

SYSTEMS LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2026

	Note	Three Months Ended	
		March 31, 2026	March 31, 2025
Rupees			
Revenue from contracts with customers - net		12,585,021,746	10,898,695,953
Cost of revenue		(9,489,694,973)	(8,183,242,500)
Gross profit		3,095,326,773	2,715,453,453
Research & development expenses		(46,442,102)	(16,610,738)
Administrative expenses		(797,683,873)	(695,898,585)
Selling and distribution expenses		(279,963,041)	(245,997,720)
Impairment reversal / (losses) on financial assets		4,525,780	(64,794)
		(1,119,563,236)	(958,571,837)
Operating profit		1,975,763,537	1,756,881,616
Other income	13	224,295,683	401,620,376
Finance costs		(48,643,247)	(36,819,618)
		2,151,415,973	2,121,682,374
Profit before taxation & levy		2,151,415,973	2,121,682,374
Levy		(108,781,161)	(109,338,383)
Profit before taxation		2,042,634,812	2,012,343,991
Taxation		(10,225,286)	(5,808,229)
Profit for the period		2,032,409,526	2,006,535,762
Earnings per share:			(Restated)
Basic earnings per share		1.38	1.37
Diluted earnings per share	14	1.31	1.36

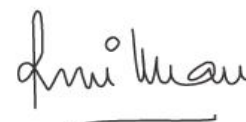
The annexed notes from 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT
FOR THE THREE MONTHS ENDED 31 MARCH 2026 (UN-AUDITED)

	Three Months Ended	
	31 March 2026	31 March 2025
Note	Rupees	Rupees
Revenue from contract with customers - net	23,977,593,876	18,079,554,950
Cost of sales	17,939,420,933	13,529,504,905
Gross profit	6,038,172,943	4,550,050,045
Selling & Distribution expenses	867,116,909	623,884,483
Administrative expenses	1,963,964,032	1,409,780,494
Research & development expenses	61,344,342	17,648,624
Other operating expenses	29,503,192	30,854,853
	2,921,928,475	2,082,168,454
Operating profit	3,116,244,468	2,467,881,591
Other income	15 340,238,493	334,390,249
Share of loss from associate	-	9,000,000
Finance cost	129,313,122	89,636,028
Profit before taxation and Levy	3,327,169,839	2,703,635,813
Levy	169,355,373	109,338,383
Profit before taxation	3,157,814,466	2,594,297,430
Taxation	132,104,882	92,822,300
Profit after taxation	3,025,709,584	2,501,475,129
Attributable to:		
Equity holders of the parent	3,025,709,584	2,501,761,877
Non-controlling interest	-	(286,747)
	3,025,709,584	2,501,475,129
Earnings per share:		(Restated)
Basic earnings per share	16 2.05	1.71
Diluted earnings per share	1.96	1.69

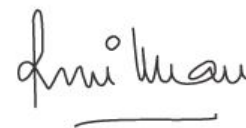
The annexed notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.



(CHAIRMAN)



(CHIEF EXECUTIVE OFFICER)



(CHIEF FINANCIAL OFFICER)

DIRECTOR'S REVIEW REPORT – 31ST MARCH 2026

On behalf of the Board of Directors we are pleased to present the Standalone and Consolidated Financial Statements for the three months ended 31st March 2026.

FINANCIAL RESULTS

Consolidated:

