Half Yearly Report

For the Period Ended June 30, 2026

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Company Information

Board of Directors
Bakhtiar Hameed Wain
Director / Chairman

Tanveer Karamat
Director / Chief Executive Officer

Khalid Hamid Wain
Director

Adeel Khalid
Director

Asmar Ahmed Atif
Director

Mohammad Arif Janjua
Director

Humayun Maqbool
Director

Saleha Asif
Director

Faisal Nadeem Sheikh
Chief Financial Officer

Ahsan Khalil
Company Secretary

Board Audit Committee
Humayun Maqbool
Chairman

Bakhtiar Hameed Wain
Member

Khalid Hamid Wain
Member

Mohammad Arif Janjua
Member

OCTOPUS DIGITAL
Trade Mark

Email: support@octopusdtl.com

Human Resource & Renumeration Committee
Humayun Maqbool
Chairman

Bakhtiar Hameed Wain
Member

Khalid Hamid Wain
Member

Tanveer Karamat
Member

Auditors
Crowe Hussain Chaudhury & Co
Chartered Accountants

Legal Advisor
Chima & Ibrahim Advocates and Corporate Counsel

Web Presence
www.octopusdtl.com

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

Share Registrar
FAMCO Share Registration Services (Pvt.) Ltd.
8-F, Near Hotel Faran, Nursery,
Block-6, P.E.C.H.S, Shahra-e-Faisal,
Karachi.
Phone: +92 (21) 34380101-5 &
+92 (21) 34384621 – 23
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Phone: +92 (42) 111 940 940
Email: support@octopusdtl.com

Regional Headquarters - Middle East
Office No 19 Building No S-4 First Floor
NASTP Silicon Valley, Karachi,
Main Shahra-e-Faisal Near PAF Museum,
Karachi, Pakistan
Email: support@octopusdtl.com

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

Regional Headquarters - Middle East Dubai, UAE
DMC5 Building, Ground Floor
Dubai Media City,
Dubai, United Arab Emirates
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Qatar Free Zone
Doha, Qatar
P.O. Box: 13565
Phone: +974 4141 7300
Email: support@avanceon.qa

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

Interim Director's Report

Directors of Octopus Digital Limited (the "Company") are pleased to present our report for the half year and quarter ended June 30, 2026

	For the half year ended	
	June 30, 2026	June 30, 2025
	(Rupees in 000)	
Consolidated Operating Results		
Revenues	**693,961**	537,427
Profit/(Loss) before tax	**39,188**	35,627
Provision for taxation	**(15,408)**	(5,280)
Profit/(Loss) after taxation	**23,780**	30,347
Unconsolidated Operating Results		
Revenues	**188,667**	179,435
Profit/(Loss) before tax	**(15,558)**	(3,807)
Provision for taxation	**(15,408)**	(5,280)
Profit/(Loss) after taxation	**(30,966)**	(9,086)

Consolidated Earnings Per Share For The Half Year Ended June 30, 2026

The consolidated basic earnings per share after tax is Rs. 0.15 (2025: Rs. 0.19)

Unconsolidated Earnings/(Loss) Per Share For The Half Year Ended June 30, 2026

The unconsolidated basic (loss) per share after tax is Rs. (0.20) (2025: Rs. (0.06))

Operating Results Commentary

During the review period, the revenue of the Company has increased, with consolidated results up by 29% and standalone results up by 5% compared to last year. Profit After Tax (PAT), which stands at 3.4% and -16%, of revenue, in consolidated and standalone results respectively on the back of rising admin and selling expenses, recording an exchange loss in the current year compared to exchange gain last year and a Tax provision on a slightly higher side effecting the bottom-line.

The continued stability in Pakistan has led to good order generation during the first 6 months of the financial year, with management expecting to meet this year's target. Management's focus is on execution of orders to maximize revenue before end of year. The standalone books which represent the Pakistan business, have shown a loss due to timing of execution of projects current in hand. In hand projects along with new wins are expected to be executed in Q3 and Q4, the management is confident the Orders will bear positive results in the next half year.

Despite the situation in the Middle East affecting our supply chain, the company has managed to increase its topline based on our reliable services with our long-standing customer base and an increase in the number of orders in all regions.

Total order generation for the period stands at around $7M, most of it being long term contracts that are expected to earn recurring monthly revenue. Focus is now, increasing our footprint in new localities, where strong marketing actions and customers reach out is starting to bear fruit. The management is fully committed to keeping an eye on streamlining costs and ensure all efforts are underway to increase the bottom line and have a healthy order book for the coming periods.

Communication

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

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

August 27, 2026
Lahore, Pakistan

Tanveer Karamat
Chief Executive Officer

Asmar Ahmed Atif
Director

OCTOPUS DIGITAL

Condensed Standalone Interim Financial Statements

For the half year and quarter ended June 30, 2026

Crowe Hussain Chaudhury & Co.
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8-F, Main Market, Gulberg II,
Lahore-54660, Pakistan
Main +92-42-3575 9223-5
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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF OCTOPUS DIGITAL LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM UN-CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim un-consolidated statement of financial position of **OCTOPUS DIGITAL LIMITED** ("the Company") as at June 30, 2026 and the related condensed interim un-consolidated statement of profit or loss, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated statement of changes in equity, and condensed interim un-consolidated statement of cash flows, and notes to the condensed interim un-consolidated financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim un-consolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim un-consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

Pursuant to the requirement of Section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim un-consolidated statement of profit or loss and condensed interim un-consolidated statement of comprehensive income for the three months period ended June 30, 2026 have not been reviewed by us.

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

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: August 27, 2026
UDIN: RR202610051KjSLIewiP

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2026

	Note	Un-audited June 30, 2026	Audited Dec 31, 2025
		(Rupees in 000)	
ASSETS			
Non Current Assets			
Operating fixed assets	4	**31,327**	37,666
Intangible assets	5	**325,804**	195,534
Deferred tax assets		**19,390**	19,390
Long term investments	6	**447,893**	447,893
Long term contract assets		**8,134**	7,657
Long term deposits		**100**	100
		832,648	708,240
Current Assets			
Stock in trade		**471**	146
Trade debts	7	**1,314,687**	1,217,132
Contract assets	8	**107,874**	103,701
Advances, prepayments and other receivables	9	**1,083,337**	1,211,841
Short term investment	10	**596**	577
Bank balances		**71,590**	39,536
		2,578,555	2,572,933
		3,411,203	3,281,173
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital		**2,500,000**	2,500,000
Issued, subscribed and paid up share capital	11	**1,572,625**	1,572,625
Capital reserves			
- Group restructuring reserve		**(1,084,000)**	(1,084,000)
- Employees' share compensation reserve	12	**102,968**	77,867
- Share premium		**789,209**	789,209
Revenue reserve - unappropriated profits		**1,431,556**	1,462,522
		2,812,358	2,818,223
Non Current Liabilities			
Diminishing musharaka finance	13	**12,364**	16,867
Current Liabilities			
Trade and other payables	14	**374,917**	316,507
Contract liabilities		**143,912**	77,888
Current portion of diminshing musharka finance		**8,717**	8,161
Provision for taxation		**58,961**	43,527
		586,481	446,083
Contingencies and Commitments	15	**-**	-
TOTAL EQUITY & LIABILITIES		**3,411203**	3,281,173

The annexed notes from 1 to 25 form an integral part of Condensed Interim Un-Consolidated financial statements.

