6,673
	Markup payable	1,346	2,707

33.1 Following are the related parties with whom the Group has arrangements / agreements in place.

Sr. No.	Related Party	Relationship	Aggregate % of Shareholding
---------	---------------	--------------	-----------------------------

#### Key Management Personnel

1	Mr. Tanveer Karamat	Chief Executive Officer	0.04292%
2	Mr. Adeel Khalid	Executive Director	0.0000006%
3	Mr. Asmar Ahmed Atif	Executive Director	0.0000006%
4	Mr. Faisal Nadeem Sheikh	Chief Financial Officer	N/A
5	Mr. Ahsan Khalil	Company Secretary	0.0003332%
6	Mr. Khalid Hameed Wain	Non-Executive Director	N/A
7	Mr. Bakhtiar Hameed Wain	Non-Executive Director	0.0000006%

#### Associates

8	Avanceon Limited	Ultimate Parent Company	74.32%
9	Avanceon Saudi for Energy Company	Associated Company	N/A
10	Avanceon Automation and Control W.L.L.	Associated Company	N/A
11	Avanceon FZE	Associated Company	N/A
12	Avanceon Arabia for Infotech	Associated Company	N/A

# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 34

### Provident Fund Related Disclosures

- 34.1** All investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.
- 34.2** The provident fund of the Group is maintained and managed by its ultimate parent company, Avanceon Limited.

Note 35

### Operating Segments

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) i.e. the Chief Executive Officer of the Holding Group. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit and reduction in operating costs. CODM considers the business from the perspective of nature of products and business segments. Systems, engineering and export segments are also viewed in the geographic perspective by segregation of sales made to Middle Eastern countries and USA.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. CODM assesses the performance of the operating segments based on a measure of gross profit and segment assets (stock in trade, trade debts and contract assets). Unallocated items comprise mainly of group corporate assets and liabilities. The Group management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic and business decisions.

#### 35.1 After Market Support (AMS)

AMS segment is the provision of services as technical support and service level agreements (SLAs) and related spares.

#### 35.2 Digital Business

A cloud-native IT/OT platform that seamlessly collects, enriches, and analyzes manufacturing data in real-time, unlocking actionable insights to enhance business performance and drive business outcomes.

#### 35.3 Country wise breakup of export revenue are:

	2025	2024
	---- Rupees in Thousands ----	
Qatar	494,129	110,027
Dubai	5,269	514,559
Kingdom of Saudi Arabia	145,952	154,730
Others	-	199,225
	645,350	978,541

#### 35.4 Reconciliation of segment profit and loss

Reportable segments gross profit is reconciled to profit after tax as follows:

Gross profit for reportable segments	445,249	610,906
Administrative and selling expenses	(356,259)	(368,186)
Other operating expenses	(67,429)	(57,982)
Other operating income	46,093	31,486
	(377,595)	(394,682)
Finance costs	(5,046)	(4,398)
Profit before tax	62,608	211,826
Taxation	(33,712)	(6,801)
Profit for the year	28,896	205,025

#### 35.5 Reconciliation of segment assets

Reportable segments assets are reconciled to total assets as follows:

##### Assets

Segment assets for reportable segments	1,458,976	1,639,296
Tangible (Property and equipment) and intangible assets	1,028,588	804,563
Other assets	19,490	19,490
	2,507,054	2,463,349
Unallocated portion of current assets		
Advances, deposits, prepayments and other receivables	545,360	518,355
Short term investments	577	539
Cash and bank balances	98,613	21,528
	644,550	540,422
<b>Total assets as per statement of financial position</b>	<b>3,151,604</b>	<b>3,003,771</b>

Segment assets include the operating assets used by each segment and consist of stocks, trade debts and contract assets. All other assets and liabilities are not allocated to operating segments as such information is not presented separately for each segment for the purposes of management decision making.

All expenses and income other than revenue and cost of revenue are not allocated to segments, as this is driven by the central treasury function, which manages the cash position of the Group.

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# OCTOPUS DIGITAL LIMITED

## Notes to and forming Part of the Consolidated Financial Statements

Note 36

### Analysis of Revenue

	AMS Business	Digital Business	Eliminations	Total
<b>Segment Profit And Loss Account 2025</b>				
Revenue from external customers	1,139,814	140,597	(68,012)	1,212,399
Cost of revenue	(682,763)	(84,387)	-	(767,150)
Gross profit	<u>457,051</u>	<u>56,210</u>	<u>(68,012)</u>	<u>445,249</u>
<b>Segment Assets</b>				
- Debtors considered good	1,404,741	30,433	(138,589)	1,296,585
- Contract assets	132,364	29,881	-	162,245
Stock in trade	146	-	-	146
	<u>1,537,251</u>	<u>60,314</u>	<u>(138,589)</u>	<u>1,458,976</u>
<b>Segment Profit And Loss Account 2024</b>				
Revenue from external customers	1,058,581	251,644	(44,202)	1,266,023
Cost of revenue	(598,332)	(100,987)	44,202	(655,117)
Gross profit	<u>460,249</u>	<u>150,657</u>	<u>-</u>	<u>610,906</u>
<b>Segment Assets</b>				
- Debtors Considered good	1,454,736	37,821	(63,815)	1,428,742
- Contract assets	93,870	116,684	-	210,554
Stock in Trade	-	-	-	-
Segment total assets	<u>1,548,606</u>	<u>154,505</u>	<u>(63,815)</u>	<u>1,639,296</u>

**36.1** For management purposes the Chief Operating Decision Maker (Board of Directors), views the activities of the Group organised into business units based on the nature of products and expertise required by with four groups containing eight reportable operating segments.

Note 37

### Financial Risk Management

The Group'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 Group'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.

#### (a) Market risk

##### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group is exposed to foreign currency risk on receivables, payables and revenues which are entered in a currency other than Pak Rupees. As at the reporting date, the Group's exposure to currency risk was as follows:

	Note	2025 ---- Rupees in Thousands ----	2024
Trade debts	9	1,384,051	1,273,584
Trade creditors	17	(35,151)	(31,360)
Due from related party	11	282,130	369,671
Markup receivable from related party	11	11,783	6,673
Payable to related parties	17	(21,944)	(71,147)
Markup payable to related party	17	(9,401)	(8,413)
Advance to suppliers	11	3,168	1,353
		<u>1,614,636</u>	<u>1,540,361</u>

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

Note 37, Financial Risk Management - Continued...

The following significant exchange rates were applied during the year:

<b>December 31, 2025</b>	<b>USD</b>	<b>EUR</b>	<b>AED</b>	<b>SAR</b>	<b>QAR</b>
Average rate	279.24	309.00	76.22	74.36	76.54
Reporting date rate	280.12	328.85	76.28	74.69	76.85
<b>December 31, 2024</b>	<b>USD</b>	<b>EUR</b>	<b>AED</b>	<b>SAR</b>	<b>QAR</b>
Average rate	280.38	301.13	76.79	74.67	76.92
Reporting date rate	278.35	289.14	76.15	74.02	76.23

If the functional currency, as at the reporting date, had weakened / strengthened by 1% against the foreign currencies with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 16.146 million (2024: Rs. 15.404 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not entirely reflect the exposure during the year.

### (ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Group is exposed to price risk in respect of certain investments amounting to Rs. 0.577 million (2024: Rs. 0.539 million).

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Group by Rs. 0.006 million (2024: Rs. 0.005 million) on the basis that all other variables remain constant.

### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from diminishing musharaka finance, due to / due from related party, markup payable / receivable from related party and receivable against transfer of intangible. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk.

As at the reporting date the interest rate profile of the Group's interest bearing financial instruments was as under:

	Note	2025	2024
		---- Rupees in Thousands ----	
<b>Floating rate instruments</b>			
<b>Financial assets</b>			
Short term investments	12	577	539
Bank balances in saving accounts	13	29	262
Due from related party	11	407,695	426,144
Markup receivable from related party	11	72,540	47,020
		480,841	473,965
<b>Financial liabilities</b>			
Diminishing musharaka finance	16	25,028	17,270
Payable to related parties	17	21,944	110,493
Markup payable to related party	17	9,401	8,413
		56,373	136,176
		424,468	337,789

### Cash flow sensitivity analysis for variable rate instruments

As at December 31, 2025, if interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 4.25 million (2024: Rs. 3.38 million), mainly as a result of interest exposure on variable rate instruments.