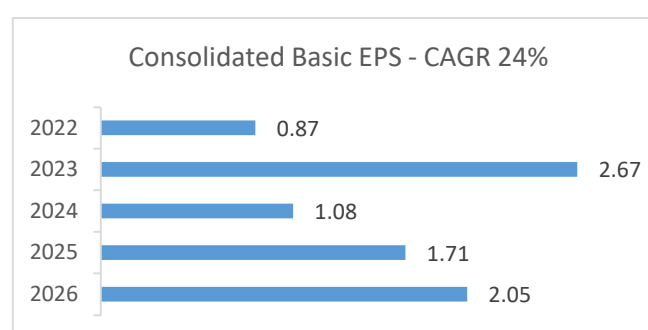
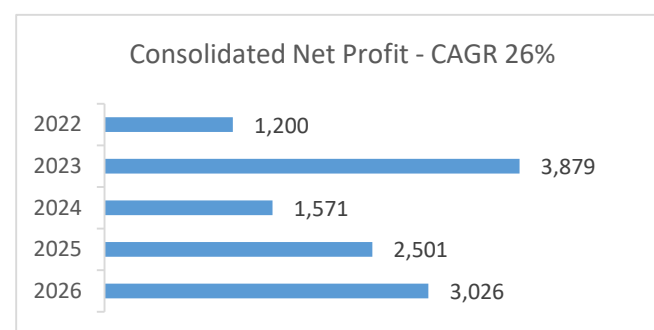
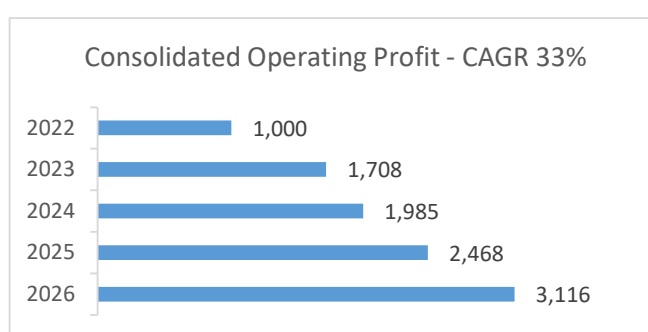
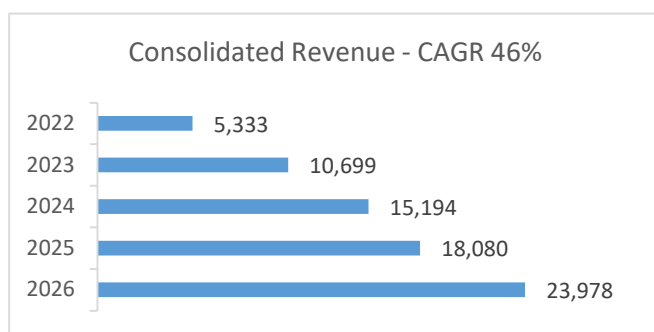
During the three months period ended 31st March 2026, consolidated revenue grew by 32.6% year over year from Rs. 18,079.55 million to Rs. 23,977.59 million. Gross profit and operating profit increased by 32.7% and 26.3% respectively. Net profit for the period only increased by 20.9% from Rs. 2,501.48 million to Rs. 3,025.71 million since there is exchange loss in this quarter and as compared to the gain recorded in the same period last quarter. The Company has also absorbed annual wage adjustment and fuel price inflation in this quarter without benefiting from any currency gains. This has been achieved through strong growth, both organically and inorganically, improving efficiency and overall optimization. Hence margins are maintained in line with same period last year, however, there is a temporary dip compared to last quarter.

In this quarter, the Company has also consolidated Confiz Limited and it's group companies.

Basic and diluted earnings per share increased by 20.3% and 15.5% respectively.

Consolidated			
Particulars	Mar-26 (unaudited)	Mar-25 (unaudited)	Change
	Rs.	Rs.	%
Revenue	23,977,593,876	18,079,554,950	32.6
Gross Profit	6,038,172,943	4,550,050,045	32.7
Operating profit	3,116,244,468	2,467,881,591	26.3
Profit for the period	3,025,709,584	2,501,475,129	20.9
Earnings per share (basic)	2.05	1.71	20.3
Earnings per share (diluted)	1.96	1.69	15.5

Other Income – Consolidated		
Particulars	Mar-26 (unaudited)	Mar-25 (unaudited)
	Rs.	Rs.
Other Income	366,479,072	138,375,109
Exchange (Loss) / Gain	(26,240,578)	196,015,140
Total	340,238,493	334,390,249



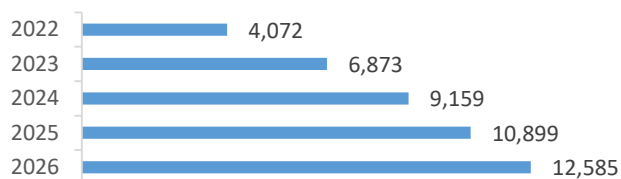
Unconsolidated:

For the three-month period ended 31st March 2026, standalone revenue grew by 15.5% year-over-year, rising from Rs. 10,898.70 million to Rs. 12,585.02 million. Gross profit increased by 14.0%, while operating profit rose by 12.5%, impacted by offshore wage and fuel inflation. Despite this, the Company maintained operating margins at the same level as the prior year quarter through cost optimization and efficiency gains.

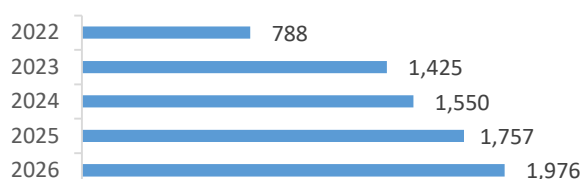
Key Financial Highlights – Unconsolidated			
Particulars	Mar-26 (unaudited)	Mar-25 (unaudited)	Change
	Rs.	Rs.	%
Revenue	12,585,021,746	10,898,695,953	15.5
Gross Profit	3,095,326,773	2,715,453,453	14.0
Operating profit	1,975,763,537	1,756,881,616	12.5
Profit for the period	2,032,409,526	2,006,535,762	1.3
Earnings per share (basic)	1.38	1.37	0.7
Earnings per share (diluted)	1.31	1.36	-3.7

