SYSTEMS LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTHS AND THREE MONTHS ENDED JUNE 30, 2026

		Six Months Ended		Three Months Ended	
		June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	Note	**Rupees**	Rupees	**Rupees**	Rupees
Revenue from contract with customers - net		**49,715,861,103**	36,739,108,828	**25,738,267,227**	18,659,553,878
Cost of sales		**37,027,470,539**	27,453,777,706	**19,088,049,606**	13,924,272,801
Gross profit		**12,688,390,564**	9,285,331,122	**6,650,217,621**	4,735,281,077
Distribution expenses		**1,749,315,669**	1,300,076,908	**882,198,760**	676,192,425
Administrative expenses		**4,013,835,150**	2,848,741,280	**2,049,871,118**	1,438,960,786
Research & development expenses		**116,644,283**	24,868,807	**55,299,941**	7,220,183
Impairment losses on financial assets	13	**269,469,561**	28,227,730	**239,966,369**	(2,627,123)
		6,149,264,663	4,201,914,725	**3,227,336,188**	2,119,746,271
Operating profit		**6,539,125,901**	5,083,416,397	**3,422,881,433**	2,615,534,806
Other income	14	**567,048,665**	820,901,359	**226,810,172**	486,511,110
Share of loss from associate		**-**	56,225,708	**-**	47,225,708
Finance cost		**303,780,255**	165,990,055	**174,467,133**	76,354,027
Profit before taxation and levy		**6,802,394,311**	5,682,101,993	**3,475,224,472**	2,978,466,181
Levy		**397,739,772**	337,212,254	**228,384,399**	227,873,871
Profit before taxation		**6,404,654,539**	**5,344,889,739**	**3,246,840,073**	2,750,592,310
Taxation		**354,260,313**	192,477,805	**222,155,431**	99,655,504
Profit after taxation		**6,050,394,226**	5,152,411,934	**3,024,684,642**	2,650,936,804
Attributable to:					
Equity holders of the parent		**6,050,394,226**	5,152,705,306	**3,024,684,642**	2,650,943,429
Non-controlling interest		**-**	(293,373)	**-**	(6,626)
		6,050,394,226	5,152,411,933	**3,024,684,642**	2,650,936,804
Earnings per share:	15				
Basic earnings per share		**3.95**	3.52	**1.98**	1.81
Diluted earnings per share		**3.88**	3.49	**1.95**	1.80

The annexed notes from 1 to 23 form an integral part of this condensed interim financial information.

(CHAIRMAN) **(CHIEF EXECUTIVE OFFICER)** **(CHIEF FINANCIAL OFFICER)**

SYSTEMS LIMITED

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

FOR THE SIX MONTHS AND THREE MONTHS PERIODS ENDED JUNE 30, 2026

	Note	Six Months Ended		Three Months Ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		Rupees			
Revenue from contracts with customers - net	12	25,898,148,393	21,718,456,391	13,313,126,647	10,819,760,438
Cost of revenue		(19,866,832,982)	(16,185,178,807)	(10,377,138,009)	(8,030,047,744)
Gross profit		6,031,315,411	5,533,277,584	2,935,988,638	2,789,712,694
Selling and distribution expenses		(584,441,386)	(500,258,404)	(304,478,345)	(254,260,684)
Administrative expenses		(1,700,271,812)	(1,396,102,748)	(902,587,939)	(700,204,163)
Research & development expenses		(116,635,718)	(24,153,715)	(70,193,616)	(7,542,977)
Reversal of impairment losses/ (Impairment losses) on financial assets		80,172,266	(221,141,025)	75,646,486	(221,076,231)
		(2,321,176,650)	(2,141,655,892)	(1,201,613,414)	(1,183,084,055)
Operating profit		3,710,138,761	3,391,621,692	1,734,375,224	1,606,628,639
Other income	13	332,899,947	929,601,797	108,604,264	556,092,858
Finance costs		(140,937,356)	(68,417,242)	(92,294,109)	(31,597,624)
Profit before taxation and levy		3,902,101,352	4,252,806,247	1,750,685,379	2,131,123,873
Levy		(377,025,593)	(216,399,275)	(268,244,432)	(107,060,892)
Profit before taxation		3,525,075,759	4,036,406,972	1,482,440,947	2,024,062,981
Taxation		(64,528,930)	(26,531,060)	(54,303,644)	(20,722,831)
Profit for the period		3,460,546,829	4,009,875,912	1,428,137,303	2,003,340,150
Earnings per share					
-Basic	14	2.26	2.74	0.93	1.37
-Diluted	14	2.22	2.71	0.92	1.36

The annexed notes 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

(CHAIRMAN) (CHIEF EXECUTIVE) (CHIEF FINANCIAL OFFICER)

DIRECTOR'S REVIEW REPORT – 30TH JUNE 2026

On behalf of the Board of Directors we are pleased to present the Standalone and Consolidated Financial Statements for the six months ended 30th June 2026.