### (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at December 31, 2025, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2025	2024
		---- Rupees in Thousands ----	
Long term deposits		100	100
Trade debts	9	1,499,433	1,596,761
Other receivables	11	487,391	474,708
Short term investments	12	577	539
Bank balances	13	98,613	21,528

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The aging of trade debts and other receivables as at the reporting date is given in the relevant notes of the unconsolidated financial statements. The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate as under:

	Credit Rating			2025	2024
	Short term	Long term	Agency	---- Rupees in Thousands ----	
JS Bank Limited	A1+	AA	PACRA	38	12
Faysal Bank Limited	A1+	AA	PACRA	5	2,793
Dubai Islamic Bank	A1+	AA	VIS	354	424
MCB Islamic Bank	A1	A+	PACRA	172	174
Standard Chartered Pakistan	A1+	AAA	PACRA	38,954	5,340
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	13	212
Habib Bank Limited	A1+	AAA	VIS	964	1,190
Bank Al Habib Limited	A1+	AAA	PACRA	29	659
Standard Chartered Bank	P-1	A1	Moody's	58,084	10,724
				<u>98,613</u>	<u>21,528</u>

### (c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Group maintains flexibility in funding by maintaining committed credit lines available. The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
---- Rupees in Thousands ----						
Contractual maturities of financial liabilities as at December 31, 2025:						
Diminishing musharaka finance	25,028	30,742	10,979	9,753	10,010	-
Trade and other payables	<u>133,778</u>	<u>133,778</u>	<u>133,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>158,806</u>	<u>164,520</u>	<u>144,757</u>	<u>9,753</u>	<u>10,010</u>	<u>-</u>
Contractual maturities of financial liabilities as at December 31, 2024:						
Diminishing musharaka finance	17,270	19,411	5,042	5,225	9,144	-
Trade and other payables	<u>234,640</u>	<u>234,640</u>	<u>234,640</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>251,910</u>	<u>254,051</u>	<u>239,682</u>	<u>5,225</u>	<u>9,144</u>	<u>-</u>

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

Note 37, Financial Risk Management - Continued..

	2025	2024
Note	---- Rupees in Thousands ----	
<b>37.1 Financial instruments by categories</b>		
<b>a) Financial assets at amortised cost</b>		
Long term deposits	100	100
Trade debts	9 1,499,433	1,596,761
Other receivables	11 487,391	474,708
Bank balances	13 98,613	21,528
	<u>2,085,637</u>	<u>38,235,709</u>
<b>b) Financial liabilities at amortized cost</b>		
Diminishing musharaka finance	16 25,028	17,270
Trade and other payables	17 133,778	234,640
	<u>158,806</u>	<u>251,910</u>

### 37.2 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, 2025 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

The fair values of all financial assets and liabilities are not considered to be significantly different from their carrying values. The Group classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

	Total	Level 1	Level 2	Level 3
Note	---- Rupees in Thousands ----			
Short term investment - 2025	12 577	577	-	-
Short term investment - 2024	12 539	539	-	-

Note 38

### Capital Risk Management

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

In line with the industry norms, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital employed is calculated as equity, as shown in the statement of financial position, plus net debt.

As at the reporting date, the gearing ratio of the Group was worked out as under:

	2025	2024
Note	---- Rupees in Thousands ----	
Diminishing musharaka finance	16 25,028	17,270
Cash and bank balances	13 (98,613)	(21,528)
Net debt	(73,585)	(4,258)
Equity	2,764,747	2,699,288
Total capital employed	<u>2,691,162</u>	<u>2,695,030</u>
Gearing ratio %	Not Geared	Not Geared

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# OCTOPUS DIGITAL LIMITED

## Notes to and Forming Part of the Consolidated Financial Statements

Note 39

### Shari'ah Screening Disclosure

	Note	2025 ---- Rupees in Thousands ----	2024
<b>Statement of financial position - Assets</b>			
Long term investments		-	-
Short term investment	12	577	539
Bank balances	13	531	3,390
<b>Statement of financial position - Liabilities</b>			
Diminishing musharaka finance	16	25,028	17,270
Accrued markup		-	-
<b>Statement of profit or loss</b>			
Revenue	22	1,212,399	1,266,023
Dividend on short term investment	27	53	1,094
Exchange gain / (loss) - net	27 & 25	8,294	(32,945)
Markup on diminishing musharaka finance	26	3,665	2,975
Markup to related parties	25	1,592	-
Markup from related parties	27	19,318	14,416
Others	27	232	1,589

### Names of the Group's shariah compliant financial institutions

Faysal Bank Limited  
Dubai Islamic Bank  
MCB Islamic Bank

### Relationship

Cash and bank balances  
Cash and bank balances  
Cash and bank balances

First Habib Modaraba

Diminishing Musharaka

Note 40

### Number of Employees

	2025 Number	2024 Number
Total number of employees as at December 31,	93	102
Average number of employees during the year	98	102

Note 41

### Date of Authorization for Issue

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Group on April 29, 2026.

Note 42

### General

Corresponding figures are re-arranged / reclassified, wherever necessary, to facilitate comparison. No material rearrangements / reclassifications have been made in these financial statements.

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**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# Definitions & Glossary of Terms

## Capital Employed

The value of all resources available to the company, typically comprising share capital, retained profits and reserves, long-term loans, and deferred taxation. Viewed from the other side of the balance sheet, capital employed comprises fixed assets, investments, and the net investment in working capital (current assets less current liabilities). In other words, the total long-term funds invested in or lent to the business and used by it in carrying out its operations.

## Liabilities

A general term for what the business owes. Liabilities are long-term loans of the type used to finance the business and short-term debts or money owing as a result of trading activities to date. Long-term liabilities, along with Share Capital and Reserves, make up one side of the balance sheet equation, showing where the money came from. The other side of the balance sheet will show Current Liabilities along with various Assets, showing where the money is now.

## Current Liabilities

Money owed by the business that is generally due for payment within 12 months of the balance sheet date. Examples: creditors, current portion of long-term loans and lease liabilities, taxation, etc.

## Current Assets

Cash and anything that is expected to be converted into cash within 12 months of the balance sheet date.

## Fixed Assets

Assets held for use by the business rather than for sale or conversion into cash, e.g., fixtures and fittings, equipment, and buildings.

## Cost of Goods Sold (COGS)

The directly attributable costs of products or services sold, like materials, installations, direct labor, and wages, etc.

## Gross Profit Ratio

The relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

## Net Profit Ratio

Net profit ratio is the ratio of net profit after taxes to net sales or revenue.

## Operating Profit Ratio

The operating profit margin ratio indicates how much profit a company makes after paying for variable costs of production.

## Current Asset Ratio

The key indicator of whether you can pay your creditors on time. The relationship between current assets (cash, bank, book debts, stock and work in progress) and current liabilities (like overdraft, trade, and expense creditors and other current debt).

## Current Ratio

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities and is a measure of financial strength in the short term. A ratio of 1.1 implies adequate current assets to cover current liabilities; the higher above 1, the better.

## Debt-Equity Ratio

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive cash flow and strong cash flow. For comparative purposes, the debt-equity ratio is most useful for companies within the same industry.

## Dividend

A dividend is a payment made per share to a company's shareholders by a company, based on the profits of the year, but not necessarily all of the profits, as determined by the directors and voted on at the company's annual general meeting.

## Earnings per Share (EPS)

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

## Profit Margin

Determined by dividing net income by net sales during a time period and expressed as a percentage. Net profit margin is a measure of efficiency and indicates the margin on the bottom line. Trends in margin can be attributed to rising or falling production costs or rising/falling prices of the sold product.

## Return on Assets

The amount of profits earned (before interest and taxes), expressed as a percentage of total assets. The higher the number, the better, as it indicates how much profit the business has earned for every dollar of assets.

## Return on Equity (ROE)

A percentage that indicates how money is being used and how efficiently it is being turned into profits. This is the result of dividing net earnings by shareholders' equity. ROE measures efficiency and profitability. You can compare a company's ROE to others in the same industry to determine how a company is doing compared to its peers.

## Return on Investment (ROI)

Also known as return on capital (ROC), ROI is a measure of how well management has used investment resources. ROI is calculated by dividing earnings by total assets. It is a broader measure than return on equity (ROE) because it evaluates debt as well as equity. It is useful to compare a company's ROI with others in the same industry.