Chief Executive Officer	Chief Financial Officer	Director

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

For the Half Year and Quarter Ended June 30, 2026

	Note	Half year ended June 30		Quarter ended June 30	
		2026	2025	**2026**	2025
		(Rupees in 000)		(Rupees in 000)	
Revenue from contracts with customers - net	16	**188,667**	179,435	**96,674**	128,011
Cost of sales		**(96,334)**	(90,181)	**(48,207)**	(61,687)
Gross Profit		**92,333**	89,254	**48,467**	66,324
Administrative expenses		**(138,344)**	(126,627)	**(83,486)**	(75,939)
Operating (Loss) /Profit		**(46,011)**	(37,373)	**(35,019)**	(9,615)
Other operating expenses		**(26,505)**	(17,127)	**(14,212)**	(17,127)
Finance cost		**(2,132)**	(2,023)	**(1,299)**	(1,173)
Other operating income	17	**59,090**	52,717	**27,292**	30,209
(Loss) / Profit before Levy and Taxation		**(15,558)**	(3,806)	**(23,238)**	2,294
Levy / final taxation	18	**(48)**	(131)	**(5)**	(47)
(Loss) / Profit before Taxation		**(15,606)**	(3,937)	**(23,243)**	2,247
Taxation	19	**(15,360)**	(5,149)	**(8,556)**	(3,309)
Net (Loss) / Profit for the Year		**(30,966)**	(9,086)	**(31,799)**	(1,062)
(Loss) / Earnings per share - Basic	20	**(0.20)**	(0.06)	**(0.20)**	(0.01)
(Loss) / Earnings per share - Diluted	20	**(0.19)**	(0.06)	**(0.20)**	(0.01)

The annexed notes from 1 to 25 form an integral part of Condensed Interim Un-Consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

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

For the Half year and Quarter Ended June 30, 2026

	Half year ended June 30		Quarter ended June 30	
	2026	2025	**2026**	2025
	(Rupees in 000)		(Rupees in 000)	
Net (Loss) / Profit for the Year	**(22,573)**	(9,086)	**(23,406)**	(1,062)
Other Comprehensive Income for the Year				
Items that will not be re-classified subsequently to profit or loss	**-**	-	**-**	-
Items that may be re-classified subsequently to profit or loss	**-**	-	**-**	-
Total Comprehensive (Loss) / Income for the Year	**(22,573)**	(9,086)	**(23,406)**	(1,062)

The annexed notes from 1 to 25 form an integral part of Condensed Interim Un-Consolidated financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

OCTOPUS DIGITAL

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

For the Half year Ended June 30, 2026

		Capital Reserve			Revenue Reserve	
	Issued, Subscribed and Paid up Share Capital	Group Restructuring Reserve	Employees' Share Compensation Reserve	Share Premium	Unappropriated Profit	Total
	(Rupees in 000)					
Balance as at December 31, 2024	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 loss for the year	-	-	-	-	86,708	86,708
Employee share option reserve	-	-	40,386	-	-	40,386
Balance as at December 31, 2025	1,572,625	(1,084,000)	77,867	789,209	1,462,522	2,818,223
Net Profit for the year	-	-	-	-	(22,573)	(22,573)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(22,573)	(22,573)
Employee share option reserve	-	-	25,101	-	-	25,101
Balance as at June 30, 2026	1,572,625	(1,084,000)	102,968	789,209	1,439,949	2,820,751

The annexed notes from 1 to 25 form an integral part of Condensed Interim Un-Consolidated financial statements.

Chief Executive Officer	Chief Financial Officer	Director

Unconsolidated Condensed Interim Statement of Cashflows (Un-audited)

For the Half Year Ended June 30, 2026

	Note	Half year ended June 30 2026	2025
		(Rupees in 000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before Levy and Taxation		**(15,558)**	(3,806)
Adjustments for:			
Depreciation on operating fixed assets	4	**7,691**	7,320
Amortization on intangible assets	5	**203**	203
Provision for bad earning expense		**5,208**	3,402
Provision for penalty against the default surcharge		**-**	436
Allowance for expected credit losses - trade debts		**-**	608
Unwinding of contract asset		**(477)**	-
Allowance for expected credit losses - contract asset		**-**	534
Employees' share option reserve		**25,101**	21,434
Dividend income from other financial assets	15	**(26)**	(26)
Exchange loss / (gain)		**14,309**	(27,619)
Markup income from related parties	15	**(58,242)**	(25,064)
Finance cost		**2,132**	2,023
		(4,101)	(16,749)
Operating loss before working capital changes		**(19,659)**	(20,555)
(Increase) / Decrease in current assets:			
Stock in trade		**(325)**	(2,722)
Trade debts	7	**(97,555)**	115,472
Contract assets	8	**(4,173)**	29,676
Advances, prepayments and other receivables	9	**182,879**	(133,617)
(Decrease) / Increase in current liabilities:			
Creditors, accrued and other liabilities	14	**53,202**	111,384
Contract liabilities		**66,024**	(1,191)
		200,052	119,002
Cash Generated from Operations		**180,393**	98,447
Finance cost paid		**(2,132)**	(2,023)
Income tax paid		**(10,442)**	(2,696)
Net Cash Generated from Operating Activities		**167,819**	93,728
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets		**(1,352)**	(4,038)
Addition in intangible asset	5	**(130,473)**	(77,005)
Short term investment		**(19)**	(19)
Dividend received from short term investment		**26**	26
Net Cash Used in from Investing Activities		**(131,818)**	(81,036)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term diminishing musharaka repaid		**(3,947)**	(3,786)
Net Cash Used in Financing Activities		**(3,947)**	(3,786)
Net Increase in Cash and Cash Equivalents		**32,054**	8,906
Cash and cash equivalents at the beginning of the year		**39,536**	8,955
Cash and Cash Equivalents at the End of the Year		**71,590**	17,861

The annexed notes from 1 to 25 form an integral part of Condensed Interim Un-Consolidated financial statements.