FINANCIAL RESULTS

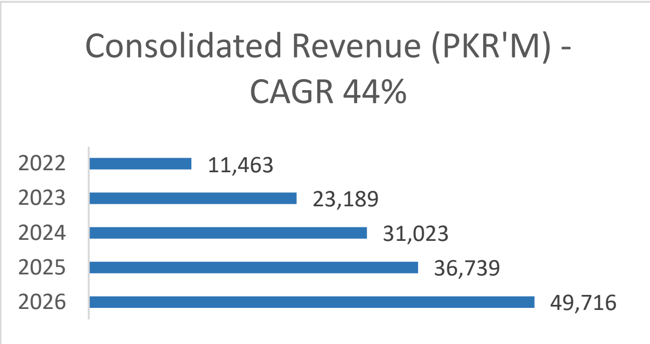
Consolidated:

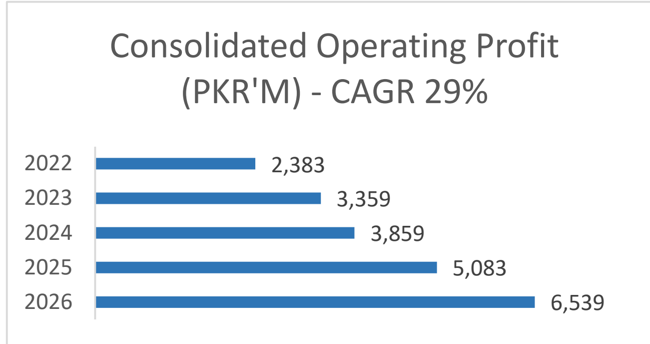
During the six months period ended 30th June 2026, consolidated revenue grew by 35.3% year over year from Rs. 36,739.11 million to Rs. 49,715.86 million. Gross profit and operating profit increased by 36.6% and 28.6% respectively. Net profit for the period only increased by 17.4% from Rs. 5,152.41 million to Rs. 6,050.40 million since there is exchange loss in this period as compared to the gain recorded in the same period last year. Despite significant currency appreciation over last year with Rs/$ falling from 283 in June 2025 to 278 in June 2026, the Company has absorbed annual wage adjustment and fuel price inflation in this period without benefiting from any currency gains. This has been achieved through strong growth, both organically and inorganically, improving efficiency and overall optimization. Hence GP and OP margins are maintained in line with same period last year.

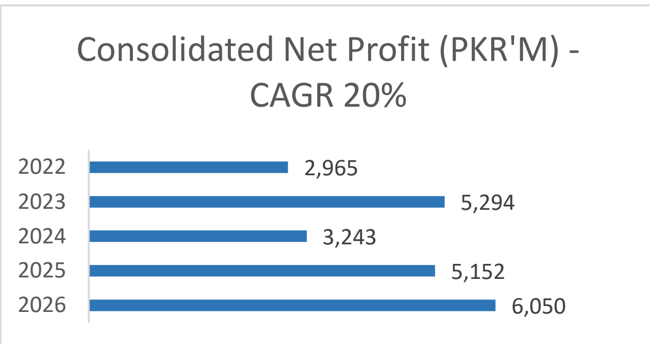
Basic and diluted earnings per share increased by 12.2% and 11.2% respectively.

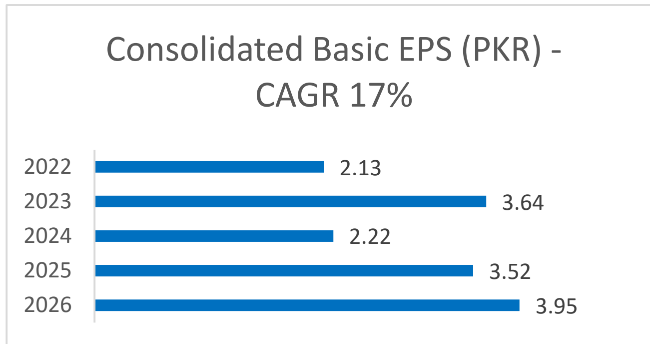
Consolidated			
Particulars	**Jun-26 (unaudited)**	Jun-25 (unaudited)	Change
	Rs.	Rs.	%
Revenue	**49,715,861,103**	36,739,108,828	35.3%
Gross Profit	**12,688,390,564**	9,285,331,122	36.6%
Operating profit	**6,539,125,901**	5,083,416,397	28.6%
Profit for the period	**6,050,394,226**	5,152,411,934	17.4%
Earnings per share (basic)	**3.95**	3.52	12.2%
Earnings per share (diluted)	**3.88**	3.49	11.2%