# OCTOPUS DIGITAL LIMITED EVENT CALENDAR

— OF THE COMPANY FOLLOWS THE PERIOD OF —

**01 JANUARY 2025  
TO  
31 DECEMBER 2025**

## **Financials:**

Financial Results announced as per the following schedule:

<b>Corporate Briefing Session</b>	<b>23rd April 2025</b>
<b>Annual General Meeting</b>	<b>30th April 2025</b>
<b>1st Quarter ended 31 March 2025</b>	<b>30th April 2025</b>
<b>Half year ended 30 June 2025</b>	<b>29th August 2025</b>
<b>3rd Quarter ended 30 September 2025</b>	<b>23rd October 2025</b>
<b>Financial year ending 31 December 2025</b>	<b>29TH April 2026</b>

# Form of Proxy

## 9th Annual General Meeting of Octopus Digital Limited

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of Octopus Digital Limited and holder of \_\_\_\_\_ ordinary shares  
as per share Register Folio (Number of Shares) No \_\_\_\_\_ and / or CDC  
Participant ID No. \_\_\_\_\_ and Sub  
Account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or  
failing him \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us and on my/our behalf at the 9<sup>th</sup> Annual General Meeting of the company to  
be held on the **23<sup>rd</sup> day of May 2026** and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2026

Witnesses:

1) **Signature:** \_\_\_\_\_  
Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

Signature on Rs. 5/- Revenue Stamp

CNIC or: \_\_\_\_\_  
Passport : \_\_\_\_\_

\_\_\_\_\_  
Signature

Signature should agree with the  
specimen registered with the company

2) **Signature:** \_\_\_\_\_  
Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

3) CNIC or: \_\_\_\_\_  
Passport : \_\_\_\_\_

**Note:**

Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy need not be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.



# نوٹس برائے نواں سالانہ اجلاس عام

اطلاع دی جاتی ہے کہ آکٹوپس ڈیجیٹل لمیٹڈ "کمپنی" کا "نواں سالانہ اجلاس عام" مورخہ 23 مئی 2026ء بروز ہفتہ صبح 10:30 بجے بمقام دی نشاط ہوٹل، گرینڈ امپیریل ہال، 9-A، تیسری منزل، گلبرگ III، میاں محمود علی قصوری روڈ، لاہور سے مندرجہ ذیل کاروباری امور کو انجام دینے کیلئے منعقد ہوگا۔

## الف۔ عمومی کاروباری امور:-

۱۔ تفصیلات کی منظوری (Minutes of the Meeting) جو کہ آٹھواں سالانہ اجلاس عام مورخہ 30 اپریل 2025ء کو منعقد ہوا تھا۔

۲۔ 31 دسمبر 2025ء کو ختم ہونے والے کمپنی کے مالی سال کے آڈٹ شدہ مالیاتی گوشوارے، چیئرمین کا جائزہ، ڈائریکٹران اور آڈیٹرز کی رپورٹس وصول کرنا اور ان پر غور کرنا اور انہیں اختیار کرنا۔ کمپنیز ایکٹ 2017ء کے سیکشن (6) 223 اور S.R.O No.389(I)/2023 مورخہ 21 مارچ 2023ء کے تحت، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں جنہیں درج ذیل ویب لنک سے ڈاؤن لوڈ کیا جاسکتا ہے۔



<https://octopusdtl.com/investor-information/>

۳۔ کمپنی کے آڈیٹ کو مقرر کرنا اور اس کا معاوضہ طے کرنا۔ حصص یافتگان کو اطلاع دی جاتی ہے کہ کمپنی کی بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹران نے ریٹائر ہونے والے آڈیٹرز کو حسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کا نام آئندہ مالی سال 31 دسمبر 2026ء کیلئے کمپنی کے آڈیٹرز کی تقرری کیلئے تجویز کیا ہے۔

ب۔ کوئی بھی اضافی امور جو کہ چیئرمین کی اجازت سے ہوں گے۔

لاہور مورخہ 01 مئی 2026ء

بحکم بورڈ:- احسن خلیل (کمپنی سیکرٹری)

## ویب لنک برائے آن لائن میٹنگ بذریعہ "ZOOM"

ممبران کو کمپنی کے زیر انتظام ویڈیو کانفرنس کی سہولت کے ذریعے AGM میں شرکت کے لیے حوصلہ افزائی کی جاتی ہے، نیچے دیے گئے لنک پر عمل کریں:

[https://us06web.zoom.us/webinar/register/WN\\_0QqQYntGQS6TpMzL8HvRPA](https://us06web.zoom.us/webinar/register/WN_0QqQYntGQS6TpMzL8HvRPA)

شیر ہولڈرز AGM کے ایجنڈا آن لائن کے لیے اپنے تبصرے اور سوالات فراہم کردہ ای میل ایڈریس [agm@octopusdtl.com](mailto:agm@octopusdtl.com) پر کر سکتے ہیں۔

AGM میں شرکت کیلئے درج ذیل لنک سے رہنمائی حاصل کر سکتے ہیں <https://octopusdtl.com/investor-information/>

کمپنیز ایکٹ 2017ء کے سیکشن (6) 223 کے تحت، آڈٹ شدہ مالیاتی گوشوارے کو ای میل کے ذریعے بھیجنے کی اجازت دی گئی ہے۔ کمپنی کی سالانہ رپورٹ اور سالانہ جنرل میٹنگ کے نوٹس ان حصص یافتگان کو ای میل کے ذریعے بھیجی جائے گی جن کے ای میل CDC اور شیئر رجسٹر کے ریکارڈز ڈیٹا بیس میں موجود ہیں۔ حصص یافتگان کی حوصلہ افزائی کی جاتی ہے کہ وہ اپنے ای میل کو مذکورہ بالا لنک یا ای میل یا پوسٹل ایڈریس پر بھیجیں۔ سالانہ رپورٹ کمپنی کی ویب سائٹ <https://octopusdtl.com/> پر بھی لوڈ کی گئی ہے اور حصص یافتگان تک آسانی سے قابل رسائی ہے۔

## حاشیات :-

### حصص یافتگان کے اجلاس میں شرکت کیلئے۔

۱۔ کمپنی کے حصص کی منتقلی کی کتب مورخہ 16 مئی 2026ء سے 23 مئی 2026ء (بشمول دونوں دن) بند رہیں گی جس دوران تدوین کیلئے کسی بھی حصص کی منتقلی کی وہ درخواستیں جو درست حالت میں کمپنی کے شیئرجسٹرار کے دفتر فیکوشیز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، 8 ایف، نزد ہوٹل فاران نرسری بلاک نمبر 6، PECHS، شاہراہ فیصل، کراچی، مورخہ 15 مئی 2026ء کو دفتری اوقات ختم ہونے سے قبل موصول ہوگی۔ ان کو سالانہ اجلاس عام میں شرکت اور حق رائے دہی استعمال کرنے کے استحقاق کے تعین کیلئے بروقت شمار کیا جائے گا۔

۲۔ انفرادی فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا وہ جسکی سکیورٹی گروپ اکاؤنٹ میں جمع ہے انکی رجسٹریشن کی تفصیل قوانین کے مطابق لف ہوں، اجلاس میں شرکت کیلئے شناخت کی تصدیق اپنا شناختی کارڈ یا پاسپورٹ سے کروائیں۔

۳۔ حصص یافتگان، جو کہ CDC میں رجسٹر ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنا آئی ڈی نمبر اور اکاؤنٹ نمبر جو کہ CDC میں ہے، مہیا کریں۔

۴۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹران اپنے ٹرسٹیز کی قرارداد/مختار نامہ بمعہ نامزد کیے گئے شخص کے دستخط نمونہ پیش کریں۔

## پراکسی کی تقرری کیلئے :-

۱۔ سالانہ اجلاس عام میں شمولیت، بولنے اور حق رائے دہی استعمال کرنے کے مستحق ہر حصص یافتگان کو یہ حق حاصل ہے کہ وہ شرکت بولنے اور حق رائے دہی استعمال کرنے کیلئے اپنی جگہ کسی پراکسی (نمائندہ) کو مقرر کرے اور ایسے پراکسی کو اجلاس میں شرکت، بولنے اور حق رائے دہی استعمال کرنے کی نسبت سے وہی اختیارات حاصل ہونگے جو کہ بذات خود کمپنی کے حصص یافتگان کو حاصل ہوتے ہیں۔ پراکسی مقرر کرنے کیلئے ہر لحاظ سے درست اور باقاعدہ مہر شدہ اور دستخط شدہ پراکسی فارم اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار آفس میں موصول ہونا ضروری ہے۔ پراکسی کا بذات خود کمپنی کے حصص یافتگان میں سے ہونا ضروری نہیں۔

۲۔ انفرادی فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا وہ افراد جسکی سکیورٹی گروپ اکاؤنٹ میں ہوں اور انکی رجسٹریشن کی تفصیلات قوانین کے مطابق جمع کروائی گئی ہوں، پراکسی فارم مکمل اور صحیح طور پر تصدیق شدہ ہو جمع کروانا ہونگے۔

۳۔ پراکسی فارم پر دو اشخاص گواہ ہونے چاہئیں جنکے نام، پتہ جات، شناختی کارڈ نمبر پراکسی فارم پر لکھے ہوں۔

۴۔ حصص یافتگان اور پراکسی کے درست شناختی کارڈ یا فائدہ مند مالکان کے پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ مہیا کریں۔

