OCTOPUS DIGITAL

ANNUAL REPORT 2024

Letter from the Chief Executive Officer

Dear Shareholders and Partners,

As we reflect on 2024, it is evident that this has been a transformational year for Octopus Digital, a year where we've not only strengthened our foundations but set bold ambitions for the future. We are well on our way to becoming the leading data cloud product company serving industrial clients worldwide.

Our flagship platform, OmniConnect™, has continued to gain momentum, helping our clients unlock real-time data visibility, seamless integration, and control over their industrial processes. Building on this, we expanded our portfolio with OmniChat, a generative AI solution that delivers meaningful insights on industrial data through natural language prompts, making complex information accessible and actionable for every user. We also launched Asset Performance X (APX), our advanced Digital Twin platform designed to predict maintenance needs and improve reliability.

Additionally, Digital Log, our plug-and-play electronic logbook, has been instrumental in digitizing operator rounds and simplifying record-keeping. By streamlining data capture directly from the field, it enables faster decision-making and operational efficiency across sectors like retail, the oil and gas industry, and more.

In 2024, our direct sales approach and project-based implementations have been instrumental in deepening our understanding of customer needs. They've not only sharpened our use cases but also laid the groundwork for scalable growth. We're turning this hands-on knowledge into a product-led model, setting the stage to build meaningful channel partnerships that will amplify our market presence.

Just as important as our technology, is our commitment to building a culture of inclusivity and purpose. We take pride in championing women in tech, opening leadership pathways, and embedding diversity at the core of our organization. Our people remain our greatest strength, and we continue to invest in their growth through robust talent development and social impact initiatives.

As we look to 2025, we are energized by the road ahead. We're focused on expanding our AI-powered solutions, unlocking new growth through channel partnerships, and taking our footprint to North America while strengthening our presence in Pakistan, UAE, KSA, and Qatar. With a sharp focus on industries like manufacturing, oil and gas, and other critical sectors, we're set on scaling impact and creating lasting value for our clients worldwide.

Thank you to our employees, clients, and shareholders for your continued trust. Together, we are not only creating powerful products, we are building a resilient, visionary company ready for what's next.

Sincerely,
Tanveer Karamat
Chief Executive Officer
Octopus Digital

Company Information

Board of Directors

Bakhtiar Hameed Wain
Director / Chairman

Tanveer Karamat
Director / Chief Executive Officer

Khalid Hamid Wain
Director

Adeel Khalid
Director

Asmar Ahmed Atif
Director

Mohammad Arif Janjua
Director

Humayun Maqbool
Director

Saleha Asif
Director

Faisal Nadeem Sheikh
Chief Financial Officer

Ahsan Khalil (ACA-FPFA)
Company Secretary

Board Audit Committee

Humayun Maqbool
Chairman

Bakhtiar Hameed Wain
Member

Khalid Hamid Wain
Member

Mohammad Arif Janjua
Member

Human Resource & Remuneration Committee

Humayun Maqbool
Chairman

Bakhtiar Hameed Wain
Member

Khalid Hamid Wain
Member

Tanveer Karamat
Member

Auditors
Crowe Hussain Chaudhury & Co
Chartered Accountants

Legal Advisor
Chima & Ibrahim Advocates and
Corporate Counsel

Web Presence
www.octopusdtl.com

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

Share Registrar

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

Headquarters
Lahore, Punjab, Pakistan

The Avanceon Building, 19-KM, Main Multan Road, Lahore, 54660 Punjab, Pakistan
Phone: +92 (42) 111 940 940
Email: support@octopusdtl.com

Regional Headquarters
Karachi, Sindh, Pakistan

Avanceon Ltd. The Hive 2nd Floor, MA Tabba Foundation Building, Girzi Road, Block 9 Clifton, Karachi
Email: support@octopusdtl.com

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

Regional Headquarters
Middle East
Avanceon FZE - Dubai, UAE
Plot MO-0240, Street N403, Jabel Ali Free Zone (North), PO Box: 18590 Dubai, U.A.E
Phone: +971 4 88 60 277

Avanceon QFZ LLC
Doha, Qatar
Office No. RA-16 Ras Bufontas, Qatar Free Zone Doha Qatar P.O. Box 13565.
Phone: +974 4141 7300
Email: support@avanceon.qa

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

Board of Directors

BAKHTIAR HAMEED WAIN
Chairman of the Board

As Founder and Chairman of the Board, Bakhtiar brings over 30 years of leadership experience. A Mechanical Engineer from UET Lahore (1983), he has worked at global companies like Exxon Chemicals, Fauji Fertilizer, and ICI Ltd. He founded Avanceon in 1984 with a vision to promote Pakistan's technically skilled human capital globally—an approach he has successfully upheld. Appointed Chairman by the Board of Directors, he has led Octopus Digital to market leadership. He also serves as CEO of Avanceon Limited, Non-Executive Director at Empiric AI (Private) Limited, and Trustee of the Avanceon Limited Employees Provident Fund.

TANVEER KARAMAT
Executive Director & Chief Executive Officer

As the Director and Chief Executive Officer, Tanveer brings over 20 years of experience in automation solutions for the oil and gas sector, Tanveer holds a Bachelor's in Chemical Engineering from the University of Pakistan. He joined Avanceon in 2003 as Regional Manager and quickly turned around the South Region. Promoted to GM Operations in 2006 and COO in 2011, he played a key role in building company value. In 2023, he became Director of Avanceon Limited and CEO of Empiric AI (Private) Limited. He now serves as a Director on Avanceon's Board and Trustee of the Avanceon Limited Employees Provident Fund.

KHALID H. WAIN
Non Executive Director

Brings over 40 years of international expertise in electrical engineering, cost engineering, project management, and business strategy to the Avanceon Board of Directors. Mr. Khalid Hamid Wain is the founder of H&G Control, which he owns and operates in Canada. H&G Control designs and manufactures customized electrical control panels. He is also the co-founding partner and Director of Innovative Pvt. Ltd in Pakistan. Mr. Wain graduated in Electrical Engineering from the University of Engineering and Technology, Lahore, in 1976. His entrepreneurial acumen has driven business across South Asia, the Middle East, the United States, and Canada. He now serves as a Non-Executive Director on the Avanceon Limited Board.

MOHAMMAD ARIF JANJUA
Independent Director

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

ADEEL KHALID
Executive Director

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

ASMAR AHMED ATIF
Executive Director

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

HUMAYUN MAQBOOL
Independent Director

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

SALEHA ASIF
Independent Director

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

Chairman of the Board Review Report

The members of the Octopus Digital Board are mentioned below with their respective roles.

- Bakhtiar H. Wain (Chairman of the Board and Non-Executive Director)
- Tanveer Karamat (CEO and Executive Director)
- Khalid H. Wain (Independent Director)
- Mohammad Arif Janjua (Non-Executive Director)
- Asmar Ahmed Atif (Executive Director)
- Adeel Khalid (Executive Director)
- Saleha Asif (Independent Director)
- Humayon Maqbool (Independent Director)

In 2024, the Board of Directors of Octopus Digital convened on multiple occasions, both in person and virtually, to deliberate and make key business decisions. These decisions were formalized through the circulation of board resolutions.

As part of our governance practices, the Board conducted its annual review of effectiveness and performance following the end of the fiscal year. This review, based on a self-assessment approach, concluded that the Board's overall effectiveness was satisfactory.

Where areas for improvement were identified, appropriate action plans were developed and communicated to the relevant teams for implementation. In closing, I extend my sincere gratitude to all our shareholders for their continued trust and support. We remain committed to meeting and exceeding your expectations in the years ahead.

Best Regards,
Bakhtiar H. Wain
Chairman of the Board
Lahore, Pakistan
Octopus Digital Limited April 2025

Dear Shareholders

Welcome to the first Chairman of the Board Review Report for Octopus Digital Limited for the year ended on December 31, 2024.

Appointment of Group CFHRO:

Mr. Shahid Mir is a seasoned senior management professional with over 34 years of extensive experience in Corporate and Commercial Banking, Risk Management, Credit Administration, and Trade Finance. Over the past 17 years, he has held key leadership roles in Wholesale Banking and Risk Management, consistently driving business growth and exceeding targets while maintaining a strong and healthy portfolio within acceptable risk parameters. He brings in-depth knowledge of the economic and banking landscapes of both Pakistan and the GCC region.

Addition of a new board member:

Mr. Humayon Maqbool brings over three decades of extensive experience in leadership roles across Finance, Energy, Manufacturing, and Corporate Strategy. He has been instrumental in spearheading transformational initiatives at leading organizations. As Director of Crescent Fibres Limited, he successfully managed Operations, Finance, and Marketing functions while driving key strategic decisions that significantly enhanced organizational performance. His tenure at Smith Barney Inc., New York, saw him advising on transactions exceeding $7 billion in financing and advisory assignments, showcasing his expertise in global energy and power markets. Furthermore, his role at Crescent Boards Limited highlights his capability in operational leadership and market innovation.

With the addition of Mr. Maqbool, I believe the Board of Directors of Octopus Digital has now a diversified and experienced team which can help guide this new enterprise.

Octopus Digital's Performance in 2024:

Here is a rundown of how Octopus Digital performed in FY 2024:

Profit & Loss Consolidated FY 2024
in millions PKR

	Dec 31, 2024	Dec 31, 2023	Variances FY 2024 Rs. in MM	%age
	Rs. in MM			
Revenues	1266	920	346 ↑	38%
Cost of revenues	(655)	(546)	(109) ↑	20%
Gross Profit/(Loss)	611	374		
GP %	48%	41%		
Admin and selling expenses	(368)	(320)	(48) ↑	15%
Other expenses	(59)	(47)	(11) ↑	100%
Other income	31	376	(344) ↓	-92%
	(396)	8		
Profit/(Loss) from operations	215	382		
Finance costs	(3)	(2)	(1) ↑	86%
Profit before income tax	212	380		
Taxation	(6)	(7)	1 ↓	-8%
Profit After Tax for the period	**206**	**373**	(167) ↓	-45%
PAT %	16%	41%		

Analysis

Description	FY 2024	FY 2023
PAT	206	373
Exchange (gain) /Loss	34	(234)
Net Profit after Tax	**239**	**140**
PAT %	19%	15%
EPS	1.53	0.89

OCTOPUS DIGITAL LIMITED

NOTICE OF 8TH ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of Octopus Digital Limited "Company" will be held on Wednesday, 30 April 2025 at 10:00 A.M. at the Nishat Hotel, Grand Imperial Hall, 3rd Floor, 9-A Gulberg III, Mian Mehmood Ali Khan Kasuri Road, Lahore, to transact the following business:

A. Ordinary Business

1. To confirm the minutes of the Extraordinary General Meeting Held on 8 June 2024.

2. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statement of the Company for the year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
As required under section 223(6) of the Companie Act 2017 and S.R.O No.389 (I)/ 2023 dated 21 March 2023, Financial Statements of the Company have been uploaded on the website of the company with can be downloaded from the following weblink:
https://octopusdtl.com/investor-information/

3. To appoint Auditors of the Company and fix their remuneration. The Members are hereby notified that the Board Audit Committee and the Board of Directorss have recommended the name of M/s Crowe Hussain Chaudhary & Co. Chartered Accountants for re-appointment as auditors of the Company for the year ending 31 December 2025.

B. Any other Business:

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

by Order of the Board
Ahsan Khalil Company Secretary

Lahore Dated: 08 April 2025

Weblink for Online Meeting Via Zoom:

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

https://us06web.zoom.us/webinar/register/WN_5w-13mMPTGCIpU2qU_eTng

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address **agm@octopusdtl.com**

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

Under Section 223(6) of the Companies Act, 2017, Circulation of Auditted Financial Statemtnts has been allowed to be circulated in electronic format throught email. The Annual Report of the Company and the Notice of Annual General Meeting shall be circulated via email to those shareholders whose email addresses are present in the record s/database ont the CDC and Share Rigistrar. The shareholders are encouraged to send/update their email addresses are present int he record/daabase of the CDC and Share Rigistrar. The shareholders are encouraged to send/update their email addresses on the above-mentioned link or email or postal address. The Annual Report has been uploaded at the Company's website https://octopusdtl.com/ and is readily accessible to the shareholders.

Note

For Attending the Shareholders' Meeting

1. The share transfer books of the Company will be closed and no transfer of shares Will be accepted for registration from Wednesday, 23 April 2025 to Wednesday, 30 April 2025 (both days inclusive).
Transfer received in order at our Registrar. MS FAMCO Share Registration Services (Private) united, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahra-e-Faisal, Karachi by the close of business hours on Tuesday. 22 April 2025 will be treated to have been in time for the purposes to atW•td & vote at me meeting.

2. In case of individuals. the aæount holder or sub-acmunt holder and/or the person whose securites are in group and their regstration detagls are up-loaded as per the Regulations. shall authenticato his/her identity by Computerized National Identity Card (CNIC) or atthe time of onlne registration/attending the meeting.

3. The shareholders registered on CDC are also requested to provide heir particulars ID numbers and account numbers in CDS at the bme of online regtstratjorvattending the meeting.

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

For Appointing Proxies:

1. A member entitLod to attond and vote at his meeting shan be entitled to andhor person, ashis/her proxy to atterd. speak and vote instead of htmther. and a proxy so ag)otnted shan havesuch rights. as respocts attorxiing. speaking, and voting at the Mooting as aro available to amember. Proxies in or±r to be effective, must be receiv«i by the Company not less than 48 hours before the meeting A proxy need not be a member the corroany.

2. In case of individual, the accourt hokier or sub-accoult holder ard/or the person whose securibes are in group account and their registration details are uploaded as me Regulations, shall submit duy completed and proxy form

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

4. Attested mpies of valid CNIC or the passcm of owners and the proxy shall be furnished with the proxy form.
5. The proxy shall provide CNIC or at the come of ocine registratm/atterung meetirv
6. In case of corporate entity, the Board of Directors resolution@wer of attomey with specimen
signature shall be submitted along with proxy form to the convany.

Shareholders Information

Notice is hereby given that the 8th Annual General Meeting of Octopus Digital Limited "Company" will be held on Wednesday, 30 April 2025 at 10:00 A.M. at The Nishat Hotel, Grand Imperial Hall, 9-A, 3rd Floor, Gulberg III, Mian Mehmood Ali Kasuri Road, Lahore any shareholder may appoint a proxy to vote on his or her behalf. The Proxies should be filed with the company at least 48 hours before the meeting time.

WEBLINK FOR ONLINE MEETING VIA ZOOM:

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

https://us06web.zoom.us/webinar/register/WN_5w-13mMPTGCIpU2qU_eTng

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agm@octopusdtl.com

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

Resolutions proposed – Shareholders Information
ORDINARY BUSINESS

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Ownership
As on 31 December 2024 there were 8,329 holders on record of the Company's ordinary shares.

Quarterly Results
The Company issues quarterly financial statements. The planned dates for release of the quarterly results in FY 2025 are

1st quarter: 30 April 2025
Half yearly: 29 August 2025
3rd quarter: 30 October 2025

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

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

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

Table of Content 2024

Corporate Information

12 Octopus Timeline
13 Global Events
14 Our Goal
15 Profile & Group Structure
17 Code of Business Conduct & Ethical Principles
19 Organogram
20 Nature of Our Business
24 Core Competencies
26 Customer Portfolio
27 HR Updates
28 Corporate Governance
34 Whistle Blower Policy
35 Independent Auditor's Review Report
36 Statement of Compliance
39 Corporate Policies
41 Directors' Report
49 Six Years at a Glance
50 Analysis of Financial Statements
54 Six Years Vertical & Horizontal Analysis
57 DuPont Analysis
58 Graphical Representation
64 Pattern of Shareholding
69 Statement of Value Addition

Unconsolidated Financial Statements

71 Independent Auditor's Report
77 Statement of Financial Position
78 Statement of Profit or Loss
79 Statement of Comprehensive Income
80 Statement of Changes in Equity
81 Statement of Cash Flows
91 Notes to the Financial Statements

Consolidated Financial Statements

108 Independent Auditor's Report
112 Consolidated Statement of Financial Position
113 Consolidated Statement of Profit or Loss
114 Consolidated Statement of Comprehensive Income
115 Consolidated Statement of Changes in Equity
116 Consolidated Statement of Cash Flows
117 Notes to the Consolidated Financial Statement

Other

144 Definition & Glossary of Terms
145 Event Calendar
152 Director's Report (Urdu)
146 Notice of AGM (Urdu)
148 Form of Proxy (Urdu)
150 Form of Proxy (English)

Octopus
Digital Timeline

2017

Incorporated into an entity as Avanceon Digital (Private) Limited

2018

Coducted a rigorous excercise to decide the name and style of Octopus Digital

Carried out extensive market research to establish the viability of Octopus Digital products and services

2019

Changed title of company to **Octopus Digital (Private) Limited**

Sale of AMS from Avanceon Limited to Octopus Digital Limited

Partnered with Microsoft Corporation for Cloud Technology Services

Launched First Proof of Concept for one of the largest Distillery Plants in Pakistan

2020

Conducted Multiple Online & Physical Demonstrations for Customers and Partners.

Accelerated Intellectual Property Development

Implementation of Digital After Market Support Operations

2021

Signed MoU with Hub Power Services to accelerate to Fuel Digital Transformation

Became a Public Listed Company through a Highly Successful IPO

Signed Multiple Long-Term High Value Contracts and Agreements in Pakistan and Middle East

2022

Explored and Developed New Markets and Territories (US & Europe)

Streamlined Development of New Products

2023

Onboarded Several High Value Customers

Streamlined the Channel Partner Strategy

Developed New Valued Added Products and Services

2024

Secured key strategic wins across target markets

Expanded OmniConnect™ and Digital Log with new, advanced features

Formed strategic partnerships with leading companies like InHand and Epsilon

Global Events

Gulfood 2024

As part of our direct sales activity in the Middle East, we actively participated in Gulfood 2024 Dubai, held from 19th to 23rd February 2024. During the event, we engaged with over 30 companies, conducted 20 productive meetings, and submitted 2 proposals, successfully converting both into confirmed orders. One of the major wins from this event was securing a deal with Emirates Macaroni Factory (EMF), a leading brand in the region. Our strategic presence and focused outreach at Gulfood not only strengthened our network but also resulted in tangible business growth, adding EMF and Gandour to our growing portfolio.

Adipec 2024

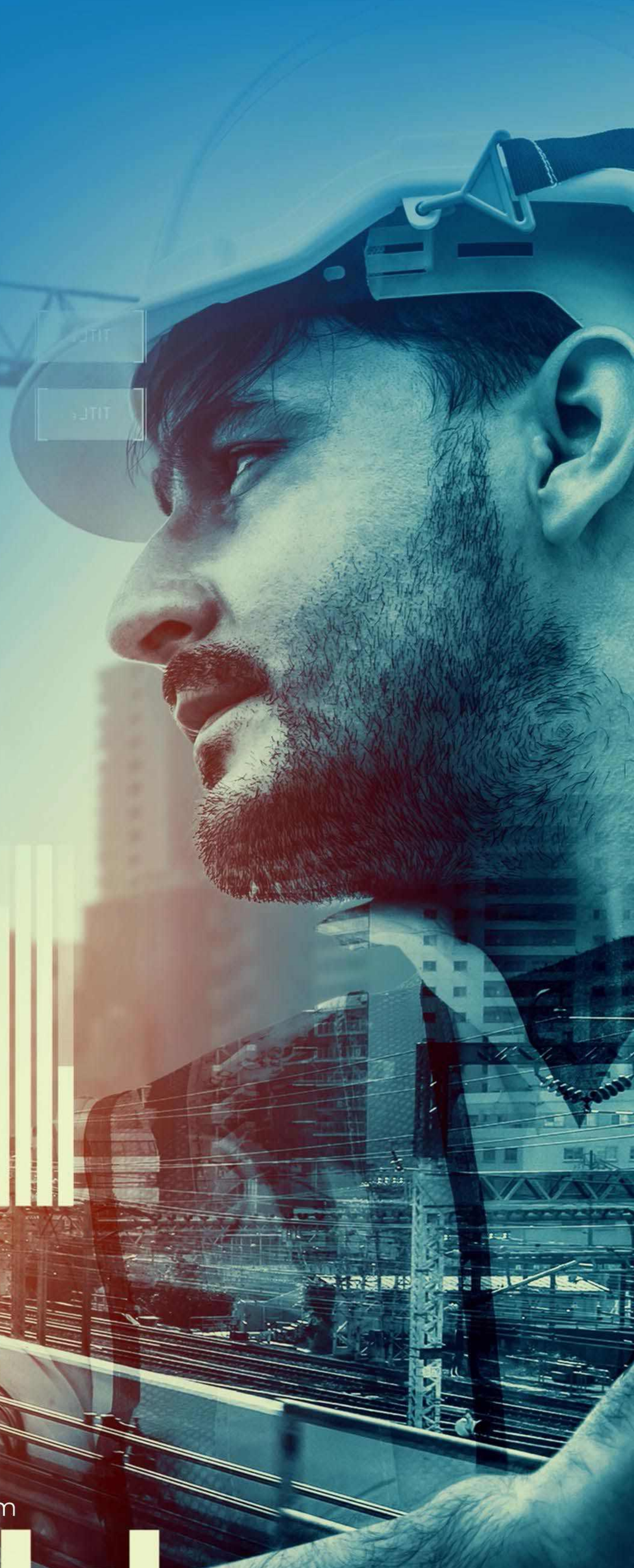
Octopus Digital, in collaboration with Avanceon Limited and participated in the **ADIPEC 2024**. As one of the most influential gatherings in the global energy sector, ADIPEC served as a strategic platform for Octopus Digital to highlight its Industry 4.0-driven product offerings and innovation roadmap.

During the event, Octopus Digital conducted **live product demonstrations**, led **insightful panel discussions**, and engaged in targeted **networking with industry leaders**, reinforcing its position as a key player in industrial digital transformation. Solutions showcased during the event included **OmniConnect™** Data Cloud Platform, **Digital Log and Asset Performance X Digital Twin.**

Octopus Digital's participation at ADIPEC 2024 reflects its continued commitment to innovation, industry collaboration, and the advancement of intelligent industrial ecosystems.

Our Goal

Be the Top Data Cloud Product Company in the Digital Space Serving Industrial Clients.



Profile & Group Structure

CORPORATE PROFILE

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

ORGANIZATIONAL STRUCTURE

Octopus Digital Limited is part of the Avanceon Group. It is a 74% subsidiary company of Avanceon Limited Pakistan. Octopus Digital Limited was incorporated on Dec 29, 2017, under the name and style of Avanceon Digital Private Limited. The name was changed to Octopus Digital Private Limited on April 05, 2019, after a rigorous search to sync with its business line and corporate values. it was converted into a Public Limited Company on Nov 11, 2020, under the name and style of Octopus Digital Limited. The company was listed on the Pakistan Stock Exchange on Oct 04, 2021, with the security symbol 'OCTOPUS'.

ACQUISITION OF EMPIRIC AI

Octopus Digital Limited, in accordance with the applicable provisions of the Companies Act, 2017, received transfer of entire shareholding of Empiric AI (Private) Limited, constituting 100% of the outstanding paid-up capital from Avanceon Limited. The transfer was executed as per the terms and conditions specified under the EPL Business transfer/sale agreement dated 30 September 2023 between the Octopus Digital Limited and Avanceon Limited.

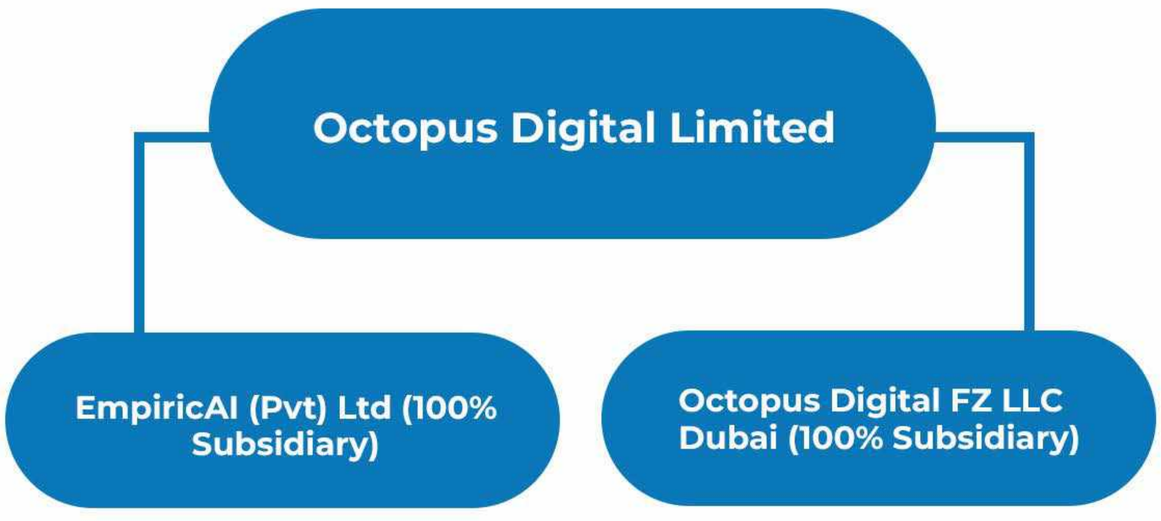
INCORPORATION OF OCTOPUS DIGITAL FZ-LLC

Octopus Digital Limited has incorporated a new wholly owned subsidiary in United Arab Emirates with the name, as a Free Zone Limited Liability Company under the Dubai Development Authority of, with Commercial License Number 103074 with business unit in Dubai Internet City. The UAE's thriving business environment and strategic location make it an ideal hub for Octopus Digital FZ-LLC to further enhance its global presence and deliver unparalleled value to its customers.

"Octopus Digital FZ-LLC"

اوکٹوبس ڈیجیٹل منطقة حرة-ذ.م.م

The decision to establish a subsidiary in United Arab Emirates aligns with Octopus Digital's core values of innovation, customer-centricity, growth plan, and global expansion. By expanding its presence in this vibrant market, Octopus Digital aims to better serve the needs of its customers in the region and strengthen its position as a leading player in Industry 4.0 solutions.



Strategic Partnerships

As part of our strategic partnerships, Octopus Digital is standardizing all on-edge hardware solutions with InHand, ensuring seamless connectivity and robust edge computing across industrial environments. Simultaneously, we're integrating Ebsilon to standardize thermodynamic digital twinning within the APX ecosystem, enabling advanced simulation, optimization, and performance monitoring of complex energy systems. These collaborations reinforce our commitment to delivering scalable, intelligent, and future-ready industrial data solutions.

Code of Conduct

Code of Business Conduct and Ethical Principles

As an ethically unyielding, proactive, and sustainable business, Octopus Digital Limited aims to uphold high standards across all practices without needing third-party monitoring.At Octopus Digital, we do not compromise on business ethics and practices. Working with us implies engaging with our core values of honesty and integrity. These values define how we work and how we achieve success.Our values also define the very foundation of our outright business conduct and ethics:

Compliance with Laws & Reglations

At Octopus Digital, we adhere to laws, rules, and regulations. We understand and comply with the legal requirements and commercial practices of lawful business. We are committed to adhering to every valid and binding contractual agreement that we conclude. We oppose any action that breaches anti-corruption laws in all the countries in which we operate. Engaging with us implies adhering to uncompromised integrity at all levels. This is our pledge in delivering sustainable solutions that will never undermine our reputation or the companies that we work with.

Information Technology & Communications

At Octopus Digital, we are committed to delivering information transparently to protect the reputation of the company and that of the stakeholders, and to promote the integrity of the company. Regardless of the purpose of the communication, every employee at Octopus Digital is responsible for delivering our message within the provision that has been set to ensure accuracy and safeguard internal and external stakeholders. We are committed to protecting our customers and employees from internal or external information security threats, whether deliberate or accidental.

Employee Empowerment Framework

At Octopus Digital, we hire highly talented, energetic, and dedicated resources who can make a real contribution to our success. As an employer, we believe our people are our biggest asset and our greatest investment in the future, which is essential to long-term business success.
We go the extra mile in equipping them with the skills necessary for their professional growth, recognizing them for their outstanding performance, and providing them with a world-class experience to deliver their best in an enabling environment.

Equal Employment & Anti-Harassment

Octopus Digital has been and will always be an equal-opportunity employer. We believe that everyone benefits from a co-building and positive work environment. Therefore, we have zero tolerance for any form of discrimination or harassment.

- Non-discriminatory Policy
- Social Compliance Policy
- General Working Policy

The company is proud to be an equal-opportunity employer. At Octopus Digital, we are totally blind to gender, religion, disability, ethnicities, and discrimination. Thinking outside the box is a major ingredient required to be part of the Octopus team.
Non-discriminatory Policy
- Social Compliance Policy
- General Working Policy

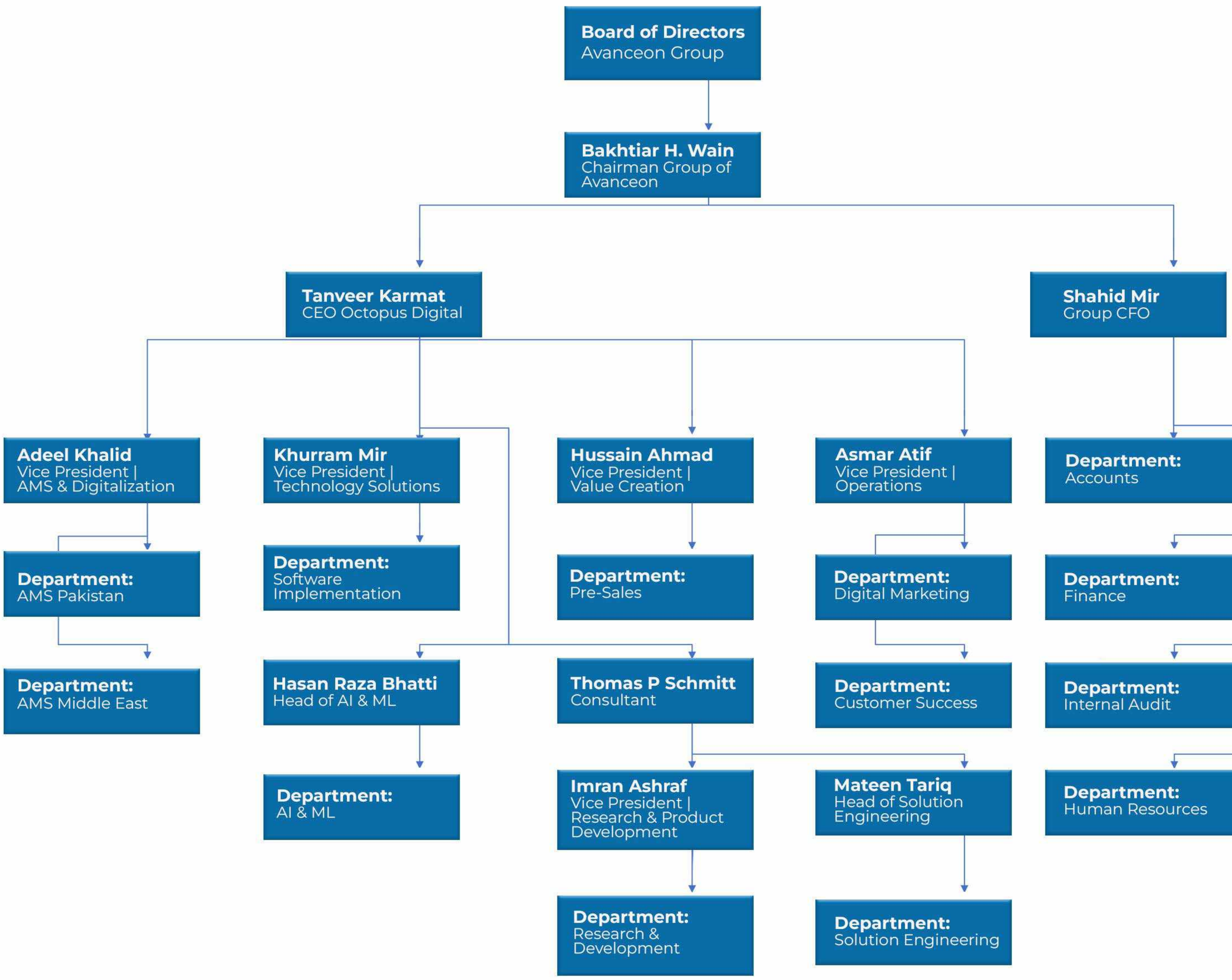
The company is proud to be an equal-opportunity employer. At Octopus Digital, we are totally blind to gender, religion, disability, ethnicities, and discrimination. Thinking outside the box is a major ingredient required to be part of the Octopus team.