Other Income – Consolidated		
Particulars	**Jun-26 (unaudited)**	Jun-25 (unaudited)
	Rs.	Rs.
Other Income	**725,062,972**	292,483,230
Exchange (Loss) / Gain	**(158,014,307)**	528,418,129
Total	**567,048,665**	820,901,359







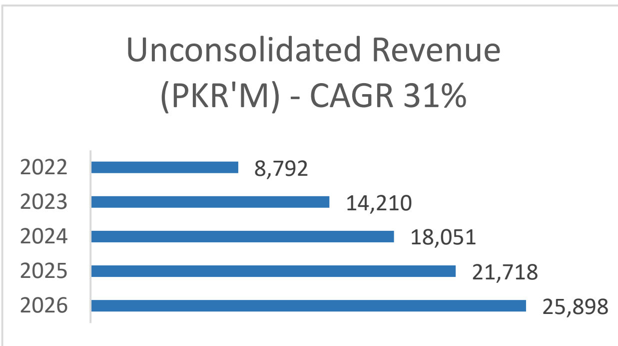


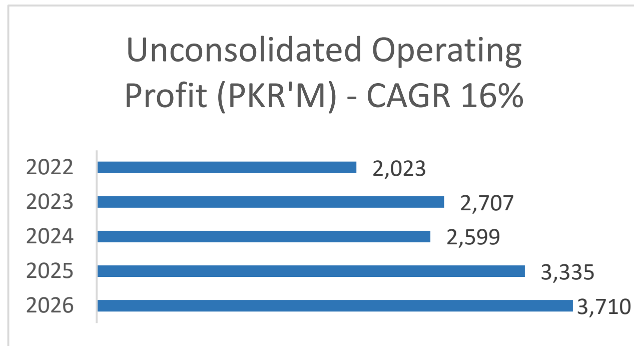
Unconsolidated:

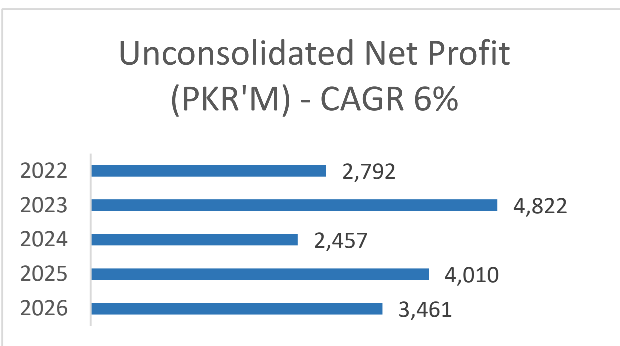
For the six-month period ended 30th June 2026, standalone revenue grew by 19.2% year-over-year, rising from Rs. 21,718.46 million to Rs. 25,898.15 million. Gross profit increased by 9.0%, while operating profit rose by 9.4%, impacted by offshore wage and fuel inflation. Net profit and EPS are negatively impacted by exchange loss of Rs. 140.25 million against exchange gain of Rs. 561.14 million in the same period last year. Moreover, there is lower interest income from related parties due to settlement of intercompany loans. Company is diligently working on cost optimization where possible to improve margins.

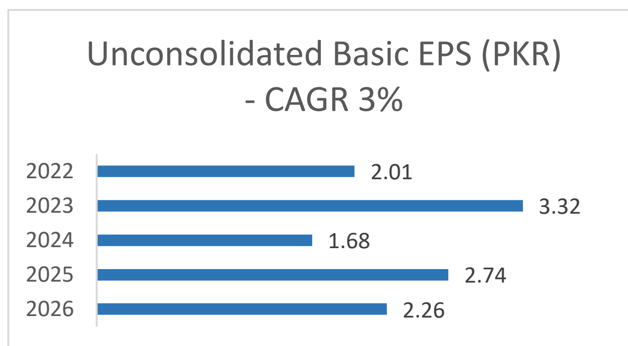
Key Financial Highlights – Unconsolidated			
Particulars	**Jun-26 (unaudited)**	Jun-25 (unaudited)	Change
	Rs.	Rs.	%
Revenue	**25,898,148,393**	21,718,456,391	19.2%
Gross Profit	**6,031,315,411**	5,533,277,584	9.0%
Operating profit	**3,710,138,761**	3,391,621,692	9.4%
Profit for the period	**3,460,546,829**	4,009,875,912	-13.7%
Earnings per share (basic)	**2.26**	2.74	-17.5%
Earnings per share (diluted)	**2.22**	2.71	-18.1%