۵۔ پراکسی اپنا شناختی کارڈ یا پاسپورٹ اجلاس کے وقت یا آن لائن رجسٹریشن کے وقت پیش کرے۔

۶۔ کارپوریٹ شناخت کی صورت میں مختار عام بورڈ آف ڈائریکٹران کارپوزیشن نامزد کیے گئے شخص کے دستخط نمونہ جات کے ساتھ اجلاس کے وقت یا آن لائن رجسٹریشن کے وقت پیش کرے۔

## پراکسی فارم نوٹس برائے نواں سالانہ اجلاس عام

میں / ہم \_\_\_\_\_  
 ساکن \_\_\_\_\_ بطور آکٹوپس ڈیجیٹل لمیٹڈ  
 رکن و حامل \_\_\_\_\_ عام حصص برطانیق شیئرز رجسٹرڈ  
 فولیو نمبر \_\_\_\_\_ اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر \_\_\_\_\_ اور  
 ذیلی کھاتہ نمبر \_\_\_\_\_ ساکن \_\_\_\_\_ یا بصورت دیگر  
 ساکن \_\_\_\_\_ کو اپنی جگہ مورخہ 23 مئی 2026ء  
 منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کیلئے اپنا نمائندہ مقرر کرتا ہوں۔

دستخط تاریخ \_\_\_\_\_ 2026ء

### گواہان :-

براہ کرم پانچ روپے  
 ماییت کے ریونیوٹکٹ  
 چسپاں کریں

دستخط

دستخط کمپنی میں درج نمونہ کے  
 مطابق ہونے چاہئیں

- 1 دستخط: \_\_\_\_\_  
 نام: \_\_\_\_\_  
 پتہ: \_\_\_\_\_  
 قومی شناختی کارڈ یا پاسپورٹ نمبر: \_\_\_\_\_
- 2 دستخط: \_\_\_\_\_  
 نام: \_\_\_\_\_  
 پتہ: \_\_\_\_\_  
 قومی شناختی کارڈ یا پاسپورٹ نمبر: \_\_\_\_\_

**نوٹ:** پراکسیز کے موثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ نیابت دار کا کمپنی کارکن ہونا ضروری نہیں ہے۔ سی ڈی سی کے حصص یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹر انٹرنیٹ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ کمپنی میں جمع کروائیں۔



## ڈائریکٹرز کی رپورٹ

آکٹوپس ڈیجیٹل لمیٹڈ 'کمپنی' کے ڈائریکٹرز 31 دسمبر 2025 کو اختتام پذیر ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ سالانہ اکاؤنٹس اور مالی بیانات کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ تمام مالی بیانات اور اکاؤنٹس کے نوٹس کمپنی کی انتظامیہ نے درج ذیل بنیادوں پر تیار کیے ہیں:

1 انہوں نے معاملات کی حالت، آپریشن کے نتائج، نقد بہاؤ اور ایکویٹی میں تمام تبدیلیوں کی منصفانہ عکاسی کی

2 کمپنی کے حسابات کی مناسب کتابیں رکھی گئی ہیں

3 مناسب اکاؤنٹنگ پالیسیاں اپنائی گئی ہیں اور مالی بیانات کی تیاری میں مستقل طور پر لاگو کی گئی ہیں اور اکاؤنٹنگ کے تخمینے معقول اور محتاط فیصلے پر مبنی ہیں

4 مالی بیانات پاکستان میں لاگو کمپنیز ایکٹ 2017 اور انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کے مطابق تیار کیے گئے ہیں

5 داخلی کنٹرول کا نظام انتہائی مضبوط اور منظم نگرانی میں ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے

6 کمپنی کی گونگ کنسرن کے طور پر جاری رکھنے کی صلاحیت پر کوئی اہم شک نہیں ہے

7 ٹیکسوں، ڈیوٹیز، لیویز اور چارجز کے حساب پر کوئی بھی قانونی ادائیگی باقی ہو تو اس کی رقم کے ساتھ مختصر تفصیل اور وجوہات ظاہر کی گئی ہیں

پاکستان کے موجودہ کمپنیز ایکٹ کے متعلقہ سیکشنز کے تحت تیار کردہ ڈائریکٹرز کی رپورٹ کمپنی کی 9ویں سالانہ اجلاس عام میں ارکان کے سامنے پیش کی جائے گی، جو کہ 23 مئی 2026 بروز ہفتہ کو صبح 10:30 بجے نشاط ہوٹل، گرینڈ امپیریل ہال A-9، تیسری منزل، گلبرگ-III میں محمود علی قصوری روڈ، لاہور میں منعقد ہوگی۔

### کمپنی کا تعارف

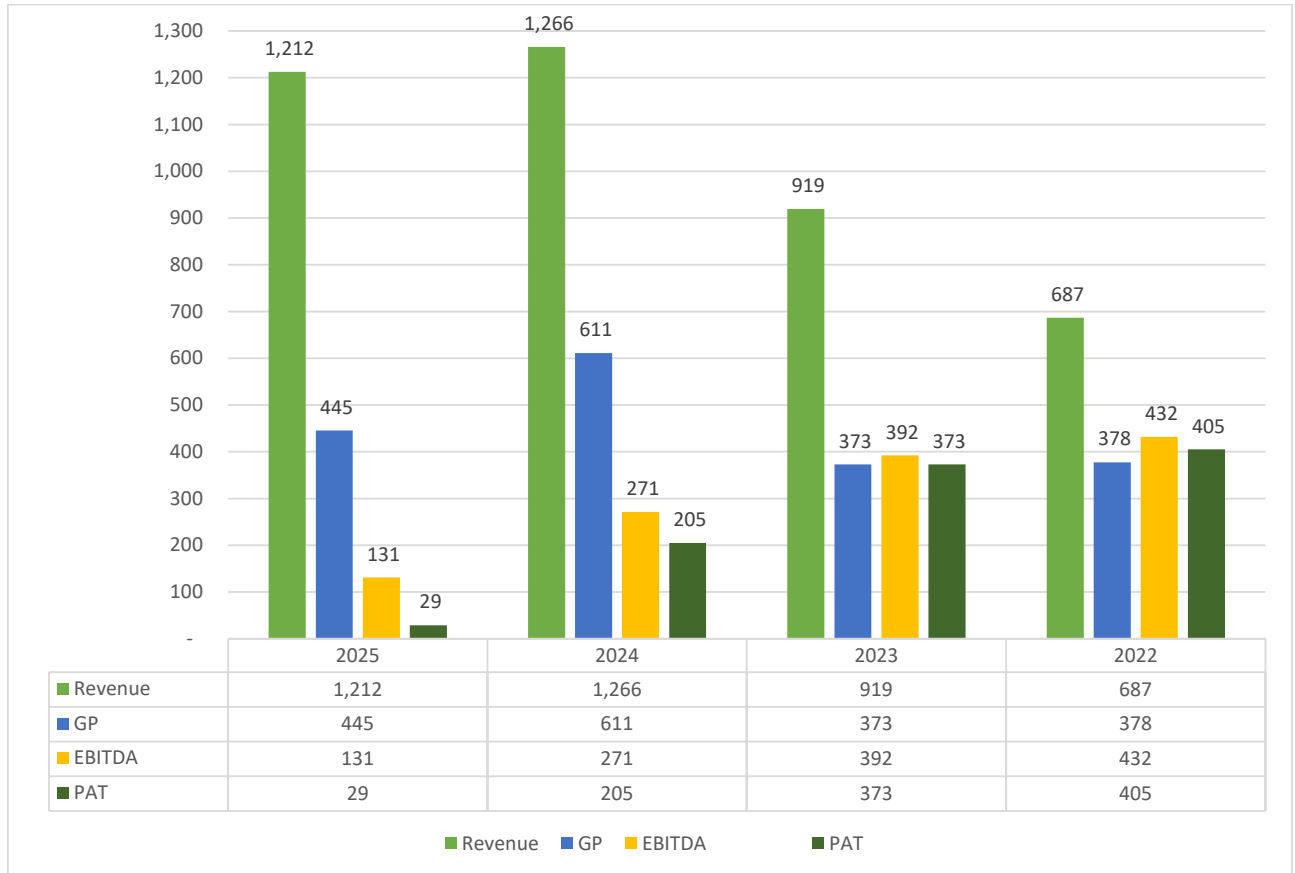
آکٹوپس ڈیجیٹل لمیٹڈ کاروباری اداروں کو ان کی مینوفیکچرنگ، سپلائی چین اور مالی ورک فلوز کو ڈیجیٹل بنانے میں مدد کرتی ہے، جس میں امریکہ، مشرق وسطیٰ اور جنوبی ایشیا میں اسٹریٹجک اور آپریشنل دیکھ بھال کی معاون خدمات شامل ہیں۔ اس طرح، فیصلے کی حمایت، قابل عمل بصیرت اور کاروباری ذہانت کو بہت سے سالوں کے لیے ماہانہ سبسکریپشن کی بنیاد پر منظم اور غیر منظم سروس کے طور پر بلا تعطل 24x7x365 دستیاب کیا جاتا ہے۔