Customer Centricity and Sustainability

Octopus Digital expresses its commitment to its customers through the qualitative execution of our sound solutions and strong work ethics. In order to achieve sustainable growth, we place sustainability at the center of what we do by making a positive difference in the lives of the people and communities we work with through sound and impactful investments.

2,314,500
115,700,590
1,949,900
154,457,740
1,740,819
146,830,618
1,389,000
3,805,350
OCTOPUS
50.42
50.42
3.51
Octopus Digital...
1,000
50.42
7.46%
KPUS
60.44
60.44
4.20
Khairpur Sugar ...
500
60.44
7.46%
SASML
14.20
14.20
0.95
Sindh Abadgars ...
500
14.20
7.16%
POWER
7.24
7.36
0.47
Power cement Li...
7,000
6.99
6.94%

Company Organogram



Nature of our Business

Smart Manufacturing and Industry 4.0 Market Size and Future Outlook

The global Smart Manufacturing Technology market size was valued at USD 200,388.34 million in 2021 and is expected to expand at a CAGR of 18.66% during the forecast period, reaching USD 431,963.31 million by 2027.
In 2024, the manufacturing industry underwent significant transformations, driven by rapid technological advancements, evolving workforce dynamics, and a stronger emphasis on sustainability. These changes reshaped manufacturing operations globally, setting the stage for continued innovation in the years ahead.

Key Manufacturing Trends In 2024

Widespread Adoption of Artificial Intelligence (AI) and Machine Learning

In 2024, manufacturers accelerated the adoption of AI and machine learning, leveraging these technologies to enhance multiple facets of production. AI-powered systems enabled real-time data analysis, predictive maintenance, and improved decision-making processes, leading to greater operational efficiency, reduced downtime, and optimized resource utilization.

Expansion of Smart Factories

The smart factory revolution gained further momentum in 2024 as more manufacturers implemented interconnected IoT systems and automated workflows. The adoption of real-time monitoring tools, AI-driven quality control, and cloud-based data management streamlined operations and enhanced productivity across industries.

Strengthening Supply Chain Resilience and Reshoring Efforts

In response to ongoing global supply chain disruptions, manufacturers in 2024 prioritized supply chain resilience through supplier diversification, increased transparency, and regionalized production strategies. Many companies also restored operations to reduce dependency on international suppliers and mitigate risks associated with global uncertainties.

Advanced Robotics and Automation

The demand for advanced robotics and automation surged in 2024, addressing labor shortages and enhancing precision in manufacturing. The adoption of collaborative robots (co-bots) became more prevalent, allowing human-robot collaboration on production lines. These next-generation robotic systems improved workplace safety, increased efficiency, and provided scalability in industrial operations.

Digital Twins and Virtual Simulation for Process Optimization

The use of digital twins expanded significantly in 2024, allowing manufacturers to create virtual replicas of physical assets and production environments. These real-time simulations enabled companies to optimize designs, predict failures, and improve overall operational performance while minimizing costs and downtime.

Workforce Upskilling and Talent Development

Bridging the skills gap became a critical focus in 2024. Many manufacturers invested in workforce training programs, particularly in AI, robotics, and digital transformation. Upskilling initiatives, virtual training platforms, and industry partnerships helped equip workers with future-ready skills, ensuring talent retention and a more adaptable workforce.

Looking Ahead

In 2025, smart manufacturing is poised for significant advancements, driven by technological innovations and evolving industry practices. The following key trends are anticipated to shape the manufacturing landscape:

Pervasive Integration of Artificial Intelligence (AI) and Machine Learning (ML)

AI and ML are expected to become deeply embedded across manufacturing operations, enabling predictive analytics, process optimization, and real-time decision-making. This integration facilitates predictive maintenance, quality control, and supply chain optimization, leading to increased efficiency and reduced operational costs.

Adoption of Digital Twins and Virtual Simulation

The utilization of digital twins — virtual replicas of physical assets —is expected to expand, allowing manufacturers to simulate and optimize production processes. This approach enables proactive maintenance, design optimization, and the identification of potential issues before they impact operations.

Reimagining Global Supply Chains

Manufacturers are rethinking global supply chains to enhance resilience and agility. This involves diversifying suppliers, increasing transparency, and, in some cases, reshoring operations to mitigate risks associated with international dependencies.

Disclaimer:

The views and analyses expressed in this section are reproduced from news outlets and researched reports. Respective links are mentioned below for your consideration.

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Omni Connect™

Building data pipelines and data lake on the cloud for advanced data analytics

digital log

Eliminate the need for manual record-keeping for streamlined efficiency.

OmniChat

Beta

Generative AI solution for seamless data interaction & actionable insights using natural language.

pathadvice

Beta

Elevate performance and efficiency with our smart generator solution.

FINTECH FUEL

Accurate reconciliation to counter fuel theft challenges in real-time.

OEEfficiency

Enhance manufacturing operations with cloud-integrated OEE.

Asset Performance X Digital Twin

Delivers real-time plant parameter metrics, cutting O&M costs & boosting asset value.

Broadest Industry Compliance

Global	ISO 27001:2013 ISO 27Q017:2015 ISO 27018:2014	ISO 22301:2012 ISO 9001:2015 ISO 20000-1:2011	SOC 1 Type 2 SOC 2 Type 2 SOC 3 CIS Benchmark	CSA STAR Certification CSA STAR Attestation CSA STAR Self-Assessment WCAG 2.0 (ISO 40500:2012)
US	FedRAMP High FedRAMP Moderate EAR ITAR	DoD DISA SRG Level 5 DoD DISA SRG Level 4 DoD DISA SRG Level 2 DFARS	DoE 10 CFR Part 810 NIST SP 800-171 NIST CSF Section 508 VPATs	FIPS 140-2 CJIS IRS 1075 CNSSI 1253
Industry	PCI DSS Level 1 GLBA (US) FFIEC (US) Shared Assessments (US) SEC 17a-4 (US) CFTC 1.31 (US) FINRA 4511 (US) SOX (US) 23 NYCRR 500 (US)	OSFI (Canada) FCA + PRA (UK) APRA (Australia) FINMA (Switzerland) FSA (Denmark) RBI + IRDAI (India) MAS + ABS (Singapore) NBB + FSMA (Belgium) AFM + DNB (Netherlands)	AMF + ACPR (France) KNF (Poland) European Banking Authority (EBA) FISC (Japan) HIPAA BAA (US) HITRUST Certification GxP (FDA 21 CFR Part 11) MARS-E (US)	NHS IG Toolkit (UK) NEN 7510:2011 (Netherlands) FERPA (US) CDSA MPAA (US) FACT (UK) DPP (UK) HDS (France)
Regional	Argentina PDPA Australia IRAP Unclassified Australia IRAP PROTECTED Canada Privacy Laws China GB 18030:2005 China DJCP (MLPS) Level 3	China TRUCS / CCCPPF EU EN 301 549 EU ENISA IAF EU Model Clauses EU – US Privacy Shield GDPR Germany C5 Germany TISAX	Germany IT-Grundschutz workbook India MeitY Japan CS Mark Gold Japan My Number Act Korea ISMS Netherlands BIR 2012 New Zealand Gov CIO Framework	Singapore MTCS Level 3 Spain ENS High Spain DPA UK Cyber Essentials Plus UK G-Cloud UK PASF

Our Technology and Channel Partners

Azure · aws partner network · KORE · Google · Microsoft · AVANCEON Tomorrow's solutions, today · Kinematix GROUP · TrendMiner · HCC

Our Customers

TAPAL · engro corp · go Get going with GO! · PTC Pakistan Tobacco Company

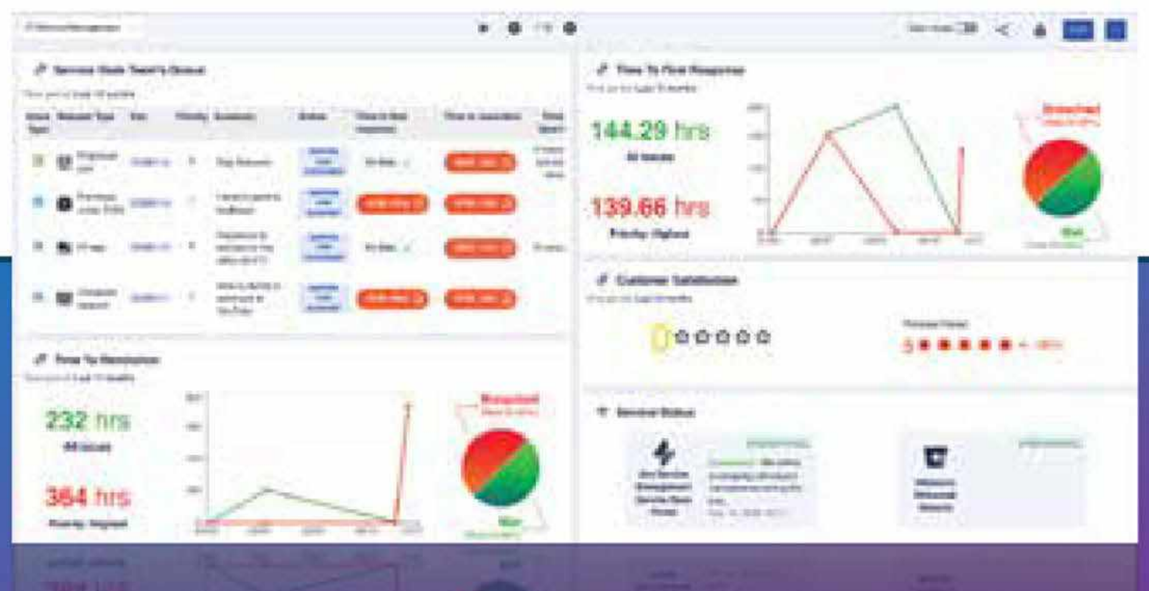
Support and Customer Care

Dedicated Support Portal: Each client receives a personalized Jira Support Portal for streamlined assistance.

Client-Centric Approach: Your success is our priority; we are committed to providing the highest level of support.

Seamless Experience: Our goal is to ensure your experience with OmniConnect™ is smooth and successful.

Accessible Assistance: We are always just a click or call away to address any questions, technical issues, or guidance you may need.



Core Competencies

Aftermarket Support

At After Market Support, we stand committed to our customers to offer service partnerships to maintain, support, and optimize the performance of our installed base. The services transform how plant assets are managed, ensuring system performance and outcomes while allowing users to focus on operations.

Through our flexible support service level programs, we have helped customers achieve sustained control system performance by developing a proactive maintenance path with defined metrics and reporting. Our Service Level Agreement (SLA) offers a clear contract with defined metrics, active support management, and optimal results for users' process control investments.

AMS helps reduce unplanned events, resolve issues faster, improve performance, and manage lifecycle planning to create a more efficient plant and maximize return on investment.

Connect and Analyze Data for Decision Support

We deliver insights on complex data so that every user across the organization can achieve better outcomes. Our Cloud-Native, AI-Powered Topware™ presents data in an intuitive way, allowing even non-IT/OT professionals to gain insight and take action.

Changing the Way You Think About Data

- **Simplify Complexity** – Topware™ compiles data from multiple sources into a single version of truth
- **Deploy & Adapt Quickly** – Topware™ becomes operational in 7 days with a 30-minute user orientation & training
- **Drive Impact** – Topware™ aligns teams, business objectives, and key results on a real-time basis

What's in it for Customers?

- Topware™ accelerates operational & strategic decision-making without IT/OT bottlenecks through a single-step monthly subscription

What Does Octopus Digital Do?

Octopus Digital helps businesses in their digital mastery journey through:

- Service-Based Business Model
- Monthly Subscription Service Packages
- Zero CAPEX. Total OPEX
- On-Demand and Self-Service Analytics
- Cyber-Secure. IoT/Cloud-Native

How Octopus Digital Accomplishes It

Octopus Digital's team of design thinkers, process experts, and data scientists help:

- Develop a Comprehensive Digital Journey Roadmap
- Plant Information & Asset Management Dashboarding
- Optimization of Critical KPIs
- Multivariable Predictive & Prescriptive Insights
- AI-Powered Process Modeling

Octopus Digital Provides End-To-End Digitalization

Simply, Quickly, and Securely

The next generation of business intelligence is not siloed in systems or dependent on costly dashboards. Instead, insights appear instantly, making it easier to see changes and take action.

- **Decision Support** – Receive automatic alerts for critical KPIs and focus on the big picture
- **Digital Twinning** – Topware™ creates a digital twin of every asset and process to connect, analyze, and optimize
- **Automate Reporting** – Measure productivity by exporting and emailing reports
- **Consulting 4.0** – Schedule periodic sessions with process experts and data scientists

Analytics as a Service

- Real-time data visibility through a single screen
- Enables analysts and end-users to explore data interactively
- Enhances collaboration and faster decision-making

Infrastructure as a Service

- Eliminates capital expenses and reduces operational costs
- Stable, reliable infrastructure
- Ensures data availability with no downtime
- BTMI (Build, Train, Maintain, Improve) model

Aftermarket as a Service

- Manages and maintains critical assets
- Minimizes risk and ensures performance reliability
- Supports lifecycle planning for system efficiency

Topware™

- Subscription-based digital decision support solution
- Includes digital dashboarding, analytics, and predictive insights
- Automates customer service and asset maintenance

Features:

- Advanced Dashboard with EDA
- Predictive Decision Support Service
- Prescriptive Decision Support Service

Auto-ML Digitalized Command and Control

- Digital dashboarding for decision support
- Prediction and prescription modeling
- Autonomous command center

OmniConnect™

OmniConnect™ establishes Big-Data Data Lakes and dashboards within hours on a fixed-cost basis with no coding required.

Key Features:

- **Big Data Lake Setup** – Quick deployment for OT space
- **Portable Data Travel** – Secure and hassle-free
- **Machine Learning Ready** – Easily connects with any third-party tool

Our Value Proposition

Decision Support Solution Enabled Within 1-2 Weeks on a Monthly Subscription Model

- No Upfront Investment
- No Hardware or Software Costs
- No Engineering Costs

Core Functions:

- One-Way OPC Connection
- Quick Dashboard Setup
- Customer Training in One Hour

Cloud-native Decision Support Solution

Partnership with Microsoft Corporation for open-source, cloud-native digital services

- Microsoft Azure accessibility (24/7 x 365)
- Cloud-based data lake for analytics
- Oil accounting & asset performance monitoring
- Dashboarding & cloud-based reporting
- Power BI integration
- Perpetual data modifications

For more information about Octopus Digital's products and services, contact support@octopusdtl.com.

Customer Portfolio

Octopus Digital offers a state-of-the-art Decision Support System, enabled within 1-2 weeks on a monthly subscription basis. The system requires no upfront investment, no software or hardware costs, and no engineering costs for the customer.

The Octopus Digital value proposition includes scalable, reliable, maintainable, and secured services, available with a single click from anywhere at any time.

Strategic Partnerships with Microsoft Corporation

Octopus Digital has partnered with Microsoft Corporation to deliver open-source, cloud-native digital services, providing online accessibility through Microsoft Azure (24/7 x 365).

Key benefits of this partnership include:

- Cloud-based dashboarding and reporting, ensuring data security
- Data storage on a cloud-native data lake for analytics
- Power BI integration for reporting and data analysis
- Oil accounting and asset performance monitoring
- Perpetual data modifications and updates

Innovation and Proof of Concept Successes

Octopus Digital has successfully developed Proofs of Concept for major multinational organizations, demonstrating scalability and efficiency in digital transformation.

The company also secured multiple high-value contracts in 2021, reflecting its strong market presence and proven expertise. Below is a summary of key successes.

HR Updates

Octopus Digital's Human Resource Department has a clear vision for the next three years. Its primary goal is to build a strong, productive, and engaged workforce, positioning Octopus Digital as a preferred employer and a leader in innovative, results-driven HR services, policies, and systems.
In FY 2024, Octopus Digital hired 35 new employees, with recruitment distributed across various departments to support organizational growth and operational efficiency.

Core Objectives of the HR Department in 2024:

- Implemented Zoho People to streamline HR processes and improve workflow efficiency.
- Promoting paperless environment by moving toward digital documentation of employee profiles.
- Conducted Mental Awareness Sessions focused on stress management and mental health support.
- Promoted employee wellness initiatives and encouraged healthy lifestyle habits.
- Introduced a comprehensive onboarding kit to improve the experience of new hires and ensure seamless integration.
- Conducted organization-wide surveys to collect candid feedback from peers, supervisors, and managers for continuous improvement.
- Rolled out companywide training programs to foster an inclusive workplace culture.
- Revised Maternity and room limit under the medical insurance policy.

The Human Resource Department is committed to supporting employees in achieving their personal and professional goals by fostering a workplace that prioritizes growth, well-being, and job satisfaction. Key focus areas include:

- Competitive wages and salaries

- Job satisfaction and improved working conditions

- Standard working hours and career advancement opportunities

- Employee motivation and recognition programs

- Comprehensive welfare facilities and social security benefits

Beyond these, the HR Department plays a pivotal role in boosting employee morale and ensuring a positive, engaging workplace culture. Creating an engaged workforce requires a collaborative effort between employees and leadership, where mutual trust, recognition, and professional development are prioritized.

At Octopus Digital, employee engagement is not just a goal but a core strategy to enhance confidence in the organization, promote long-term retention, and build a high-performance work environment. The HR Department remains dedicated to expanding these initiatives in the coming years to drive organizational success and employee satisfaction.

Corporate Governance

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

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

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

Board Composition

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

Board Diversity

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

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

Gender Diversity in Governance

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

Changes to the Board

The current Board was elected in June 2024, and its term will be completed by June 2027. During the year, Mr. Mohammad Shahid Mir resigned. To fill the casual vacancy, Mr. Humayun Maqbool joined the Board of Directors. The Board expresses sincere appreciation for the valuable contributions made by the outgoing director and extends a warm welcome to the new member. The Board remains confident in the team's ability to efficiently achieve the Company's objectives and drive continued financial success for shareholders.

Role & Responsibilities of the Board of Directors

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

The Board is dedicated to preserving shareholder trust and protecting the Company's reputation on both a national and international scale. To achieve this, it has implemented a robust governance framework grounded in global best practices. This framework encompasses key elements such as a formal Code of Conduct, Code of Business Ethics, Internal Control Framework, Risk Management Framework, and a Whistleblowing Policy.

These initiatives not only meet but surpass the compliance and disclosure standards established by applicable legal and regulatory bodies, ensuring that the informational needs of all stakeholders are effectively addressed.

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

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

1. The financial statements prepared by management fairly present the Company's financial position, results of operations, cash flows, and changes in equity.

2. Proper books of accounts have been maintained in compliance with legal requirements.

3. Accounting policies have been consistently applied in preparing financial statements, with estimates based on sound judgment.

4. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of the financial statements.

5. The internal control system is robust, effectively implemented, and regularly monitored.

6. The Company's ability to continue as a going concern is assured.

7. The best practices in corporate governance, as outlined in the listing regulations, have been diligently followed.

Role & Responsibilities of the Chairman

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

Role & Responsibilities of the CEO

The CEO is responsible for formulating the Company's strategy, supported by annual business plans and budgets, for approval by the Board. The CEO ensures the effective execution of business operations in line with Board decisions, striving to meet both financial and operational objectives. This includes overseeing succession planning and information technology strategies. Additionally, the CEO monitors the Company's performance and ensures compliance with regulatory requirements and corporate governance standards, reporting regularly to the Board. The CEO upholds the Company's adherence to relevant laws and best practices in governance while acting as its principal representative. In this capacity, the CEO is also accountable for recommending long-term strategies designed to enhance shareholder value and drive sustained growth.
The Board is composed of two executive directors and five non-executive directors, including three independent directors, all of whom are dedicated to ensuring effective governance of the Company. The non-executive directors maintain independence from the Company's management. The current Board is set to complete its three-year term on June 7, 2027. To facilitate its governance duties, the Board has established the following committees:

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

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

Role & Responsibilities of the Executive Board

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

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

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

CEO Performance Review by the Board

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

Management Initiatives on Corporate Governance

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

Ethics

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

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

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

- **Financial Code of Ethics:** Defines ethical standards for senior executives, especially those responsible for public disclosure and financial information.

- **Principles of Good Promotional Practices:** Establishes rules for ethical promotional conduct.

- **Personal Data Protection Charter:** Outlines corporate guidelines for the collection, processing, and storage of personal data.

- **Code for Prevention of Insider Trading:** Provides rules to prevent insider trading within the Company.

- **Ethical Charter for Buyers:** Sets guidelines for employees involved in the purchasing process.

Business Governing Principles and Values

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

Integrity

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

Code of Conduct

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

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

Corporate Social Responsibility

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

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

Environmental Protection

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

Equal Opportunity Employer

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

Annual Performance Evaluation of the Board, Committees, and Directors

Octopus Digital has implemented a structured internal evaluation mechanism for the assessment of the Chairman, individual Board members, Board Committees, and the Chief Executive Officer (CEO). This systematic process is designed to ensure comprehensive and objective performance reviews of the Company's leadership, in line with sound corporate governance practices.

Director Orientation Program

To enable Directors to effectively discharge their duties, a formal orientation program is in place. The program equips newly appointed Directors with a clear understanding of the Company's structure, operations, and governance framework. Key elements covered include:

- **Organizational Overview:** Insight into the Company's operational structure, business model, and strategic priorities.

- **Governance Framework:** Familiarization with the Articles of Association, Code of Corporate Governance, and all applicable laws and regulatory requirements.

- **Legal Duties:** Clarification of statutory and fiduciary responsibilities under corporate and common law.

- **Board and Committee Functions:** Overview of the roles, responsibilities, and meeting expectations for the Board and its sub-committees, including the BAC, HR&R Committee, AGM, and other shareholder engagements.

- **Strategic and Financial Insight:** Detailed understanding of financial statements, risk management, and long-term strategic planning.

- **Ethics and Conduct:** Guidance on maintaining confidentiality and recognizing potential conflicts of interest, along with the appropriate channels for disclosure.

Directors receive regular updates and access to ongoing resources to support their continuous development and active contribution to the Board's effectiveness.

Related Party Transactions

Octopus Digital has an established policy governing related party transactions to ensure full transparency, fairness, and regulatory compliance. This policy outlines the protocols for identifying, reviewing, and approving such transactions, which must be conducted on an arm's length basis and aligned with the Company's best interests.

In accordance with the Companies Act, 2017, the SECP regulations, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Pakistan Stock Exchange (PSX) Rule Book, and International Financial Reporting Standards (IFRS), the Company discloses the nature and terms of all related party transactions, including details of common directorships and shareholding.

Each transaction is evaluated and approved by the Board, with oversight from the Board Audit Committee (BAC). Transactions outside the normal course of business are subject to heightened scrutiny, and any potential conflict of interest is disclosed by the relevant director. The Board, in coordination with the BAC, ensures that such matters are managed objectively, in full compliance with regulatory frameworks and governance protocols.

Board Diversity Policy

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

Conflict of Interest Policy

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

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

Policy on Fees Earned by Executive Directors

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

Security Clearance for Foreign Directors

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

Board Meetings Conducted Abroad

During the financial year 2024, four Board meetings were held. One of these meetings, during which the annual financial statements for 2023 were approved, was conducted in Dubai, United Arab Emirates. To ensure full participation, all meetings were simultaneously accessible to directors via video conferencing, regardless of geographic location, ensuring continuity in governance and decision-making.
Octopus Digital 's most significant contribution to the nation of Pakistan lies in the development of a highly skilled engineering workforce, fostering talent and expertise that drives innovation and growth.

The most critical factor for any business strategy & long-term sustainability is robust corporate governance practices. Avanceon's overall governance framework is devised to ensure a strong oversight, board and management accountability. We believe bottom line demonstrates commitment to transparency, independence, and diversity.

Ahsan Khalil (ACA-FPFA)
Chief Financial Officer/Company Secretary

WHISTLE BLOWER POLICY

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

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

"Speak-out !"

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

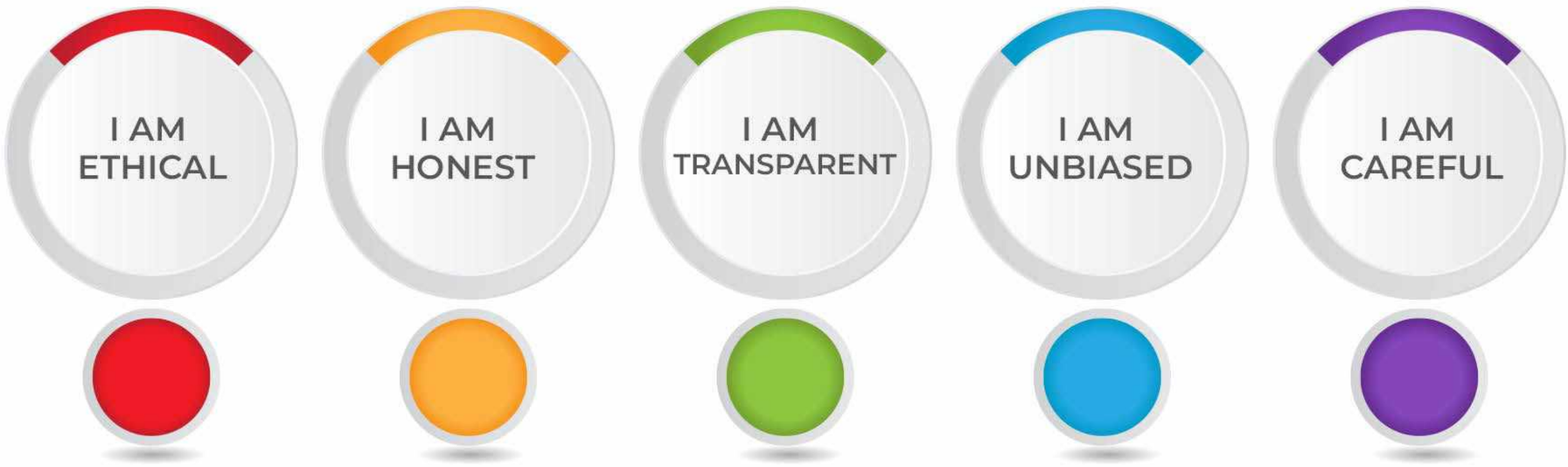
Considerable efforts are made to maintain the confidentiality of complainants and to protect them from any form of retaliation or victimization for genuinely held concerns that are raised in good faith

Speak-outs are encouraged to report serious concerns that could have a significant impact on these organizations, such as actions that

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

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

Note: During the year 2024 no cases were reported, highlighting ethical commitment of Company's stakeholders'.



Crowe

Crowe Hussain Chaudhury & Co.
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8-F Main Market, Gulberg II,
Lahore-54660, Pakistan
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OCTOPUS DIGITAL LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Octopus Digital Limited ("the Company") for the year ended December 31, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight the para 9 of SOC in respect of Director Training Program as two of the directors, have to acquire the prescribed certifications under the Directors' Training Program as encouraged under clause 19 of the Regulations.

Lahore
Dated: April 03, 2025
UDIN: CR202410051FCJMgiapq

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

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

Name of Company: **Octopus Digital Limited**
For the year ended: **December 31, 2024**

The company has complied with the requirements of the Regulations in the following manner:
1.The total number of directors are eight as per the following, -

A. Male: Eight (07)
B. Female: One (01)

2. The composition of Board is as follows:

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

*Fraction (0.33) related to the requirement for number of Executive directors which is more than 0.5 and therefore, has been rounded up as one.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations;
9. The following directors have successfully completed the Directors' Training Program in accordance with the Regulations:

Mr. Bakhtiar Hameed Wain	Non-Executive Director
Mr. Tanveer Karamat	Executive Director
Mr. Adeel Khalid	Executive Director
Ms. Saleha Asif	Independent Director

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

10. The Board has approved the appointment of chief financial officer, company secretary, and head of internal audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The board has formed committees comprising of members given below:

a) Audit Committee

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

b) HR and Remuneration Committee

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

13. The terms of reference of the aforesaid committees have been formed,

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

Frequency	Number of meetings held during the year
a) Audit Committee	Quarterly 4
b) HR and Remuneration Committee	Yearly 1

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

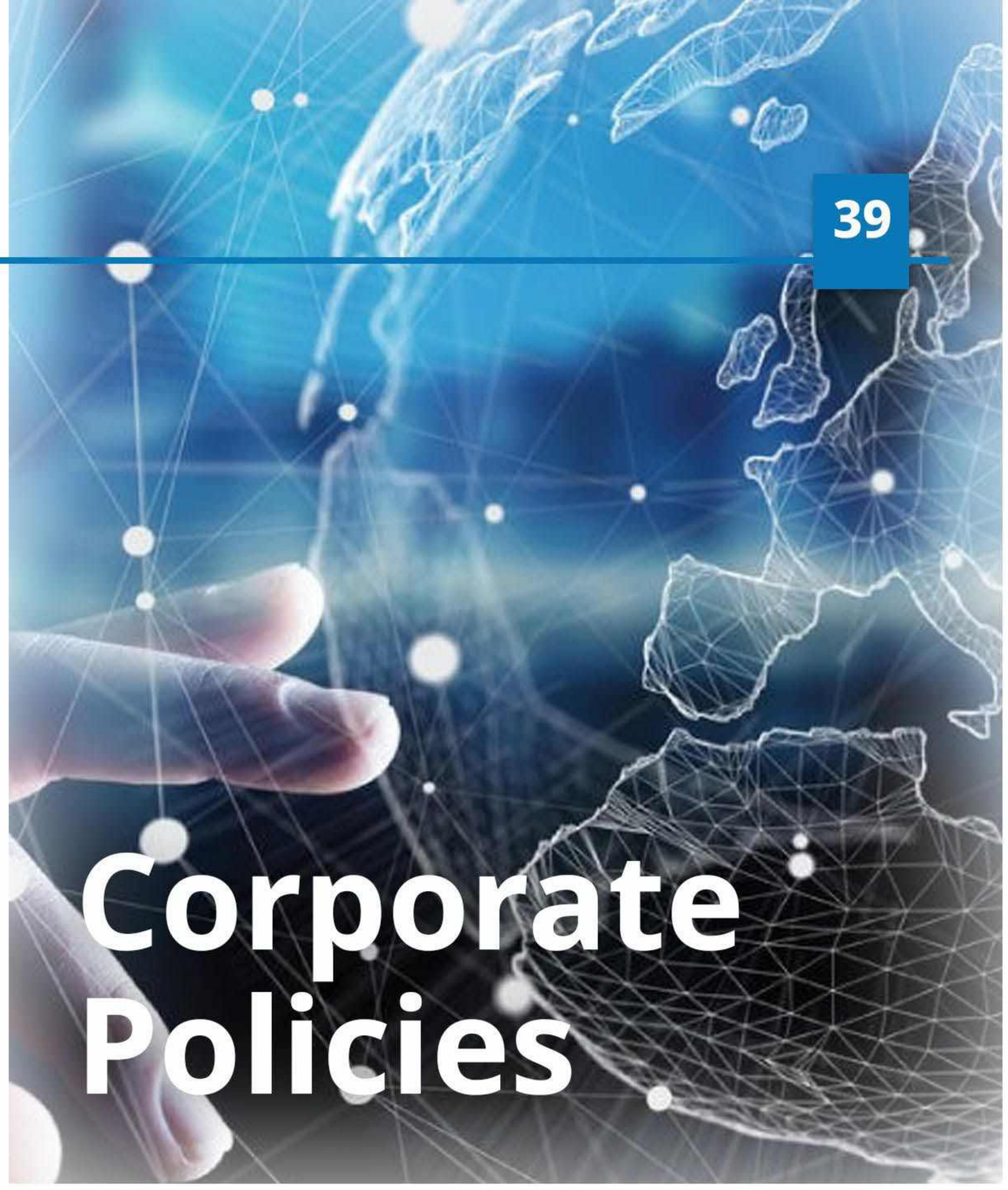
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance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

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

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

ON BEHALF OF THE BOARD

LAHORE DATE: March 07, 2025	MR. BAKHTIAR HAMEED WAIN CHAIRMAN / DIRECTOR	MR. TANVEER KARAMAT CHIEF EXECUTIVE OFFICER



Disclosure of Policy for Actual & Perceived Conflicts of Interest

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

Disclosure for IT Governance Policy

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

Human Resource Management Policies Including Preparation of Succession Plan

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

Octopus Digital's Whistleblower Policy – "Speak Out!"