Chief Executive Officer	Chief Financial Officer	Director

Note 1
The Company and its Operations

1.1 Octopus Digital Limited (the Company) was incorporated in Pakistan on December 29, 2017 as a private limited company under the Companies Act, 2017, which was converted to public Company on November 11, 2020. The Company is a subsidiary of a listed company namely Avanceon Limited (the Holding Company). The Company is listed on Pakistan Stock Exchange Limited.The Company is domiciled in Pakistan and prime business of the Company is to carry out Information Technology enabled services which includes but are not limited to online data/information storage, online monitoring and review of employees efficiency, online monitoring of cost and production efficiency, online monitoring and maintenance of plant and machinery, sale and trade of related softwares and equipments etc.

1.2 The Information on geographical location and address of the Company's business is as under :
- The registered office is situated at 19 KM Main Multan Road, Lahore.

1.3 These condensed interim un-consolidated financial statements are the separate financial statements of the Company in which investment in subsidiary company is accounted for on the basis of actual cost incurred to acquire subsidiary.

Note 2
Basis of Preparation

2.1 Separate financial statements

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

2.2 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

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

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

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.3 Basis of measurement

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

2.4 Presentation and functional currency

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

Note 3
Material Accounting Policy

The accounting policies adopted for the preparation of these condensed interim un-consolidated financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended December 31, 2025, except as disclosed in note 3.1 to the condensed interim un-consolidated financial statements.

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

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on January 01, 2026, but are neither relevant nor have any significant effect on the Company’s operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed interim un-consolidated financial information.

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

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2026 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim un-consolidated financial statements.

Note 4
Operating Fixed Assets

	Note	Un-audited June 30, 2026	Audited Dec 31, 2025
		(Rupees in 000)	
Operating fixed assets	4.1	**31,327**	37,666
4.1 Operating fixed assets			
Opening written down value		**37,666**	32,208
Additions during the period / year	4.1.1	**1,352**	20,704
		39,018	52,912
Depreciation charge for the period / year		**(7,691)**	(15,246)
		31,327	37,666
4.2 Following is the detail of additions during the period:			
Vehicles		**177**	16,606
Computers		**790**	3,675
Office equipment		**385**	423
		1,352	20,704

Note 5
Intangible Assets

	Note	Un-audited June 30, 2026	Audited Dec 31, 2025
Operating intangible assets		**3,039**	3,242
Capital work in progress	5.1	**322,765**	192,292
		325,804	195,534
Net Carrying Value			
Opening balance		**3,242**	3,647
Less: Amortization charge during the period / year		**(203)**	(405)
Closing balance		**3,039**	3,242
Gross Carrying Value			
Cost		**4,052**	4,052
Less: Accumulated amortization		**(1,013)**	(810)
Net book value		**3,039**	3,242
Amortization rate		**10%**	10%
5.1 Capital Work in Progress		**192,292**	-
Opening balance		**130,473**	192,292
Add: Additions during the year		**322,765**	192,292

Note 6
Long Term Investments

	Note	Un-audited June 30, 2026	Audited Dec 31, 2025
Investment in Subsidiaries			
Octopus Digital FZ-LLC	6.1	**7,870**	7,870
Empiric AI Private Limited	6.2	**440,023**	440,023
		447,893	447,893

6.1 Octopus Digital FZ-LLC is a company incorporated in Dubai. As at the reporting date, the Company holds 100 shares (2025: 100 shares) at AED 1,000 each, representing 100% (2025: 100%) equity at AED 1,000 each. The principal line of business of the subsidiary is to carry on business of software related to consultancy customer service, developer, solution provider, and support service provider having its registered office situated at DMC, BLD0- VD-G00-792, Ground floor, Dubai Media City, Dubai, United Arab Emirates.

6.2 Empric AI (Private) Limited is a company incorporated in Pakistan. As at the reporting date, the Company holds 47.5 million shares (2025: 47.5 million shares) at Rs. 10 each, representing 99.99% (2025: 99.99%) equity at Rs. 10 each. The principal line of business of the subsidiary is to carry on business of analyzing potential oppurtunitites and making available digital and tecnology services and products inside and outside Pakistan having its registered office situated at The Avanceon Building, 19 KM, Main Multan Road, Lahore, Pakistan.

Note 7
Trade Debts

	Note	Un-audited **June 30, 2026**	Audited Dec 31, 2025
		(Rupees in 000)	
Related Parties			
Due from related parties - unsecured	7.1	**1,419,878**	1,381,660
Less: Allowance for expected credit loss		**(200,704)**	(200,704)
		1,219,174	1,180,956
Other Parties			
Due from others - unsecured		**97,657**	38,320
Less: Allowance for expected credit loss		**(2,144)**	(2,144)
		95,513	36,176
		1,314,687	1,217,132

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

Avanceon Automation and Control WLL	**1,020,788**	1,027,926
Avanceon Saudi for Energy Company	**84,559**	85,167
Octopus Digital FZ LLC	**145,677**	131,559
Avanceon FZE	**64,690**	65,240
Avanceon Limited	**104,164**	71,768
	1,419,878	1,381,660

Note 8
Contract Assets

	Note		
Earnings in excess of billings - unsecured		**69,977**	72,430
Project deferred revenue - unsecured		**40,503**	36,401
		110,480	108,831
Less: Written off	8.1	**-**	(2,524)
Less: Allowance for expected credit losses		**(2,606)**	(2,606)
		107,874	103,701

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

Note 9
Advances, Prepayments and Other Receivables

	Note		
Advances - considered good - unsecured			
- To employees		**11,419**	8,526
- To suppliers		**13,296**	4,856
		24,715	13,382
Margin paid against bank guarantees		**14,519**	4,703
Prepayments		**748**	1,704
Due from related party-unsecured	9.1	**219,489**	430,381
Markup receivable from the Parent Company		**288,361**	230,119
Tax refunds due from the government - Income tax		**39,825**	29,383
Sales tax refundable		**-**	2,945
Other receivables - considered good		**2,162**	2,162
Receivable against transfer of intangible	9.2	**493,518**	497,062
		1,083,337	1,211,841

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

Avanceon Limited	**-**	118,575
Octopus Digital FZ LLC	**219,485**	303,580
Avanceon Saudi for Energy Company	**4**	8,226
	219,489	430,381