## رپورٹ

موجودہ سال کے دوران کمپنی کی کارکردگی کچھ مشکلات کا شکار رہی، جس کے نتیجے میں گزشتہ سال کے مقابلے میں محصولات، ٹیکس سے پہلے منافع اور ٹیکس کے بعد منافع سمیت اہم مالی پیمانوں میں کمی آئی۔ گزشتہ سال کی اہم ترقی کے برعکس، موجودہ مالی مدت استحکام کے دور اور پانچ سالہ کاروباری منصوبے میں تصور کردہ منافع کی سطح کو بحال کرنے کے لیے زیادہ سخت اسٹریٹجک ہم آہنگی کی ضرورت کی عکاسی کرتی ہے۔

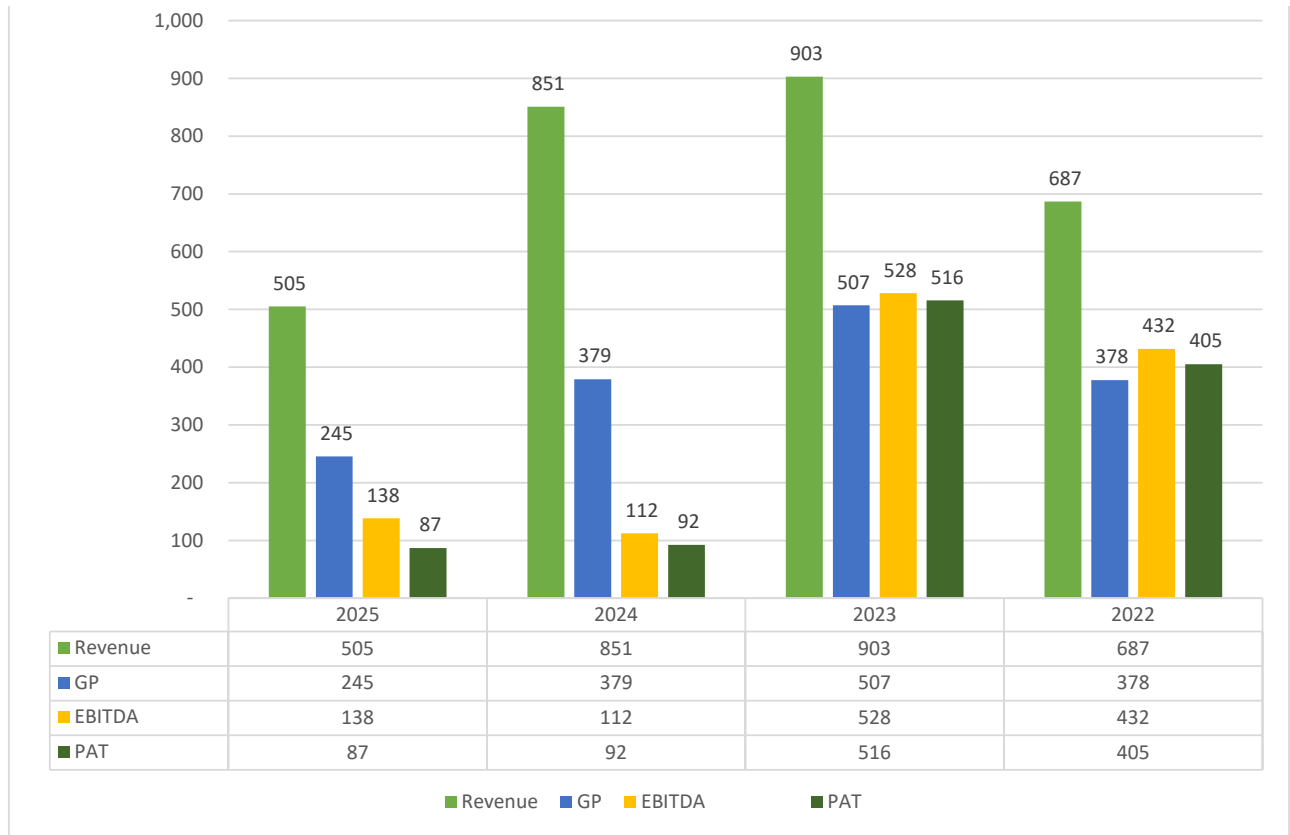
### مجموعی آپریٹنگ نتائج (کنسولیدیشن)

(روپے ہزار میں)	2025	2024	فرق	% فرق
محصولات	1,212,399	1,266,023	(53,624)	-4%
ٹیکس سے پہلے منافع	62,608	211,826	(149,218)	-70%
ٹیکس کے بعد منافع	28,896	205,025	(176,129)	-86%



## انفرادی آپریٹنگ نتائج (اسٹینڈ آون)

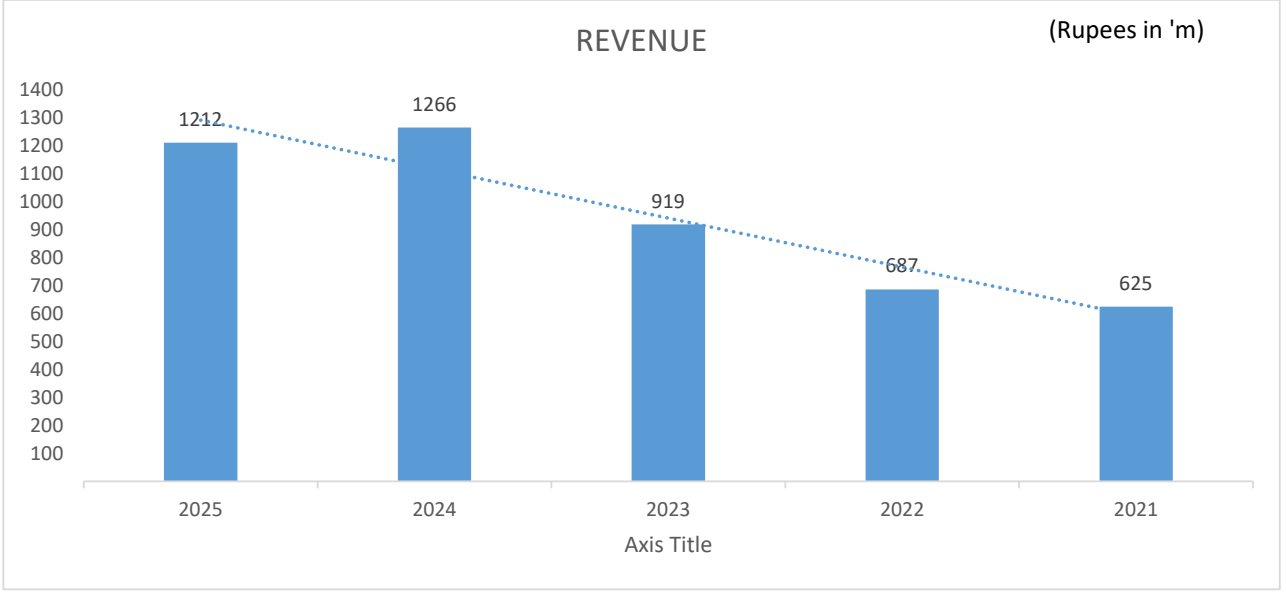
(روپے ہزار میں)	2025	2024	فرق	% فرق
محصولات	505,225	850,728	(345,503)	%41-
ٹیکس سے پہلے منافع	118,326	101,145	17,181	%17
ٹیکس کے بعد منافع	86,708	92,436	(5,728)	%6-