The Board of Directors of Octopus Digital has adopted several policies related to ethics and responsible behavior, which define the high standard of governance and business conduct to which we pledge ourselves as an organization. This has always been our core strength and is reinforced through voluntary reporting of irregularities and periodic reviews of business practices.
As an additional measure, a Whistleblower system has also been established. The company expects employees, suppliers, and contractors at all affiliated companies to not only abide by our standards of business conduct but also to speak out about any concerns they have regarding business ethics, safety, environmental performance, harassment, and other employment-related matters or other possible breaches of compliance.
They can use the independent "Speak Out" hotline 0092-42-37515129 or email speakout@octopusdtl.com to raise their concerns.
They can also write to Speak Out (PO Box 4012, Lahore - Pakistan).
Every effort is made to maintain the confidentiality of complainants and to protect them from any form of retaliation or victimization for genuinely held concerns raised in good faith.
Speak-outs are encouraged to report serious concerns that could have a significant impact on the organization. Actions that:

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

Medical and Insurance Policy

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

Compassionate Leaves

All permanent and contractual employees are entitled to compassionate or bereavement leaves in addition to casual/sick and annual leaves. Compassionate leaves can be taken when a member of an employee's immediate family* or household passes away or suffers a life-threatening illness or injury and requires extensive medical care.
*(Immediate family of an employee includes spouse, child, parent, sibling, grandparent, and grandchild.)

Pay Continuation Plan

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

Succession Planning Policies

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

Policy & Procedure for Stakeholder Engagement

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

Investor Grievance Policy

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

Employee Development & Training

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

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

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

Directors' Report

The directors of Octopus Digital Limited "The Company" take pleasure in presenting their report together with the Company's audited annual financial statements for the year ended December 31, 2024. All financial statements and notes to the accounts have been prepared by the management of the company as under:

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

The Directors' Report, prepared under relevant sections of the prevailing Companies Act, in Pakistan, will be put forward to the members at the 8th Annual General Meeting of the Company to be held on Monday, 30 April 2025 at 10:00 AM at The Nishat Hotel, Grand Imperial Hall 9-A, 3rd Floor, Gulberg-III Mian Mehmood Ali Kasuri Road, Lahore.

The Company

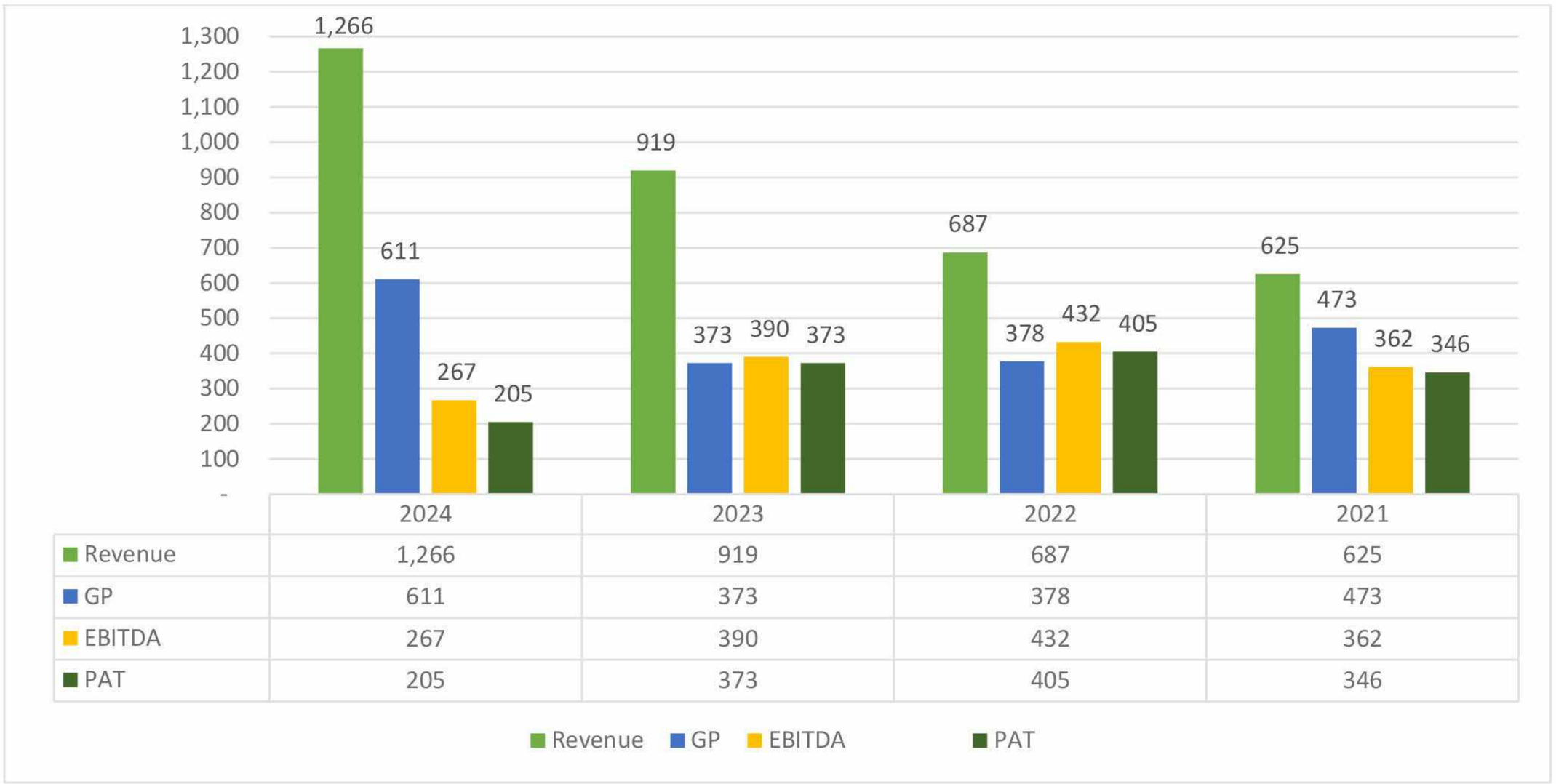
Octopus Digital helps businesses digitalize their manufacturing, supply chain and financial workflows backed by strategic and operational maintenance support services in the Middle East and South Asia. Thus, making decision support, actionable insights, and business intelligence available 24x7x365 as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

The Report:

The Company closed 2024 on a very positive note. The topline has increased by 38% and shows resilience in the face of troubling macroeconomic factors facing the country. The stability of the exchange rate and decreasing interest rates have acted as a catalyst to business performance, and we are seeing the trickle-down effects of this carry-over to 2025. All business lines have improved performance, in comparison to 2023. If we consider our bottom line, which was cushioned last year by abnormal exchange gains on foreign receivables, we have improved significantly. We hope to sustain this momentum and use it to gain further in the upcoming year.

Operating Results (Consolidated)

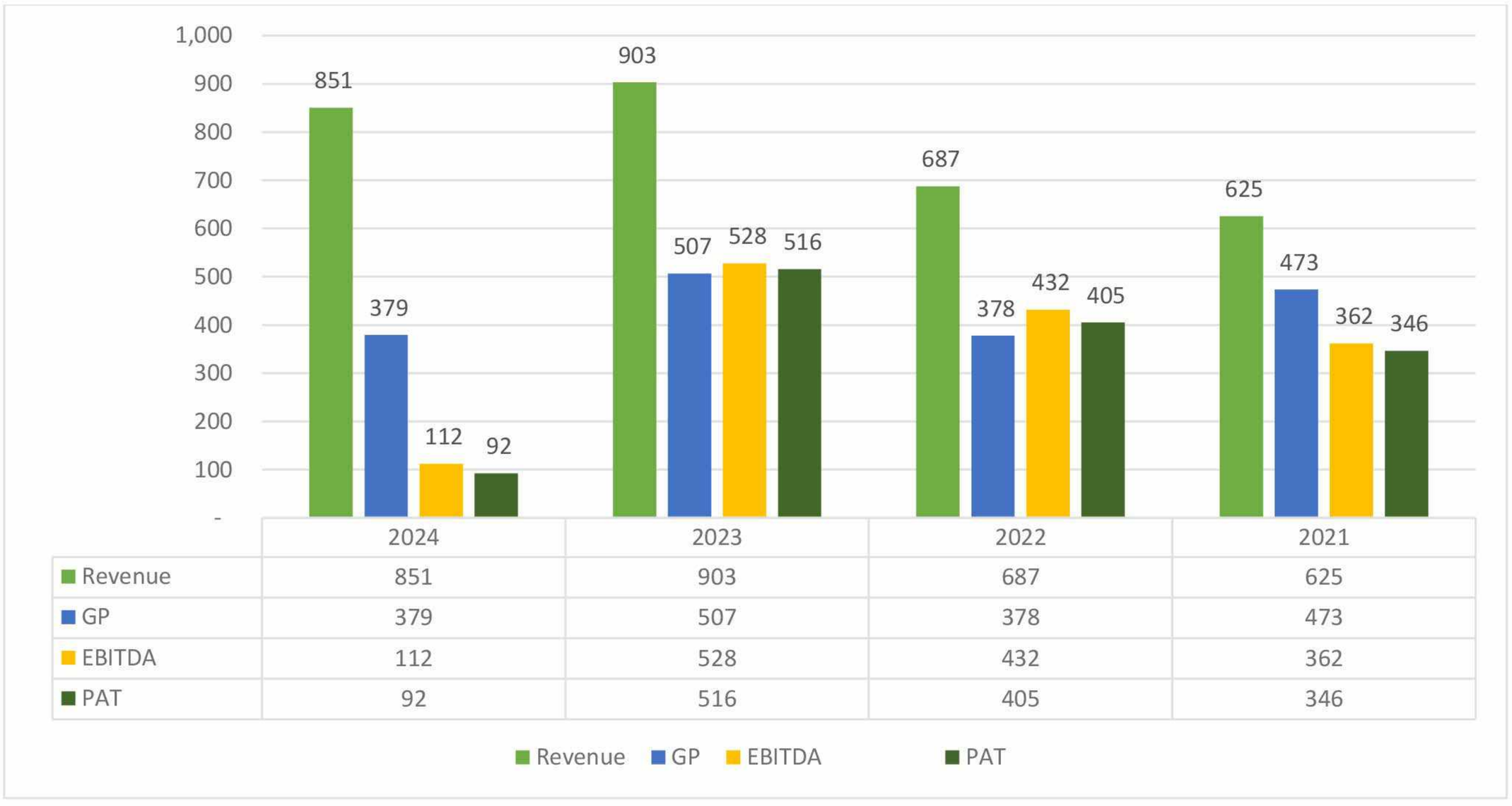
Amounts in Rupees	2024	2023	Variation	% Variation
Revenue	1,266,023,587	919,172,604	346,850,983	38%
Profit before tax	211,826,718	379,646,855	(167,820,137)	-44%
Profit after tax	205,025,696	373,047,694	(168,022,998)	-45%



	2024	2023	2022	2021
Revenue	1,266	919	687	625
GP	611	373	378	473
EBITDA	267	390	432	362
PAT	205	373	405	346

Operating Results (Standalone)

Amounts in Rupees	2024	2023	Variation	% Variation
Revenue	850,728,940	903,118,188	(52,389,248)	-6%
Profit before tax	101,144,555	521,417,405	(420,272,850)	-81%
Profit after tax	92,436,174	515,808,031	(423,371,857)	-82%

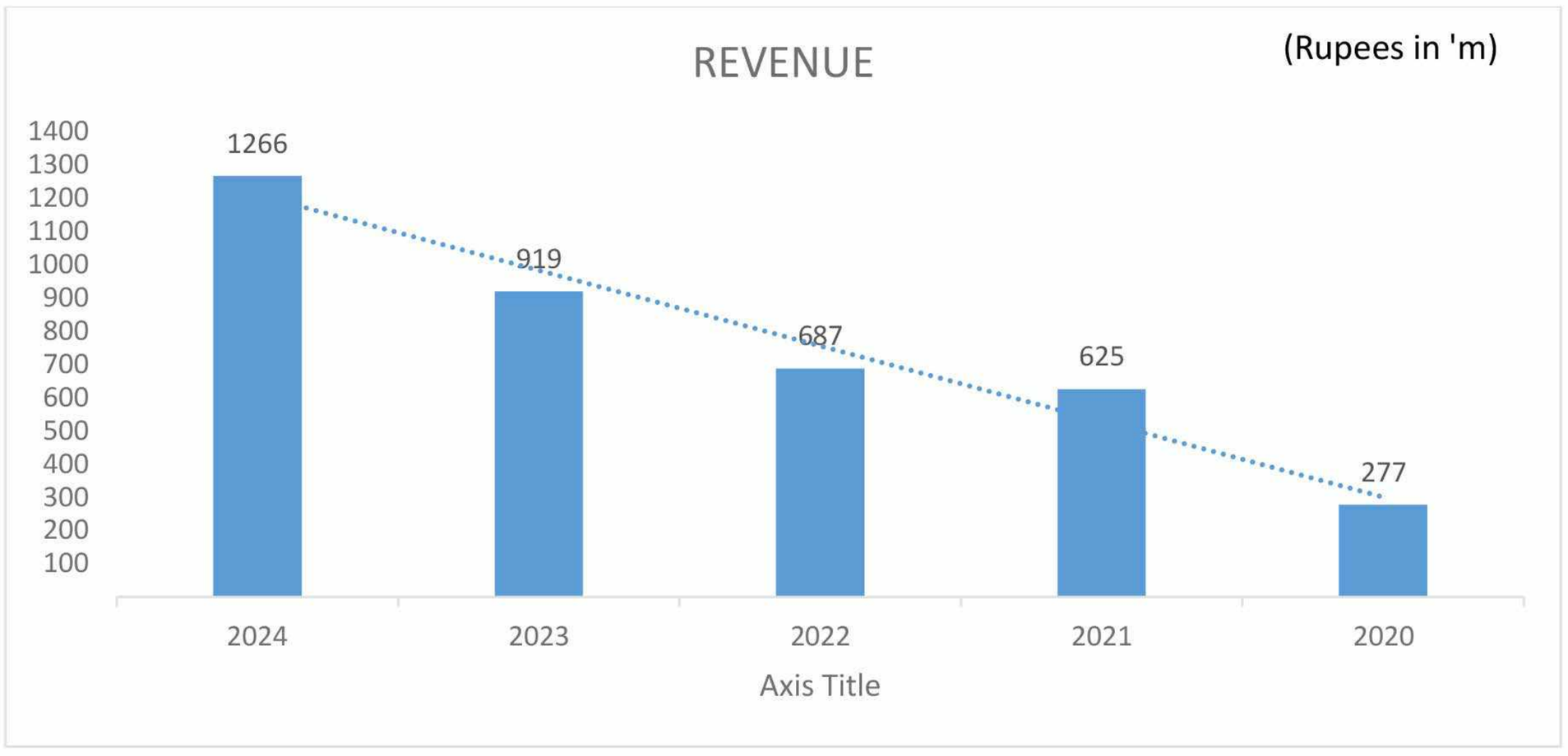


	2024	2023	2022	2021
Revenue	851	903	687	625
GP	379	507	378	473
EBITDA	112	528	432	362
PAT	92	516	405	346

Financial Performance (Consolidated)

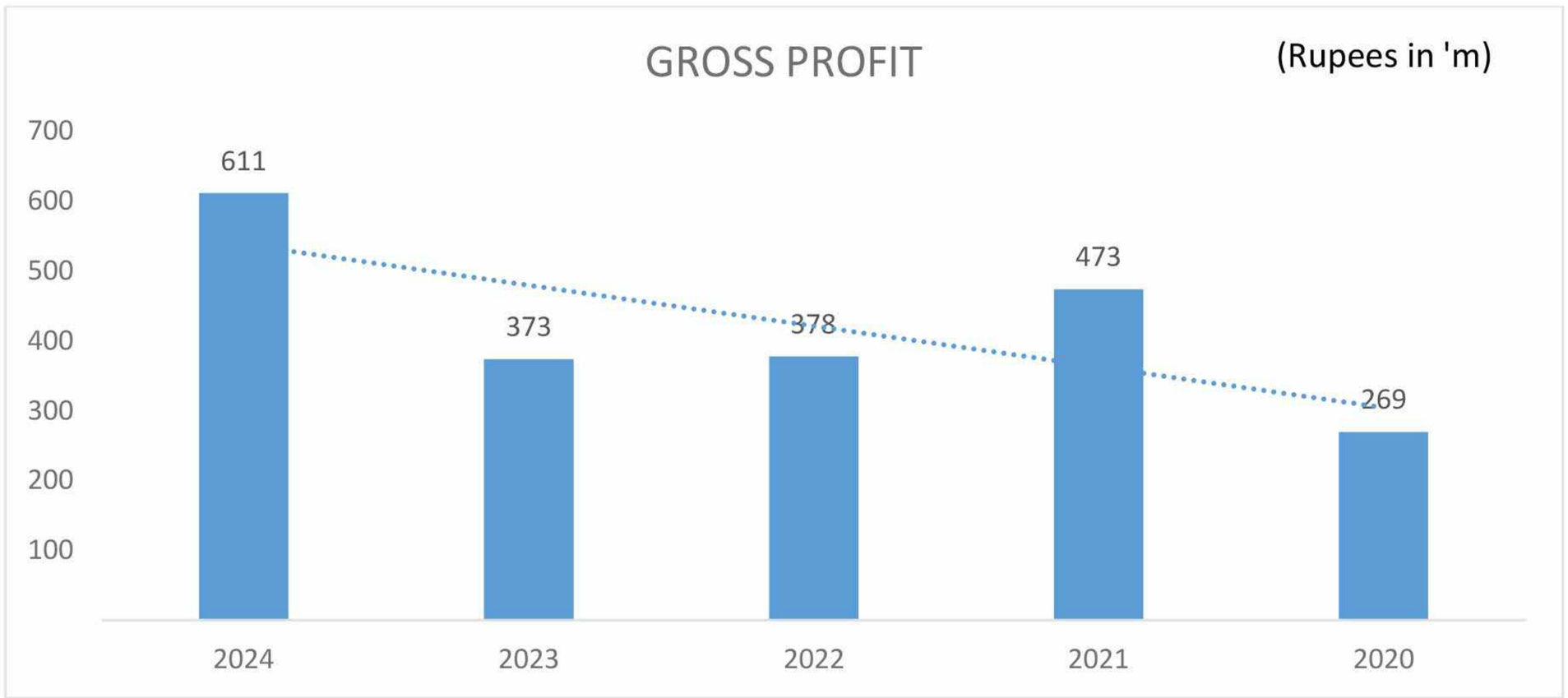
Revenue

The Company revenue of Rs. 1,266 million has 38% increased as compared to last financial year, It shows an upward trend in the business growth in FY ended December 31, 2024.

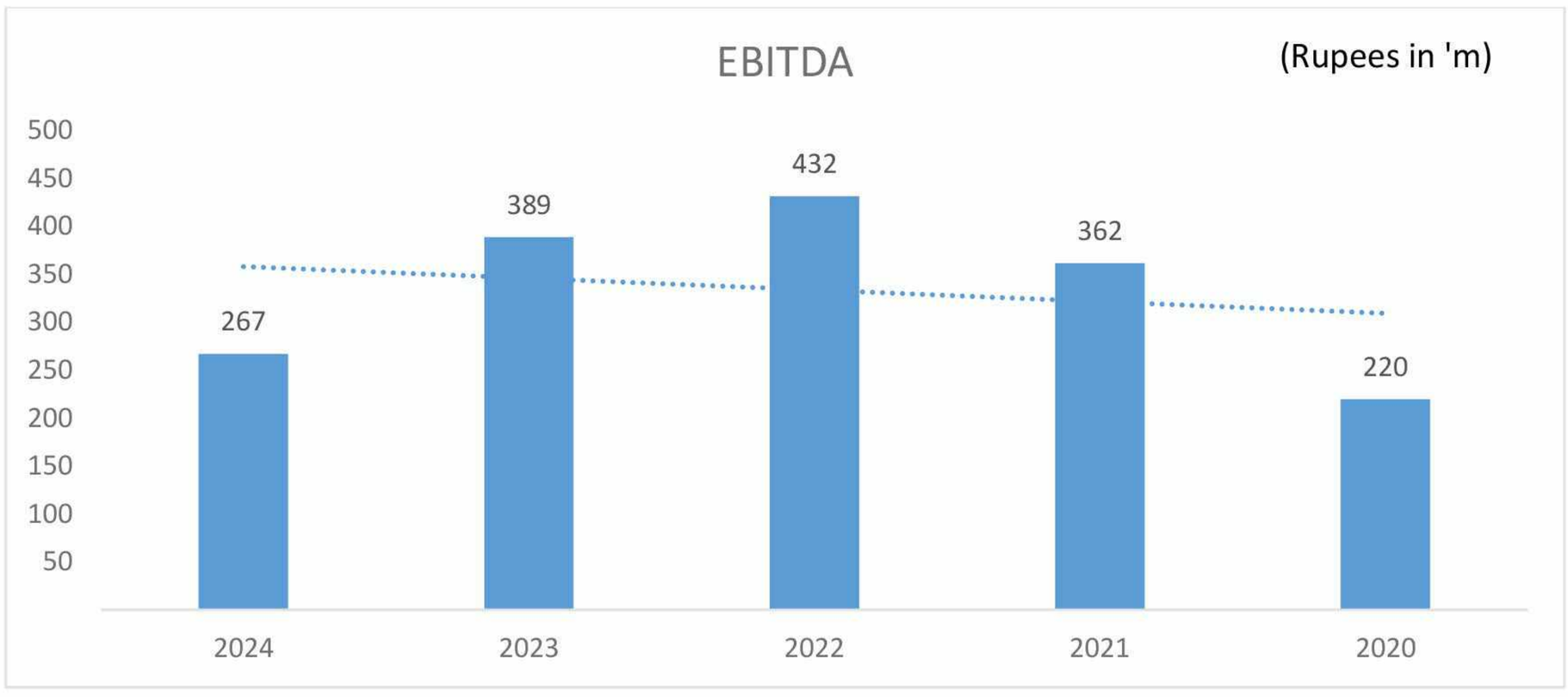


Gross Profit

The Company gross profit of Rs. 611 million is 7% increased as compared to last financial year.



EBITDA (Earnings before interest Tax, Depreciation & Amortization)



Profit After Taxation

There is Rs. 205 million 25% decrease in net profit after taxation is due to the effect of stable exchange rates. In FY 2024 the dollar parity has decreased in comparison to FY 2023. The management is confident to maintain a positive trend and growth in gross and net profit margins in upcoming FY 2025 and 2026 due to a strong pipeline. The digital drive business is now in the take-off phase and subscription-based orders would contribute more in the year 2025. The management is also very much confident to achieve the targeted revenues in FY 2025 as per the approved corporate plan.

Analysis

Description	FY 2024	FY 2023
PAT	206	373
Exchange (gain) /Loss	34	(234)
Net Profit after Tax	**240**	**140**
PAT %	19%	15%
EPS	1.53	0.89

Earnings Per Share

Consolidated:

The basic earnings per share after tax is Rs. 1.30 whereas the EPS in FY 2023 was 2.52.

The diluted earnings per share after tax is Rs.1.28 whereas the EPS in FY 2023 was 2.50.

Standalone:

The basic earnings per share after tax is Rs. 0.59 whereas the EPS in FY 2023 was 3.28.

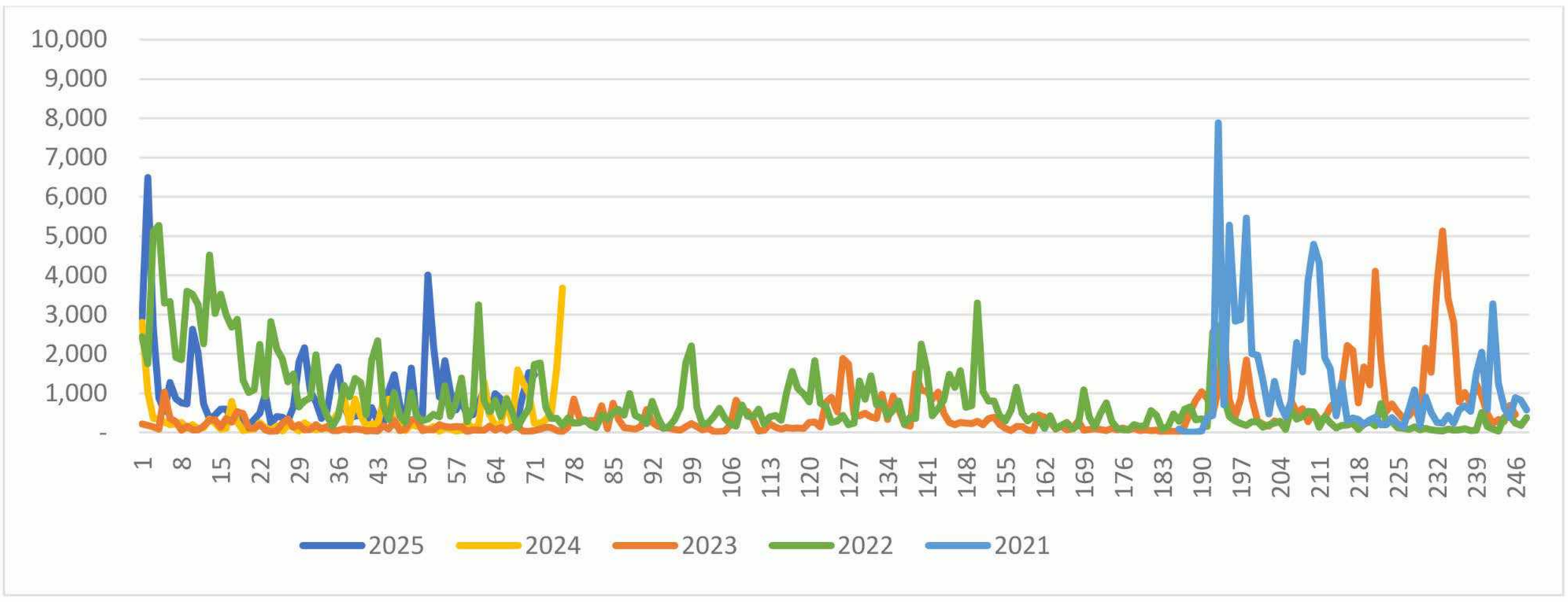
The diluted earnings per share after tax is Rs.0.58 whereas the EPS in FY 2023 was 3.25.

Reason for not Declearation of Dividend

The Company plans to reinvest its earnings into its digital business venture and hence has decided to not issue any dividends. The Company has sufficient cash inflows available at FY 2024 end, which company plans to spend on business growth and development/improvement of Intellectual Properties.

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

Stock Liquidity



Pattern of Shareholding

SNO.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children (to be confirm by Company)	8	71,454	0.05
2	Associated Companies, Undertakings and related Parties (to be confirm by Company)	2	117,027,484	74.42
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions			
5	Insurance Companies	4	401,558	0.26
6	Modarabas and Mutual Funds	9	502,717	0.32
7	Share holders holding 10%	1	116,877,484	74.32
8	General Public :			
	a. local	8,230	26,581,026	16.90
	b .Foreign			
9	Others	76	12,678,263	8.06
Total (excluding : share holders holding 10%)		**8,329**	**157,262,502**	**100.00**

Composition of Board Audit Committee

The board audit committee consists of four members listed below:

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

Composition of HR & Remuneraton Commitee

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

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

Composition of Board of Directors

The board consist of eight directors listed below;

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

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

a. Male: Seven
b. Female: One

Board of Director's Meetings

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

Sr. No.	Name of Director	Present	Leave Granted	
1.	Bakhtiar H. Wain	4	0	
2.	Khalid Hamid Wain	2	0	Elected in June 2024 after two (02) BODs and he attended all two (02) BOD meetings in his tenure.
3.	Tanveer Karamat	4	0	
4.	Asmar Ahmad Atif	4	0	
5.	Mohammad Shahid Mir	4	0	
6.	Humayun Maqbool	0	0	Appointed as a casual vacancy end of the year 2024, no meeting conducted during his tenure.
7.	Muhammad Arif Janua	4	0	
8.	Adeel Khalid	4	0	
9.	Saleha Asif	4	0	

Capital Structure

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

Liquidity Strategy

The Company has drafted and approved a liquidity plan in FY 2024 which includes repatriation of receivables from related party balances in order to achieve growing business financial needs and to achieve the corporate dividend policy outflows. The management is confident to achieve the targets as defined in liquidity strategy policy in FY 2024.

Future Prospects

A vision of the future is an important ingredient in the formation of our board and management strategy and plans.

The future prospects of the company look very promising as we embark on several key initiatives to expand our reach and capabilities. One of our top priorities is expanding our presence in the USA and European markets. We believe there is a significant opportunity for growth in these regions and are committed to investing the necessary resources to succeed. Additionally, we are developing cutting-edge machine learning solutions that will enhance our ability to deliver innovative products and services to our customers. Another critical focus area is our move to become cloud agnostic, which will provide us with greater flexibility and scalability. We are also expanding our after-market support business in KSA and developing a nursery of data engineers by hiring top-tier university graduates. To further accelerate growth, we are developing channel partners across the globe and have implemented a structured program to enable them to propel revenue growth. Lastly, we are committed to improving our existing products and developing even more products and solutions for the industry to maintain our position as a leader in the market.

Service to Society

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

Health, Safety & Environment

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

Issues Raised in the Last AGM

During the Annual General Meeting for the year ending 31 December 2023, no major issues were raised.

Agenda # 1: To confirm the minutes of the Extra Ordinary General Meeting held on 22 December 2023.
Agenda # 2: Consider the Audited Accounts for the year ended 31 December 2023.
Agenda # 3: The re-appointment of present auditor BDO Ebrahim & Co, Chartered Accountants for FY 2024.

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

An interactive questions & answers session was held and director (Mr. Tanveer Karamat), CFO (Mr. Faisal Nadeem Sheikh) and Company Secretary (Mr. Ahsan Khalil) answered all queries.