Other Income – Unconsolidated		
Particulars	**Jun-26 (unaudited)**	Jun-25 (unaudited)
	Rs.	Rs.
Other Income	**473,146,271**	368,459,739
Exchange (Loss) / Gain	**(140,246,324)**	561,142,058
Total	**332,899,947**	929,601,797









PERFORMANCE BY SEGMENT – BY VERTICAL AND BY GEOGRAPHY

BFS remains the largest segment, followed by Telco. Technology and Retail & CPG became the highest growth segments with the merger of Confiz. Technology vertical reflects our partnerships with other global system integrators (SI).

	BFSI		Retail & CPG		Technology		Telco		Public Sector		Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees													
Revenue - net	**13,902**	11,076	**5,973**	3,891	**6,978**	4,321	**12,412**	9,072	**5,604**	4,637	**4,846**	3,741	**49,716**	36,739
Cost of sales	**10,447**	8,407	**4,054**	2,502	**4,691**	3,102	**10,242**	7,178	**4,022**	3,420	**3,572**	2,845	**37,027**	27,454
Gross profit	**3,455**	2,669	**1,919**	1,389	**2,287**	1,219	**2,170**	1,894	**1,582**	1,217	**1,274**	896	**12,689**	9,285
Distribution expenses	**533**	392	**114**	138	**267**	153	**460**	321	**211**	164	**165**	132	**1,749**	1,300
Administrative expenses	**1,223**	859	**261**	302	**612**	335	**1,055**	703	**485**	360	**379**	290	**4,014**	2,849
Research & development expenses	**77**	12	**3**	2	**13**	2	**13**	5	**6**	2	**4**	2	**117**	25
	1,833	1,263	**378**	442	**892**	490	**1,528**	1,029	**702**	526	**548**	424	**5,880**	4,174
Profit / (loss) before taxation and unallocated income and expenses	**1,622**	1,406	**1,541**	947	**1,395**	729	**642**	865	**880**	691	**726**	472	**6,809**	5,111
Other operating expenses													**(269)**	(28)
Other income (excluding exchange gain)													**725**	292
Exchange (loss) / gain													**(158)**	528
Share of loss from associates													**-**	(56)
Finance cost													**(304)**	(166)
Profit before taxation and levy													**6,803**	5,681
Levy													**(398)**	(337)
Profit before taxation													**6,405**	5,344
Taxation													**(354)**	(192)
Profit after taxation													**6,051**	5,152

Geographical segment analysis indicates strong growth across all four regions but Asia Pacific takes the lead. Middle East & Africa region continues to be the highest contributor to Revenue and Profits followed by North America. Pakistan segment is strategically kept below 15% of revenue. Details on the segments are covered in Future Outlook.

	North America		Europe		Middle East & Africa		Asia Pacific		Pakistan & Others		Total	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Six months ended June		Six months ended June		Six months ended June		Six months ended June		Six months ended June		Six months ended June	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees											
Revenue - net	**10,132**	7,430	**2,255**	1,835	**28,382**	20,857	**2,270**	1,230	**6,678**	5,387	**49,717**	36,739
Cost of sales	**7,180**	5,161	**1,485**	1,178	**21,444**	15,405	**1,385**	802	**5,533**	4,908	**37,027**	27,454
Gross profit	**2,952**	2,269	**770**	657	**6,938**	5,452	**885**	428	**1,145**	479	**12,690**	9,285
Distribution expenses	**295**	56	**56**	41	**1,043**	853	**165**	121	**191**	229	**1,750**	1,300
Administrative expenses	**1,002**	571	**158**	122	**2,410**	1,784	**169**	107	**275**	264	**4,014**	2,848
Research & development expenses	**16**	7	**5**	2	**73**	8	**4**	5	**19**	4	**117**	26
	1,313	634	**219**	165	**3,526**	2,645	**338**	233	**485**	497	**5,881**	4,174
Profit / (loss) before taxation and unallocated income and expenses	**1,639**	1,635	**551**	492	**3,412**	2,807	**547**	195	**660**	(18)	**6,809**	5,111
Other operating expenses											**(269)**	(28)
Other income (excluding exchange gain)											**725**	292
Exchange (loss) / gain											**(158)**	528
Share of loss from associates											**-**	(56)
Finance cost											**(304)**	(166)
Profit before taxation											**6,803**	5,681
Levy											**(398)**	(337)
Profit before taxation											**6,405**	5,344
Taxation											**(354)**	(192)
Profit after taxation											**6,051**	5,152