## مالی کارکردگی (مجموعی)

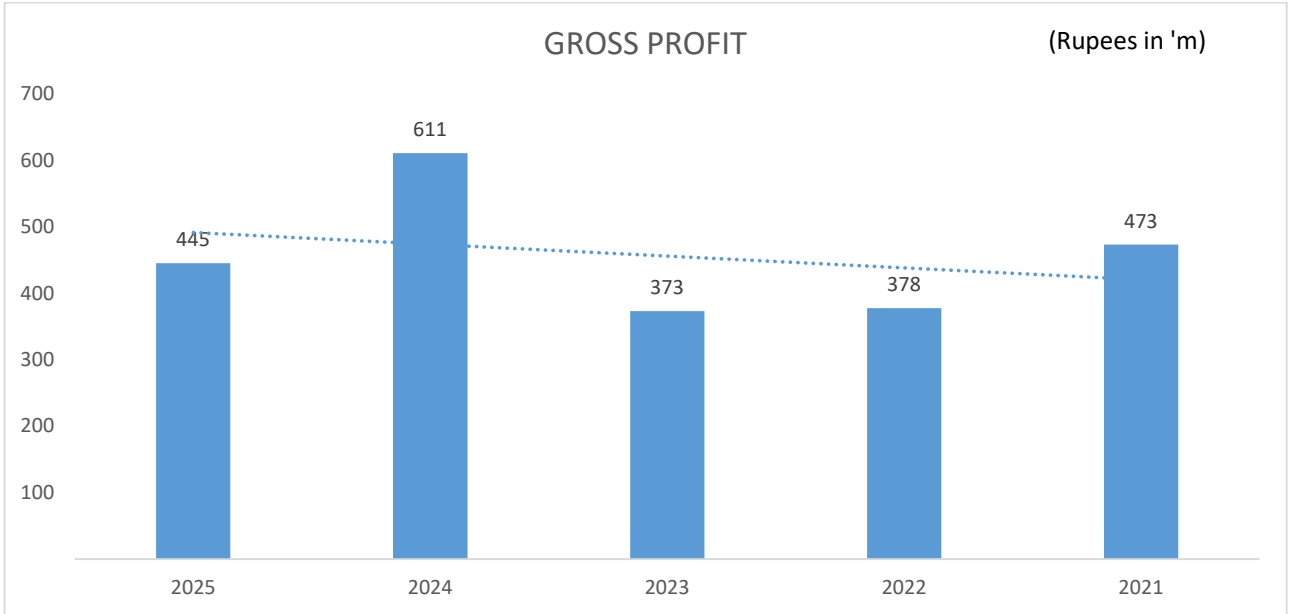
### محصولات

کمپنی کے محصولات 1,212 ملین روپے رہے جو گزشتہ مالی سال کے مقابلے میں 4 فیصد کم ہیں۔ کمپنی کے محصولات نے گزشتہ پانچ سالوں میں مجموعی طور پر اوپر کی سمت رجحان دکھایا ہے، جو 2021 میں 625 ملین روپے سے بڑھ کر 2024 میں 1,266 ملین روپے کی بلند ترین سطح تک پہنچا۔ 2025 میں 1,212 ملین روپے کی معمولی اصلاح کے باوجود، طویل مدتی رجحان مثبت رہا ہے، موجودہ محصولات کی سطح پانچ سالہ مدت کے آغاز میں رپورٹ کی گئی سطح سے تقریباً دوگنی ہے۔

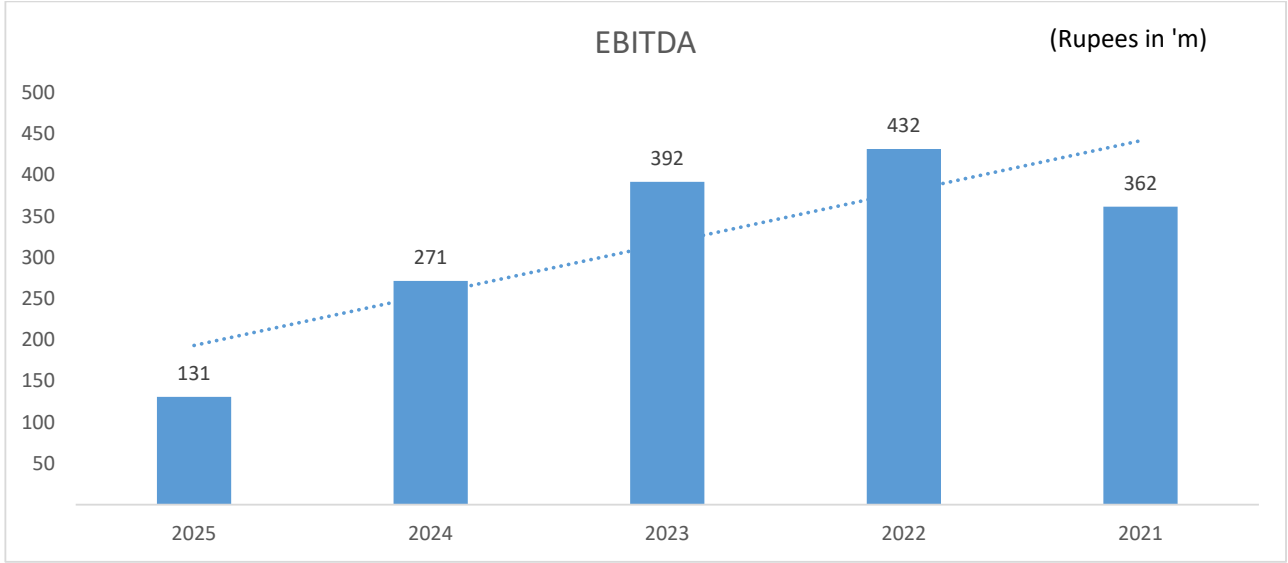


### مجموعی منافع

2024 میں 611 ملین روپے کی منافع کی سطح کے بعد، 2025 کا مجموعی منافع معتدل ہو کر 445 ملین روپے ہو گیا، جو 11 فیصد کی معتدل کمی ظاہر کرتا ہے۔

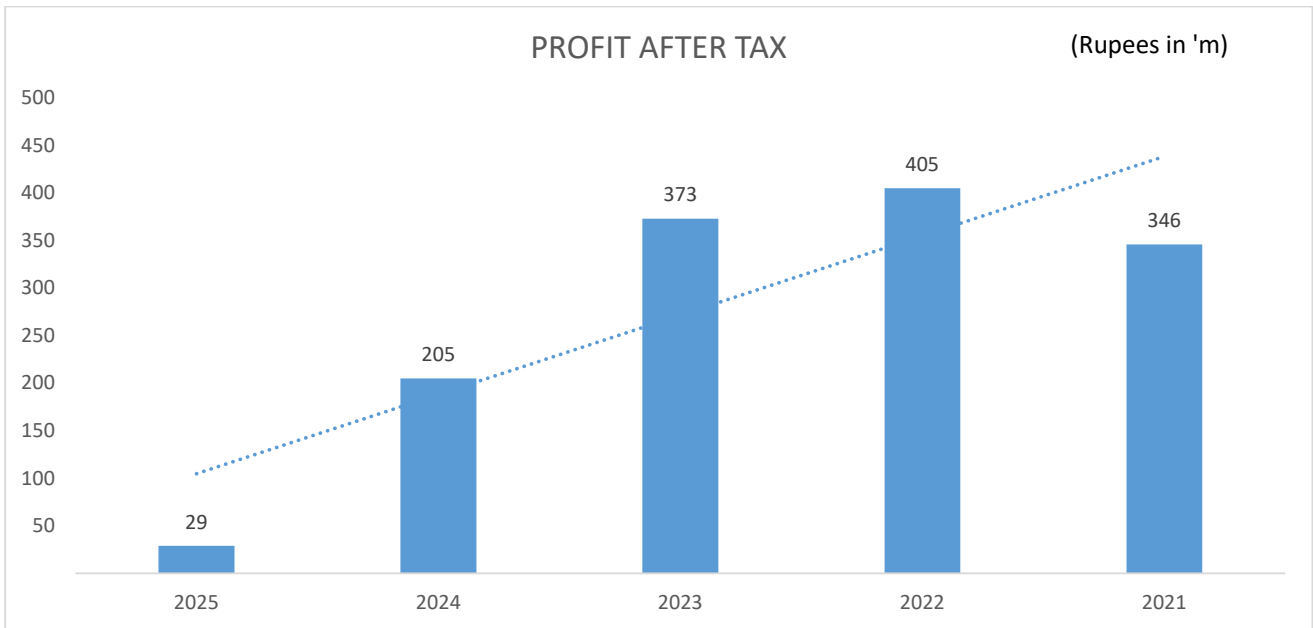


سود، ٹیکس، فرسودگی اور امارٹائزیشن سے پہلے کی آمدنی



ٹیکسیشن کے بعد منافع

31 دسمبر 2025 کو ختم ہونے والے مالی سال کے لیے، کمپنی کے ٹیکس کے بعد منافع میں 86 فیصد کی تیز کمی آئی، جو گزشتہ سال کے 205.0 ملین روپے سے کم ہو کر 28.9 ملین روپے رہ گئی۔ یہ کمی محصولات کی لاگت میں 17 فیصد اضافے اور ٹیکسیشن اخراجات جو 31.4 ملین روپے تک بڑھا (تقریباً چھ گنا اضافے) کی وجہ سے دیکھی گئی ہے،