Board of Directors' Remuneration

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

Transactions with Related Parties

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

Corporate Governance Practices

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

Acknowledgement

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

For and on Behalf of the
Board of Directors

Mr. Tanveer Karamat
Chief Executive Officer

Mr. Asmar Ahmad Atif
Director

Lahore:
April 03, 2025

Six Years at a Glance

Ratios for 6 Years

(Rupees in million)

Particulars	2024	2023	2022	2021	2020	2019
Profitability Ratios						
Gross Profit ratio	48%	41%	55%	76%	97%	100%
Operating Result Ratio	17%	41%	63%	58%	92%	27%
Profit Before Tax	17%	41%	63%	58%	92%	27%
Profit After Tax	16%	41%	59%	55%	79%	14%
Return On Capital Employed	8%	15%	21%	22%	110%	41%
EBITDA (Rs. In million)	267	390	432	362	254	254
EBITDA Margin	21%	42%	63%	58%	92%	1381%
Growth Ratios						
Net Sales	38%	34%	10%	126%	N/A	N/A
Operating Results	-43%	-11%	19%	42%	N/A	N/A
EBITDA	-32%	-10%	19%	42%	N/A	N/A
Profit After Tax	-45%	-8%	17%	57%	8725%	N/A
Cost Ratios						
Gross Profit ratio	48%	41%	55%	76%	97%	100%
Gross Profit ratio	48%	41%	55%	76%	97%	100%
Return to Shareholders						
Return on Equity-Before Tax	8%	15%	21%	22%	110%	41%
Return on Equity-After Tax	8%	15%	20%	21%	95%	21%
Earning per Share (Basic) (Rs.)	1.3	2.5	2.7	2.5	2.0	2.5
Earning per Share (Diluted) (Rs.)	1.3	2.5	2.7	2.5	2.0	2.5
Break Up value per share (Rs.)	0.2	0.2	0.1	0.1	0.0	0.1
Equity Ratios						
Price Earning Ratio	44	31	-	-	-	-
Dividend Per Share	-	-	0%	0%	0%	0%
Dividend Payout Ratio	-	-	0%	0%	0%	0%
Market Value at the end of The Year	57	78	0.00	0.00	0.00	0.00
Market Value at the start of the Year	84	44	0.00	0.00	0.00	0.00
Highest Value During Year	111	81	0.00	0.00	0.00	0.00
Lowest Value During Year	56	44	0.00	0.00	0.00	0.00
Dividend Yield Ratio	0%	0%	N/A	N/A	N/A	N/A
Dividend Cover Ratio	N/A	N/A	N/A	N/A	N/A	N/A
Asset Utilization						
Total Asset turnover (Times)	0	0	0	0	1	1
Fixed Asset Turnover (Times)	39	30	174	168	83	N/A
Trade Debts Turnover (Times)	6	6	7	9	20	N/A
Trade Creditors Turnover (Times)	295	45	46	9	2	N/A
Capital Employed Turnover (Times)	0	0	0.34	0.38	1	1.53
Operating Cycle						
Trade Debt collection period (No. of days)	61	57	51	39	19	N/A
Trade Creditors payment period (No. of days)	1	8	8	42	194	N/A
Liquidity/Leverage						
Current ratio (Times)	7	8	25	21	3	2
Quick ratio (Times)	7	8	25	21	3	2
Cash to current liabilities (Times)	0	0	0	11	0	0
Total liabilities to equity (Times)	0	0	0	0	0	1

Analysis of Financial Statements
Balance Sheet

(Rupees in million)

Particulars	2024	2023	2022	2021	2020	2019
Non-Current Assets						
Property and Equipment	32	31	4	4	3	-
Intangible assets	772	557	120	52	20	-
Deferred tax asset	19	21	10	3	-	-
Long term Investments	-	-	-	-	-	-
Long-term advances and deposits	0	0	0	0	-	-
Total Non-Current Assets	**824**	**608**	**134**	**58**	**23**	-
Current Assets						
Stock in Trade	-	1	-	-	-	-
Trade debts	1,429	1,502	1,236	665	281	1
Contract assets	211	142	96	67	14	-
Advances, deposits, prepayments and other receivables	518	442	339	31	0	17
Short term investments	1	10	-	300	-	-
Short term loan	-	-	300	-	-	-
Cash and bank balances	22	38	20	599	0	4
Total Current Assets	**2,180**	**2,135**	**1,991**	**1,662**	**296**	**21**
Total Assets	**3,004**	**2,744**	**2,125**	**1,720**	**320**	**21**
Equity and Liabilities						
Share Capital and reserves						
Issued, subscribed and paid up capital	1,573	1,573	1,368	1,368	1,094	10
Group restructuring reserve	(1,050)	(1,050)	(1,084)	(1,084)	(1,084)	-
Employees' share compensation reserve	37	9	-	-	-	-
Exchange translation reserve	4	-	-	-	-	-
Share premium	789	789	789	789	-	-
Un-appropriated profit	1,346	1,141	973	568	222	2
	2,699	**2,462**	**2,045**	**1,640**	**232**	**12**
NON CURRENT LIABILITIES						
Long term diminishing musharaka	13	11	-	-	-	-
Current Liabilities						
Creditors, accrued and other liabilities	262	203	23	45	48	7
Contract liabilities	2	12	7	18	4	-
Current portion of long term liabilities	4	3	-	-	-	-
Provision for taxation	23	53	50	17	36	2
Total Current Liabilities	**292**	**271**	**80**	**80**	**88**	**9**
Total Equity and Liabilities	**3,004**	**2,744**	**2,125**	**1,720**	**320**	**21**

Analysis of Financial Statements

Profit & Loss Account

(Rupees in million)

Particulars	2024	2023	2022	2021	2020	2019
Revenue from contracts with customers	1266	919	687	625	277	18
Cost of revenue	(655)	(545)	(309)	(152)	(8)	-
Gross Profit	**611**	**375**	**378**	**473**	**269**	**18**
Administrative and selling expenses	(368)	(322)	(204)	(124)	(15)	(14)
Other Expenses	(58)	(47.4)	(0.2)	-	(0.2)	(0)
Finance cost	(4)	(2)	-	-	-	-
Other Income	31	376	257	11	-	-
	(399)	5	53	(113)	(16)	(14)
Profit before Levy & Taxation	**212**	**380**	**430**	**360**	**254**	**5**
Levy/Final Taxation (2023: Restated)	(2)	(3)	-	-	-	-
Profit before tax	**210**	**377**	**430**	**360**	**254**	**5**
Taxation (2023: Restated)	(5)	(4)	(25)	(15)	(34)	(2)
Profit after Tax	**205**	**373**	**405**	**346**	**220**	**2**
Combined earnings/(loss) per Share						
Basic in Rs.	1.30	2.52	2.74	2.53	2.01	2.45
Diluted in Rs.	1.28	2.50	2.74	2.53	2.01	2.45

Cash Flow Statement

(Rupees in million)

Particulars	2024	2023	2022	2021	2020	2019
Cash flow from operating activities	241	56	(509)	(131)	20	(6)
Cash flow from investing activities	(262)	(51)	(70)	(333)	(24)	(1)
Cash flow from financing activities	4	14	-	1,063	-	10 -
Increase/(decrease) in cash & cash equivalent	**(17)**	**18**	**(579)**	**598**	**(3)**	**3**

Analysis of Financial Statements
Cash Flow Statement

(Rupees in million)

Particulars	2024	2023	2022	2021	2020	2019
Cash flows from operating activities						
Cash generated from operations	253	76	(514)	(81)	20	(6)
Profit received on short term Investment	0	-	5	2	-	-
Addition in Long term Advances	-	-	-	(0)	-	-
Finance cost paid	(4)	(2)	-	-	-	-
Taxes paid	(7)	(18)	-	(52)	(0)	-
Net cash (used in) / generated from operating activities	**241**	**56**	**(509)**	**(131)**	**20**	**(6)**
Purchase of property and equipment	(14)	(29)	(2)	(1)	(4)	(0)
Addition in intangible assets	(258)	(142)	(68)	(32)	(20)	-
Loan to Holding Company	-	131	(300)	-	-	-
Short term investments	11	(10)	300	(300)	-	-
Net cash (used in) / generated from investing activities	**(262)**	**(51)**	**(70)**	**(333)**	**(24)**	**(0)**
Cash flows from financing activities						
Issuance of ordinary shares	-	-	-	274	-	10
Increase in share premium due to issuance of shares	-	-	-	789	-	-
Long term diminishing musharaka	6	14	-	-	-	-
Repayment of diminishing musharaka	(3)	(1)	-	-	-	-
Net cash (used in) / generated from financing activities	**4**	**14**	**-**	**1,063**	**-**	**10**
Net (decrease) / increase in cash and cash equivalents	**(17)**	**18**	**(579)**	**598**	**(3)**	**4**
Cash and cash equivalents at the beginning of the year	38	20	599	0.4	4	-
Effect of cash and Cash equivalents of subsidiary disposed off						
Cash and cash equivalents at the end of the year	**22**	**38**	**20**	**599**	**0.4**	**4**

Analysis of Financial Statements

Cash Flow Statement Indirect Method

(Rupees in million)

Particulars	2024	2023	2022	2021	2020	2019
Cash flows from operating activities						
Cash flows from Customers	57	(90)	(433)	(435)	(270)	(18)
Cash flows from Creditors	59	179	(21)	(3)	47	3
Cash flows from Stocks	1	(1)	-	-	-	-
Other cash flows from operations	136	(12)	(59)	357	244	8
Cash (used in) / generated from continuing operations	**253**	**76**	**(514)**	**(81)**	**20**	**(6)**
Profit received on short term Investment	0	-	5	2	-	-
Finance cost paid	(4)	(2)	-	-	-	-
Taxes paid	(7)	(18)	-	(52)	(0)	-
Net cash (used in) / generated from operating activities	**241**	**56**	**(509)**	**(131)**	**20**	**(6)**
Cash flows from Investing activities						
Purchase of property and equipment	(14)	(29)	(2)	(1)	(4)	(0)
Addition in intangible assets	(258)	(142)	(68)	(32)	(20)	-
Loan to Holding Company	-	131	(300)	-	-	-
Short term investments	11	(10)	300	(300)	-	-
Net cash (used in) / generated from investing activities	**(262)**	**(51)**	**(70)**	**(333)**	**(24)**	**(0)**
Cash flows from financing activities						
Issuance of ordinary shares	-	-	-	274	-	10
Share premium	-	-	-	789	-	-
Long term diminishing musharaka	6	14	-	-		-
Repayment of diminishing musharaka	(3)	(1)	-	-	-	-
Net cash (used in) / generated from financing activities	**4**	**14**	**-**	**1,063**	**-**	**10**
Net (decrease) / increase in cash and cash equivalents	**(17)**	**18**	**(579)**	**599**	**(3)**	**4**
Cash and cash equivalents at the beginning of the year	38	20	599	0.4	4	-
Effect of cash and Cash equivalents of subsidiary disposed off	-	-	-	-	-	-
Cash and cash equivalents at the end of the year	**22**	**38**	**20**	**599**	**0.4**	**4**

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6 Years Vertical & Horizontal Analysis

Balance sheet

Particulars	Vertical Analysis						Horizantal Analysis					
	2024	2023	2022	2021	2020	2019	2024	2023	2022	2021	2020	2019
	----------(in % age)----------						----------(in % age)----------				---	
Non-Current Assets												
Property and Equipment	1%	1%	0%	0%	1%	0%	105%	780%	106%	112%	N/A	N/A
Intangible assets	26%	20%	6%	3%	6%	0%	139%	465%	231%	258%	N/A	N/A
Long term Investments	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A
Long-term advances and deposits	0%	0%	0%	0%	0%	0%	100%	100%	100%	N/A	N/A	N/A
Total Non-Current Assets	**27%**	**22%**	**60%**	**3%**	**7%**	**0%**	**135%**	**454%**	**230%**	**249%**	**N/A**	**N/A**
Current Assets												
Stock in Trade	0%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A
Contract assets	7%	5%	4%	4%	4%	0%	148%	149%	143%	473%	N/A	N/A
Advances, deposits, prepayments	17%	16%	16%	2%	0%	79%	117%	130%	1108%	6495%	N/A	N/A
Short term investments	0%	0%	0%	17%	0%	0%	5%	N/A	0%	N/A	N/A	N/A
Short term loan	0%	0%	14%	0%	0%	0%	N/A	0%	N/A	N/A	N/A	N/A
Cash and bank balances	1%	1%	1%	35%	0%	17%	56%	190%	3%	137991%	N/A	N/A
Total Current Assets	**73%**	**78%**	**94%**	**97%**	**93%**	**100%**	**102%**	**107%**	**120%**	**561%**	**N/A**	**N/A**
Total Assets	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**109%**	**129%**	**124%**	**538%**	**N/A**	**N/A**
Equity and Liabilities												
Share Capital and reserves												
Issued, subscribed and paid up capital	52%	57%	64%	80%	342%	48%	100%	115%	100%	125%	N/A	N/A
Group restructuring reserve	-35%	-38%	-51%	-63%	-339%	0%	100%	97%	100%	100%	N/A	N/A
Un-appropriated profit	45%	42%	46%	33%	69%	10%	118%	117%	171%	256%	N/A	N/A
	90%	**90%**	**96%**	**95%**	**72%**	**57%**	**110%**	**120%**	**125%**	**708%**	**N/A**	**N/A**
Current Liabilities												
Creditors, accrued and other liabilities	9%	7%	1%	3%	15%	33%	129%	881%	51%	94%	N/A	N/A
Contract liabilities	0%	0%	0%	1%	1%	0%	18%	181%	38%	425%	N/A	N/A
Current portion of long term liabilities	0%	0%	0%	0%	0%	0%	171%	N/A	N/A	N/A	N/A	N/A
Provision for taxation	1%	2%	2%	1%	11%	10%	44%	105%	291%	47%	N/A	N/A
Total Current Liabilities	**10%**	**10%**	**4%**	**5%**	**28%**	**43%**	**108%**	**340%**	**100%**	**90%**	**N/A**	**N/A**
Total Equity and Liabilities	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**109%**	**129%**	**124%**	**538%**	**N/A**	**N/A**

6 Years Vertical & Horizontal Analysis

Profit & Loss Account

	Vertical Analysis						Horizantal Analysis					
Particulars	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
	----------(in % age)----------						----------(in % age)----------					
Revenue from contracts with customers	100%	100%	100%	100%	100%	100%	138%	134%	110%	226%	1506%	N/A
Cost of revenue	-52%	-59%	-45%	-24%	-3%	N/A	120%	176%	204%	1960%	N/A	N/A
Gross Profit	**48%**	**41%**	**55%**	**76%**	**97%**	**100%**	**163%**	**99%**	**80%**	**176%**	**1464%**	**N/A**
Administrative and selling expenses	-29%	-35%	-30%	-20%	-6%	-73%	114%	158%	164%	805%	114%	N/A
Other Expenses	-5%	-5%	0%	0%	0%	0%	122%	21273%	N/A	0%	2167%	N/A
Finance cost	0%	0%	0%	0%	0%	0%	256%	N/A	N/A	N/A	N/A	N/A
Other Income	2%	41%	37%	2%	0%	0%	8%	146%	2303%	N/A	N/A	N/A
	-32%	1%	8%	-18%	-6%	-73%	-8100%	9%	-47%	723%	115%	N/A
Profit before Levy & Taxation	**17%**	**41%**	**63%**	**58%**	**92%**	**27%**	**56%**	**88%**	**119%**	**142%**	**5189%**	**N/A**
Levy/Final Taxation (2023: Restated)	0%	0%	0%	0%	0%	0%	70%	N/A	N/A	N/A	N/A	N/A
Profit before tax	**17%**	**41%**	**63%**	**58%**	**92%**	**27%**	**56%**	**88%**	**119%**	**142%**	**5189%**	**N/A**
Taxation (2023: Restated)	0%	0%	-4%	-2%	-12%	-13%	124%	16%	173%	43%	1417%	N/A
Profit after Tax	**16%**	**41%**	**59%**	**55%**	**79%**	**14%**	**55%**	**92%**	**117%**	**157%**	**8825%**	**N/A**
Combined earnings/(loss) per Share												
Basic	0.10%	0.27%	0.40%	0.40%	0.73%	13.32%	52%	92%	108%	126%	82%	N/A
Diluted	0.10%	0.27%	0.40%	0.40%	0.73%	13.32%	51%	91%	108%	126%	82%	N/A

Cash Flow Statement

	Vertical Analysis						Horizantal Analysis					
Particulars	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
	----------(in % age)----------						----------(in % age)----------					
Cash flow from operating activities	-1430%	307%	88%	-22%	-623%	-200%	432%	-11%	388%	-643%	-340%	N/A
Cash flow from investing activities	1551%	-282%	12%	-56%	723%	-33%	510%	74%	21%	1407%	2368%	N/A
Cash flow from financing activities	-21%	75%	0%	178%	0%	0%	26%	N/A	0%	N/A	N/A	N/A
Increase/(decrease) in cash & cash equivalent	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**-93%**	**-3%**	**-97%**	**#####**	**-109%**	**N/A**

6 Years Vertical & Horizontal Analysis
Cash Flow Statement

Vertical Analysis

	2023	2022	2021	2020	2019
Cash flows from operating activities					
Cash generated from operations	-1512%	417%	89%	-14%	-623%
Profit received on short term Investment	-1%	0%	-1%	0%	0%
Finance cost paid	26%	-9%	0%	0%	0%
Taxes paid	44%	-101%	0%	-9%	1%
Net cash (used in) / generated from operating activities	-1443%	307%	88%	-22%	-623%
Cash flows from investing activities					
Purchase of property and equipment	85%	-162%	0%	0%	111%
Addition in intangible assets	1543%	-783%	12%	-5%	611%
Short term investments	-64%	-56%	-52%	-50%	0%
Net cash (used in) / generated from investing activities	1564%	-1001%	-40%	-56%	723%
Cash flows from financing activities					
Issuance of ordinary shares	0%	0%	0%	46%	0%
Increase in share premium due to issuance of shares	0%	0%	0%	132%	0%
Repayment of diminishing musharaka	17%	-4%	0%	0%	0%
Net cash (used in) / generated from financing activities	17%	-4%	0%	178%	0%
Net (decrease) / increase in cash and cash equivalents	**138%**	**-698%**	**48%**	**100%**	**100%**

Cash Flow Statement

Horizontal Analysis

	2023	2022	2021	2020	2019
Cash flows from operating activities					
Cash generated from operations	334%	-15%	635%	-396%	N/A
Profit received on short term Investment	N/A	0%	268%	N/A	N/A
Finance cost paid	275%	N/A	N/A	N/A	N/A
Taxes paid	40%	N/A	0%	205262%	N/A
Net cash (used in) / generated from operating activities	432%	-11%	388%	-643%	N/A
Cash flows from investing activities					
Purchase of property and equipment	48%	1681%	121%	40%	N/A
Addition in intangible assets	181%	209%	214%	158%	N/A
Short term investments	-105%	-3%	-100%	N/A	N/A
Net cash (used in) / generated from investing activities	510%	74%	21%	1407%	N/A
Cash flows from financing activities					
Issuance of ordinary shares	N/A	N/A	0%	N/A	N/A
Increase in share premium due to issuance of shares	N/A	N/A	0%	N/A	N/A
Repayment of diminishing musharaka	0%	N/A	N/A	N/A	N/A
Net cash (used in) / generated from financing activities	26%	N/A	0%	N/A	N/A
Net (decrease) / increase in cash and cash equivalents	**-92%**	**-3%**	**-97%**	**-18263%**	**N/A**

DuPont Analysis

2024 2023

Net Profit Margin	
16%	41%

Net Profit	
205	373

Net Sales	
1,266	920

Material Consumption	
43	40

Asset Turnover	
43%	47%

Total Income	
1,298	1,295

Total Cost	
1,092	922

Return on Assets	
6.75%	13.62%

Total Assets	
3,036	2,742

Current Assets	
2,212	2,133

Salaries & Wages	
291	294

Gross Profit	
611	375

Depreiation &Amortization	
55	11

Taxes	
7	7

Return on Equity	
7.60%	15.17%

Non Current Assets	
824	608

Gross Profit Margin	
47%	29%

Total Liabilities	
3,036	2,742

Other Income	
31	376

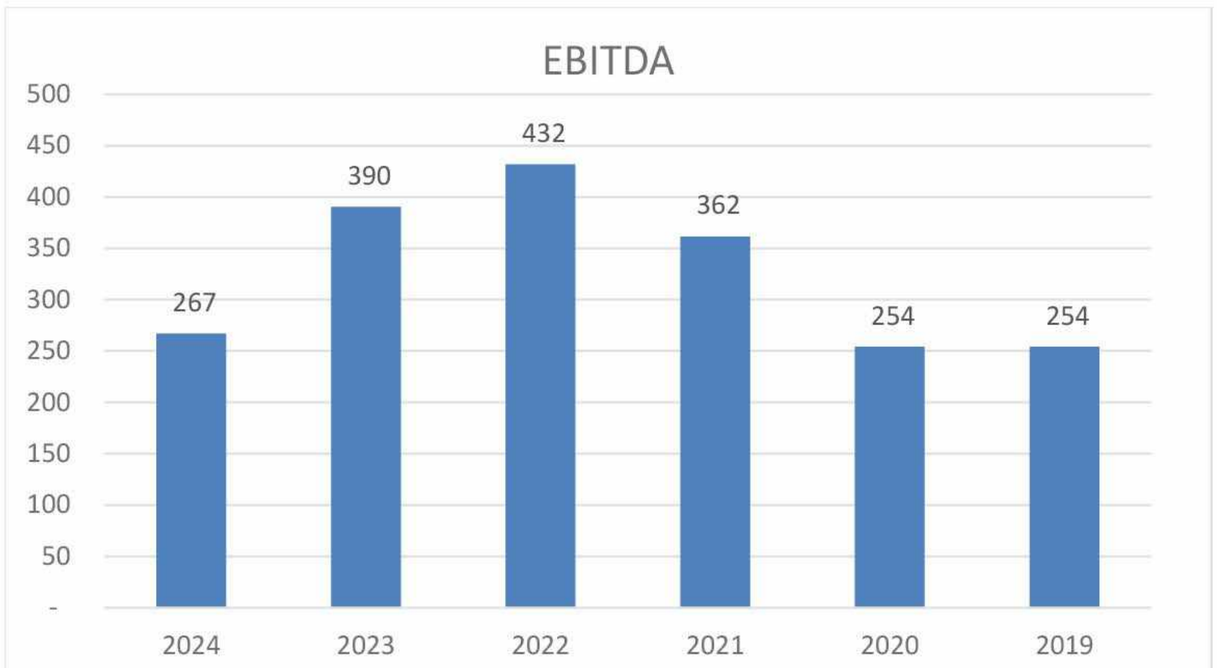
Current Liabilities	
324	269

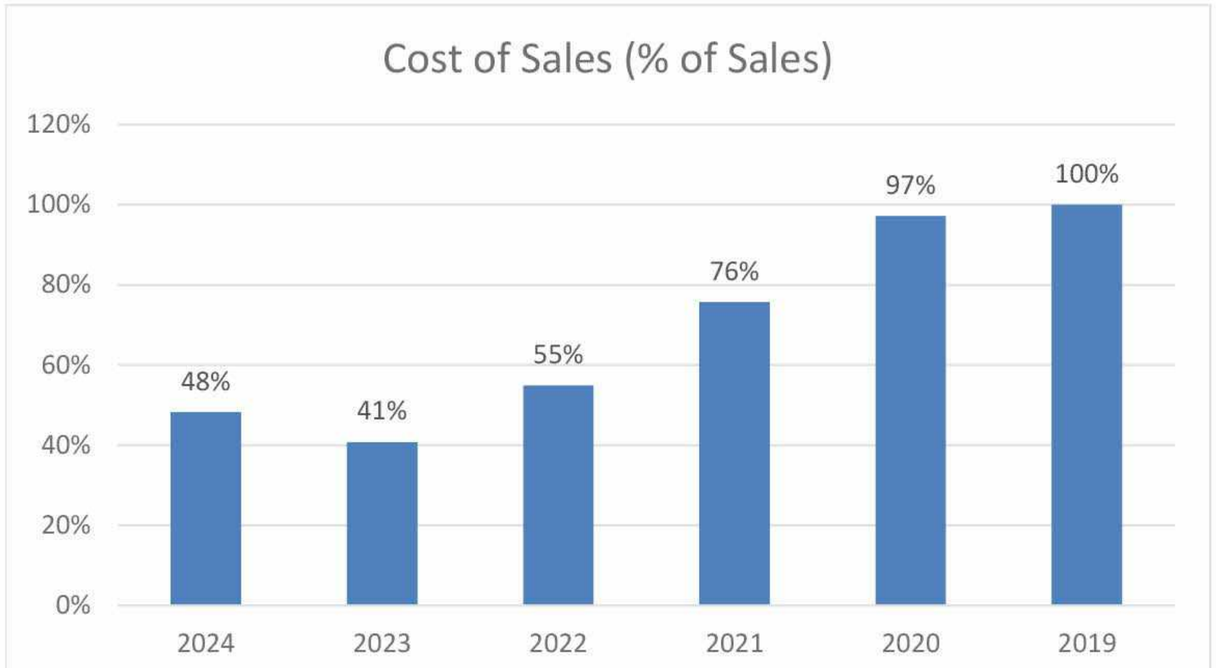
Owners Equity	
2,699	2,462

Owners Equity	
2,699	2,462

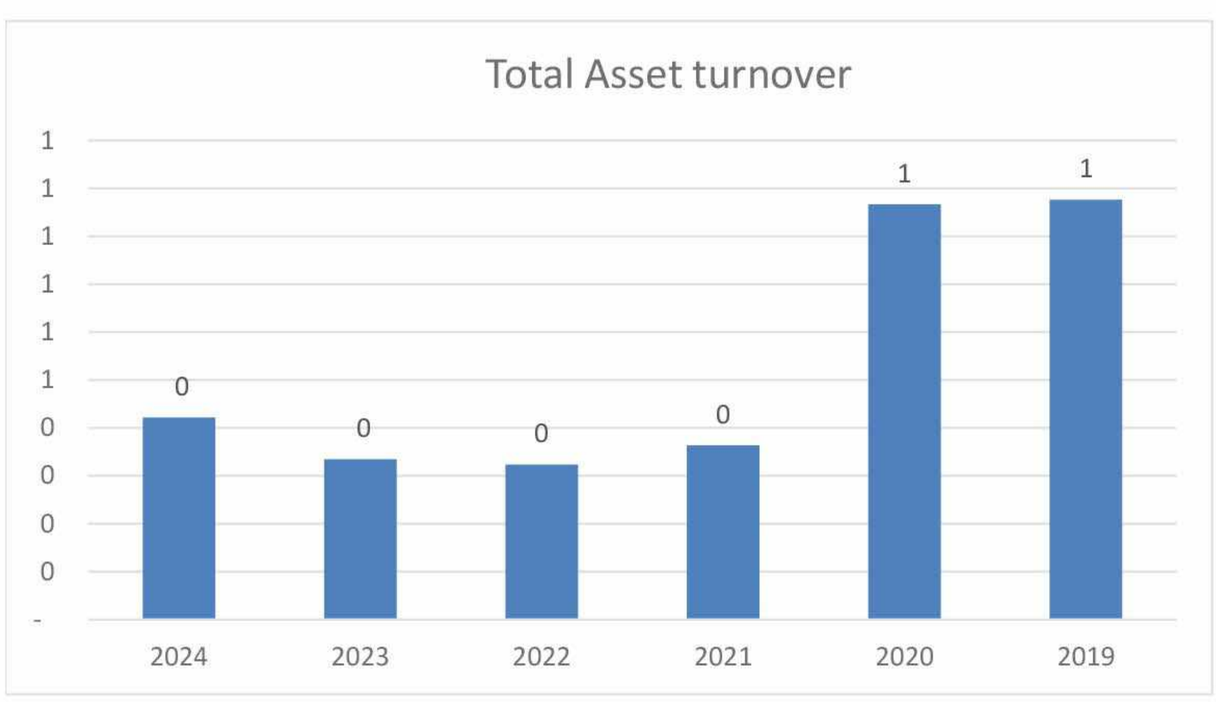
Other Cost	
260	(151)

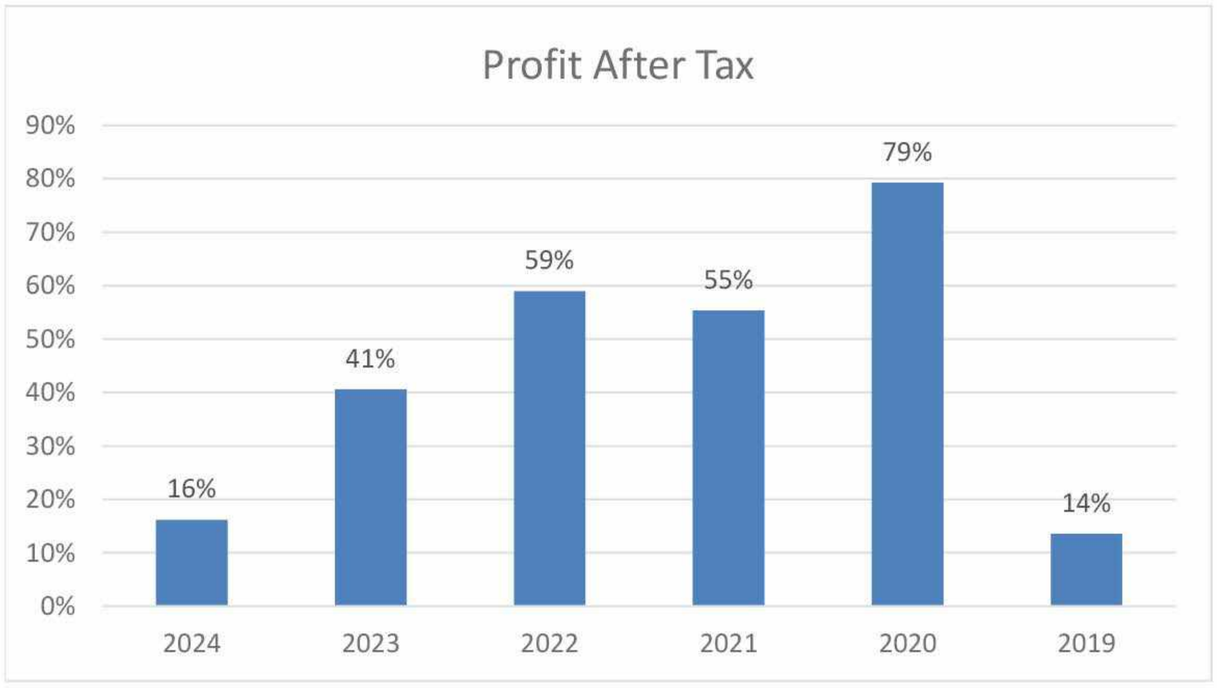
Non Current Liabilities	
13	11

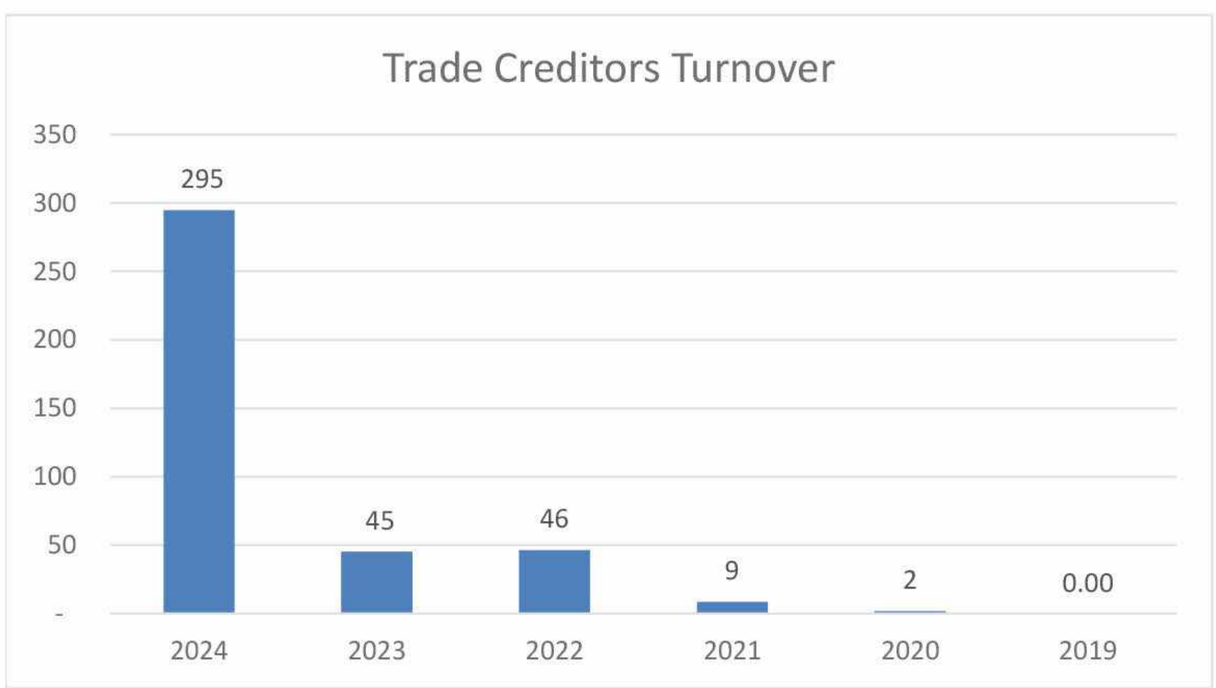

EBITDA
500
450
400
350
300
250
200
150
100
50
-
267
390
432
362
254
254
2024
2023
2022
2021
2020
2019

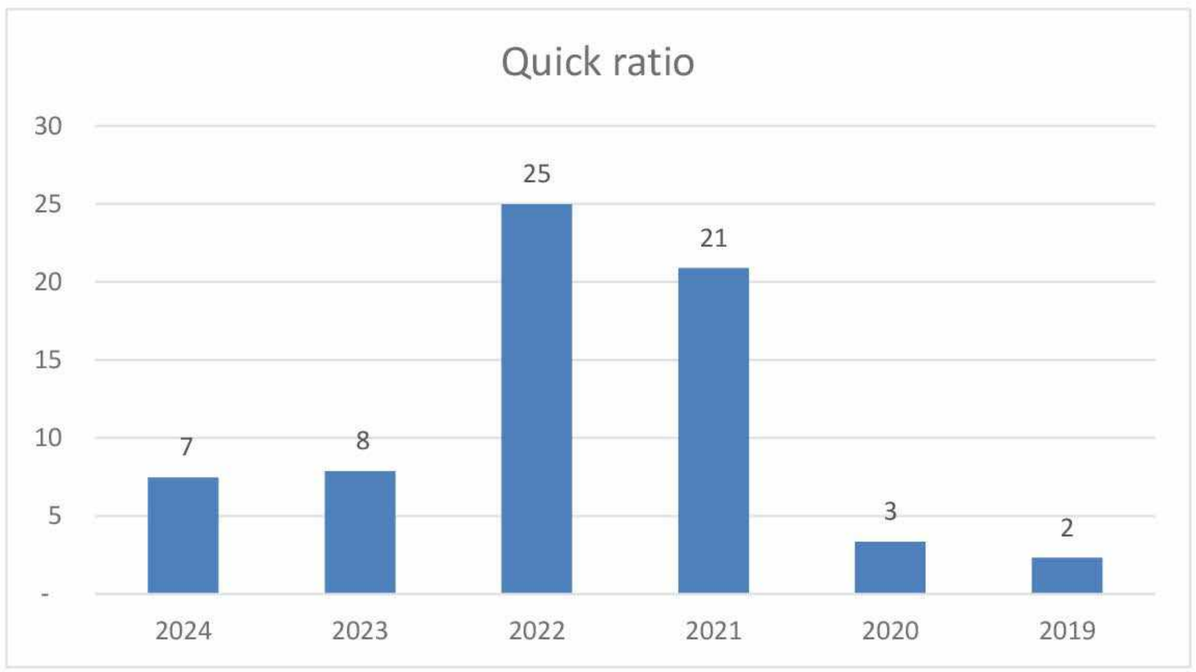

Cost of Sales (% of Sales)
120%
100%
80%
60%
40%
20%
0%
48%
41%
55%
76%
97%
100%
2024
2023
2022
2021
2020
2019