Other Income – Unconsolidated		
Particulars	Mar-26 (unaudited)	Mar-25 (unaudited)
	Rs.	Rs.
Other Income	299,508,306	221,379,965
Exchange (Loss) / Gain	(75,212,623)	180,240,411
Total	224,295,683	401,620,376

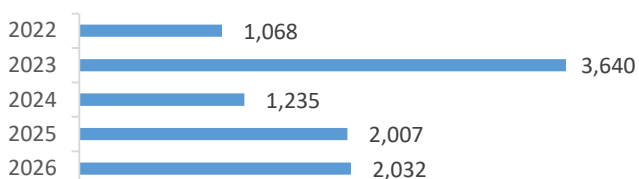
Unconsolidated Revenue (PKR'M) - CAGR
33%



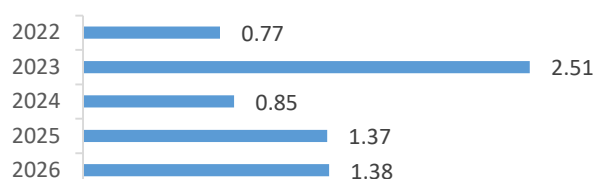
Unconsolidated Operating Profit (PKR'M) - CAGR
26%



Unconsolidated Net Profit (PKR'M) - CAGR
17%



Unconsolidated Basic EPS (PKR) - CAGR
16%



PERFORMANCE BY SEGMENT – BY VERTICAL AND BY GEOGRAPHY

BFS remains the largest segment, followed by Telco. Retail & CPG becomes the highest growth segment with the merger of Confiz. Technology vertical reflects our partnerships with other global SI.

	BFSI		Telco		Technology		Retail & CPG		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Three months ended 31 Mar 2026	Three months ended 31 Mar 2025	Three months ended 31 Mar 2026	Three months ended 31 Mar 2025	Three months ended 31 Mar 2026	Three months ended 31 Mar 2025	Three months ended 31 Mar 2026	Three months ended 31 Mar 2025	Three months ended 31 Mar 2026	Three months ended 31 Mar 2025	Three months ended 31 Mar 2026	Three months ended 31 Mar 2025
	-----PKR'M-----											
Revenue - net	6,713	5,480	6,126	4,330	3,333	2,104	3,239	1,904	4,566	4,262	23,978	18,080
Cost of sales	(5,194)	(4,133)	(4,856)	(3,440)	(2,181)	(1,493)	(2,331)	(1,213)	(3,378)	(3,251)	(17,939)	(13,530)
Gross profit	1,520	1,347	1,270	890	1,152	611	908	692	1,188	1,011	6,038	4,550
Research & Development Expenses	(32)	(13)	(11)	(2)	(7)	(1)	(4)	(1)	(8)	(1)	(61)	(18)
Distribution expenses	(220)	(189)	(195)	(149)	(111)	(73)	(177)	(66)	(164)	(147)	(867)	(624)
Administrative expenses	(528)	(427)	(476)	(338)	(264)	(164)	(340)	(148)	(355)	(332)	(1,964)	(1,410)
	(780)	(630)	(683)	(489)	(382)	(237)	(521)	(215)	(527)	(481)	(2,892)	(2,051)
Profit / (loss) before taxation and unallocated income and expenses	740	717	587	401	770	374	387	477	662	530	3,146	2,499
Other operating expenses											(30)	(31)
Other income (excluding exchange gain)											366	138
Exchange (loss) / gain											(26)	196
Share of loss from associates											-	(9)
Finance cost											(129)	(90)
Profit before taxation and levy											3,327	2,704
Levy											(169)	(109)
Profit before taxation											3,158	2,594
Taxation											(132)	(93)
Profit after taxation											3,026	2,501

Geographical segment analysis indicates strong growth across all four regions other than Pakistan. Middle East & Africa region continues to be the highest contributor to Revenue and Profits followed by North America. Details on the segments are covered in Future Outlook.