## فی حصص آمدنی

مجموعی: ٹیکس کے بعد بنیادی EPS 0.18 روپے ہے جبکہ مالی سال 2024 میں EPS 1.30 روپے تھی۔ مالیاتی EPS 0.18 روپے ہے جبکہ مالی سال 2024 میں 1.28 روپے تھی۔

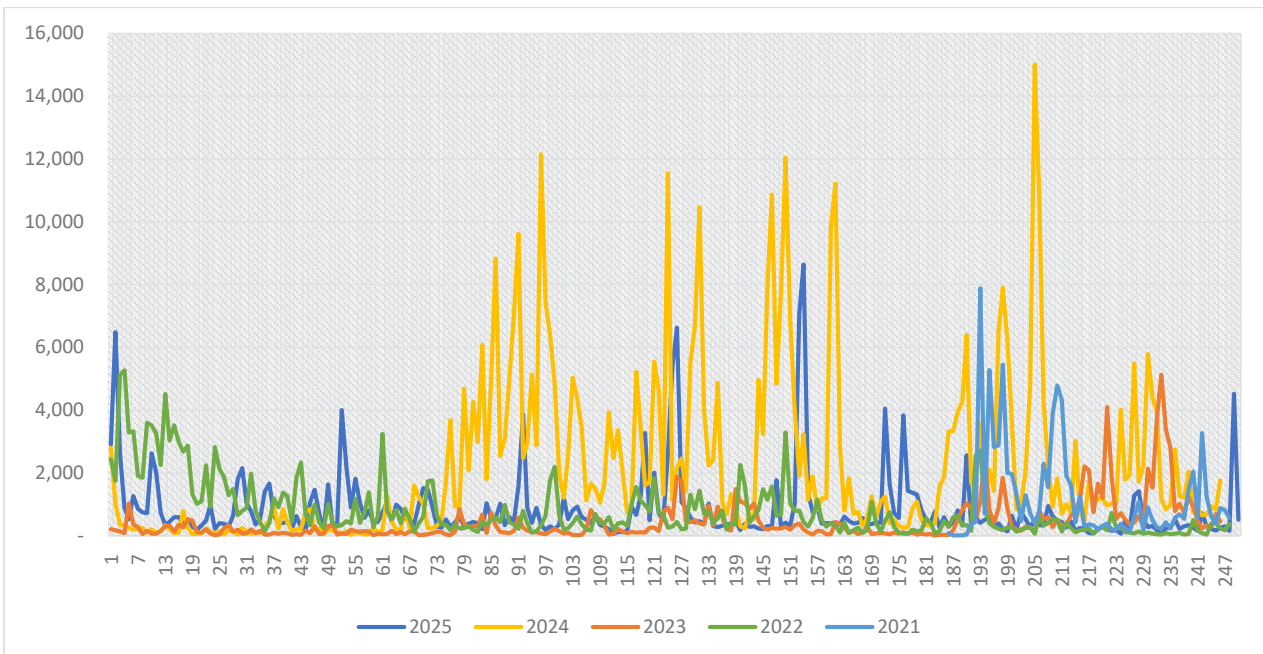
انفرادی: ٹیکس کے بعد بنیادی EPS 0.55 روپے ہے جبکہ مالی سال 2024 میں EPS 0.59 روپے تھی۔ مالیاتی EPS 0.54 روپے ہے جبکہ مالی سال 2024 میں 0.58 روپے تھی۔

## ڈیویڈنڈ تقسیم نہ کرنے کی وجہ

پاکستان کی موجودہ اقتصادی صورت حال اور کمپنی کے ڈیجیٹل ڈرائیو میں ترقی کے منصوبے کو مدنظر رکھتے ہوئے، بورڈ نے کاروباری ترقی اور دانش ورانہ ملکیت کے لیے R&D پر نقد رقم محفوظ رکھنے کا فیصلہ کیا ہے۔ کمپنی کے پاس مالی سال 2025 کے اختتام پر کافی نقد رقم دستیاب ہے۔

مذکورہ بالا سرگرمیوں سے حاصل ہونے والا کاروبار کمپنی کی آمدنی میں حصہ ڈالے گا جس سے مستقبل میں ڈیویڈنڈ ادائیگی کے امکانات پر مثبت اثر پڑنے کی توقع ہے۔

## حصص کی آسانی سے نقد رقم میں بدلنے کی صلاحیت



## حصص یافتگان کی ساخت

نمبر	حصص یافتگان کی زمرہ	حصص یافتگان کی تعداد	حصص کی تعداد	فیصد
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر اور ان کے اہل خانہ	8	71,454	0.05
2	منسلک کمپنیاں، اداروں اور متعلقہ فریق	1	116,877,484	74.32
5	انشورنس کمپنیاں	4	332,264	0.21
6	موڈار بے اور میوچل فنڈز	5	245,404	0.16
8a	عام عوام (مقامی)	8,390	35,984,791	22.88
9	دیگر	71	3,751,105	2.39
کل		<b>8,479</b>	<b>157,262,502</b>	<b>100.00</b>

## ایگزیکٹوز کی جانب سے شیئرز کی خرید و فروخت

سال کے دوران، درج ذیل ایگزیکٹوز نے آکٹوپس کے شیئرز کی خرید و فروخت کی اور اسٹاک ایکسچینج کو اطلاع دی۔

کمپنی کا نام	ملازم کا نام	عہدہ	لین دین کی قسم	شیئرز کی تعداد	قیمت	لین دین کی قسم	لین دین کی تاریخ	جمع کرانے کی تاریخ
کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں	کوئی نہیں

## آڈٹ کمیٹی کی ترکیب

نمبر	ارکان کا نام	عہدہ	حیثیت
1	ہمایوں مقبول	چیئرمین BAC	آزاد ڈائریکٹر / غیر ایگزیکٹو ڈائریکٹر
2	بختیار حمید وین	رکن	غیر ایگزیکٹو ڈائریکٹر
3	خالد حامد وین	رکن	غیر ایگزیکٹو ڈائریکٹر
4	محمد عارف جانجوعہ	رکن	آزاد ڈائریکٹر / غیر ایگزیکٹو ڈائریکٹر

## HR اور معاوضہ کمیٹی کی ترکیب

نمبر	ارکان کا نام	عہدہ	حیثیت
1	ہمایوں مقبول	چیئرمین	آزاد ڈائریکٹر / غیر ایگزیکٹو ڈائریکٹر
2	بختیار حمید وین	رکن	غیر ایگزیکٹو ڈائریکٹر
3	تنویر کرامت	رکن	ایگزیکٹو ڈائریکٹر
4	خالد حامد وین	رکن	غیر ایگزیکٹو ڈائریکٹر

## بورڈ آف ڈائریکٹرز کی ترکیب

نمبر	ڈائریکٹر کا نام	عہدہ
1	بختیار حمید وین	چیئرمین / غیر ایگزیکٹو ڈائریکٹر
2	خالد حامد وین	غیر ایگزیکٹو ڈائریکٹر
3	تنویر کرامت	چیف ایگزیکٹو آفیسر / ایگزیکٹو ڈائریکٹر
4	اسمر احمد عاطف	ایگزیکٹو ڈائریکٹر
5	محمد عارف جانجوعہ	آزاد ڈائریکٹر / غیر ایگزیکٹو ڈائریکٹر
6	عدیل خالد	ایگزیکٹو ڈائریکٹر
7	ہمایوں مقبول	آزاد ڈائریکٹر / غیر ایگزیکٹو ڈائریکٹر
8	صالحہ آصف	آزاد ڈائریکٹر / غیر ایگزیکٹو ڈائریکٹر

ڈائریکٹرز کی کل تعداد آٹھ ہے: مرد: سات، خاتون: ایک

## بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران، بورڈ آف ڈائریکٹرز نے 4 بورڈ اجلاس منعقد کیے، جن میں تمام قابل احترام اراکین نے شرکت کی:

بختیار حمید وائیں (4/4)

خالد حمید وائیں (4/4)

تنویر کرامت (4/4)

اٹمار احمد عاطف (4/4)

محمد عارف جانجوعہ (4/4)

عدیل خالد (4/4)

ہمایوں مقبول (4/4)

صالحہ آصف (4/4)

## سرمائے کی ساخت

کمپنی ایک غیر گنیرڈ کاروباری ادارہ ہے اور متوازن سرمائے کی ساخت برقرار رکھتی ہے جو اس کی مالی طاقت اور بہترین لیکویڈیٹی مینجمنٹ کا ثبوت ہے۔

## لیکویڈیٹی حکمت عملی

مالی سال 2026 کے لیے کمپنی کی لیکویڈیٹی حکمت عملی آپریشنل ترقی کو ایندھن فراہم کرنے اور مستقل حصص یافتگان کی واپسی کو یقینی بنانے کے لیے ایک مضبوط سرمائے کی ساخت برقرار رکھنے پر مرکوز ہے۔ مالی سال 2024 میں قائم فریم ورک پر استوار ہوتے ہوئے، بنیادی توجہ متعلقہ فریق بیلنسز سے وصولیوں کی منظم واپسی ہے۔