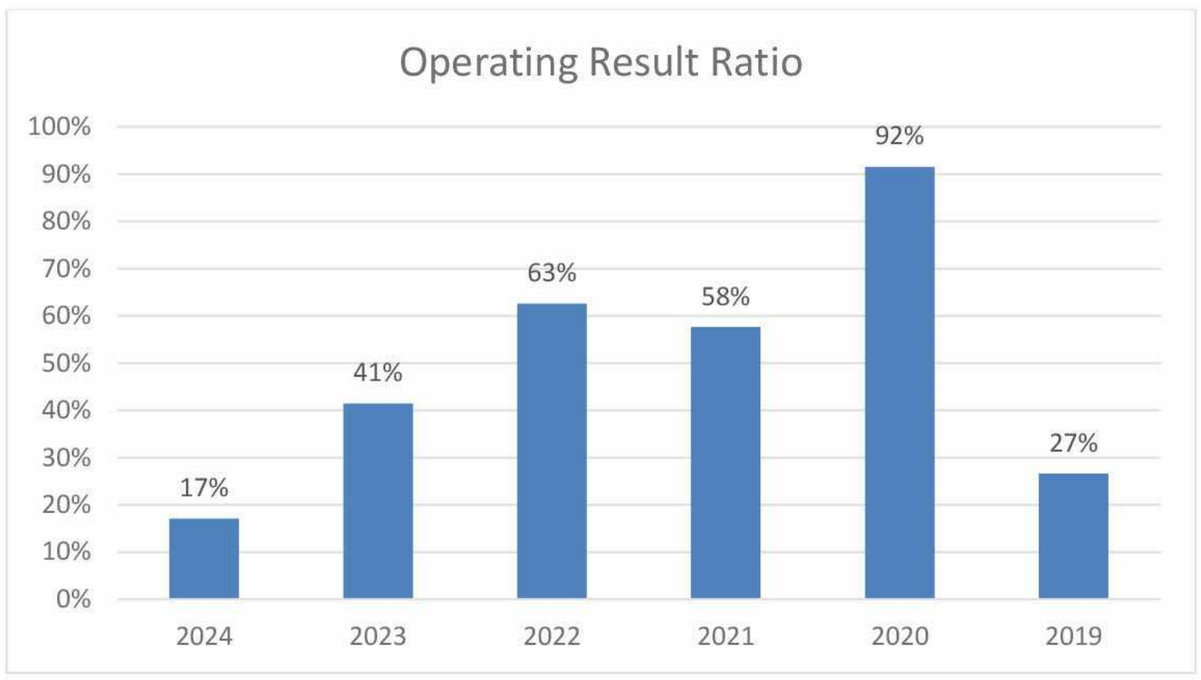
Gross Profit ratio
120%
100%
80%
60%
40%
20%
0%
48%
41%
55%
76%
97%
100%
2024
2023
2022
2021
2020
2019

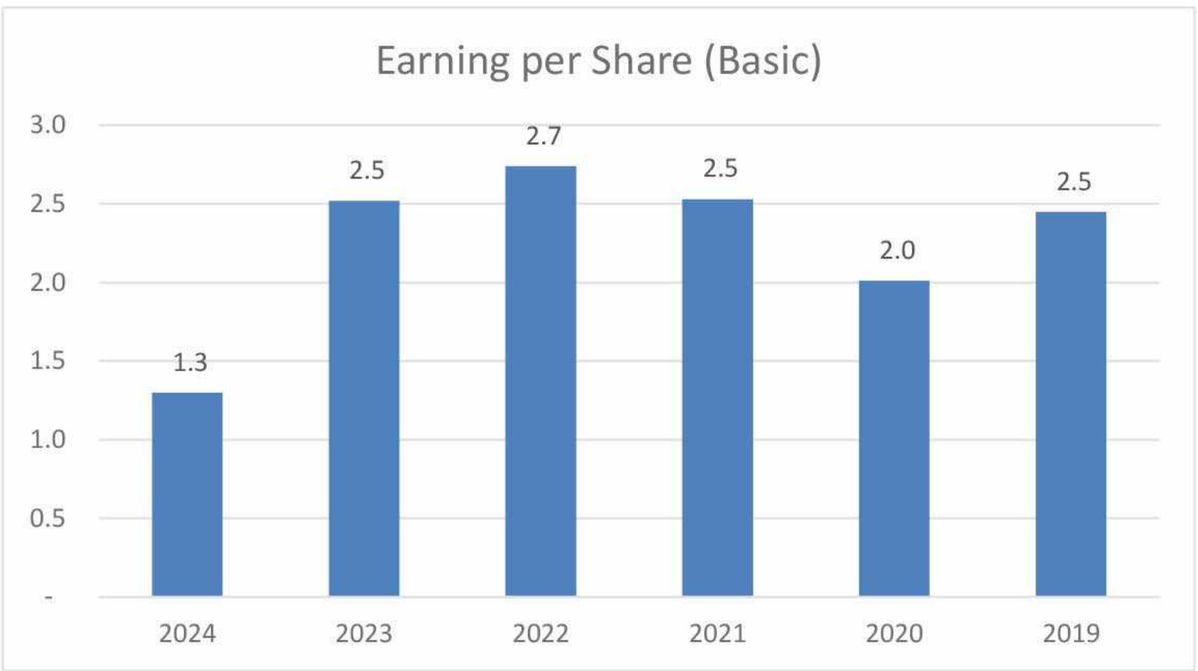

Total Asset turnover
1
1
1
1
1
1
0
0
0
0
0
0
1
1
2024
2023
2022
2021
2020
2019

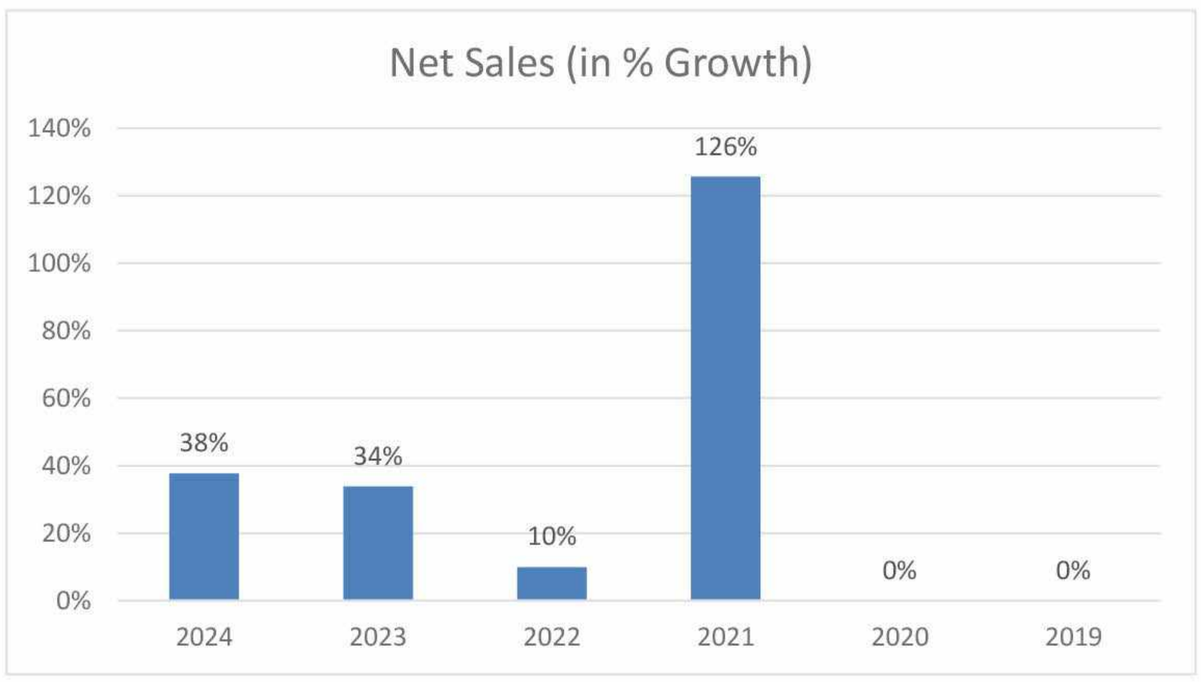

Profit After Tax
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
16%
41%
59%
55%
79%
14%
2024
2023
2022
2021
2020
2019

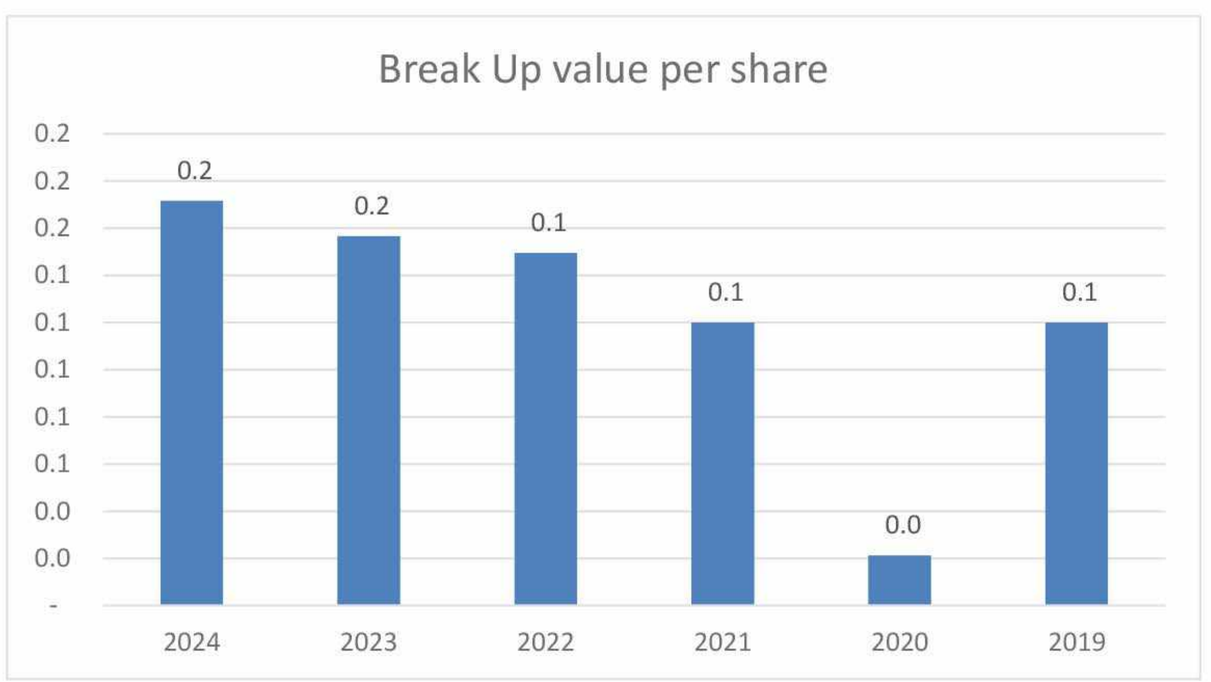

Trade Creditors Turnover
350
300
250
200
150
100
50
-
295
45
46
9
2
0.00
2024
2023
2022
2021
2020
2019

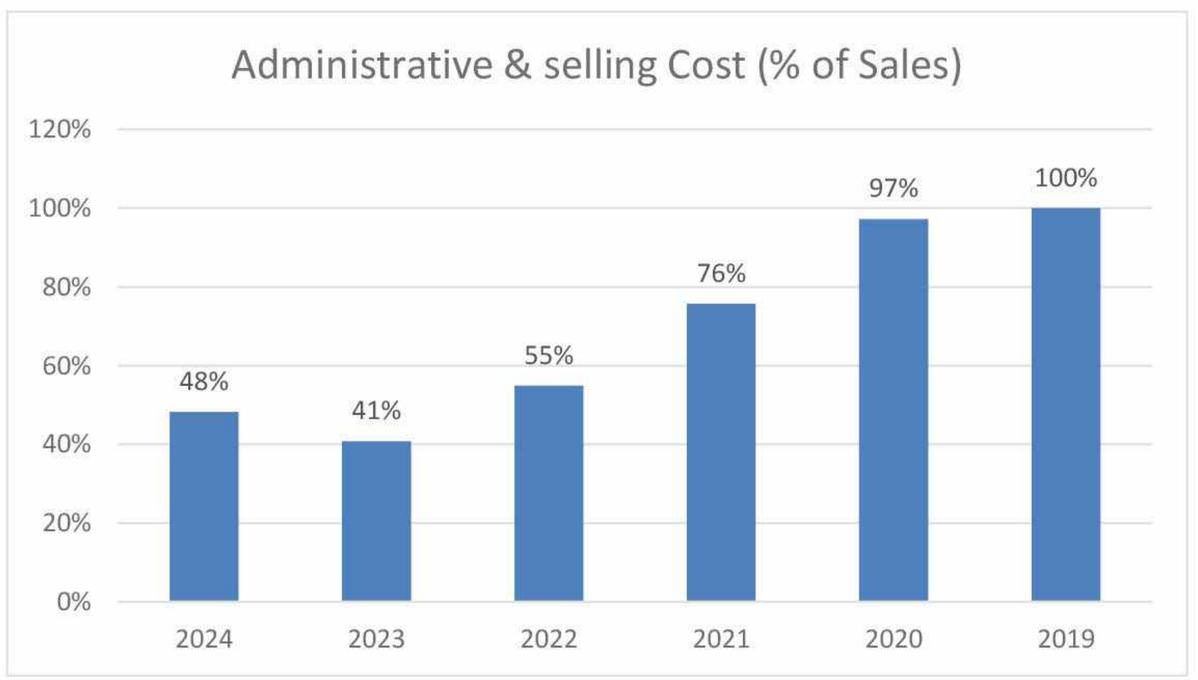

Quick ratio
30
25
20
15
10
5
-
7
8
25
21
3
2
2024
2023
2022
2021
2020
2019

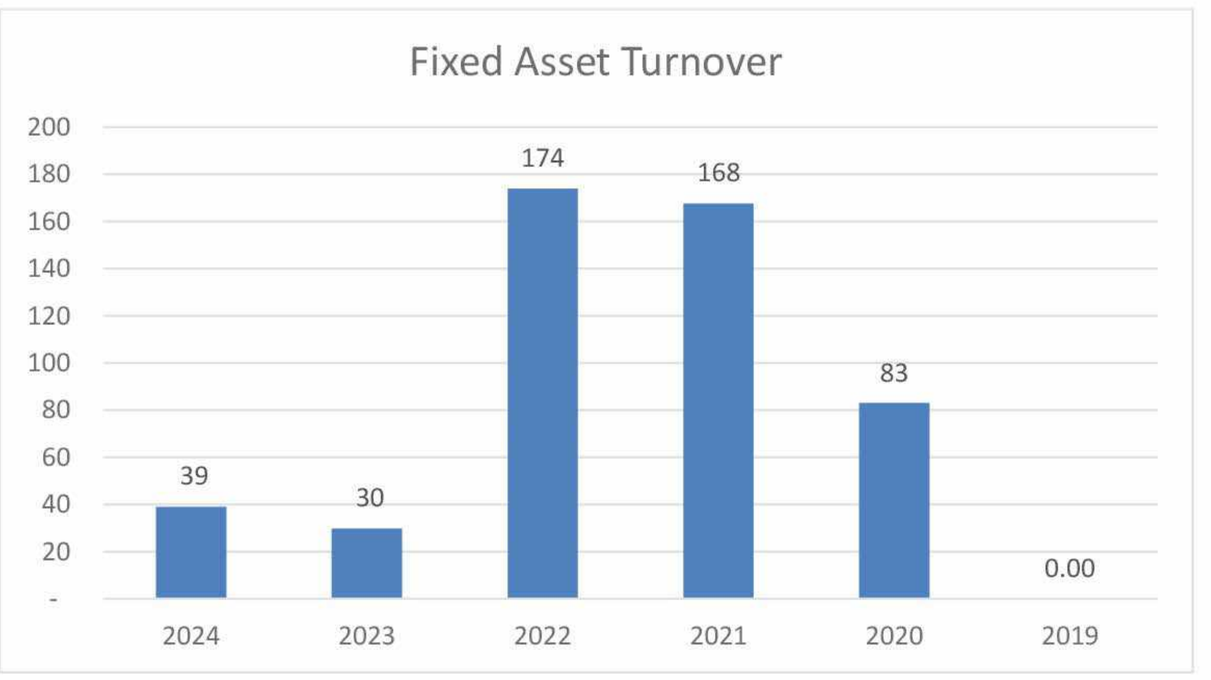

Operating Result Ratio
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
17%
41%
63%
58%
92%
27%
2024
2023
2022
2021
2020
2019


Earning per Share (Basic)
3.0
2.5
2.0
1.5
1.0
0.5
-
1.3
2.5
2.7
2.5
2.0
2.5
2024
2023
2022
2021
2020
2019

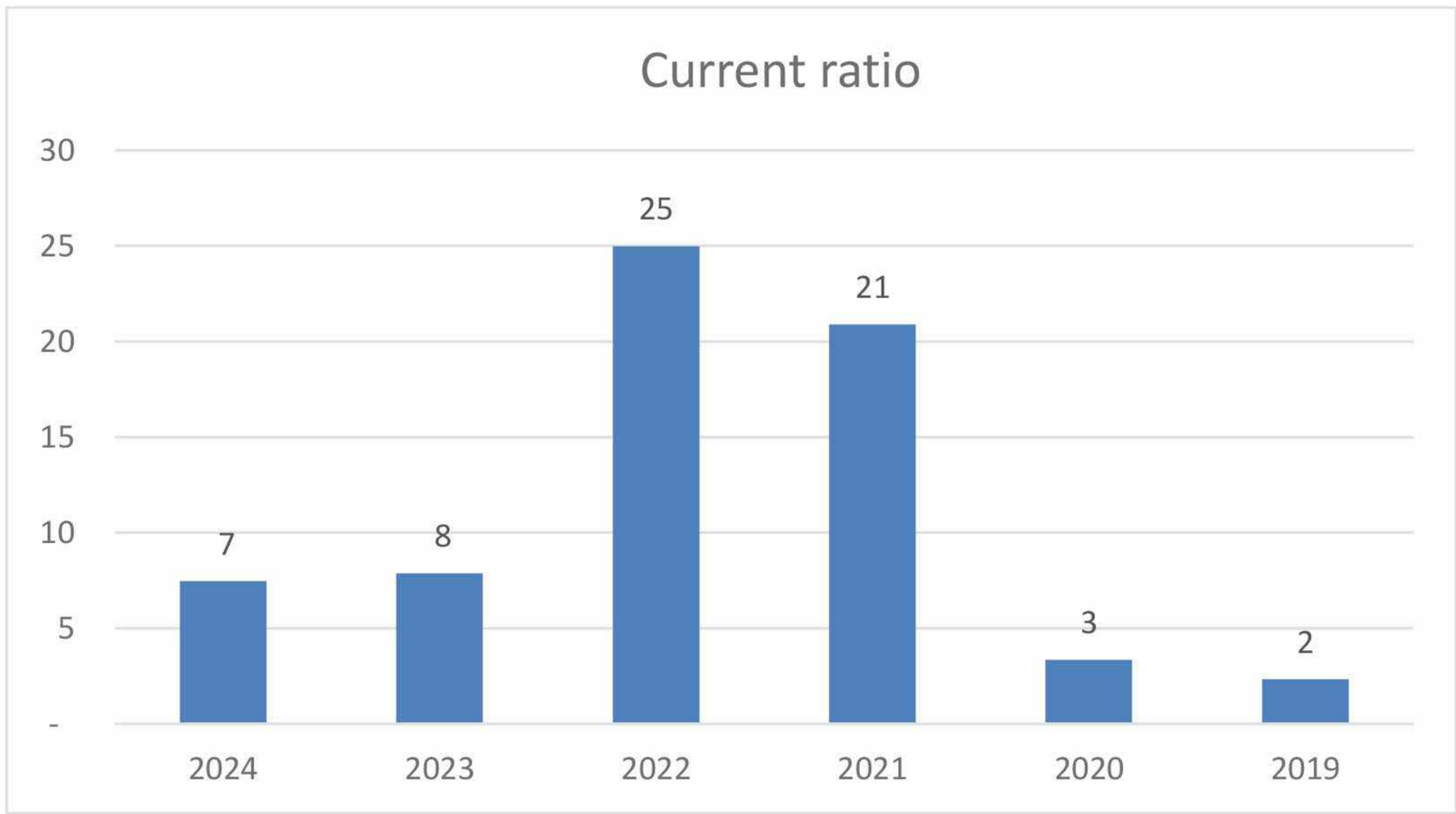

Net Sales (in % Growth)
140%
120%
100%
80%
60%
40%
20%
0%
38%
34%
10%
126%
0%
0%
2024
2023
2022
2021
2020
2019

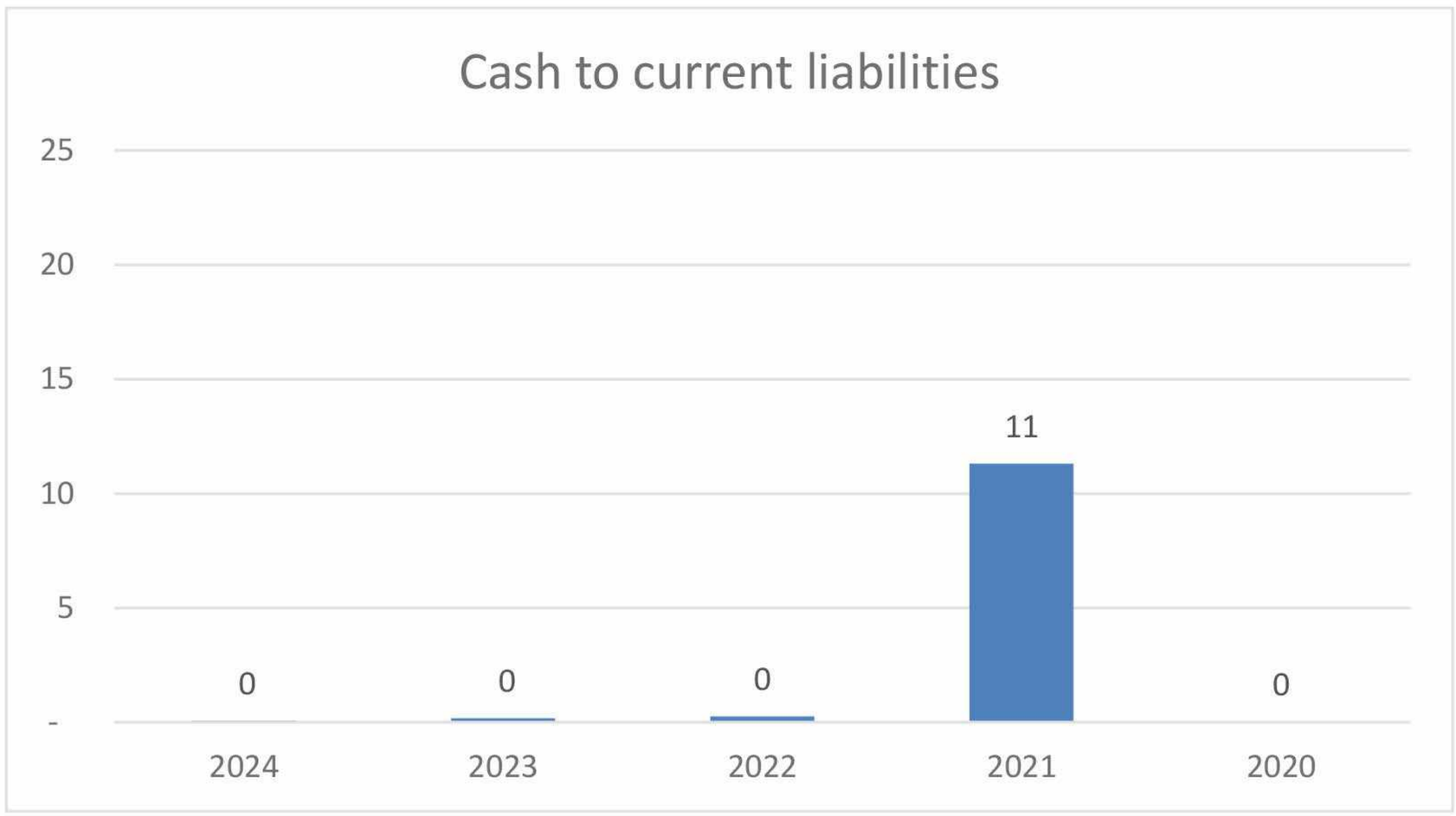

Break Up value per share
0.2
0.2
0.2
0.1
0.1
0.1
0.1
0.1
0.0
0.0
-
0.2
0.2
0.1
0.1
0.0
0.1
2024
2023
2022
2021
2020
2019

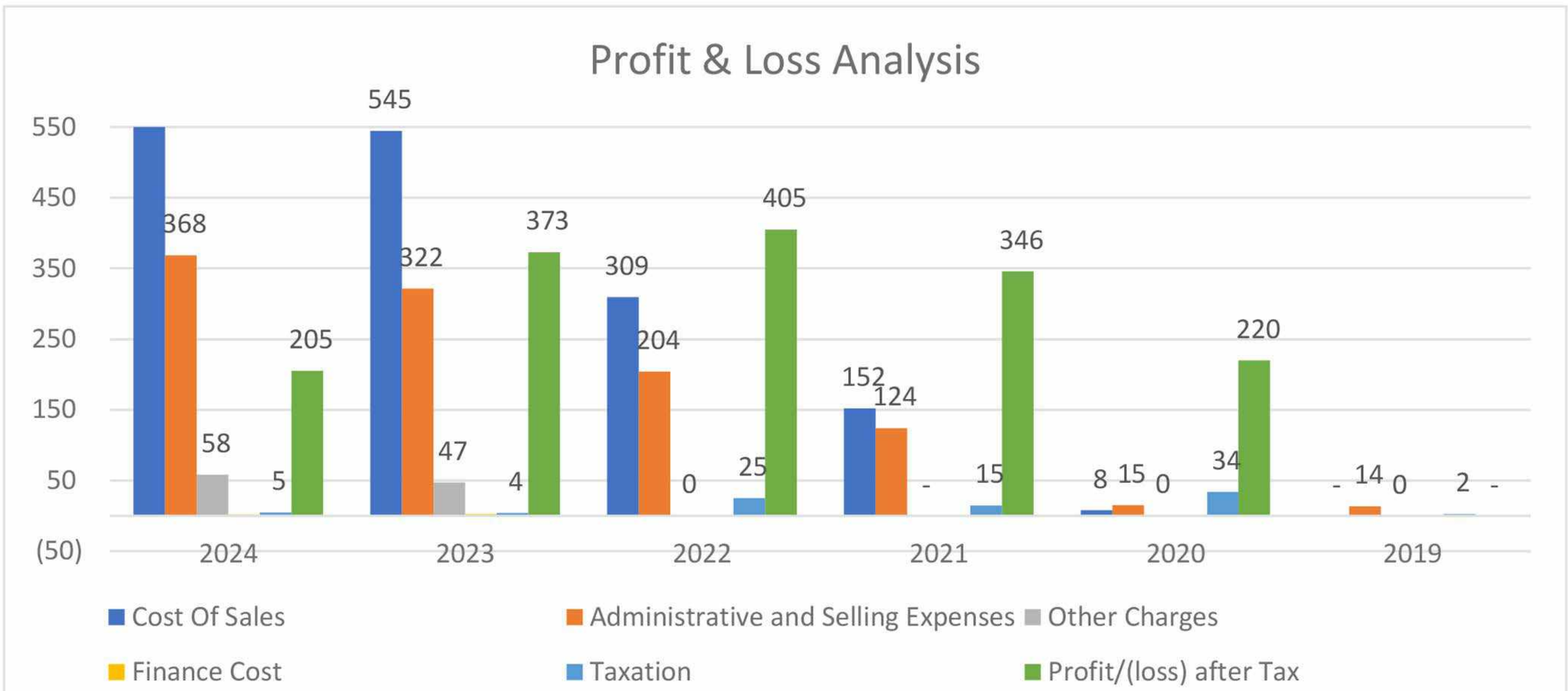

Administrative & selling Cost (% of Sales)
120%
100%
80%
60%
40%
20%
0%
48%
41%
55%
76%
97%
100%
2024
2023
2022
2021
2020
2019

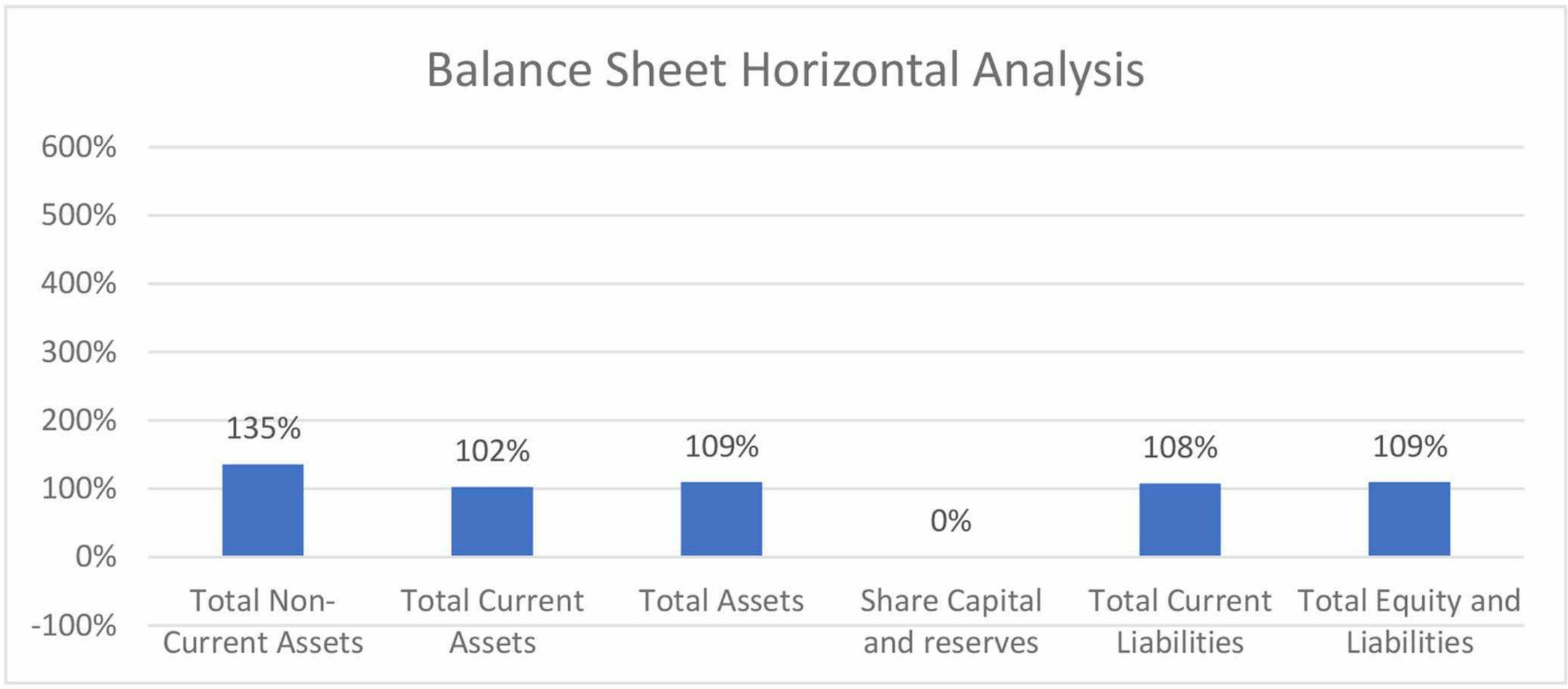

Fixed Asset Turnover
200
180
160
140
120
100
80
60
40
20
-
39
30
174
168
83
0.00
2024
2023
2022
2021
2020
2019