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Three months ended 31 Mar 2026	2025	Three months ended 31 Mar 2026	2025	Three months ended 31 Mar 2026	2025	Three months ended 31 Mar 2026	2025	Three months ended 31 Mar 2026	2025	Three months ended 31 Mar 2026	2025
	-----PKR'M-----											
Revenue - net	4,974	3,726	1,188	875	13,964	10,159	915	588	2,937	2,731	23,978	18,080
Cost of sales	(3,586)	(2,569)	(791)	(557)	(10,545)	(7,488)	(648)	(369)	(2,370)	(2,548)	(17,939)	(13,530)
Gross profit	1,388	1,158	397	319	3,419	2,671	267	219	567	183	6,038	4,550
Research & Development Expenses	(7)	(6)	(2)	(2)	(44)	(6)	(1)	(2)	(8)	(1)	(61)	(18)
Distribution expenses	(143)	(28)	(29)	(11)	(527)	(397)	(79)	(54)	(88)	(134)	(867)	(624)
Administrative expenses	(318)	(278)	(81)	(70)	(1,273)	(883)	(97)	(57)	(195)	(122)	(1,964)	(1,410)
Profit / (loss) before taxation and unallocated income and expenses	(468)	(313)	(112)	(82)	(1,844)	(1,286)	(178)	(114)	(291)	(257)	(2,892)	(2,051)
	920	845	285	237	1,575	1,386	89	105	276	(74)	3,146	2,499
Other operating expenses											(30)	(31)
Other income (excluding exchange gain)											366	138
Exchange (loss) / gain											(26)	196
Share of loss from associates											-	(9)
Finance cost											(129)	(90)
Profit before taxation and levy											3,327	2,704
Levy											(169)	(109)
Profit before taxation											3,158	2,594
Taxation											(132)	(93)
Profit after taxation											3,026	2,501

FUTURE OUTLOOK

The Company delivered strong strategic growth in Q1, marked by strong backlog, targeted acquisition and further expansion into new service lines.

- The acquisition of Confiz has provided direct access to North American enterprise clients with meaningful opportunities for cross-sell and up-sell, leveraging the Company's scale, delivery capabilities, and domain expertise. Integration efforts are progressing as planned, with synergy realization expected in the second half of the year.
- The Company has launched a new brand "Systems Global Business Solutions" (Systems GBS) and is focusing on getting global business in processes like Record-to-Report (R2R), Marketing and HR. This will provide another growth opportunity for the Company with both the existing and new customers.
- The Company enters the coming year with a strong foundation with a healthy backlog and a clear strategic direction which has been reflected in Company's growth in the first quarter. The Company will continue to pursue a balanced growth approach, strengthening existing client relationships and expanding to new customers.
- The Company will continue to diversify its revenue base across key regions:
 - **North America:** Scaling recently acquired platforms and expanding enterprise client relationships, leveraging Confiz partnerships. Synergies will start to come in the second half of the year.
 - **UK & Europe:** Building a full-fledged regional operation and expanding into continental Europe by establishing its UK entity. The Company has onboarded leadership and the entity will be fully operational later in the year. The UK will serve as a hub for broader European expansion
 - **APAC:** Investments made in the prior year are yielding results, with strong momentum in Vietnam, Malaysia, and Indonesia, supported by a growing backlog. Channel partnerships have further strengthened, and the Company is realizing the global channel synergies in this region as well. Plans are underway to further strengthen sales capability and evaluate a delivery center in Malaysia.
 - **Middle East:**
 - UAE remains a core market, supported by a diversified base of large enterprise clients across key sectors. The global macroeconomic environment remains uncertain, with continued concerns around economic slowdown and ongoing geopolitical tensions in the whole Middle East region. While Company's backlog is supporting the current growth, but due to current geopolitical

tension, the future deal flow is slower than the Company's forecasted closures. In addition, during these uncertain times, customers are cautious to make big commitments for their investments. While the Company has not seen a churn in the current resources working in the Middle East region, the situation has limited Company's ability to mobilize people from offshore especially from Pakistan. Despite this, Company is confident that the pipeline is healthy and when the situation settles, it will start converting the pipeline into revenue, but the delayed conversion has created a lag by a quarter.

- **Domestic:** The business in Pakistan has demonstrated a notable turnaround, with profitability improving from negative to positive levels. This reflects the impact of focused execution and operational discipline. The Company expects continued improvement in the domestic business with a healthy backlog and pipeline, with a focus on aligning margins closer to those achieved in international markets and expecting continued profitable growth.
- Operationally, the Company has also made significant progress in AI enablement, embedding AI across internal processes and client-facing solutions. Workforce capability has been strengthened, with widespread adoption of AI tools to enhance productivity and service delivery. The Company sees significant opportunity in the evolving AI landscape. While enterprise interest in AI continues to grow, effective adoption requires strong data foundations and integrated systems.
- The Company has been investing and focusing on industry-led AI integration and going deep into industries where the Company already has a strong footprint such as retail & CPG, telco and banking. The Company believes that this has created an opportunity with both existing and new customers as AI has enforced a level playing field. The Company is realizing efficiencies and new business opportunities by consolidating data engineering projects so customers can get true ROI from their investments.

ACKNOWLEDGEMENT

The Board takes this opportunity to thank the Company's valued customers, bankers and other stakeholders for their corporation and support. The Board greatly appreciates the hard work and dedication of all the employees of the Company.

On behalf of the Board

Asif Peer
Chief Executive Officer
Date: 25th May 2026