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

Note 10
Short Term Investment

	Note		
MCB Money Market Fund 5,609 units (2025: 5,803 units)	10.1	**596**	577

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

Note 11
Share Capital

11.1 Authorized share capital

Un-audited June 30, 2026	Audited Dec 31, 2025		Un-audited June 30, 2026	Audited Dec 31, 2025
Number of Shares in Thousands			(Rupees in 000)	
250,000	250,000	Authorized ordinary shares of Rs. 10 each	**2,500,000**	2,500,000

11.2 Issued, subscribed and paid up capital

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

11.3 No shares were issued or cancelled during the period.

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

11.5 Avanceon Limited is the Parent Company, holding 74.32% (2025: 74.32%) of issued capital of the Company.

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

11.7 Shares held by related parties are as follows:

Name of Related Party		June 30, 2026	June 30, 2026	Dec 31, 2025
		(Percentage)	(Number of Shares)	
Mr. Tanveer Karamat	Directors	0.0429225%	67,501	67,501
Mr. Mohammad Arif Janjua	Directors	0.0003656%	575	575
Mr. Adeel Khalid	Directors	0.0000006%	1	1
Mr. Asmar Ahmed Atif	Directors	0.0000006%	1	1
Mr. Bakhtiar Hameed Wain	Directors	0.0000006%	1	1
Mr. Khalid Hamid Wain	Directors	0.0006359%	1,000	1,000
Ms. Saleha Asif	Directors	0.0000006%	1	1
Mr. Humayun Maqbool	Directors	0.0015096%	2,374	2,374
			71,454	71,454

Note 12
Employees' Share Compensation Reserve

	Un-audited June 30, 2026	Audited Dec 31, 2025
	(Rupees in 000)	
Balance as at the beginning of the year	**77,867**	37,481
Compensation expense booked during the period	**25,101**	40,386
Balance at the end of the year	**102,968**	77,867

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 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 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.

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.

	Un-audited June 30, 2026	Audited Dec 31, 2025
	(Rupees in 000)	
Total number of options granted	**3,678**	3,820
Per option fair value at the grant date	**32.95 - 50.02**	32.95 - 50.02
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%**	25% - 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:

	Un-audited June 30, 2026		Audited December 31, 2025	
	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 period	**3,820**	**10.00**	2,592	10.00
Options granted during the period	**-**	**10.00**	1,228	10.00
Options lapsed during the period	**(142)**	**10.00**	-	10.00
Options outstanding at the end of the period	**3,678**	**10.00**	3,820	10.00

12.1 Out of the total 3.678 million options granted, the directors and executives are entitled to 0.945 million (2025: 0.945 million) and 2.733 million (2025: 2.875 million) options respectively.

Note 13
Diminishing Musharaka Finance

	Un-audited June 30, 2026	Audited Dec 31, 2025
	(Rupees in 000)	
Opening balance	**25,028**	17,270
Addition during the period	**-**	14,509
Payments made during the period	**(3,947)**	(6,751)
	21,081	25,028
Current portion	**(8,717)**	(8,161)
	12,364	16,867

13.1 The Company had acquired certain vehicles under the diminishing musharaka financing arrangements from First Habib Modaraba, for a period of 48 months commencing from October, 2023. The effective rate is 3 month KIBOR plus 2.25% (2025: 3 month KIBOR plus 2.25%) per annum and to be paid on monthly basis.

Note 14
Trade and Other Payables

	Un-audited June 30, 2026	Audited Dec 31, 2025
Creditors - unsecured	**34,109**	31,343
Payable to related parties	**111,182**	119,289
Markup payable to related party	**50,847**	44,059
Accrued liabilities	**36,679**	35,658
Cash collection against employee share option scheme	**9,599**	-
Payable to provident fund	**61,922**	49,263
Sales tax payable	**23,229**	-
Advance from employees against vehicles	**10,162**	10,162
Payable to employees	**1,051**	2,992
Tax deducted at source	**36,137**	23,741
	374,917	316,507

14.1 Payable to related parties		
Empiric AI (Private) Limited	**96,337**	97,949
Avanceon Limited	**10,576**	-
Avanceon FZE	**1,439**	3,249
Avanceon Automation & Control WLL	**2,830**	18,091
	111,182	119,289

Note 15
Contingencies and Commitments

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

15.2 The Punjab Revenue Authority (PRA) issued a notice under Section 57(2) of the Punjab Sales Tax on Services Act, 2012, alleging a revenue differential of Rs. 48,354,327 for the tax years 2021 to 2024, based on a comparison of nationwide audited revenue with Punjab sales tax returns. In response, the Company submitted a detailed explanation clarifying the correct jurisdictional basis for determining the Punjab sales tax liability. The matter remains pending with the PRA, and management expects a favourable outcome.

Note 16
Revenue from Contracts with Customers - Net

	(Un-audited) Half year ended June 30		(Un-audited) Quarter ended June 30	
	2026	2025	**2026**	2025
	(Rupees in 000)			
Local Sales				
Sale of goods	**6,747**	-	**5,867**	-
Services rendered	**83,533**	19,795	**27,368**	16,476
AMS business services	**37,209**	77,954	**14,680**	60,754
Subscription and digital business services	**71,175**	46,358	**63,072**	26,758
	198,664	144,107	**110,987**	103,988
Export Sales				
AMS business services	**-**	17,409	**-**	2,183
Subscription and digital business services	**2,383**	2,613	**1,083**	1,313
Revenue from Back Office Support (BOS)	**15,120**	30,683	**-**	30,683
Revenue from transfer of profits	**-**	-	**-**	-
	17,503	50,705	**1,083**	34,179
	216,167	194,812	**112,070**	138,167
Less: Sales tax				
Sale of goods	**(1,029)**	-	**(895)**	-
Services rendered	**(26,471)**	(15,377)	**(14,500)**	(10,156)
	(27,500)	(15,377)	**(15,395)**	(10,156)
	188,667	179,435	**96,675**	128,011

16.1 Disaggregation of revenue from contract with customers

Type of products - net local sales				
Services rendered	**165,446**	128,730	**90,620**	93,832
Sale of goods	**5,718**	-	**4,972**	-
	171,164	128,730	**95,592**	93,832
Type of products - net export sales				
Services rendered	**17,503**	50,705	**1,083**	34,179
	188,667	179,435	**96,675**	128,011

Note 17
Revenue from Contracts with Customers - Net

Exchange gain - net	**-**	27,619	**17,603**	17,603
Markup from related parties	**58,242**	25,064	**12,585**	12,585
Dividend on short term investment	**26**	26	**13**	13
Unwinding of contract asset	**477**	-	**-**	-
Other income	**345**	8	**8**	8
	59,090	52,717	**30,209**	30,209