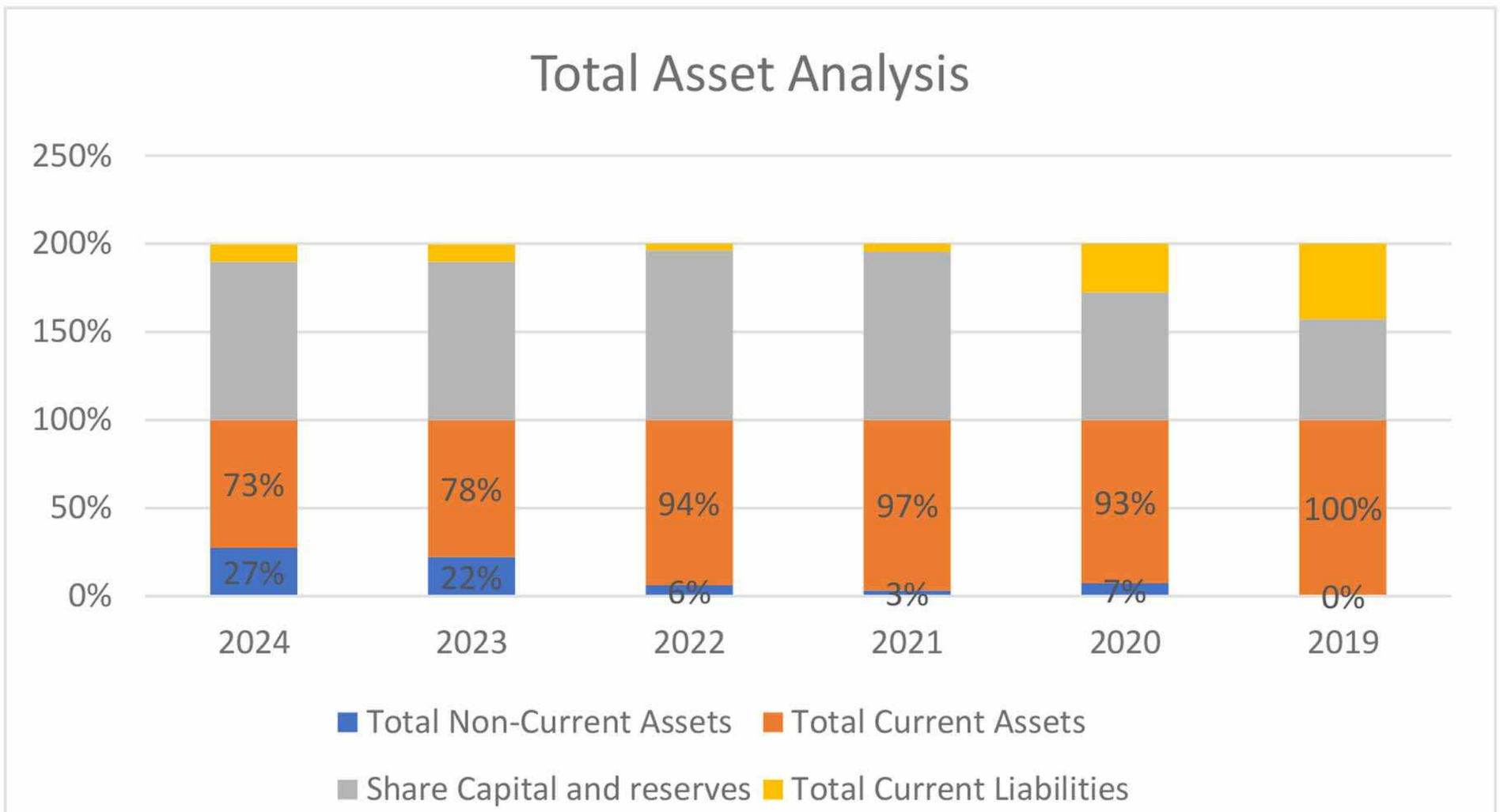
Trade Debts Turnover
25
20
15
10
5
-
6
6
7
9
20
0.00
2024
2023
2022
2021
2020
2019

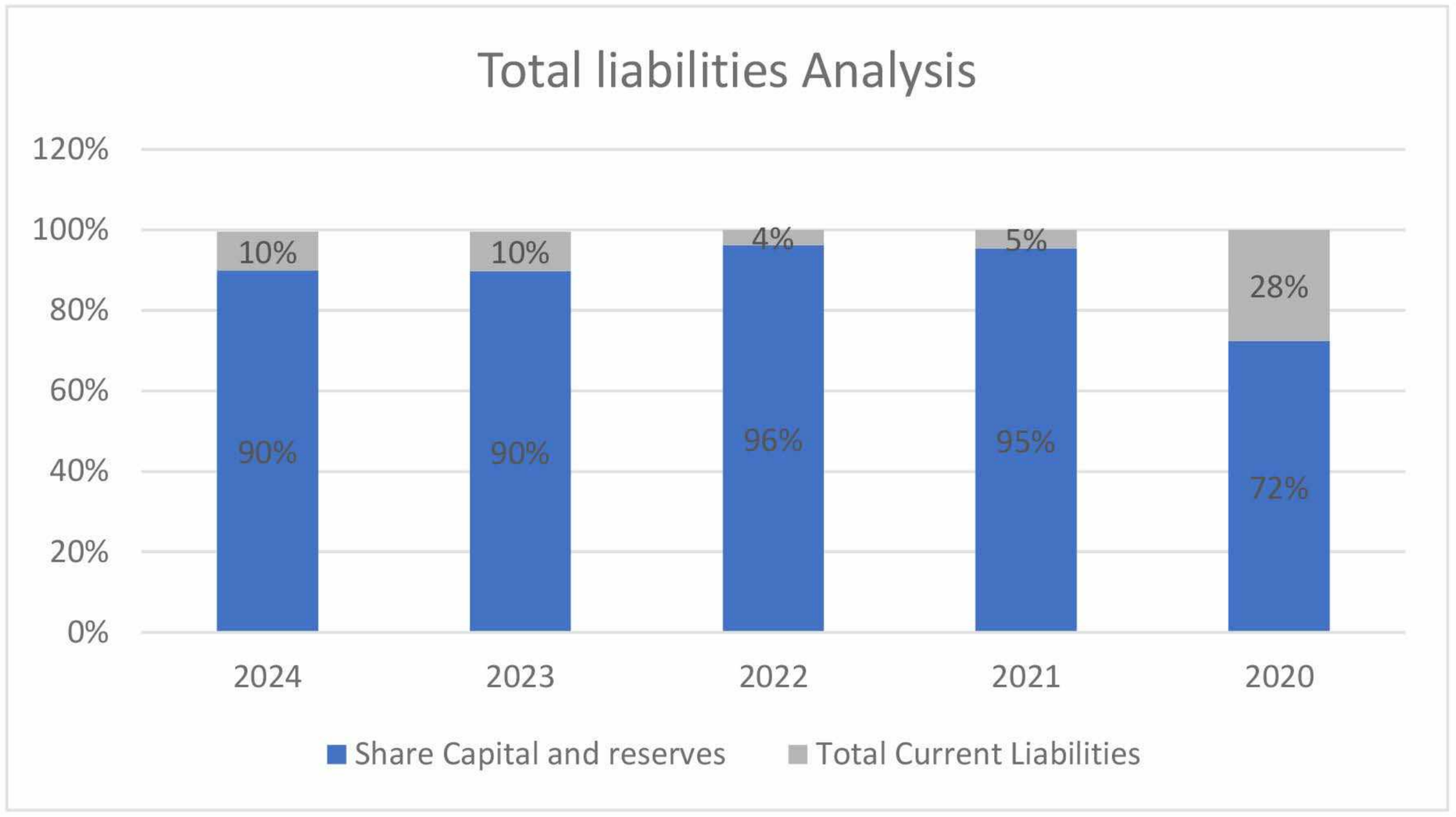

Current ratio
30
25
20
15
10
5
-
7
8
25
21
3
2
2024
2023
2022
2021
2020
2019


Cash to current liabilities
25
20
15
10
5
-
0
0
0
11
0
2024
2023
2022
2021
2020


Profit & Loss Analysis
550
450
350
250
150
50
(50)
545
368
322
373
309
204
405
346
220
205
152
124
58
47
34
5
4
25
15
8
15
0
-
14
0
2
-
2024
2023
2022
2021
2020
2019
Cost Of Sales
Administrative and Selling Expenses
Other Charges
Finance Cost
Taxation
Profit/(loss) after Tax


Balance Sheet Horizontal Analysis
600%
500%
400%
300%
200%
100%
0%
-100%
135%
102%
109%
0%
108%
109%
Total Non-Current Assets
Total Current Assets
Total Assets
Share Capital and reserves
Total Current Liabilities
Total Equity and Liabilities


Total Asset Analysis
250%
200%
150%
100%
50%
0%
73%
78%
94%
97%
93%
100%
27%
22%
6%
3%
7%
0%
2024
2023
2022
2021
2020
2019
Total Non-Current Assets
Total Current Assets
Share Capital and reserves
Total Current Liabilities


Total liabilities Analysis
120%
100%
80%
60%
40%
20%
0%
10%
10%
4%
5%
28%
90%
90%
96%
95%
72%
2024
2023
2022
2021
2020
Share Capital and reserves
Total Current Liabilities

OCTOPUS DIGITAL LIMITED

PATTERN OF SHAREHOLDING AS AT DECEMBER 31, 2024

No of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1,399	1	100	61,238
1,550	101	500	504,239
2,520	501	1,000	1,748,322
2,111	1,001	5,000	4,971,462
373	5,001	10,000	2,817,338
141	10,001	15,000	1,765,929
69	15,001	20,000	1,250,349
29	20,001	25,000	645,529
25	25,001	30,000	703,632
10	30,001	35,000	326,011
10	35,001	40,000	390,078
13	40,001	45,000	555,220
13	45,001	50,000	639,520
7	50,001	55,000	369,175
8	55,001	60,000	471,824
1	60,001	65,000	62,100
4	65,001	70,000	274,094
3	70,001	75,000	218,695
2	75,001	80,000	151,027
3	80,001	85,000	241,962
5	85,001	90,000	435,603
3	90,001	95,000	277,720
2	95,001	100,000	200,000
2	100,001	105,000	208,490
3	105,001	110,000	324,346
1	115,001	120,000	115,974
1	120,001	125,000	120,670
1	125,001	130,000	127,323
1	135,001	140,000	140,000
1	140,001	145,000	140,420
1	145,001	150,000	150,000
1	165,001	170,000	170,000
2	170,001	175,000	343,297
1	180,001	185,000	184,519
1	210,001	215,000	211,760
1	215,001	220,000	220,000
1	250,001	255,000	252,103
1	335,001	340,000	335,696
1	440,001	445,000	443,104
1	660,001	665,000	661,994
1	780,001	785,000	783,049
1	820,001	825,000	823,702
1	920,001	925,000	920,681
1	2,485,001	2,490,000	2,489,346
1	3,115,001	3,120,000	3,119,481
1	9,015,001	9,020,000	9,017,996
1	116,875,001	116,880,000	116,877,484
8,329			157,262,502

OCTOPUS DIGITAL LIMITED

CATEGORIES OF SHAREHOLDING AS AT
DECEMBER 31, 2024

SNO.	Shareholders Category	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children (to be confirm by Company)	8	71,454	0.05
2	Associated Companies, Undertakings and related Parties (to be confirm by Company)	2	117,027,484	74.42
3	NIT and ICP			
4	Banks, Development Financial Institutions, Non Banking Financial Institutions			
5	Insurance Companies	4	401,558	0.26
6	Modarabas and Mutual Funds	9	502,717	0.32
7	Share holders holding 10%	1	116,877,484	74.32
8	General Public :			
	a. local	8,230	26,581,026	16.90
	b .Foreign			
9	Others	76	12,678,263	8.06
TOTAL (EXCLUDING : SHARE HOLDERS HOLDING 10%)		**8,329**	**157,262,502**	**100.00**

OCTOPUS DIGITAL LIMITED

CATEGORIES DETAILS OF SHAREHOLDING AS AT DECEMBER 31, 2024

Directors, Chief Executive Officer, and their spouse and minor children			
SNO.	**FOLIO**	**NAME**	**HOLDING**
1	03525-112897	BAKHTIAR HAMEED WAIN	1
2	03525-81917	HUMAYUN MAQBOOL	2,374
3	05264-48871	TANVEER KARAMAT	67,501
4	10629-168776	ADEEL KHALID	1
5	10629-169329	ASMAR AHMED ATIF	1
6	10629-285760	SALEHA ASIF	1
7	10629-527005	KHALID HAMID WAIN	1,000
8	14746-81294	MOHAMMAD ARIF JANJUA	575
			TOTAL >> 71,454

Associated Companies, Undertakings and related Parties			
SNO.	**FOLIO**	**NAME**	**HOLDING**
1	03277-116359	AVANCEON LIMITED	116,877,484
2	12732-3143	AVANCEON LTD. EMPLOYEES PROVIDENT FUND	150,000
			TOTAL >> 117,027,484

Insurance Companies			
SNO.	**FOLIO**	**NAME**	**HOLDING**
1	03277-90405	DAWOOD FAMILY TAKAFUL LIMITED	170,110
2	03277-90406	DAWOOD FAMILY TAKAFUL LIMITED	184,519
3	03277-90408	DAWOOD FAMILY TAKAFUL LIMITED	31,429
4	07450-1792	DAWOOD FAMILY TAKAFUL LIMITED	15,500
			TOTAL >> 401,558

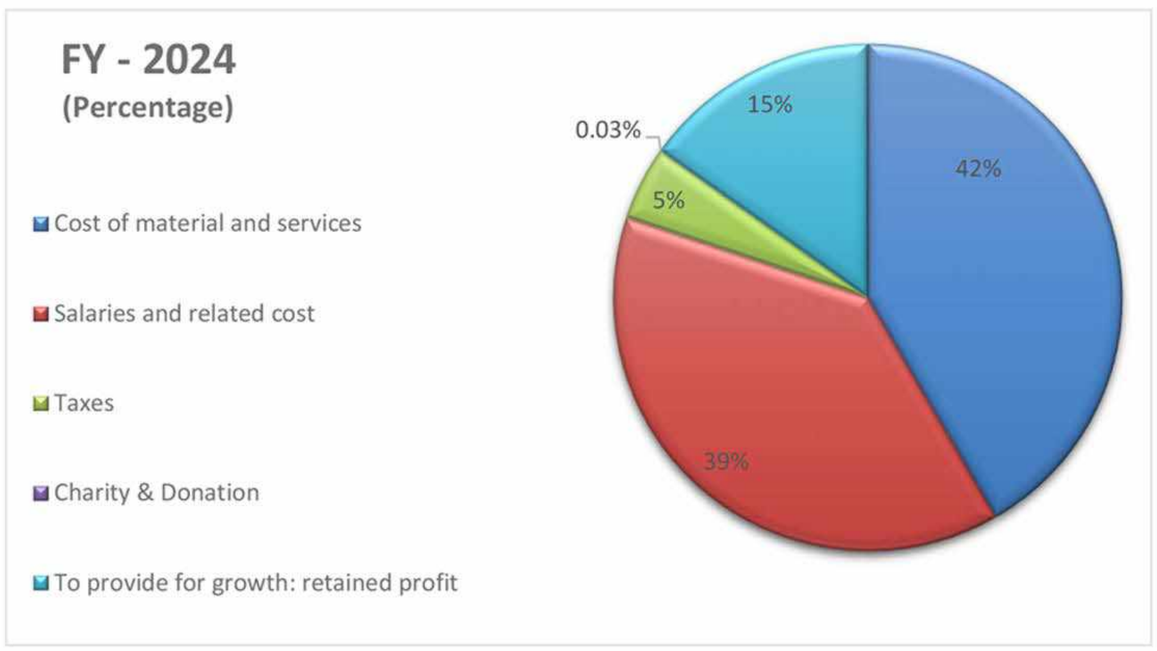
Modarabas and Mutual Funds			
SNO.	**FOLIO**	**NAME**	**HOLDING**
1	00620-68812	TRUST MODARABA	10,000
2	03277-4962	FIRST ALNOOR MODARABA	70,000
3	12120-28	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	80,360
4	14902-21	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	48,750
5	16139-23	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	140,000
6	16188-28	CDC-TRUSTEE NITPF EQUITY SUB-FUND	103,500
7	16733-20	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	63
8	18002-26	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	50,000
9	18721-29	CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	44
			TOTAL >> 502,717

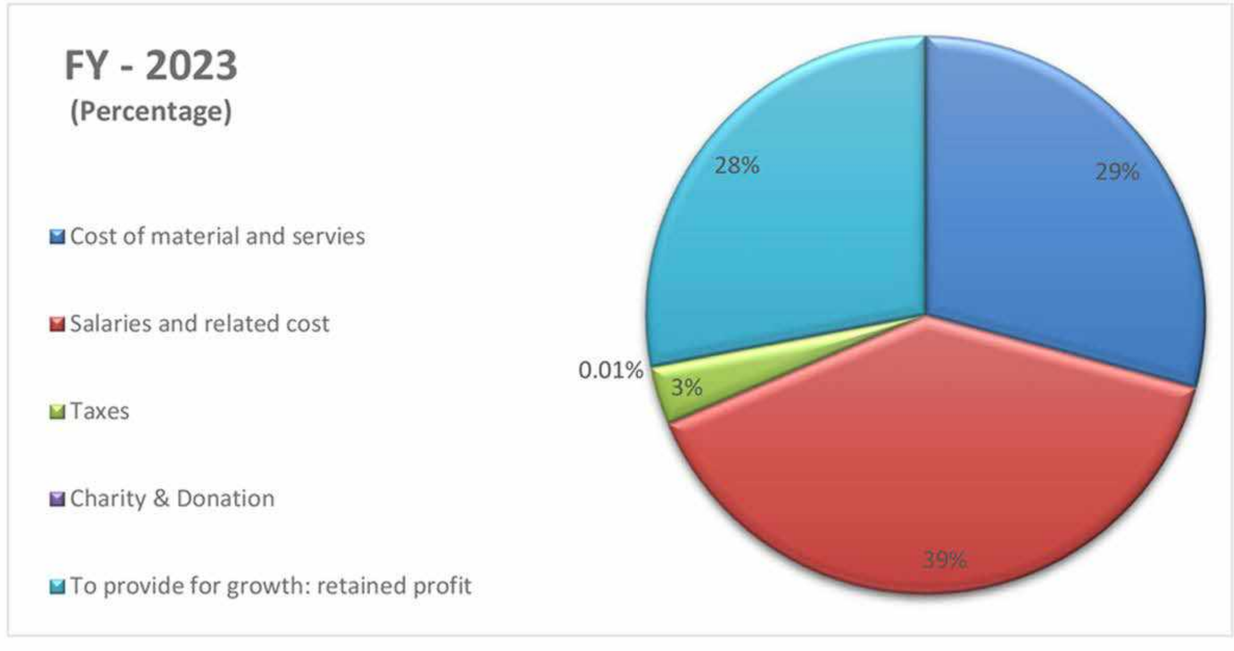
Others			
SNO.	**FOLIO**	**NAME**	**HOLDING**
1	00695-12417	BMA FUNDS LIMITED [PK1555-0]	57,593
2	01826-102285	ESSITY PAKISTAN LIMITED EMPLOYEES PROVIDENT FUND	900
3	01826-119222	DESCON STAFF PROVIDENT FUND TRUST	3,509
4	01826-185066	OTO PAKISTAN (PRIVATE) LIMITED	284
5	01826-84699	SHAHNAWAZ (PRIVATE) LIMITED	3,165
6	03244-90174	PITCO (PVT.) LIMITED	31,193
7	03277-105054	KODVAWALA TRUST	86,593
8	03277-13154	TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	3,450
9	03277-146	DAWOOD HERCULES CORPORATION LIMITED	9,017,996
10	03277-26973	TRADING ENTERPRISES (PVT) LTD	52,500
11	03277-48863	CUMBERLAND (PVT) LIMITED	11,593
12	03277-49694	MARINE SERVICES (PVT.) LIMITED	3,119
13	03277-82361	TRUSTEES OF HAMID ADAMJEE TRUST	300
14	03277-87162	PAKISTAN SYNTHETICS LIMITED	85,486
15	03277-96883	IGI INVESTMENTS (PVT.) LIMITED	75,162
16	03350-22	ZAHID LATIF KHAN SECURITIES (PVT) LTD.	1,156
17	03525-110187	AFFINITY CAPITAL (PVT.) LIMITED	31,185
18	03525-67537	SHAMALIK BROTHERS (PVT) LTD	47,725
19	03525-87235	MAPLE LEAF CAPITAL LIMITED	1
20	03525-93319	IQBAL HAMID TRUST	25,889
21	03939-62	PEARL SECURITIES LIMITED	88,931
22	04085-161008	H & RS INTERNATIONAL (SMC-PRIVATE) LIMITED	10,000
23	04366-20	MULTILINE SECURITIES LIMITED	1,000
24	04366-29417	SUPER PETROCHEMICALS PRIVATE LIMITED	170,000
25	04432-21357	VENUS ENTERTAINMENT COMPANY (PVT.) LIMITED	4,000
26	04440-20	ZAFAR MOTI CAPITAL SECURITIES (PVT) LTD.	3
27	04804-55797	M. A. OILS (PVT.) LIMITED	45,000
28	04879-28	AKHAI SECURITIES (PRIVATE) LIMITED	4,150
29	04895-11643	CONCORDIA ENTERPRISES (PRIVATE) LIMITED	10,000
30	05264-26646	ENERGY INFRASTRUCTURE HOLDING (PRIVATE) LIMITED	220,000
31	05298-28	MAAN SECURITIES (PRIVATE) LIMITED	5,000
32	05348-21	HH MISBAH SECURITIES (PRIVATE) LIMITED	2,374
33	05470-26	B & B SECURITIES (PRIVATE) LIMITED	4,076
34	05736-15	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	783,049
35	05884-12310	MIAN NAZIR SONS INDUSTRIES (PVT) LIMITED	10,000
36	05884-539	ISMAIL INDUSTRIES LIMITED	27,986
37	06445-28	DARSON SECURITIES (PRIVATE) LIMITED	750
38	06452-51103	BPS GROUP COMPANIES EMPLOYEES PROVIDENT FUND	6,394
39	06684-154214	YOUSUF YAQOOB KOLIA AND COMPANY (PRIVATE) LIMITED	120,670
40	06684-29	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LIMITED	14,500
41	06700-41946	FRANCISCANS OF ST JOHN THE BAPTIST PAKISTAN	17,500
42	07229-23	ALTAF ADAM SECURITIES (PVT) LTD.	10,500
43	07450-24497	B. R. R. INVESTMENT (PRIVATE) LIMITED	10,000

Others			
SNO.	**FOLIO**	**NAME**	**HOLDING**
44	07450-24620	BRR FINANCIAL SERVICES (PVT.) LIMITED	5,000
45	10629-1035	AQEEL KARIM DHEDHI SECURITIES (PVT.) LIMITED STAFF PRO.FUND	3,899
46	10629-236961	MIANSONS TEXTILES (PRIVATE) LIMITED	2,000
47	11692-21	ABA ALI HABIB SECURITIES (PVT) LIMITED	5,000
48	12666-2375	PHILIP MORRIS (PAK) LIMITED EMPLOYEES CONTRIBUTORY PROV FUND	7,500
49	12666-2383	PHILIP MORRIS (PAK) LTD. EMPLOYEES GRATUITY FUND	10,000
50	12666-908	GETZ PHARMA (PRIVATE) LIMITED EMPLOYEES PROVIDENT FUND	154
51	12955-28	INTERMARKET SECURITIES LTD(FORMERLY EFG HERMES PAK.LTD) - MF	1,250
52	13128-27	PEARL SECURITIES LIMITED - MF	5,500
53	13300-25	BMA CAPITAL MANAGEMENT LTD. - MF	8,000
54	13649-24	JS GLOBAL CAPITAL LIMITED - MF	661,994
55	13748-1228	HRSG OUTSOURCING (PVT) LIMITED EMPLOYEES GRATUITY FUND	30,606
56	14118-27	ASDA SECURITIES (PVT.) LTD.	3,162
57	14670-20	MULTILINE SECURITIES LIMITED - MF	15,530
58	14753-20	ARIF HABIB LIMITED - MF	44,000
59	14886-25	VENUS SECURITIES (PVT.) LIMITED	20,000
60	14944-27	ADAM SECURITIES LTD. - MF	5,000
61	15057-24	NINI SECURITIES (PRIVATE) LIMITED	11,881
62	16857-26	MRA SECURITIES LIMITED - MF	52,200
63	16899-22	M.MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF	335,696
64	17004-27	FAWAD YUSUF SECURITIES (PRIVATE) LIMITED - MF	140,420
65	17053-22	ORIENTAL SECURITIES (PRIVATE) LIMITED - MF	2,113
66	17103-25	DARSON SECURITIES (PRIVATE) LIMITED - MF	7,100
67	17509-26	TRUST SECURITIES & BROKERAGE LIMITED - MF	10,026
68	18432-102649	SARMAAYA FINANCIALS (PRIVATE) LIMITED	20,000
69	18432-104389	MBITSOFT (SMC-PRIVATE) LIMITED	40,000
70	18432-108786	JSK SECURITIES LIMITED	3,150
71	18432-1122	AHSAM SECURITIES (PRIVATE) LIMITED	1,400
72	18432-46853	HIGH LAND SECURITIES (PRIVATE) LIMITED	500
73	18457-23	ADAM USMAN SECURITIES (PRIVATE) LIMITED	72,000
74	19273-24	ORBIT SECURITIES (PRIVATE) LIMITED - MF	3,000
75	19356-24	ADAM USMAN SECURITIES (PRIVATE) LIMITED - MF	40,500
76	19943-22	RAFI SECURITIES (PRIVATE) LIMITED - MF	5,000
			TOTAL >> 12,678,263

Statement of Value Addition

	2024		2023	
	Rs. In '000	%age	Rs. In '000	%age
Wealth Generated				
Sales included sales tax	1,322,948	98%	958,063	72%
Other operating income	31,486	2%	375,663	28%
	1,354,434		**1,333,726**	
Wealth Distributed				
Cost of material and services	563,314	42%	389,558	29%
To Employees				
Salaries and related cost	522,019	39%	525,615	39%
To Government				
Taxes	63,726	5%	44,990	3%
To Society				
Charity & Donation	350	0.0%	150	0.0%
Retain in the business				
To provide for growth: retained profit	205,025	15%	373,412	28%
	1,354,434		**1,333,726**	





Unconsolidated Financial Statements for the year ended December 31, 2024

Crowe

Crowe Hussain Chaudhury & Co.
7th Floor,Gul Mohar Trade Centre,
8-F Main Market, Gulberg II,
Lahore-54660,Pakistan
Main +92-42-3575 9223-5
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS DIGITAL LIMITED

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed financial statements of **Octopus Digital Limited (the Company),** which comprise the unconsolidated statement of financial position as at December 31, 2024 and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit, its comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key Audit Matters	**How the Matter was Addressed in Our Audit**
1. Revenue	
Refer to Notes 3.12 and 21 to the financial statements. The Company has earned revenue of Rs. 850.729 million for the year ending December 31, 2024.	Our key audit procedures included: • Obtaining an understanding of the Company's processes and related internal controls for revenue recognition and on a

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Key Audit Matters	How the Matter was Addressed in Our Audit
The Company's revenue is derived from multiple revenue streams, as referred to in Note 21 to the accompanying financial statements, including product sale, rendering of services and provision of digital business services. Each stream has its own revenue recognition policy based on the nature of revenue and underlying contractual arrangements as referred to in Note 3.12. Certain contracts with customers require significant management judgment to determine the appropriate timing and method of revenue recognition. We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company with multiple revenue streams, inherent risk of material misstatement.	sample basis, tested the operating effectiveness of those controls • Assessing the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards • Compared a sample of transactions comprising various revenue streams during the year with underlying documentation including contracts with customers, sales invoices and where relevant, underlying time sheets and other supporting documents to assess whether the revenue was recorded in accordance with the Company's revenue recognition policy and applicable financial reporting framework • Performed substantive analytical procedures by developing an expectation of project revenue for the year based on contracts entered to date and analyzing the amounts recognized against the cost incurred and time elapsed respectively • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards
2. Valuation of Trade Debtors and Contract Assets	
Refer to note 3.6, 9 and 10 to the financial statements. The Company's gross trade debts and contract assets as at December 31, 2024 are Rs. 1,624.190 million and Rs. 106.515 million respectively against which allowances for expected credit losses of Rs. 168.018 million and Rs 2.606 million have been recognized. The loss allowance for expected credit losses (ECL model) on trade debts and contract assets has been recognized in the unconsolidated financial statements using the guidance included	Our key audit procedures included: • Considered management's process of application of ECL model to calculate impairment loss against trade debts and contract assets • Evaluated key decisions / assumptions made by the Company's management with respect to estimates and judgements in relation to application of the ECL model • Evaluated the ECL model for appropriateness of the methodology applied and checked

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Key Audit Matters	How the Matter was Addressed in Our Audit
in IFRS 9 'Financial Instruments'. Determination of ECL provision for trade debts and contract assets requires significant judgment and assumptions including consideration of factors such as historical credit loss experience, time value of money and forward-looking macroeconomic information. We have considered this area as a key audit matter due to its size, representing 47.80% of the total assets of the Company as at December 31, 2024 and the significant management judgement involved in valuation.	arithmetical accuracy of the model • Circularized balance confirmation request for trade debts on sample basis and evaluated responses received • Checked subsequent clearance of balances due as of December 31, 2024 on sample basis • Assessed financial impacts and appropriateness of disclosures made in the unconsolidated financial statements to determine whether these are in accordance with the accounting and reporting standards as applicable in Pakistan
3. Related Party Transactions	
Refer to note 32 to the unconsolidated financial statements - the Company has transactions with numerous subsidiaries and associated companies as explained in the relevant notes to unconsolidated financial statements. Nature of transactions with related parties includes sale and purchase of equipment, agency commission, management fee, back-office support, fee for technical services and dividend (as disclosed in note 34 to the accompanying unconsolidated financial statements) leading to a significant amount of investments, trade debts and other receivable. The inter-company transactions and balances require significant auditor attention as the amounts are material to the unconsolidated financial statements as a whole and are hence considered as Key Audit Matter.	Our key audit procedures included: • Obtained an understanding of the Company's policies and procedures for determining and recording related party transactions / balances, in accordance with the accounting and reporting standards as applicable in Pakistan • Obtained a list of related parties and transactions entered into with them during the year from the management • Performed substantive procedures on related party transactions and balances including review of contract terms, underlying invoices, balance confirmations and assessment of recoverability of receivable balances • Reviewed the approval process for related party transactions including approval by those charged with governance • Obtained an understanding of the Company's policies and procedures for calculating and recording Expected Credit Losses (ECL) on related party balances and performed audit procedures to verify the ECL calculations across group entities • Assessed whether appropriate disclosures have been made in the unconsolidated financial statements regarding related party transactions and balances in accordance with

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Key Audit Matters	How the Matter was Addressed in Our Audit
	approved accounting and reporting standards as applicable in Pakistan

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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Other Matter

The Unconsolidated financial statements of the Company for the year ended December 31, 2023, were audited byanother auditor sho expressed an unmodified opinion on those financial statements on April 26, 2024.