FUTURE OUTLOOK

The Company achieved strong strategic growth in Q2, underpinned by a healthy backlog, targeted acquisitions and further expansion into new service lines.

- Both acquisitions, Confiz and BAT Shared Services center, performed well from a revenue growth perspective, as reflected in the topline. The Company believes there is strong potential to unleash further growth, and Management is working on unlocking the cross-sell and upsell opportunities within these unique accounts. The acquisition of Confiz has provided direct access to North American enterprise clients, with meaningful opportunities for cross-sell and up-sell by leveraging the Company's scale, delivery capabilities and domain expertise. Management is confident of diversifying the revenue profile on the strength of this geography. Integration efforts are progressing as planned, with synergy realization expected in the second half of the year.
- The Real Effective Exchange Rate (REER) at 108 is evidence of high inflation and the over-valuation of the rupee. Since 80% of the company's cost is Human Resource (HR) related, inflation has a high impact on it: total cost has therefore been adjusted by more than 12% for wage and other employee cost inflation, while the currency has appreciated by ~2% since June 2025. With more than 90% of FCY based revenue, the lower FX rate has impacted operating margins and also resulted in exchange loss on translation. Nevertheless, despite the 14-15% negative impact on the cost, the Company has demonstrated absolute growth in profitability on the back of strong revenue growth.
- 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 begin to come through from the second half of the year.
  - **UK & Europe**: The UK entity was incorporated in Q1. The Company is building a full-fledged regional operation and expanding into continental Europe. Leadership has been onboarded and the entity will be fully operational later in the year. The UK will serve as the 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 strengthened further, and the Company is realizing global channel synergies in this region as well. Plans are underway to further strengthen sales capability and to evaluate a delivery center in Malaysia.
  - **Middle East**: Regional geopolitics has not impacted the growth trajectory so far. The current customer base is intact and the Company has seen no sign of negative growth, as it does not operate in the sectors that have been affected, such as tourism and real estate. Industries such as banking, telco and the public sector continue to spend in line with the vision for agentic AI shared by His Highness Sheikh Mohammed bin Rashid Al Maktoum, the Ruler of Dubai and Prime Minister of the UAE, which centers on transitioning 50% of government operations and sectors to autonomous, self-executing AI systems within two years, turning artificial intelligence into an active executive and decision-making partner rather than a mere tool. This is creating significant demand from all the Company's public sector customers.
  - **Domestic:** The business in Pakistan has demonstrated a notable turnaround, with profitability improving from negative to positive levels. The strategy of working with enterprise customers has worked, reflecting the impact of focused execution and operational discipline. The Company expects continued improvement in the domestic business, supported by a healthy backlog and pipeline, with

a focus on aligning margins closer to those achieved in international markets and on delivering continued profitable growth.

- AI is amplifying demand for services. Productivity gains are translating into larger deal sizes, and the Company is in a sweet spot to create impact. AI is creating enterprise work. 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 through widespread adoption of AI tools that enhance productivity and service delivery. The Company is using appropriate tools available to train its workforce and align with the future roadmap of technology, so that it remains relevant and can pass on productivity gains to customers through these innovative tools and technologies. The global base of 300+ customers is a gold mine: every customer is trying to be agentic and aspires to make AI its growth engine. The Company is already working with existing and new customers to create higher impact and generate more opportunities for the Company.
- The Company continues to explore M&A opportunities, mainly in the West, as the strategy is to expand in the US and Europe to build a well-balanced and diversified portfolio and minimize the geo-political exposure.
- The Company is maintaining a similar focus on the supply side. The Egypt center is now operational and has more capacity, giving the Company operational resilience and a strategic advantage for regional and other customers. The Company has also started a development center in Malaysia and is planning one in Jordan, from a talent perspective, so that it has access to a broader talent database for global customers.

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: 26th August 2026