Note 18
Levy / Final Taxation

	(Un-audited) Half year ended June 30		(Un-audited) Quarter ended June 30	
	2026	2025	2026	2025
	(Rupees in 000)			
Charge for the year	**48**	131	**47**	47

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

Note 19
Taxation

	(Un-audited) Half year ended June 30		(Un-audited) Quarter ended June 30	
	2026	2025	2026	2025
	(Rupees in 000)			
Current tax	**15,360**	5,149	**3,309**	3,309

Note 20
Earnings Per Share

	(Un-audited) Half year ended June 30		(Un-audited) Quarter ended June 30	
	2026	2025	2026	2025
20.1 **Basic earnings per share**				
Net loss for the period	**15,360**	5,149	**3,309**	3,309
Weighted average number of ordinary shares	**157.262**	157.262	**157.262**	157.262
Loss per share	**(0.20)**	(0.06)	**(0.20)**	(0.01)

20.2 **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.

	Half Year Ended June 30,		Quarter ended June 30	
	2026	2025	2026	2025
Net loss for the period	**(30,966)**	(9,086)	**(31,799)**	(1,062)
Weighted average number of ordinary shares	**157,262**	157,262	**157,262**	157,262
Adjustment for share options	**2,592**	2,592	**2,592**	1,102
Weighted average number of ordinary shares for diluted earnings per share	**159,854**	159,854	**159,854**	158,364
Diluted Loss per share	**(0.19)**	(0.06)	**(0.20)**	(0.01)

Note 21
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. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

			(Unaudited)	(Unaudited)
			Half Year Ended June 30,	
Related party	**Relationship**	**Nature of transactions**	**2026**	2025
			(Rupees in 000)	
Avanceon FZE (AVFZE)	Associated Company due to common directorship	Sub-contracted services	**2,383**	-
		Payments to employees by ODL on behalf of AVFZE	**-**	-
		Payments to employees by AVFZE on behalf of ODL	**223**	37,035
		Payments to suppliers by AVFZE on behalf of ODL	**11,043**	-
		Markup expense	**356**	1,405
		Exchange loss - net	**541**	-
		Collections / adjustment from AVFZE	**-**	-
		Payments / adjusted to AVFZE	**13,067**	-

Related party	Relationship	Nature of transactions	(Unaudited) Half Year Ended June 30, 2026	(Unaudited) 2025
			(Rupees in 000)	
Avanceon Automation And Control WLL-QATAR (AVAC)	Associated Company due to common directorship	Sub-contracted services	**-**	1,995
		Payments to suppliers by AVAC on behalf of ODL	**2,867**	3,474
		Payment to employees by AVAC on behalf of ODL	**782**	1,906
		Payments / adjusted to AVAC	**20,317**	-
		Payment to employees by ODL on behalf of AVAC	**28**	-
		Collections / adjustment from AVAC	**1,436**	-
		Exchange loss - net	**7,329**	-
		Markup expense	**989**	1,230
Avanceon Limited (AVL)	Parent Company	AMS business services rendered	**19,104**	48,000
		Sub-contracted services	**12,974**	25,161
		Subscription Digital Business	**11,036**	-
		Payments to suppliers by AVL on behalf of ODL	**1,196**	1,652
		Payments to suppliers by ODL on behalf of AVL	**121**	1,623
		Collection / adjustment from AVL	**132,716**	186,407
		Payments / adjusted to AVL	**74,329**	149,843
		Payment of salaries by ODL	**-**	-
		Payment of salaries by AVL on behalf of ODL	**-**	501
		ESOS expense charged by AVL	**30,459**	-
		BOS charged to ODL	**44,213**	56,702
		Payment to employees by ODL on behalf of the AVL	**4,573**	345
		Payment to employees by AVL on behalf of the ODL	**4,468**	178
		Markup income	**6,347**	9,365
Avanceon Saudi Energy Company - KSA (AVSEC)	Associated	AMS business services rendered	**-**	-
		Subcontracted projects	**-**	15,413
		Payments to Employees by ODL on behalf of AVSEC	**-**	14,062
		Payments to employee by AVSEC on behalf of ODL	**-**	-
		Collection / adjusted from AVSEC	**288**	-
		Payment / adjusted to AVSEC	**5,822**	-
		Exchange loss - net	**7,231**	-
		Markup expense on current	**-**	1,174
		Payment to Suppliers by AVSEC on behalf of ODL	**-**	9,740
Octopus Digital Free Zone LLC (ODFZ LLC)	Subsidiary	Payment of salaries by ODL on behalf of ODFZ	**3,748**	-
		Back office support charged by the Company	**15,120**	30,683
		Apportionment of BOS charged by AVL	**44,190**	27,101
		Payment to suppliers by ODL on behalf of ODFZ	**848**	6,245
		Payments / Adjusted to ODFZ	**8,722**	-
		Collection / adjusted from ODFZ	**174,372**	-
		Payment to suppliers by ODFZ on behalf of ODL	**37,698**	15,535
		Payment of saleries by ODL	**-**	1,460
		Payments to employee by ODFZ on behalf of ODL	**-**	815
		Markup Income on current Account	**18,585**	8,210
		Exchange gain - net	**6,569**	-
Empiric AI Private Limited (EAI)	Subsidiary	Payment to employees by ODL on behalf of EAI	**-**	1,695
		Payment of Salaries by ODL on behalf of EAI	**-**	7,836
		Collection / adjustment from EAI	**9,275**	58,052
		Payments / Adjusted to EAI	**-**	-
		Payment to suppliers by ODL on behlaf of EAI	**-**	528
		Markup expense on current account	**5,443**	8,574

Outstanding Balance as at the period / year end

Related party	Nature of transactions	Unaudited June 30, 2026	Audited December 31, 2025
		(Rupees in 000)	
Avanceon FZE (AVFZE)	Trade debts	**64,690**	65,240
	Trade payables	**1,439**	3,249
	Contract asset	**313**	313
	Contract liability	**4,739**	7,122
	Markup payable	**7,217**	6,861
Avanceon Automation and Control W.L.L. (AVAC)	Trade debts	**1,020,596**	1,027,926
	Trade payables	**2,830**	18,091
	Contract asset	**4,301**	4,301
	Contract liability	**20,410**	20,410
	Markup payable	**2,183**	1,194
Avanceon Limited (AVL)	Trade debts	**104,655**	71,768
	Trade payables	**10,576**	-
	Advances	**-**	118,575
	Contract asset	**5,526**	9,698
	Contract liability	**3,241**	3,616
	Markup receivable	**67,104**	60,757
Avanceon Saudi for Energy Company (AVSEC)	Trade debts	**84,559**	85,167
	Advances	**4**	8,242
	Contract asset	**1,146**	1,146
	Markup receivable	**476**	6,673
	Markup payable	**1,347**	1,347
Octopus Digital FZ-LLC (ODFZ)	Trade debts	**145,677**	131,559
	Advances	**219,485**	303,481
	Contract asset	**-**	-
	Receivable against intangibles	**493,518**	497,062
	Markup on Receivable against Intangibles	**32,834**	-
	Markup receivable	**181,274**	162,689
Empiric AI (Private) Limited (EAI)	Trade payables	**96,337**	97,948
	Markup payable	**37,467**	32,024