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

Lahore
Dated: April 03, 2025
UDIN: AR202410051IOih6EAbw

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

OCTOPUS DIGITAL LIMITED

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

	Note	2024 Rupees	2023 Rupees
ASSETS			
Non Current Assets			
Operating fixed assets	5	32,208,205	28,534,012
Intangible assets	6	3,646,701	262,063,730
Deferred tax assets	7	19,390,071	21,056,098
Long term investments	8	447,892,509	447,892,509
Long term deposits		100,000	100,000
		503,237,486	759,646,349
Current Assets			
Stock in trade		-	623,526
Trade debts	9	1,456,172,041	1,490,621,557
Contract assets	10	103,909,277	102,637,737
Advances, prepayments and other receivables	11	940,973,030	434,348,991
Short term investment	12	538,824	10,118,841
Bank balances	13	8,954,766	29,359,272
		2,510,547,938	2,067,709,924
		3,013,785,424	2,827,356,273
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid up share capital	14	1,572,625,020	1,572,625,020
Capital reserves			
Group restructuring reserve		(1,084,000,000)	(1,084,000,000)
Employees' share compensation reserve	15	37,480,387	9,263,716
Share premium		789,209,284	789,209,284
Revenue reserve - unappropriated profits		1,375,813,949	1,283,377,775
		2,691,128,640	2,570,475,795
Non Current Liabilities			
Diminishing musharaka finance	16	12,809,140	11,102,017
Current Liabilities			
Trade and other payables	17	280,764,047	180,338,160
Contract liabilities	18	2,224,053	12,042,897
Current portion of diminshing musharka finance		4,460,068	2,587,820
Provision for taxation	19	22,399,476	50,809,584
		309,847,644	245,778,461
Contingencies and Commitments	20	-	-
		3,013,785,424	2,827,356,273

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees	2023 Rupees
Revenue from contracts with customers - net	21	850,728,940	903,118,188
Cost of sales	22	(471,611,149)	(396,159,987)
Gross Profit		379,117,791	506,958,201
Administrative expenses	23	(266,630,057)	(267,965,346)
Operating Profit		112,487,734	238,992,855
Other operating expenses	24	(71,831,356)	(47,409,557)
Finance cost	26	(3,539,583)	(1,626,600)
Other operating income	27	64,027,760	333,109,772
Profit before Levy and Taxation		101,144,555	523,066,470
Levy / final taxation (2023: Restated)	28	(1,458,109)	(1,649,065)
Profit before Taxation		99,686,446	521,417,405
Taxation (2023: Restated)	28	(7,250,272)	(5,609,374)
Net Profit for the Year		92,436,174	515,808,031
Earnings per share - Basic	29	0.59	3.49
Earnings per share - Diluted	29	0.58	3.45

The annexed notes from 1 to 38 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	Rupees	Rupees
Net Profit for the Year	92,436,174	515,808,031
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 Income for the Year	92,436,174	515,808,031

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

	Issued, Subscribed and Paid up Share Capital	Capital Reserve			Revenue Reserve	Total
		Group Restructuring Reserve	Employees' Share Compensation Reserve	Share Premium	Unappropriated Profit	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at January 01, 2023	1,367,500,020	(1,084,000,000)	-	789,209,284	972,694,744	2,045,404,048
Net profit for the year	-	-	-	-	515,808,031	515,808,031
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	515,808,031	515,808,031
Employee share option reserve	-	-	9,263,716	-	-	9,263,716
Transaction with owners						
Bonus shares issued @15%	205,125,000	-	-	-	(205,125,000)	-
Balance as at December 31, 2023	1,572,625,020	(1,084,000,000)	9,263,716	789,209,284	1,283,377,775	2,570,475,795
Net profit for the year	-	-	-	-	92,436,174	92,436,174
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	92,436,174	92,436,174
Employee share option reserve	-	-	28,216,671	-	-	28,216,671
Balance as at December 31, 2024	1,572,625,020	(1,084,000,000)	37,480,387	789,209,284	1,375,813,949	2,691,128,640

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levy and taxation		101,144,555	523,066,470
Adjustments for:			
- Depreciation on operating fixed assets	5	10,587,979	4,870,716
- Amortization on intangible assets	6	405,189	-
- Allowance for expected credit losses - trade debts	23	1,034,771	1,436,624
- Allowance for expected credit losses - contract asset	23	328,845	11,002,113
- Allowance for expected credit losses - related party	23	23,104,566	59,613,294
- Employees' share option reserve	15	28,216,671	9,263,716
- Intangible transferred to subsidiary	6	366,110,367	-
- Dividend income from other financial assets	26	(1,094,378)	(139,813)
- Exchange gain / (loss)	24	31,570,911	(241,665,030)
- Markup from related parties	26	(61,344,082)	(91,304,929)
- Finance cost	25	3,539,583	1,504,705
		402,460,422	(245,418,604)
Operating profit before working capital changes		503,604,977	277,647,866
(Increase) / decrease in current assets:			
- Stock in trade		623,526	(623,526)
- Trade debts	9	(7,577,629)	(73,914,286)
- Contract assets	10	(1,600,385)	(18,019,188)
- Advances, prepayments and other receivables	11	(458,963,060)	(175,844,593)
(Decrease) / Increase in current liabilities:			
- Creditors, accrued and other liabilities	17	100,425,887	181,258,655
- Contract liabilities	18	(9,818,844)	5,373,710
		(376,910,505)	(81,769,228)
Cash Generated from Operations		126,694,472	195,878,638
Finance cost paid		(3,539,583)	(1,504,705)
Income tax paid		(35,452,462)	(17,116,455)
Profit received on short term investment		-	139,813
Net Cash (Used in) / Generated from Operating Activities		87,702,427	177,397,291
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets	5	(14,262,172)	(29,452,176)
Addition in intangible asset	6	(108,098,527)	(142,379,915)
Short term investment	12	9,580,017	(10,118,841)
Dividend received from short term investment		1,094,378	-
Net Cash Generated from / (Used in) Investing Activities		(111,686,304)	(181,950,932)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term diminishing musharaka repaid	16	(2,845,405)	(728,163)
Long term diminishing musharaka obtained	16	6,424,776	14,418,000
Net Cash Generated from Financing Activities		3,579,371	13,689,837
Net (Decrease) / Increase in Cash and Cash Equivalents		(20,404,506)	9,136,196
Cash and cash equivalents at the beginning of the year		29,359,272	20,223,076
Cash and Cash Equivalents at the End of the Year	32	8,954,766	29,359,272

The annexed notes from 1 to 38 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

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 unconsolidated 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. Consolidated financial statements are prepared separately.

Note 2
Basis of Preparation

2.1 Separate financial statements

These are separate financial statements of the Company. The consolidated financial statements of the Company are prepared separately.

2.2 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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 IFRS and IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except to the extent of following:

Short term investment	Note 12	(stated at Fair value)

2.4 Presentation and functional currency

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

2.5 Accounting policies

The accounting policies adopted for the preparation of these financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2023.

2.6 Key judgements and estimates

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

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

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OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Unconsolidated Financial Statements

Note 2, Basis of Preparation - Continued...

- Useful lives, residual values, depreciation method of opeating fixed assets – Note 3.1 & 5
- Provision for obsolescence of inventories - Note 3.4
- Provision for expected credit losses – Note 3.6 & 10
- Estimation of provisions - Note 4.2
- Impairment loss of non-financial assets other than inventories – Note 4.7
- Current income tax expense and provision for current tax - Note 3.10, 20 & 27
- Other financial assets - Note 3.5 & 13
- Estimation of contingent liabilities - Note 4.6 & 21
- Short term investment - Note 13
- Back office support - Note 22

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

2.7 Changes in accounting standards, interpretations and pronouncements

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

The following standards, amendments, and interpretations are effective for the year ended December 31, 2024 . These standards, amendments and interpretations are either irrelevant to the Company's operations or are not expected to significantly impact the Company's financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods Beginning on or After
IAS 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

2.7.2 IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under 'IAS 37 Provisions, Contingent Liabilities and Contingent Assets' which were previously being recognised as 'Income tax'.

The Company has accounted for the effects of these changes in accounting policy retrospectively under 'IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors' and the corresponding figures have been restated in these financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	Rupees	Rupees	Rupees
Effect on statement of profit or loss			
For the year ended December 31, 2024			
Profit before tax	101,144,555	1,458,109	99,686,446
Taxation	(8,708,381)	(1,458,109)	(7,250,272)
Profit after tax	92,436,174	-	92,436,174
For the year ended December 31, 2023			
Profit before tax	523,066,470	1,649,065	521,417,405
Taxation	(7,258,439)	(1,649,065)	(5,609,374)
Profit after tax	515,808,031	-	515,808,031

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit / (loss) after tax and earning/ (loss) per share, basic and diluted.

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

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

OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Unconsolidated Financial Statements

Note 2, Basis of Preparation - Continued...

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

2.7.4 Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have not been notified locally, in relation to the Company, by the Securities and Exchange Commission of Pakistan (SECP) as at 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
Material Accounting Policy Information

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

3.1 Operating fixed assets

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

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

Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

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

Disposal

The gain or loss arising on disposal or retirement of an item of opeating fixed assets is determined as difference between sales proceeds and carrying amounts of the asset and is recognized as gain / (loss) on disposal of opeating fixed assets into the of profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to operating fixed assets as and when these are available for use.

Impairment

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

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OCTOPUS DIGITAL LIMITED

Notes to and Forming Part of the Unconsolidated Financial Statements

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

3.2 Intangible assets

Research and software products development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, it is probable that future economic benefits will flow to the Company, the Company has an intention and ability to complete and use or sell the software and cost can be measured reliably.

There are two components of intangible assets:
a. In-house developed intangible assets
b. Intangible assets acquired from market

(a) In-house developed intangible assets

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

Amortization is charged on straight line basis over the useful life of the intangible assets. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Rates of amortization are stated in note 7.

(b) Intangible assets acquired from market

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

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

Amortization is charged by applying straight line method to write off the cost over the remaining useful life of the intangible assets unless such lives are indefinite. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Amortization is charged from the date the asset is acquired or capitalized uptil the date the asset is disposed for impairment. Rates of amortization are stated in note 6.1.

3.3 Long term investments in subsidiaries

Investment in subsidiary company

Investment in subsidiary is initially recognized at cost in accordance with para 10 of IAS 27 "Seperate Financial Statements". At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investment are adjusted accordingly. Impairment losses are recognized as an expense in the profit or loss. Where impairment losses are subsequently reversed, the carrying amounts of investments are increased to revise recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit or loss.

3.4 Stock in trade

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

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

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

3.5 Financial instruments

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

3.5.1 Financial assets

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

Classification

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

Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at the transaction price.

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OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Unconsolidated Financial Statements

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

Subsequent measurement

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

Derecognition

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

Impairment of financial assets

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost.

The Company measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in profit or loss.

3.5.2 Financial liabilities

a) Initial recognition and measurement

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

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

b) Subsequent measurement

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

3.5.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.6 Balances from contract with customers

Contract assets

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

Trade receivables

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

Contract liabilities

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

Write-off policy

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

OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Unconsolidated Financial Statements

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

3.7 Cash and cash equivalents

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

3.8 Trade and other payables

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

3.9 Staff retirement benefits

The Company operates a defined contribution provident fund for its employees. Equal monthly contributions are made both by the Company and the employees to the fund at the rate of 10% (2023:10%) of the basic salary. The Company contribution is recognized as cost in the statement of profit or loss.

3.10 Compensated absences

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

3.11 Taxation

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

Current

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the year end of the reporting date.

The charge for current tax is higher of corporate tax (higher of tax based on taxable income and minimum tax) and alternative corporate tax. Super tax applicable on the Company is also as per the applicable rates as per the Income Tax Ordinance, 2001. However, in case of loss for the year, income tax expense is recognized as minimum tax liability on turnover of the Company in accordance with the provisions of the Income Tax Ordinance, 2001.
Corporate tax is based on taxable income for the year determined in accordance with the prevailing laws of taxation. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Alternative corporate tax is calculated at 17% of accounting profit, after taking into account the required adjustments. Current tax for current and prior periods, to the extent unpaid is recognized as a liability. If the amount already paid irrespective of current and prior period exceeds the amount due to those periods the excess recognized as an asset.

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

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

When minimum tax is higher than tax calculated on taxable profits, excess amount is recognized as levy under IFRIC 21. Further, the Company shall also charged tax expense under levy when tax is calculated under final tax regime.

Deferred

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

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

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

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

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

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average rates that are expected to apply to the taxable profit (tax loss) of the periods in which temporary differences are expected to reverse.
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OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Unconsolidated Financial Statements

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

3.12 Revenue recognition

Revenue is to be recognised in accordance with the aforementioned principle by applying the following steps:
i) Identify the contract with a customer.
ii) Identify the performance obligation in the contract.
iii) Determine the transaction price of the contract.
iv) Allocate the transaction price to each of the separate performance obligations in the contract.
v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

Sale of goods

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

Fee for Technical Services

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

Rendering of services

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

Project revenue

These comprise of projects such as Hardware and Software Automation, Efficiency solution, Scada Upgradation etc. Revenue from these projects is accounted for using cost to cost method, according to which the Company's progress towards satisfaction of performance obligations is determined by dividing actual cost incurred on the project to date by total forecasted cost, which is calculated by a team of engineers on the inception of the project. Project revenue is recognized at a point over time.

3.13 Share based payment transactions

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

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

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

3.14 Earnings per share - basic and diluted

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

3.15 Fair value measurement

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

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

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

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

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

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OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Unconsolidated Financial Statements

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

3.16 Share capital

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

3.17 Related party transactions

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

3.18 Foreign currency transactions and translation

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities measured at fair value through OCI are recognised in other comprehensive income.

3.19 Impairment of non financial assets

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

Note 4
Other Accounting Policy Information

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

4.1 Leases

At inception of a contract, the Company assesses whether a contract is, or contains a lease. The Company reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases, where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or

- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Company revises the lease term if there is a change in the non-cancellable period of a lease.

4.1.1 *Company as a lessee*

4.2.1.1 Recognition

The Company recognizes a right-to-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company).

The Company has elected not to recognize right-to-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Unconsolidated Financial Statements

Note 4, Summary of Other Accounting Policies - Continued...

4.2.1.2 Initial measurement

Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Right-to-use asset

The Company initially measures the right-to-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

4.2.1.3 Subsequent measurement

Lease liability

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in profit or loss, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Lease liability payable in foreign currency is translated to local currency of the Company i.e. Pak Rupees at the reporting date. Any foreign exchange differences arising on translation of lease liability are recognized in profit or loss.

Right-to-use asset

After the commencement date, the Company measures the right-to-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-to-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-to-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-to-use asset from the commencement date to the end of the useful life of the underlying asset.

4.2 Provisions

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

4.3 Dividend and other appropriations

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

4.4 Contingent liabilities

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

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

4.5 Borrowing costs

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

4.6 Advances and deposits

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

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Note 5

Operating Fixed Assets

Year Ended December 31, 2024

Description	Tools and Equipment	Office Equipment	Furniture	Computers	Vehicles	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Cost						
Balance as at January 01, 2024	5,352,667	370,353	20,000	13,091,514	17,632,340	36,466,874
Additions	57,760	260,000	-	6,657,901	7,286,511	14,262,172
Balance as at December 31, 2024	5,410,427	630,353	20,000	19,749,415	24,918,851	50,729,046
Accumulated depreciation						
Balance as at January 01, 2024	2,857,063	86,687	2,667	3,810,956	1,175,489	7,932,862
Charge for the year	1,082,083	82,653	3,999	5,282,225	4,137,019	10,587,979
Balance as at December 31, 2024	3,939,146	169,340	6,666	9,093,181	5,312,508	18,520,841
Balance as at December 31, 2024	**1,471,281**	**461,013**	**13,334**	**10,656,234**	**19,606,343**	**32,208,205**
Depreciation Rates	20%	20%	33%	20%	20%	

Year Ended December 31, 2023

Cost						
Balance as at January 01, 2023	4,243,562	55,443	-	2,715,693	-	7,014,698
Additions	1,109,105	314,910	20,000	10,375,821	17,632,340	29,452,176
Balance as at December 31, 2023	5,352,667	370,353	20,000	13,091,514	17,632,340	36,466,874
Accumulated depreciation						
Balance as at January 01, 2023	1,820,676	41,581	-	1,199,889	-	3,062,146
Charge for the year	1,036,387	45,106	2,667	2,611,067	1,175,489	4,870,716
Balance as at December 31, 2023	2,857,063	86,687	2,667	3,810,956	1,175,489	7,932,862
Balance as at December 31, 2023	**2,495,604**	**283,666**	**17,333**	**9,280,558**	**16,456,851**	**28,534,012**
Depreciation Rates	20%	20%	33%	20%	20%	

5.2 Depreciation charge for the year has been apportioned as follows:

	Note	2024 Rupees	2023 Rupees
Cost of sales	22	5,293,990	2,435,358
Administrative expenses	23	5,293,989	2,435,358
		10,587,979	4,870,716

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

Computers	1,555,963	104,000
Office equipment	55,443	-
Total	1,611,406	104,000

5.4 All assets are in the name of the Company and in the Company's possession and control except for those obtained through Diminishing Musharakah from First Habib Modaraba having cost amounting to Rs. 24.919 million (2023: Rs. 17.632 million).

OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Note 6
Intangible assets

Net Carrying Value	Note	**2024** Rupees	**2023** Rupees
Opening balance		262,063,730	119,683,815
Additions during the year		108,098,527	142,379,915
		370,162,257	262,063,730
Amortization during the year	6.1	(405,189)	-
Sold during the year	6.2	(366,110,367)	-
Closing balance	6.3	3,646,701	262,063,730
Gross Carrying Value			
Cost		4,051,890	262,063,730
Accumulated amortization		(405,189)	-
Net book value		3,646,701	262,063,730
Amortization rate		10%	10%

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

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

6.3 As at December 31, 2024, the carrying value of Omniconnect is Nil (2023: Rs. 212.01 million), Fintech Fuel is Nil (2023: Rs. 14.63 million), Priority Suite is Nil (2023: Rs. 6.92 million), Fuel Bureau is Nil (2023: Rs. 9.56 million), Industrial Analytics is Nil (2023: Rs. 14.89 million) and Website Cost is Rs. 3.65 million (2023: Rs. 4.05 million). The residual value of these intangible assets is insignificant. These intangibles are internally generated.

Note 7
Deferred Taxation

	Note	**2024** Rupees	**2023** Rupees
Deferred tax asset	7.1	19,390,071	21,056,098

7.1 Breakup of Deferred tax Asset

Taxable temporary differences		
Accelerated tax depreciation	(362,807)	(328,549)
Deductible temporary differences		
Deferred tax on alternate corporate tax	-	9,924,550
Allowance for expected credit loss	19,752,878	11,460,097
	19,390,071	21,056,098

7.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% (2023: 29%).

7.3 Reconciliation of deferred tax liabilities / (assets) - Net

Opening balance	21,056,098	10,334,468
Deferred tax income during the year recognised in profit or loss account	(1,666,027)	10,721,630
Closing balance	19,390,071	21,056,098

7.4 Analysis of deferred tax

	Statement of Financial Position		**Statement of Profit or Loss**	
	2024	2023	2024	2023
Accelerated tax depreciation and amortization	(362,807)	(328,549)	(34,258)	(276,136.0)
Provision for doubtful debts	19,451,169	11,281,784	8,169,385	1,056,517
Provision for contract assets	301,709	178,313	123,396	16,699
Alternate corporate tax	-	9,924,550	(9,924,550)	9,924,550
	19,390,071	21,056,098	(1,666,027)	10,721,630

Note 8
Long Term Investments

	Note	**2024** Rupees	**2023** Rupees
Investment in Subsidiaries			
Octopus Digital FZ-LLC	8.1	7,869,299	7,869,299
Empiric AI Private Limited	8.2	440,023,210	440,023,210
		447,892,509	447,892,509

8.1 Octopus Digital FZ-LLC is a company incorporated in Dubai. As at the reporting date, the Company holds 100 shares (2023: 100 shares) at AED 1,000 each, representing 100% (2023: 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.

8.2 Empric AI (Private) Limited is a company incorporated in Pakistan. As at the reporting date, the Company holds 47.5 million shares (2023: 47.5 million shares) at Rs. 10 each, representing 100% (2023: 100%) 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.

OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Note 9

Trade Debts

	Note	2024 Rupees	2023 Rupees
Due from related parties - unsecured	9.1	1,574,703,682	1,607,597,528
Less: Allowance for expected credit loss	9.3	(167,091,767)	(143,987,201)
		1,407,611,915	1,463,610,327
Due from others - unsecured	9.4	49,486,888	27,108,112
Less: Allowance for expected credit loss	9.5	(926,762)	(96,882)
		48,560,126	27,011,230
		1,456,172,041	1,490,621,557

9.1 Due from related party

Avanceon Limited	240,749,634	469,013,701
Avanceon FZE	77,491,205	55,107,144
Octopus Digital FZ LLC	63,815,199	20,033,224
Avanceon Automation & Control WLL	1,053,707,845	1,037,893,204
Avanceon Saudi Energy Company	138,939,799	25,550,255
	1,574,703,682	1,607,597,528

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

9.2 Aging of outstanding balance of related parties as at December 31, 2024, is as under:

	2024					
	Avanceon Limited	Avanceon FZE	Avanceon Automation and Control WLL	Octopus Digital FZ LLC	Avanceon Saudi for Energy Company	Total
	--- Rupees ---					
Not overdue	6,142,520	220,752	3,447,943	182,743	11,515,624	21,509,582
Past due less than 30 days	1,207,931	191,708	-	-	-	1,399,639
Past due less than 90 days	10,614,899	-	4,464,317	-	12,082,224	27,161,440
Past due less than 180 days	15,571,453	1,040,888	2,427,864	627,157	12,487,685	32,155,047
Past due less than 360 days	54,476,177	13,379,984	60,354,291	9,729,026	43,052,570	180,992,048
Past due over 360 days & above	152,736,654	62,657,873	983,013,430	53,276,273	59,801,696	1,311,485,926
	240,749,634	77,491,205	1,053,707,845	63,815,199	138,939,799	1,574,703,682

	2023					
	Avanceon Limited	Avanceon FZE	Avanceon Automation and Control WLL	Octopus Digital FZ LLC	Avanceon Saudi for Energy Company	Total
	--- Rupees ---					
Not overdue	104,029,634	-	205,238,305	20,033,224	6,582,269	335,883,432
Past due less than 30 days	1,073,651	55,107,144	-	-	-	56,180,795
Past due less than 90 days	19,000,742	-	105,529,798	-	345,254	124,875,794
Past due less than 180 days	25,287,886	-	40,708,797	-	9,174,976	75,171,659
Past due less than 360 days	24,789,379	-	289,724,158	-	9,447,756	323,961,293
Past due over 360 days & above	294,832,409	-	396,692,146	-	-	691,524,555
	469,013,701	55,107,144	1,037,893,204	20,033,224	25,550,255	1,607,597,528

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

Avanceon Limited	240,749,634	469,013,701
Avanceon FZE	83,315,552	480,403,310
Avanceon Automation & Control WLL	1,173,084,570	1,172,234,893
Avanceon Saudi Energy Company	138,939,799	25,550,255
Octopus Digital FZ LLC	63,815,199	20,033,224

9.3 Allowance for expected credit losses - Related party

Opening balance	143,987,201	84,373,907
Less allowance for the year	23,104,566	59,613,294
Less: Reversal for the year	-	-
As at December 31	167,091,767	143,987,201

9.3.1 This represents ECL on the account of time value of money based upon the duly approved management plan to recovery these balances within twelve months from the reporting date. The credit loss is not expected in respect of these balances as all these parties are controlled by the Company.

9.4 Ageing of due from others	2024 Rupees	2023 Rupees
Not overdue	3,117,306	-
Past due less than 30 days	17,060,998	14,579,729
Past due less than 90 days	4,100,233	1,858,899
Past due less than 180 days	2,295,539	3,271,081
Past due less than 360 days	8,590,439	3,743,026
Past due over 360 days & above	14,322,373	3,655,377
Total	49,486,888	27,108,112

Note 9, Trade Debts - Contd...

9.5 Allowance for expected credit losses - Others

As of January 01	96,882	1,837,870
Written off during the year	-	(304,364)
Add: allowance / (Reversal) for the year	829,880	(1,436,624)
As at December 31	926,762	96,882

Note 10

Contract Assets

	Note	2024 Rupees	2023 Rupees
Earnings in excess of billings - unsecured		57,163,566	58,162,078
Project deferred revenue - unsecured		49,351,864	46,752,967
		106,515,430	104,915,045
Less: Allowance for expected credit losses	10.2	(2,606,153)	(2,277,308)
		103,909,277	102,637,737

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

10.2 Allowance for expected credit losses

As of January 01	2,277,308	13,279,421
Add: allowance / (Reversal) for the year	328,845	(11,002,113)
As at December 31	2,606,153	2,277,308

10.3 There is a net increase of Rs. 2.755 million in contract assets as compared to last year (2023:Rs. 27.507 million) . The explanation of significant changes is as follows:

Opening balance	104,915,045	108,900,083
Add: Revenue recognized	31,245,047	29,839,710
Less: Invoice raised	(29,644,662)	(33,824,748)
Closing balance	106,515,430	104,915,045

Note 11

Advances, Prepayments and Other Receivables

	Note	2024 Rupees	2023 Rupees
Advances - considered good - unsecured			
- To employees against expenses		9,804,656	13,414,417
- To suppliers		1,970,630	7,903,804
		11,775,286	21,318,221
Prepayments		2,443,520	1,422,330
Due from related party-unsecured	11.1	312,392,576	382,404,259
Markup receivable from the Parent Company	11.3	106,978,208	-
Tax refunds due from the government -Income tax		10,614,265	24,632,486
Advance tax paid to FBR		-	4,389,390
Sales tax refundable		1,410,249	-
Other receivables - considered good		1,338,347	182,305
Receivable against transfer of intangible	11.1.1	494,020,579	-
		940,973,030	434,348,991

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

Avanceon Limited	51,123,648	69,202,314
Octopus Digital FZ LLC	261,268,928	247,449,963
Avanceon FZE	-	65,751,982
	312,392,576	382,404,259

11.1.1 This represents amount receivable from Octopus Digital FZ LLC, a subsidiary company on account of transfer of intangibles as disclosed in note 6.2.

11.2 Ageing of due against transfer of intangible

	2024 Rupees	2023 Rupees
Not overdue	-	-
Past due less than 30 days	-	-
Past due less than 90 days	-	-
Past due less than 180 days	-	-
Past due less than 360 days	494,020,579	-
Past due over 360 days & above	-	-
Total	494,020,579	-

11.3 The balances with related parties are maintained on a running account basis and interest at the rate of 01 month KIBOR is charged on the outstanding balance at the end of each month.

11.3.1 The maximum amount outstanding in current account at any time during the year calculated by reference to the month end balances is as follows:

Avanceon Limited	132,340,069	291,528,783
Octopus Digital FZ LLC	389,179,140	247,449,963
Avanceon FZE	71,596,570	313,065,291

Note 12

Short Term Investment

		2024 Rupees	2023 Rupees
MCB Money Market Fund	12.1	538,824	10,118,841
5,145 units (2023: 100,492 units)			

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

Note 13
Bank Balances

	2024	2023
	Rupees	Rupees
Current accounts	8,954,766	29,359,272

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

13.2 This includes bank balances amounting to Rs. 3.390 million (2023: Rs. 29.301 million) in Shariah-Compliant banks.

Note 14
Share Capital

14.1 Authorized share capital

2024	2023		2024	2023
Number of Shares			Rupees	Rupees
250,000,000	250,000,000	Authorized ordinary shares of Rs. 10 each	2,500,000,000	2,500,000,000

14.2 Issued, subscribed and paid up capital

28,350,002	28,350,002	Ordinary shares of Rs. 10 each issued as fully paid in cash	283,500,020	283,500,020
108,400,000	108,400,000	Ordinary shares of Rs.10 each issued for consideration other than in cash	1,084,000,000	1,084,000,000
20,512,500	20,512,500	Ordinary shares of Rs. 10 each issued as fully as bonus shares	205,125,000	205,125,000
157,262,502	157,262,502		1,572,625,020	1,572,625,020

14.3 Movement in shares during the year is as follows:

Number of shares outstanding at the beginning of the year	157,262,502	136,750,002
Shares alloted as bonus shares	-	20,512,500
Number of shares outstanding at the end of the year	157,262,502	157,262,502

14.4 All ordinary shares rank equally with regard to residual assets of the 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.

14.4 Avanceon Limited is the Parent Company, holding 74.54% (2023: 74.54%) of issued capital of the Company.

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

14.6 Shares held by related parties are as follows:

Name of Related Party	Relationship	2024 (Percentage)	2023 (Percentage)	2024 (Number of Shares)	2023 (Number of Shares)
Mr. Mohammad Shahid Mir	Directors	0.0000006%	0.0000006%	1	1
Mr. Bakhtiar Hameed Wain	Directors	0.0000006%	0.0000006%	1	1
Mr. Tanveer Karamat	Directors	0.0429225%	0.0429225%	67,501	67,501
Mr. Adeel Khalid	Directors	0.0000006%	0.0000006%	1	1
Mr. Asmar Ahmed Atif	Directors	0.0000006%	0.0000006%	1	1
Ms. Saleha Asif	Directors	0.0000006%	0.0000006%	1	1
Mr. Mohammad Arif Janjua	Directors	0.0003656%	0.0003656%	575	575
				68,081	68,081

Note 15
Employees' Share Compensation Reserve

	2024	2023
	Rupees	Rupees
Balance as at the beginning of the year	9,263,716	-
Compensation expense booked during the period	28,216,671	9,263,716
Balance at the end of the year	37,480,387	9,263,716

Description of scheme

Employee Share Option Scheme, 2022 was approved by the Securities and Exchange Commission of Pakistan (SECP) on March 04, 2022 which comprises of 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 face value of 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

	2024	2023
Total number of options granted	2,591,656	1,444,877
Per option fair value at the grant date	62.66	32.96
Exercise price per option	10	10
Annual rate of quarterly dividends	0%	0%
Discount Rate - bond equivalent yield	10%	14%
Annual volatility	111%	35%

Note 15, Employees' share compensation reserve - Contd...

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:

	2024		2023	
	Number of options	Weighted Average exercise price	Number of options	Weighted Average exercise price
Options outstanding at the beginning of the year	1,444,877	10.00	-	-
Options granted during the year	1,639,289	10.00	1,444,877	10.00
Options lapsed during the year	(492,510)	10.00	-	-
Options outstanding at the end of the year	2,591,656	10.00	1,444,877	10.00

15.1 Out of the total 2.593 million options granted, the directors and executives are entitiled to 0.68 million (2023: 0.33 million) and 1.912 million (2023: 1.115 million) options respectively.

Note 16

Diminishing Musharaka Finance

	2024	2023
	Rupees	Rupees
Opening balance	13,689,837	-
Addition during the year	6,424,776	14,418,000
Payments made during the year	(2,845,405)	(728,163)
	17,269,208	13,689,837
Current portion	(4,460,068)	(2,587,820)
	12,809,140	11,102,017

16.1 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. During the year, the Company acquired 02 more vehicles under the diminishing musharaka financing arrangements from First Habib Modaraba, for a period of 48 months commencing from September, 2024. The effective rate is 3 month KIBOR plus 2.25% (2023: 3 month KIBOR plus 2.25%) per annum and to be paid on monthly basis.

Note 17

Trade and Other Payables

	Note	2024 Rupees	2023 Rupees
Creditors - unsecured		38,638,472	18,657,173
Payable to related parties	17.1	185,864,839	127,390,178
Accrued liabilities		29,518,217	1,685,375
Advance from employees against vehicles		9,466,691	8,980,000
Payable to employees		1,531,899	9,536,456
Tax deducted at source		15,743,929	6,043,165
Sales tax payable		-	8,045,813
		280,764,047	180,338,160

17.1 Payable to related parties

Avanceon Saudi Energy Company		10,648,517	-
Empiric AI (Private) Limited	17.1.1	123,892,169	127,390,178
Avanceon FZE		30,504,579	-
Avanceon Automation & Control WLL		20,819,574	-
		185,864,839	127,390,178

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

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

Avanceon Saudi Energy Company	21,304,447	-
Empiric AI (Private) Limited	146,406,000	127,390,178
Avanceon FZE	34,823,409	-
Avanceon Automation and Control WLL, Qatar	144,161,571	-

Note 18

Contract Liabilities

	Note	2024 Rupees	2023 Rupees
Advances from customers	18.1	236,995	6,882,355
Billing in excess of earnings	18.2	1,987,058	5,160,542
		2,224,053	12,042,897

18.1 This amount relates to the advance received from customers for invoices to be recorded in the future.

18.2 Movement of billings in excess of earnings:

As at January 01	5,160,542	5,877,206
Addition during the year	-	1,080,360
Recognized as revenue during the year	(3,173,484)	(1,797,024)
As at December 31	1,987,058	5,160,542

18.3 The maximum amount outstanding at any time during the year calculated by reference to month end balances is Rs. 12,042,897.