## مستقبل کے امکانات

مالی سال 2026 کی طرف دیکھتے ہوئے، بورڈ اور انتظامیہ نے ایک ایسی جارحانہ حکمت عملی تیار کی ہے جو عالمی منڈیوں میں کاروبار کی توسیع کو اعلیٰ سطحی تکنیکی اختراع کے ساتھ متوازن کرتی ہے۔ اس وژن کے مرکز میں امریکہ اور یورپی مارکیٹوں میں ہماری موجودگی کو مضبوط کرنا ہے۔

تکنیکی طور پر، ہم مشین لرننگ حل تیار کر کے مستقبل کی جانب پیش قدمی کر رہے ہیں جو ہماری پروڈکٹ ڈیلیوری اور سروس اختراع کو بنیادی طور پر بہتر کریں گے۔ ہم اپنے ڈیٹا انجینئرنگ نرسری کے ذریعے ہیومن کیپیٹل میں بھاری سرمایہ کاری کر رہے ہیں، کے ایس اے میں آفٹر مارکیٹ سپورٹ کاروبار کو وسعت دے رہے ہیں اور ایک ساختہ عالمی چینل پارٹنر پروگرام نافذ کر رہے ہیں۔

## سماج کی خدمت

ایک کمپنی کے طور پر، ہم فعال اور ذمہ دار کارپوریٹ شہری ہونے کے لیے پرعزم ہیں۔ ہمارا ماننا ہے کہ کاروباروں کی سماج کو واپس دینے اور تعلیم، صحت، عوامی سلامتی اور ماحولیاتی صحت جیسے اہم مسائل کو حل کرنے میں مدد کرنے کی ذمہ داری ہے۔ ہم نے جنوبی پنجاب کے ضلع ڈیرہ غازی خان میں طبی کیمپ لگائے ہیں، تقریباً 5,000 متاثرہ افراد کو خوراک، طبی علاج اور مالی مدد فراہم کی ہے۔

## صحت، حفاظت اور ماحول

آکٹوپس ڈیجیٹل لمیٹڈ میں، ہم صحت، حفاظت اور ماحولیاتی (HSE) معیارات کو سنجیدگی سے لیتے ہیں۔ ہم اپنے کاروبار سے متعلق HSE خطرات کو فعال طور پر منظم کرنے کی اہمیت کو تسلیم کرتے ہیں اور اپنے عملے اور زائرین کو آگ،

## لیکویڈیٹی حکمت عملی

مالی سال 2026 کے لیے کمپنی کی لیکویڈیٹی حکمت عملی آپریشنل ترقی کو ایندھن فراہم کرنے اور مستقل حصص یافتگان کی واپسی کو یقینی بنانے کے لیے ایک مضبوط سرمائے کی ساخت برقرار رکھنے پر مرکوز ہے۔ مالی سال 2024 میں قائم فریم ورک پر استوار ہوتے ہوئے، بنیادی توجہ متعلقہ فریق بیننسز سے وصولیوں کی منظم واپسی ہے۔

## مستقبل کے امکانات

مالی سال 2026 کی طرف دیکھتے ہوئے، بورڈ اور انتظامیہ نے ایک ایسی جارحانہ حکمت عملی تیار کی ہے جو عالمی منڈیوں میں کاروبار کی توسیع کو اعلیٰ سطحی تکنیکی اختراع کے ساتھ متوازن کرتی ہے۔ اس وژن کے مرکز میں امریکہ اور یورپی مارکیٹوں میں ہماری موجودگی کو مضبوط کرنا ہے۔

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## سماج کی خدمت

ایک کمپنی کے طور پر، ہم فعال اور ذمہ دار کارپوریٹ شہری ہونے کے لیے پرعزم ہیں۔ ہمارا ماننا ہے کہ کاروباروں کی سماج کو واپس دینے اور تعلیم، صحت، عوامی سلامتی اور ماحولیاتی صحت جیسے اہم مسائل کو حل کرنے میں مدد کرنے کی ذمہ داری ہے۔ ہم نے جنوبی پنجاب کے ضلع ڈیرہ غازی خان میں طبی کیمپ لگائے ہیں، تقریباً 5,000 متاثرہ افراد کو خوراک، طبی علاج اور مالی مدد فراہم کی ہے۔

## صحت، حفاظت اور ماحولیات

آکٹوپس ڈیجیٹل لمیٹڈ میں، ہم صحت، حفاظت اور ماحولیاتی (HSE) معیارات کو انتہائی سنجیدگی سے لیتے ہیں۔ ہم اپنے کاروبار سے وابستہ HSE خطرات کو فعال طریقے سے سنبھالنے کی اہمیت کو تسلیم کرتے ہیں اور آگ، حادثات یا ملازمین و زائرین کو چوٹ لگنے کے خطرے کو کم سے کم کرنے کے لیے اپنے طریقہ کار کو مسلسل بہتر بنانے میں مصروف ہیں۔ HSE کے تئیں ہماری وابستگی ہماری پالیسیوں اور طریقہ کار میں جھلکتی ہے، جن کا مقصد ہماری کاری جگہوں اور دفاتر میں ممکنہ خطرات کو کم کرنا، ختم کرنا یا ان پر قابو پانا ہے۔ اس کے علاوہ، ہم یہ یقینی بناتے ہیں کہ ہماری مصنوعات تمام متعلقہ حفاظتی معیارات اور قانونی تقاضوں کی تعمیل کرتے ہوئے محفوظ طریقے سے بھیجی جائیں۔

ہماری HSE کوششیں ملازمین اور زائرین کے لیے ایک محفوظ اور صحت مند کام کا ماحول بنانے کے ساتھ ساتھ معاشرے اور ماحولیات کے تنہیں اپنی ذمہ داریاں پوری کرنے کے عزم کی عکاسی کرتی ہیں۔ ہم اپنے ملازمین، صارفین اور وسیع تر برادری کی فلاح و بہبود کو یقینی بنانے کے لیے اپنی تمام کارروائیوں میں HSE کو ترجیح دیتے رہیں گے۔

### گزشتہ اجلاس عام AGM میں اٹھائے گئے مسائل

31 دسمبر 2024 کو ختم ہونے والے سال کے لیے سالانہ جنرل میٹنگ کے دوران کوئی اہم مسائل نہیں اٹھائے گئے۔

ایجنڈا نمبر 1: 8 جون 2024 کو منعقدہ غیر معمولی جنرل میٹنگ کی کارروائی کی منظوری۔

ایجنڈا نمبر 2: 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے آڈٹ شدہ اکاؤنٹس پر غور۔

ایجنڈا نمبر 3: مالی سال 2025 کے لیے موجودہ آڈیٹرز Crowe Hussain Chaudhury & Co. چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری۔

تمام ایجنڈا آئٹمز پر بحث، منظوری اور اختیار کیا گیا۔ سوال و جواب کا سیشن منعقد ہوا۔ مسٹر محمد شاہد میر اور مسٹر فیصل ندیم شیخ نے حقداروں اور آڈیٹرز کے معاوضے سے متعلق تمام سوالات کے جوابات دیے۔

### ڈائریکٹرز کا معاوضہ

کمپنی کے بورڈ آف ڈائریکٹرز میں دو غیر ایگزیکٹو ڈائریکٹرز اور تین ایگزیکٹو ڈائریکٹرز شامل ہیں۔ ایگزیکٹو ڈائریکٹرز کو کمپنی کی HR پالیسیوں اور تنخواہ کی سطح کے مطابق مقررہ تنخواہ اور مراعات دی جاتی ہیں۔

### متعلقہ فریق کے ساتھ لین دین

متعلقہ فریق کے ساتھ لین دین متقابل بے قابو قیمتوں کے طریقے کے مطابق مارکیٹ قیمتوں اور خالص تجارتی شرائط پر کیے گئے۔

### کارپوریٹ گورننس کے طریقے

آکٹوپس ڈیجیٹل لمیٹڈ کا بورڈ آف ڈائریکٹرز کمپنی کے اصولوں سے وابستہ ہے اور کمپنیز ایکٹ 2017 کے ضوابط میں شامل کارپوریٹ گورننس کوڈ کی ضروریات کی تعمیل کرتا ہے۔

## اعتراف

بورڈ کمپنی کے ملازمین کی مسلسل لگن اور کوششوں سے خوش ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

حما

مسٹر تنویر کرامت  
چیف ایگزیکٹو آفیسر



مسٹر اٹمار احمد عاطف  
ڈائریکٹر

لاہور: 29 اپریل 2026



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