21.1 Following are the related parties with whom the Company has arrangements / agreements in place.

Sr. No.	Related party	Relationship	Aggregate%
Key Management Personnel			
1	Mr. Bakhtiar Hameed Wain	Non-Executive Director	0.0000006%
2	Mr. Khalid Hamid Wain	Non-Executive Director	0.0006359%
3	Mr. Tanveer Karamat	Executive Director	0.0429225%
4	Mr. Asmar Ahmed Atif	Executive Director	0.0000006%
5	Mr. Mohammad Arif Janjua	Independent Director	0.0003656%
6	Mr. Adeel Khalid	Executive Director	0.0000006%
7	Mr. Humayun Maqbool	Independent Director	0.0015096%
8	Ms. Saleha Asif	Independent Director	0.0000006%
9	Mr. Faisal Nadeem Sheikh	Chief Financial Officer	Nil
10	Mr. Ahsan Khalil	Company Secretary	0.0003332%
	Associates		
11	Avanceon Limited	Parent Company of ODL	74.32%
12	Octopus Digital FZ-LLC	Subsidiary of ODL	100%
13	Empiric AI (Private) Limited	Subsidiary of ODL	100%
14	Avanceon Saudi for Energy Company	Associated Company	N/A
15	Avanceon Automation and Control W.L.L.	Associated Company	N/A
16	Avanceon FZE	Associated Company	N/A

Note 22
Financial Risk Management

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

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

	Note	Unaudited	Audited
22.1 **Financial instruments by categories**		**June 30, 2026**	December 31, 2025
		(Rupees in 000)	
a) Long term deposits	**7**	**100**	100
Trade debts	**8**	**1,314,687**	1,419,980
Contract assets	**6**	**107,874**	-
Long term investments	**9**	**447,893**	447,893
Other recievables		**1,029,468**	1,164,427
Cash and bank balances	**10**	**71,590**	39,536
Short term investments		**596**	-
		2,972,208	3,071,936
b) Financial liabilities at amortized cost			
Diminishing musharaka finance	**13**	**21,081**	25,028
Trade and other payables	**14**	**244,030**	233,341
		265,111	258,369

22.2 **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 June 30, 2026, the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Note 23
Capital Risk Management

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

Note 24
Date of Authorization for Issue

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on August 27, 2026.

Note 25
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	Chief Financial Officer	Director

OCTOPUS DIGITAL

Consolidated Condensed Interim Financial Statements

For the half year and quarter ended June 30, 2026

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2026

	Un-audited June 30, 2026	Audited Dec 31, 2025
	(Rupees in 000)	
CAPITAL AND LIABILITIES		
Share Capital and Reserves		
Authorised capital - 250,000,000 @ Rs. 10 each	**2,500,000**	2,500,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
157,262,502 (2025: 157,262,502) ordinary shares @ Rs. 10 each	**1,572,625**	1,572,625
Capital Reserves		
Share Premium	**789,209**	789,209
Exchange Revaluation Reserve	**238**	404
Group restructuring reserve	**(1,050,259)**	(1,050,259)
Employees' share compensation reserve	**102,967**	77,865
Revenue Reserves	**(157,845)**	(182,781)
Un-appropriated Profit	**1,398,684**	1,374,902
	2,813,464	2,764,746
Non Current Liabilities		
Long Term Diminishing Musharika	**12,364**	16,867
	12,364	16,867
Current Liabilities		
Creditors, accrued and other liabilities	**292,522**	222,278
Current portion of Diminishing Musharika	**8,717**	8,161
Contract Liabilities	**143,912**	95,593
Taxation-Net	**59,364**	43,958
	504,515	369,990
TOTAL EQUITY & LIABILITIES	**3,330,343**	3,151,604
ASSETS		
Non Current Assets		
Property and equipment	**31,612**	38,016
Capital Work in Progress	**570,874**	413,892
Intellectual Properties - Intangibles	**552,793**	576,679
Deferred Tax Assets	**19,390**	19,390
Long Term Contract Asset	**8,134**	7,657
Long term deposits	**100**	100
	1,182,902	1,055,734
CURRENT ASSETS		
Stock in trade	**471**	146
Trade debts	**1,441,208**	1,296,585
Contract Assets	**296,170**	154,588
Advances, deposits, prepayments and other receivable	**314,063**	545,361
Short Term Investment	**596**	577
Cash and bank balances	**94,932**	98,613
	2,147,440	2,095,870
TOTAL ASSETS	**3,330,343**	3,151,604

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 9 form an integral part of Condensed Interim Consolidated financial statements.

Chief Executive Officer	Chief Financial Officer	Director

Consolidated Condensed Interim Statement of Profit and Loss (Un-audited)

For the Half Year and Quarter Ended June 30, 2026

	Half year ended June 30		Quarter ended June 30	
	2026	2025	**2026**	2025
	(Rupees in 000)		(Rupees in 000)	
Revenues	**693,961**	537,427	**391,867**	305,969
Cost of revenue	**(299,336)**	(297,175)	**(129,707)**	(168,564)
Gross Profit / (Loss)	**394,625**	240,252	**262,160**	137,405
Administrative and selling expenses	**(340,686)**	(226,772)	**(232,050)**	(132,043)
Other expenses	**(22,893)**	(20,371)	**(14,323)**	(20,321)
Other income	**11,107**	45,886	**4,905**	24,068
	(352,473)	(201,257)	**(241,468)**	(128,296)
Profit / (Loss) from operations	**42,152**	38,995	**20,692**	9,109
Finance costs	**(2,964)**	(3,368)	**(1,605)**	5,851
Profit / (Loss) before Levy & Income Tax	**39,188**	35,627	**19,086**	14,960
Levy / final taxation	**(48)**	(131)	**(48)**	(131)
Profit / (Loss) before income tax	**39,140**	35,497	**19,038**	14,830
Taxation	**(15,360)**	(5,149)	**(8,513)**	(3,225)
Profit / (Loss) for the period after Tax	**23,780**	30,347	**10,526**	11,605
Combined Earnings per share				
Basic	**0.15**	0.19	**0.07**	0.07
Diluted	**0.15**	0.19	**0.07**	0.07

The annexed notes from 1 to 9 form an integral part of Condensed Interim Consolidated financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

Consolidated Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Half Year and Quarter Ended June 30, 2026

	Half year ended June 30		Quarter ended June 30	
	2026	2025	**2026**	2025
	(Rupees in 000)		(Rupees in 000)	
Profit / (Loss) for the period	**23,780**	30,347	**10,526**	11,605
Other comprehensive income				
- Exchange difference on translating	**(165)**	-	**(5,693)**	-
- Bargain purchase gain on Investment				
Total comprehensive income for the period	**23,615**	30,347	**4,833**	11,605

The annexed notes from 1 to 9 form an integral part of Condensed Interim Consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)
For the Half Year Ended June 30, 2026

	Capital Reserve					Revenue Reserve	
	Share Capital	Share Premium Reserve	Employee share compensation reserve	Group Restructuring Reserve	Exchange revaluation reserve	Un-appropriated (loss) / profit	Total
				(Rupees in 000)			
Balance as on January 01, 2025	1,572,625	789,209	37,480	(1,050,259)	4,226	1,346,008	2,699,289
Profit for the period						28,896	28,896
Other comprehensive income							
						28,896	28,896
Employee share option reserve			40,386				40,386
Exchange translation reserve					(3,823)		(3,823)
			40,386		(3,823)		36,564
Balance as on December 31, 2025	1,572,625	789,209	77,866	(1,050,259)	403	1,374,904	2,764,748
Profit for the period						23,780	23,780
Exchange translation reserve					(165)		(165)
					(165)	23,780	23,615
Employee share option reserve			25,101				25,101
Balance as on June 30, 2026	**1,572,625**	**789,209**	**102,967**	**(1,050,259)**	**238**	**1,398,684**	**2,813,464**

The annexed notes from 1 to 9 form an integral part of Condensed Interim Consolidated financial statements.

Chief Executive Officer	Chief Financial Officer	Director

Consolidated Condensed Interim Statement of Cashflows (Un-audited)

For the Half Year Ended June 30, 2026

	Un-audited **June 30, 2026**	Un-audited June 30, 2025
	(Rupees in 000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax	**39,188**	20,667
Adjustments for:		
Depreciation on property and equipment	**7,754**	3,308
Amortization	**3,162**	5,286
Exchange gain	**16,125**	9,312
Exchange revaluation reserve	**(166)**	5,528
Makup on loan to parent company	**(8,890)**	(12,480)
Finance cost	**2,964**	9,219
Employee share option exp.	**56,281**	-
Provision for ECL - related parties		-
Provision for ECL - contract assets		-
Provision for ECL - trade debts		-
Unwinding of Contract Asset	**(477)**	
Income on bank deposits	**(28)**	(14)
	76,726	20,159
Profit before working capital changes	**115,914**	40,826
(Increase) / decrease in current assets		
Stock in trade	**(325)**	(34)
Trade debts	**(160,637)**	(88,733)
Contract Assets	**(141,583)**	(10,330)
Advances, deposits, prepayments and other receivables	**209,009**	53,337
(decrease) / Increase in current liabilities		
Creditors, accrued and other liabilities	**70,083**	120,196
Contract Liabilities	**48,319**	4,264
	24,866	78,700
Cash (used in) / generated from operations	**140,780**	119,526
Finance costs	**(2,964)**	(9,219)
Taxes	**(2)**	(3,980)
Net cash (used in) / generated from operating activities	**137,813**	106,327
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	**(1,299)**	(1,823)
Proceeds from disposal of property and equipment	**-**	-
Additions in intangible assets - capital work in progress	**-**	(3,545)
Additions in intangible assets	**(136,257)**	(55,962)
Increase / decrease in short term Investment	**(18)**	(9)
Receipts on disposal of Short term investment	**-**	-
Profit on bank deposit	**28**	14
Net cash (used in) / generated from investing activities	**(137,547)**	(61,325)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**-**	-
Additions/Repayment of lease liabilities	**(3,948)**	(1,337)
Net cash (used in) / generated from financing activities	**(3,948)**	(1,337)
Net (decrease) / increase in cash and cash equivalents	**(3,681)**	43,665
Cash and cash equivalents at the beginning of year	**98,613**	21,528
Cash and cash equivalents at the end of period	**94,932**	65,194

The annexed notes from 1 to 9 form an integral part of Condensed Interim Consolidated financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

Notes to and forming part of the consolidated condensed interim financial statements
For the Half Year Ended June 30, 2026

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 (EAI)	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 public Company on November 11, 2020. ODL is a subsidiary of a listed Company namely Avanceon Limited (the ultimate Parent Company, "AVN"). ODL is listed on Pakistan Stock Exchange Limited.ODL is domiciled in Pakistan and its prime business is to carry out Information Technology enabled services which include but are not limited to online data/information storage, online monitoring and review of employees efficiency, online monitoring of cost and production efficiency, online monitoring and maintenance of plant and machinery, sale and trade of related softwares and equipment etc.

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

Corporate office of the Group is located at 14.5 KM, Lahore-Sheikhupura Road, Lahore while the production plants of the Group are located at 14.5 KM, Lahore-Sheikhupura Road, Lahore and 14.8 KM, Sheikhupura Faisalabad Road, Sheikhupura.

Business Unit	Geographical Location
Head office / Registered Office	19 KM Main Multan Road, Lahore
Subsidiary Office	DMC - BLD05 - VD - G00 - 792 , Ground Floor, DMC5 Building, Dubai Media City, Dubai, United Arab Emirates

1.3 EAI is incorporated as a private limited company under the Companies Act, 2017 of Pakistan on May 19, 2020. The registered office of the Company is located in Pakistan. The primary objective of the Company is to analyze potential opportunities and to provide digital and technology services and products both within Pakistan and internationally.

1.4 ODFZ is a Limited Liability Company incorporated pursuant to the regulations of the Dubai Development Authority, Government of Dubai, United Arab Emirates, and was issued Commercial License No. 103074 on June 16, 2023. Its registered office is located at DMC-BLD05-VD-G00-792, Ground Floor, DMC5 Building, Dubai Media City, Dubai, United Arab Emirates. The principal activities of the Entity are to provide software consultancy, software customer service, software development, software solutions, and software support services. The management of the Entity is vested with its Director, Mr. Bakhtiar Hameed Wain, a Pakistani national.

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

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

1.5 Consolidated Financial Statements

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

Note 2
Basis of Preparation

2.1 Statement of compliance

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

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

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and

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

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

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments at fair value / amortized cost and the employee share option scheme (ESOS) as disclosed in the respective policies and notes.

2.3 Functional and presentation 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 Rupees in thousands, unless otherwise stated.

2.4 Basis of consolidation

2.4.1 Subsidiaries

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

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

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

2.4.2 Goodwill

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

2.5 Changes in accounting standards, interpretations and pronouncements

2.5.1 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, 2024 . 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 1	Presentation of Financial Statements (Amendments)	January 1, 2024
IAS 7	Amendments to IAS 7 "Statement of Cash Flows"	January 1, 2024
IFRS 7	Amendments to IFRS 7 "Financial Instruments Disclosures"- Supplier Finance Arrangements	January 1, 2024
IFRS 16	Amendments to IFRS 16 "Leases" - Clarification on how seller-lessee subsequently measures sale and lease back transaction	January 1, 2024

2.5.2 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
IAS 21	Amendments to lack of exchangeability	January 1, 2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruements - Amendments to IFRS 7 and IFRS 9	January 1, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	January 1, 2026
IFRS 1, 7, 9, 10 & IAS 7	Annual Improvements to IFRS Accounting Standards	January 1, 2026

2.5.3 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 December 31, 2024:

IFRS 1	First Time Adoption of IFRS
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	IFRS 19 'Subsidiaries Without Public Accountability: Disclosures'
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-Related Disclosures

Note 3
Taxation

The provision for taxation for the half year ended June 30, 2026 has been made using the tax rate that would be applicable to expected total annual earnings.

	Half year ended June 30		Quarter ended June 30	
	2026	2025	**2026**	2025
	(Rupees in 000)		(Rupees in 000)	
Note 4				
Revenue				
Local sales and services	**109,807**	144,424	**15,616**	93,325
Export sales and services	**75,058**	57,987	**50,013**	40,223
Digital Business Services	**509,095**	335,016	**326,237**	172,421
	693,961	537,427	**391,867**	305,969
Note 5				
Other Expense				
Charity & Donation	**-**	50	**-**	-
Penalty Expense	**200**	200	**200**	200
Markup on current accounts	**1,360**	12,469	**1,360**	12,469
Exchange loss	**16,125**	3,107	**7,555**	3,107
Provision for expected credit losses - trade debts	**-**	608	**-**	608
Provision for expected credit losses - Contract Assets	**-**	534	**-**	534
Provision for Bad Earning Expense	**5,208**	3,402	**5,208**	3,402
	22,893	20,371	**14,323**	20,321
Note 6				
Other Income				
Income on bank deposits	**28**	320	**6**	293
Reversal of Provision for ECL - IFRS-9 - Trade Debts	**-**	-	**-**	-
Exchange gain	**7**	27,619	**7**	18,307
Markup on current account	**10,249**	17,939	**4,070**	5,459
Reversal of provisions for ECL IFRS-9-Related Party	**-**	-	**-**	-
Markup charged to AVL on current account	**822**	8	**822**	8
	11,107	45,886	**4,905**	24,068

Note 7
Transactions with Related Parties

The related parties comprise of subsidiaries, shareholders, directors of the Company, employees benefit funds and key management personnel. The Company carries out transactions with its related parties in the normal course of business. Significant related party transactions during the period are as follows:

Name of related party	Basis of Relationship	Nature of transactions	for the half year ended June 30 **2026** (Rupees in 000)	2025
Avanceon FZE	Associated Company due to common directorship	Sub-contracted services	**2,383**	-
		Payments to employees by ODL/ODFZ	**8,809**	-
		Payments to employees by AVFZE	**4,434**	37,035
		Payments to suppliers by AVFZE	**12,583**	-
		Markup expense	**-**	1,405
		Exchange loss - net	**541**	-
		Collections / adjustment from AVFZE	**188,553**	25,641
		Salary payment by ODFZ LLC	**10,205**	9,450
		Payment to Vendor by ODFZ LLC	**34,704**	12,250
		Payments / adjusted to AVFZE	**42,620**	24,196
Avanceon Automation and Control WLL - QATAR (AVAC)	Associated Company due to common directorship	Sub-contracted services	**-**	1,995
		Payments to suppliers by AVAC	**10,121**	3,474
		Payment to employees by AVAC	**8,876**	1,906
		Payments / adjusted to AVAC	**20,317**	16,819
		Payment to employees by ODL	**28**	-
		Collections / adjustment from AVAC	**19,041**	-
		Payments to Suppliers by ODFZ	**10,136**	6,875
		Salary payment by AVAC	**106,868**	82,570
		Exchange loss - net	**7,329**	-
		Markup expense	**989**	1,230

Name of related party	Basis of Relationship	Nature of transactions	for the half year ended June 30 2026 (Rupees in 000)	2025
Avanceon Limited (AVL)	Holding Company	AMS business services rendered	**19,104**	48,000
		Sub-contracted services	**12,974**	25,161
		Subscription Digital Business	**11,036**	-
		Payments to suppliers by AVL	**1,196**	1,652
		Payments to suppliers by ODL/ODFZ	**51,201**	1,623
		Collection / adjustment from AVL	**132,716**	186,407
		Payments / adjusted to AVL	**125,712**	149,843
		Payment of salaries by AVL	**-**	501
		ESOS expense charged by AVL	**30,459**	8,493
		BOS charged to ODL & ODFZ	**88,380**	120,210
		Exchange Gain/(Loss)	**-**	-
		Payment to employees by ODL	**4,573**	345
		Payment to employees by AVL	**4,468**	-
		Markup income	**6,347**	20,409
Avanceon Saudi Energy Company - KSA (AVSEC)	Associated Company due to common directorship	Collection / adjusted from AVSEC	**19,153**	-
		Payment / adjusted to AVSEC	**16,505**	-
		Exchange loss - net	**7,231**	833
		Salary Paid by AVSEC	**13,897**	8,970
		Markup expense on current	**-**	1,174
		Payment to Suppliers by AVSEC	**651**	9,740
Avanceon Arabia Info Tech - KSA (AAIT)	Associated Company due to common directorship	Salary Payments by AAIT	**30,617**	-

Note 8

Date of Authorization for Issue

The condensed interim consolidated financial information was authorised for issue on August 27, 2026 by the Board of Directors of the Holding Compa-

Note 9

General

Figures have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Chief Financial Officer

Director

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