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Note 19

Provision for Taxation

	2024	2023
	Rupees	Rupees
Opening balance	50,809,584	49,945,970
Add: Charge for the year	8,435,415	17,980,069
	59,244,999	67,926,039
Adjustments / payment against completed assessments	(36,845,523)	(17,116,455)
	22,399,476	50,809,584

Note 20

Contingencies and Commitments

20.1 There are no material contingencies and commitments of the Company outstanding as at December 31, 2024 (2023: Nil

Note 21

Revenue from Contracts with Customers - Net

	2024	2023
	Rupees	Rupees
Local Sales		
Sale of goods	5,006,459	2,979,613
Services rendered	155,955,756	56,098,943
AMS business services - Avanceon Limited	154,315,979	166,801,017
Subscription and digital business services	81,446,091	56,023,622
	396,724,285	281,903,195
Export Sales		
Revenue from export sales -subcontracted	420,052,000	525,193,184
Subscription and digital business - Export	15,537,505	-
Revenue from export sales -transfer of profits	81,991,165	134,432,939
	517,580,670	659,626,123
	914,304,955	941,529,318
Less: Sales tax		
Sale of goods	(901,163)	(454,517)
Services rendered	(62,674,852)	(37,956,613)
	(63,576,015)	(38,411,130)
	850,728,940	903,118,188

21.1 Disaggregation of revenue from contract with customers

Type of products - net local sales

Sale of goods	4,105,296	2,525,096
Services rendered	329,042,973	240,966,970
	333,148,269	243,492,066

Type of products - net export sales

Services rendered	517,580,670	659,626,123
	850,728,939	903,118,189

21.1 Country wise breakup of export revenue are:

Qatar	110,027,405	189,874,885
Dubai	252,823,613	444,634,541
Saudi Arabia	154,729,652	25,116,697
	517,580,670	659,626,123

21.2 Contract balances

Trade receivables	1,456,172,041	1,490,621,557
Contract assets	103,909,277	102,637,737
Contract liabilities	2,224,053	12,042,897

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

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OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Cost of Sales

	Note	2024 Rupees	2023 Rupees
Materials consumed		79,609,462	40,004,404
Salaries, wages, allowances and other benefits	22.1	54,446,935	19,375,214
Installation charges relating to engineering services		233,159,671	227,893,587
Travelling and conveyance relating to engineering services		67,263,429	59,543,345
Back office support		5,000,001	27,447,750
Telephone, postage and telex		1,588,846	2,705,594
Entertainment relating to engineering services		788,815	476,363
Fees and subscription		19,175,984	3,959,133
Rent, rates and taxes		92,500	262,500
Repairs and maintenance		1,127,062	766,899
Import cost		157,558	818,837
Training and tuition		24,485	66,390
Insurance		-	239,636
Depreciation on property and equipment	22	5,293,990	2,435,358
Other expenses		3,882,411	10,164,977
		471,611,149	396,159,987

22.1 This includes Rs. 5,441,171 (2023: 645,841) contribution to provident fund by the Company.

Note 23

Administrative Expenses

	Note	2024 Rupees	2023 Rupees
Salaries, wages, allowances and other benefits	23.1	167,579,823	135,894,913
Employees' share option expense		40,519,395	28,889,723
Travelling and conveyance		9,921,926	10,307,745
Back office support	23.2	5,000,000	27,447,750
Telephone, postage and telex		1,588,846	2,705,594
Rent, rates and taxes		92,500	262,500
Sales promotion expense		30,000	4,763,930
Legal and professional charges		4,185,479	39,502,303
Auditors' remuneration	23.3	2,483,000	2,250,875
Fee and subscription		17,975,182	7,047,376
Advertisement		446,400	1,112,060
Repairs and maintenance		1,127,062	766,899
Management fee		182,240	367,201
Insurance		5,676,144	239,636
Depreciation on property and equipment		5,293,990	2,435,358
Printing and stationery		389,593	466,392
Entertainment expense		3,440,495	2,522,872
Amortization		405,189	-
Other expenses		292,793	982,219
		266,630,057	267,965,346

23.1 This includes Rs. 12,696,066 (2023: Rs. 3,652,774) relating to provident fund contribution by the Company.

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

23.3 Auditor's remuneration

Statutory audit	1,300,000	1,267,875
Audit of consolidated financial statemetns	100,000	-
Half year review	483,000	483,000
Other certifications	100,000	-
Out of pocket expenses	500,000	500,000
	2,483,000	2,250,875

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OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Other Operating Expenses

	2024	2023
	Rupees	Rupees
Donation	350,000	150,000
Exchange loss	31,570,911	-
Current account expense (markup)	15,097,263	-
Allowance for expected credit losses - trade debts	1,034,771	(1,436,624)
Allowance for expected credit losses - contract assets	328,845	(11,002,113)
Allowance for expected credit losses - related parties	23,104,566	59,613,294
Penalty paid to Pakistan Stock Exchange Limited	345,000	85,000
	71,831,356	47,409,557

Note 25

Finance Cost

	2024	2023
	Rupees	Rupees
Markup on diminishing musharaka finance	2,975,129	1,504,705
Bank charges	564,454	121,895
	3,539,583	1,626,600

Note 26

Other Operating Income

	2024	2023
	Rupees	Rupees
Markup from related parties	61,344,082	91,304,929
Dividend on short term investment	1,094,378	139,813
Exchange gain - net	-	241,665,030
Other income	1,589,300	-
	64,027,760	333,109,772

Note 27

Levy / Final Taxation

	2024	2023
	Rupees	Rupees
Charge for the year	1,458,109	1,649,065
	1,458,109	1,649,065

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

Note 28

Taxation

	Note	2024	2023
		Rupees	Rupees
Current tax	28.2	5,584,245	31,276,061
Prior period adjustment		-	(13,295,992)
Deferred tax		1,666,027	(10,721,630)
		7,250,272	7,258,439

28.1 The current tax expense for the year is calculated using corporation tax rate of 29% (2023: 29%). Deferred tax assets and liabilities on temporary differences are measured at effective rate of 29% (2023: 29%).

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Note 28, Taxation - Contd...

28.2 Reconciliation of tax charge for the year

Profit before tax	101,144,555	523,066,470
Tax @ 29% (2023: 29%) on profit before taxation	29,331,921	151,689,276
Income chargable under final tax regime	-	(382,036,344)
Tax effect of add backs / allowed deductions	-	(33,181,640)
	130,476,476	259,537,762
Applicable income tax rate	29%	29%
Current tax	5,584,245	31,276,061

28.3 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows

Current Tax liability as per applicable tax laws	7,042,354	19,629,134
Portion of current tax liability representing income tax as per IAS -12	(5,584,245)	(17,980,069)
Portion of current tax liability representing levy as per IFRIC 21 / IAS 37	(1,458,109)	(1,649,065)
Difference	-	-

Note 29

Earnings Per Share

		2024	2023
		Rupees	Rupees
29.1 Basic earnings per share			
Net profit for the year	Rupees	92,436,174	515,808,031
Weighted average number of ordinary shares	Numbers	157,262,502	147,989,728
Earnings per share	Rupees	0.59	3.49
29.2 Diluted earnings per share			
Diluted earnings per share is calculated by adjusting weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.			
Net profit for the year	Rupees	92,436,174	515,808,031
Weighted average number of ordinary shares	Numbers	157,262,502	147,989,728
Adjustment for share options	Numbers	2,591,656	1,444,877
Weighted average number of ordinary shares for diluted earnings per share	Numbers	159,854,158	149,434,605
Diluted earnings per share	Rupees	0.58	3.45

Note 30

Liabilities arising from Financing Activities

	As at December 31, 2023	Non-cash changes	Cash flows (Net)	As at December 31, 2024
			---- Rupees----	
Diminishing musharaka finance	13,689,837	-	3,579,371	17,269,208
Total liabilities from financing activities	13,689,837	-	3,579,371	17,269,208

	As at December 31, 2022	Non-cash changes	Cash flows (Net)	As at December 31, 2023
			---- Rupees----	
Diminishing musharaka finance	-	-	-	13,689,837
Total liabilities from financing activities	-	-	-	13,689,837

30.1 The Company classifies the finance cost paid as cashflow from operating activities.

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Note 31

Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in the financial statements for remuneration, allowances including all benefits to the Chief Executive, Directors and other Executives of the Company are as follows:

	2024			
	Chief Executive Officer	**Executive Directors**	**Non Executive Directors**	**Executive**
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	13,285,580	14,341,392	-	95,709,669
House rent	1,328,558	2,912,877	-	9,570,967
Utilities	2,125,433	1,307,819	-	19,676,257
Provident fund	1,328,558	1,294,139	-	9,570,967
Others	20,700	224,595	-	807,000
	18,088,829	20,080,822	-	135,334,860
Number of persons	1	2	5	24

	2023			
	Chief Executive Officer	**Executive Directors**	**Non Executive Directors**	**Executive**
	Rupees	Rupees	Rupees	Rupees
Managerial remuneration	9,224,976	7,762,916	-	46,331,512
House rent	3,689,990	2,285,166	-	18,532,605
Utilities	922,498	571,292	-	4,314,270
Provident fund	922,498	571,292	-	4,633,151
Others	17,100	134,305	-	950,700
	14,777,062	11,324,971	-	74,762,238
Number of persons	1	2	4	17

31.1 Apart from the above, the chief executive officer and executives are provided with Company maintained cars.

31.2 No meeting fee has been paid to any director of the Company.

31.3 An executive is defined as an employee, other than chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 32

Balances and Transactions with Related Parties

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

Related Party	**Relationship**	**Nature of Transaction**	**2024** Rupees	**2023** Rupees
Avanceon FZE (AVFZE)	Associated Company due to common directorship	Sub-contracted services	26,001,175	110,119,544
		AMS business services rendered	21,192,996	59,722,117
		Trade debts	77,491,205	55,107,144
		Contract asset	2,966,356	1,461,002
		Other receivables	-	65,751,982
		Other payables	24,798,305	-
		Expenses incurred on behalf of the Company by AVFZE	13,564,226	10,431,418
		Payments to suppliers by AVFZE on behalf of the Company	31,762,130	119,609,550
		Markup payable on current account	(6,672,608)	5,706,273
		Exchange gain / loss	10,738,166	-
		Collection / adjustment from AVFZE	125,782,505	274,747,697
Avanceon Automation And Control WLL (AVAC)	Associated Company due to common directorship	Payments to suppliers by AVAC	3,064,655	19,401,614
		AMS business services rendered	40,864,670	52,293,440
		Trade debts	1,053,707,845	1,037,893,204
		Contract asset	5,290,704	8,203,884
		Sub-contracted services	211,958,943	392,341,101
		Exchange gain / loss	547,870	-
		Other payables	20,819,574	-
		Payments of Salaries by AVAC	126,488,952	-
		Collection/adjustment from AVAC	125,782,505	-
		Markup expense on current A/C AVAC	1,577,538	-
		Payment to employees by AVAC on behalf of the Company	27,623,147	22,969,055

Note 32, Balances and Transactions with Related Parties - Continued...

Avanceon Limited (AVL)	Parent Company	Loan adjusted/recovered during the year	-	300,000,000
		Trade debts	240,749,634	469,013,701
		Other receivables	56,087,633	69,202,314
		Contract assets	5,808,362	7,159,280
		Mark-up charged on loan	-	51,377,076
		Payments made to or on behalf of Parent Company	346,250,228	552,901,384
		Receipts / adjustments from AVL	85,481,817	126,450,273
		Markup on current Account - AVL	5,859,817	34,488,178
		Purchase of Empiric AI from AVL	-	440,023,210
		Acquisition of Empiric AI (Private) Ltd	-	111,265,634
		Payment to Suppliers by the Company	8,647,063	29,557,271
		Mark-up received/adjusted from AVL	-	91,621,736
		Back office support	113,404,521	54,895,500
		Building rent charged by AVL	-	360,000
		AMS business services rendered	84,604,806	103,634,440
		Sub-contracted services	45,020,616	38,244,341
Avanceon Saudi Energy Company - KSA (AVSEC)	Associated	Payment to Suppliers by AVSEC	-	6,025
		AMS business services rendered	19,933,501	-
		Subcontracted projects	131,215,547	2,699,315
		Trade debts	138,939,799	25,550,255
		Payable to AVSEC	10,648,517	-
		Payments to employee by AVSEC	14,352,985	178,916
		Payment/ adjusted to AVSEC	-	555,845
		Collection/ adjusted from AVSEC	8,439,040	615,734
		Contract asset	1,145,684	-
Octopus Digital Free Zone LLC (ODFZ LLC)	Subsidiary	Subcontracted projects	-	20,033,224
		Adjusted of receivable from AVFZE	-	386,665,399
		Investment in subsidiary	-	7,869,299
		Trade debts	63,815,199	20,033,224
		Other receivables	389,179,140	247,449,963
		Payment of salaries by the Company	12,041,644	-
		Back office support charged by the Company	33,391,331	-
		Cost of Intangibles to ODFZ LLC	366,110,367	-
		CWIP Cost by the Company	134,620,084	-
		Payment to suppliers by the Company	25,950,910	-
		Payment to employees by ODFZ LLC	7,455,426	-
		Collection/adjustment from ODFZ LLC	350,461	-
		Payment to suppliers by ODFZE	41,139,746	10,199,400
		Markup on current Account	48,811,656	11,145,948
		Exchange gain / loss	4,183,212	-
Empiric AI Private Limited	Subsidiary	Payment to employees by the Company	4,096,714	1,074,424
		Payment to Suppliers by Empiric AI (Private) Ltd	-	3,037,407
		Payable to Empiric AI (Private) Ltd	108,794,907	127,390,178
		Salary payments by the Company	13,652,522	9,534,615
		Receipts from Empiric AI (Private) Ltd	-	142,069,995
		Collection/adjustment to Empiric AI (Private) Ltd	66,279,491	2,794,500
		Payment to suppliers by the Company	27,813,686	27,813,686
		Back office support charged by the Company	9,930,583	-
		Markup expense on current Account by the Company	15,097,262	-

Note 33

Financial Risk Management

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

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

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Company's exposure resulting from outstanding import and export payments.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to US Dollars and UAE Dirham. The Company's exposure to currency risk as at reporting date is as follows:

Note 33 Financial Risk Management - Continued...

	Note	2024 Rupees	2023 Rupees
Trade debts	9	48,560,126	27,011,230
Trade and other payables	17	38,638,472	18,657,173
Due from related party	11	312,392,576	382,404,259
Bank Balances	13	8,954,766	29,359,272
Payable to related parties	17	185,864,839	127,390,178
		594,410,779	584,822,112

The following significant exchange rates were applied during the year.

December 31, 2024	**AED**	**USD**
Average rate	76.79	280.38
Reporting	76.15	278.35
December 31, 2023	**AED**	**USD**
Average rate	69.83	254.65
Reporting	77.43	282.4

Sensitivity analysis

If the functional currency, as at the reporting date, had weakened / strengthened by 1% against the foreign currencies with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 5.736 million (2023: Rs. 5.848 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not entirely reflect the exposure during the year.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Company is exposed to price risk in respect of certain investments amounting to Rs. 0.539 million (2023: Rs. 10.119 million).

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Company by Rs. 0.005 million (2023: Rs. 0.101 million) on the basis that all other variables remain constant.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from long-term borrowings. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk.

As at the reporting date the interest rate profile of the Company's interest bearing financial instruments was as under:

	Note	2024 Rupees	2023 Rupees
Floating rate instruments			
Financial liabilities			
Diminishing musharaka finance		17,269,208	13,689,837
Payable to related parties		185,864,839	127,390,178
		203,134,047	141,080,015
Financial assets			
Short term investments	12	538,824	10,118,841
Due from related party		312,392,576	382,404,259
		312,931,400	392,523,100

Cash flow sensitivity analysis for variable rate instruments

As at December 31, 2024, if interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 4.942 million (2023: Rs. 5.134 million), mainly as a result of interest exposure on variable rate instruments.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Note 33 Financial Risk Management - Continued...

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at December 31, 2024, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

Long term investments	8	447,892,509	447,892,509
Long term deposits		100,000	100,000
Trade debts	9	1,456,172,041	1,490,621,557
Contract assets	10	103,909,277	102,637,737
Advances, prepayments and other receivables	11	13,113,633	21,500,526
Short term investments	12	538,824	10,118,841
Bank balances	13	8,954,766	29,359,272

The aging of trade debts as at the reporting date was as follows:

Not due yet	24,626,888	24,789,941
1 - 30 days	24,392,381	24,553,881
31 - 60 days	25,541,980	25,711,091
61 - 180	177,598,960	178,774,828
More than 180 days	1,371,793,367	1,380,875,899
	1,623,953,576	1,634,705,640

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows:

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Credit Rating			2024	2023
	Short term	**Long term**	**Agency**	Rupees	Rupees
JS Bank Limited	A1+	AA	PACRA	12,463	58,274
Faysal Bank Limited	A1+	AA	PACRA	2,792,627	29,043,081
Dubai Islamic Bank	A1+	AA	VIS	423,701	70,133
MCB Islamic Bank	A1	A+	PACRA	173,864	187,784
Standard Chartered Bank	A1+	AAA	PACRA	5,339,883	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	212,228	-
				8,954,766	29,359,272

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities as at December 31, 2024:

Description	**Carrying Amount**	**Contractual cash flows**	**Within 1 year**	**1-2 Years**	**2-5 Years**	**Above 5 Years**
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Contractual maturities of financial liabilities as at December 31, 2024:						
Diminishing musharaka finance	17,269,208	22,737,328	7,507,392	7,507,392	7,722,544	-
Trade and other payables	265,020,118	265,020,118	265,020,118	-	-	-
	282,289,326	287,757,446	272,527,510	7,507,392	7,722,544	-
Contractual maturities of financial liabilities as at December 31, 2023:						
Diminishing musharaka finance	13,689,837	19,411,728	5,042,269	5,225,244	9,144,215	-
Trade and other payables	174,307,972	174,307,972	174,307,972	-	-	-
	187,997,809	193,719,700	179,350,241	5,225,244	9,144,215	-

Note 33, Financial Risk Management - Continued...

(d) Liquidity risk

Financial assets which are tradeable in open market are valued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

33.1 Financial instruments by categories

	2024	2023
a) Financial assets at amortised cost	Rupees	Rupees
Trade debts	1,456,172,041	1,490,621,557
Contract assets	103,909,277	102,637,737
Long term investments	447,892,509	447,892,509
Loans and advances	940,973,030	434,348,991
Cash and bank balances	8,954,766	29,359,272
Short term investments	538,824	10,118,841
	2,958,540,447	2,551,121,519
b) Financial liabilities at amortized cost		
Diminishing musharaka finance	17,269,208	13,689,837
Trade and other payables	280,764,047	180,338,160
	298,033,255	194,027,997

33.2 Fair value of financial instruments

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

The fair values of all financial assets and liabilities are not considered to be significantly different from their carrying values. The Company classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

There is no financial instrument which is remeasured at fair value.

Note 34

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.

In line with the industry norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital employed is calculated as equity, as shown in the statement of financial position, plus net debt.

As at the reporting date, the gearing ratio of the Company was worked out as under:

	2024	2023
	Rupees	Rupees
Total Borrowings-Diminishing Musharaka	17,269,208	13,689,837
Cash and bank balances	(8,954,766)	(29,359,272)
Net debt	8,314,442	-
Equity	2,691,128,640	2,570,475,795
Total capital employed	2,699,443,082	2,570,475,795
Gearing ratio %	0.31%	Not Geared

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OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Note 35
Shari'ah Screening Disclosure

	2024	2023
	Rupees	Rupees
Loans / advances obtained as per Islamic mode	17,269,208	13,689,837
Interest or mark up accrued on any conventional loan or advances	-	-
Shariah compliant bank deposits / bank balances	3,390,192	29,300,998
Profit earned from Shariah compliant bank deposits/bank balances	-	-
Revenue earned from a Shariah compliant business segment	850,728,940	903,118,188
Gain/loss or dividend earned from Shariah compliant investments	1,094,378	139,813
Exchange gain / (loss) earned from actual currency	(31,570,911)	241,665,030
Mark up paid on Islamic mode of financing	3,539,583	1,626,600
Interest paid on any conventional loan or advance	-	-

Note 36
Number of Employees

	2024	2023
	Number	Number
Total number of employees as at December 31,	91	85
Average number of employees during the year	88	75

Note 37
Date of Authorization for Issue

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on March 28, 2025.

Note 38
General

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

Nature	From	To	Amount
Administrative Expenses	Fee and subscription (Note 23)	Management fee (Note 23)	367,201
Allowance for expected credit losses - trade debts	Administrative Expenses (Note 23)	Other Operating Expenses (Note 24)	(1,436,624)
Allowance for expected credit losses - contract assets	Administrative Expenses (Note 23)	Other Operating Expenses (Note 24)	(11,002,113)
Allowance for expected credit losses - related parties	Administrative Expenses (Note 23)	Other Operating Expenses (Note 24)	59,613,294

etc

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Consolidated Financial Statements for the year ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCTOPUS DIGITAL LIMITED

Report on the audit of the consolidated financial statements

Opinion

We have audited the annexed consolidated financial statements of **OCTOPUS DIGITAL LIMITED** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matters:

Key Audit Matters	How the Matter was Addressed in our Report
1. Revenue	
Refer to Notes 3.10 and 20 to the financial statements. The Group has earned revenue of Rs. 1,266.023 million for the year ending December 31, 2024. The Group's revenue	Our key audit procedures included: • Obtaining an understanding of the Group's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those

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Key Audit Matters	How the Matter was Addressed in our Report
is derived from multiple revenue streams, as referred to in Note 20 to the accompanying financial statements, including product sale, rendering of services and provision of digital business services. Each stream has its own revenue recognition policy based on the nature of revenue and underlying contractual arrangements as referred to in Note 3.10. Certain contracts with customers require significant management judgment to determine the appropriate timing and method of revenue recognition. We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group with multiple revenue streams, inherent risk of material misstatement.	controls • Assessing the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards • Compared a sample of transactions comprising various revenue streams during the year with underlying documentation including contracts with customers, sales invoices and where relevant, underlying time sheets and other supporting documents to assess whether the revenue was recorded in accordance with the Group's revenue recognition policy and applicable financial reporting framework • Performed substantive analytical procedures by developing an expectation of project revenue for the year based on contracts entered to date and analyzing the amounts recognized against the cost incurred and time elapsed respectively • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

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auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those financial statements on April 26, 2024.

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

Lahore
Dated: April 03, 2025
UDIN: AR202410051XIkY7WpEo

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

OCTOPUS DIGITAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

	Note	2024	2023
		------Rupees in Thousands----	
ASSETS			
Non Current Assets			
Operating fixed assets	5	32,436	30,825
Intangible assets	6	772,127	556,513
Deferred tax assets	7	19,390	21,056
Long term deposits		100	100
		824,053	608,494
Current Assets			
Stock in trade		-	624
Trade debts	8	1,428,742	1,502,001
Contract assets	9	210,554	142,077
Advances, prepayments and other receivables	10	518,355	441,922
Short term investment	11	539	10,119
Bank balances	12	21,528	38,403
		2,179,718	2,135,146
		3,003,771	2,743,640
CAPITAL AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital	13	2,500,000	2,500,000
Issued, subscribed and paid up share capital	13	1,572,625	1,572,625
Capital reserves			
Group restructuring reserve	14	(1,050,259)	(1,050,259)
Employees' share compensation reserve		37,479	9,263
Exchange translation reserve		4,226	-
Share premium		789,209	789,209
Revenue reserve - unappropriated profits		1,346,008	1,140,983
		1,126,663	889,196
Shareholder' s Equity		2,699,288	2,461,821
Non Current Liabilities			
Diminishing musharaka finance	15	12,810	11,102
Current Liabilities			
Trade and other payables	16	262,230	203,409
Contract liabilities	17	2,224	12,042
Current portion of diminishing musharaka finance	15	4,460	2,588
Provision for taxation	18	22,759	52,678
		291,673	270,717
Contingencies and Commitments	19	-	-
		3,003,771	2,743,640

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Note	2024	2023
		------Rupees in Thousands----	
Revenue	20	1,266,023	919,671
Cost of sales	21	(655,117)	(544,587)
Gross Profit		610,906	375,084
Administrative and selling expenses	22	(368,186)	(321,606)
Operating Profit		242,720	53,478
Other operating expenses	23	(57,982)	(47,410)
Finance cost	24	(4,398)	(1,720)
Other operating income	25	31,486	375,663
Profit before Levy and Taxation		211,826	380,011
Levy / final taxation (2023: Restated)	26	(1,815)	(2,580)
Profit before Taxation		210,011	377,431
Taxation (2023: Restated)	27	(4,986)	(4,018)
Net Profit for the Year		205,025	373,413
Earnings per share - Basic	28	1.30	2.52
Earnings per share - Diluted	28	1.28	2.50

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
	------Rupees in Thousands----	
Net Profit for the Year	205,025	373,413
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	-	-
Exchange difference on translating foreign operations	4,226	-
	4,226	-
Total Comprehensive Income for the Year	209,251	373,413

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Issued, Subscribed and Paid up Share Capital	Capital Reserve				Revenue Reserve	Total
		Group Restructuring Reserve	Employees' Share Compensation Reserve	Exchange Revaluation Reserve	Share Premium	Unappropriated Profit	
	------Rupees in Thousands----						
Balance as at January 01, 2023	1,367,500	(1,084,000)	-	-	789,209	972,695	2,045,404
Net profit for the year	-	-	-	-	-	373,413	373,413
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	373,413	373,413
Employee share option reserve	-	-	9,263	-	-	-	9,263
Adjustment due to acquisition of subsidiary	-	33,741	-	-	-	-	33,741
Transaction with owners							
Bonus shares issued @15%	205,125	-	-		-	(205,125)	-
Balance as at December 31, 2023	1,572,625	(1,050,259)	9,263	-	789,209	1,140,983	2,461,821
Net profit for the year	-	-	-	-	-	205,025	205,025
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	205,025	205,025
Exchange difference on translating foreign operations	-	-	-	4,226	-	-	4,226
Employee share option reserve	-	-	28,216	-	-	-	28,216
Balance as at December 31, 2024	1,572,625	(1,050,259)	37,479	4,226	789,209	1,346,008	2,699,288

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2024

	Notes	2024	2023
		------Rupees in Thousands----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before levy and taxation		211,826	380,011
Adjustments for:			
- Depreciation on operating fixed assets	5	12,652	5,571
- Amortization on intangible assets	6	42,608	-
- Allowance for expected credit losses - trade debts	8	830	(1,437)
- Allowance for expected credit losses - contract asset	9	329	(11,002)
- Allowance for expected credit losses - related party	8	23,105	59,613
- Employees' share option reserve	22	28,216	28,890
- Dividend income from other financial assets	25	(1,094)	(722)
- Exchange (loss) / Gain	23	32,945	(233,741)
- Markup income on loan to Parent Group	25	(14,416)	(83,540)
- Foreign operation translation reserve		4,226	-
- Remission of liabilities	25	(10,607)	-
- Profit on savings accounts	25	655	-
- Reversal of provision for expected credit loss	25	(3,125)	-
- Finance cost	24	4,398	1,597
		120,722	(234,771)
Operating profit before working capital changes		332,548	145,240
(Increase) / decrease in current assets:			
- Stock in trade		624	(624)
- Trade debts	8	56,904	(90,345)
- Contract assets	9	(68,806)	(35,454)
- Advances, prepayments and other receivables	10	(117,807)	(127,279)
(Decrease) / Increase in current liabilities:			
- Creditors, accrued and other liabilities	16	59,727	178,852
- Contract liabilities	17	(9,818)	5,374
		(79,176)	(69,476)
Cash Generated from Operations		253,372	75,764
Finance cost paid	24	(4,398)	(1,597)
Income tax paid	27	(7,619)	(18,323)
Net Cash Generated from Operating Activities		241,355	55,844
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(14,263)	(29,452)
Addition in intangible asset	6	(258,221)	(142,380)
Loan to ultimate Holding Group		-	130,597
Short term investment	11	10,674	(10,119)
Net Cash Used in Investing Activities		(261,810)	(51,354)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term diminishing musharaka repaid	15	(2,845)	(728)
Long term diminishing musharaka obtained	15	6,425	14,418
Net Cash Generated from Financing Activities		3,580	13,690
Net (Decrease) / Increase in Cash and Cash Equivalents		(16,875)	18,180
Cash and cash equivalents at the beginning of the year	12	38,403	20,223
Cash and Cash Equivalents at the End of the Year		21,528	38,403

The annexed notes from 1 to 40 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

OCTOPUS DIGITAL LIMITED

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1
The Group and its Operations

1.1 The Group consists of:

	Note	Status within the Group
- Octopus Digital Limited (ODL)	1.2	Holding Company
- Empiric AI (Private) Limited (EAL)	1.3	Subsidiary of ODL
- Octopus Digital FZ LLC (ODFZ)	1.4	Subsidiary of ODL

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

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

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

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

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

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

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

1.5 Consolidated Financial Statements

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

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.

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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 Use of estimates and judgments

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

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

- Useful lives, residual values and depreciation method of operating fixed assets – Note 3.1 & 5
- Useful lives, residual values and amortization method of intangible assets – Note 3.2 & 6
- Provision for obsolescence of inventories - Note 3.4
- Revenue from contract with customers - Note 3.11 & 20
- Impairment loss of non-financial assets other than inventories – Note 3.19
- Provision for expected credit losses – Note 3.6 & 8
- Estimation of provisions - Note 4.2
- Estimation of contingent liabilities - Note 4.4 & 19
- Current income tax expense, provision for current tax and recognition of deferred tax asset / liabilities - Note 3.10, 7, 18 & 27

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

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Note 2, Basis of Preparation - Continued...

2.6 Changes in accounting standards, interpretations and pronouncements

***2.6.1* 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

***2.6.2* IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes (the Guidance) issued by ICAP**

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). In accordance with the Guidance, the Group has changed its accounting policy to recognise minimum and final taxes as 'Levy' under 'IAS 37 Provisions, Contingent Liabilities and Contingent Assets' which were previously being recognised as 'Income tax'.

The Group has accounted for the effects of these changes in accounting policy retrospectively under 'IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors' and the corresponding figures have been restated in these financial statements. The effects of restatements are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	------Rupees in Thousands----		
Effect on statement of profit or loss			
For the year ended December 31, 2024			
Profit before tax	211,826	1,458	210,368
Taxation	(6,801)	(1,458)	(5,343)
Profit after tax	205,025	-	205,025
For the year ended December 31, 2023			
Profit before tax	380,011	1,649	378,362
Taxation	(6,598)	(1,649)	(4,949)
Profit after tax	373,413	-	373,413

The related changes to the statement of cash flows with respect to the amount of profit before taxation have been made as well. There is no impact on profit / (loss) after tax and earning / (loss) per share, basic and diluted.

***2.6.3* 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 01, 2025
IFRS 7 & 9	Amendments to Classification and Measurement of Financial Instruements - Amendments to IFRS 7 and IFRS 9	January 01, 2026
IFRS 7 & 9	Contracts referencing Nature-dependent Electricity	January 01, 2026
IFRS 1, 7, 9, 10 & IAS 7	Annual Improvements to IFRS Accounting Standards	January 01, 2026

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OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Consolidated Financial Statements

Note 2, Basis of Preparation - Continued...

2.6.4 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
Material Accounting Policy Information

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

3.1 Operating fixed assets

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

Depreciation is charged to the profit or loss using straight line method so as to write off the historical cost of an asset over its estimated useful life at the rates specified in Note 5 without taking into account any residual value which is considered insignificant.Full month's depreciation is charged on additions during the month, whereas no depreciation is charged on assets disposed off during the month.

Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

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

Disposal

The gain or loss arising on disposal or retirement of an item of opeating fixed assets is determined as difference between sales proceeds and carrying amounts of the asset and is recognized as gain / (loss) on disposal of opeating fixed assets into the profit or loss.

Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to operating fixed assets as and when these are available for use.

Impairment

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

3.2 Intangible assets

Research and software products development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, it is probable that future economic benefits will flow to the Group, the Group has an intention and ability to complete and use or sell the software and cost can be measured reliably.

There are two components of intangible assets:
a. In-house developed intangible assets
b. Intangible assets acquired from market

(a) In-house developed intangible assets

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

Amortization is charged on straight line basis over the useful life of the intangible assets. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Rates of amortization are stated in note 6.

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OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Consolidated Financial Statements

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

(b) Intangible assets acquired from market

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

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

Amortization is charged by applying straight line method to write off the cost over the remaining useful life of the intangible assets unless such lives are indefinite. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Amortization is charged from the date the asset is acquired or capitalized uptil the date the asset is disposed for impairment. Rates of amortization are stated in note 6.1.

3.3 Stock in trade

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

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

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

3.4 Financial instruments

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

3.4.1 Financial assets

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

Classification

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

Initial recognition and measurement

All financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition except for trade receivable. Trade receivables are initially measured at the transaction price.

Subsequent measurement

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

Derecognition

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

Impairment of financial assets

The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group recognizes a loss allowance for expected credit losses on a financial asset measured at amortized cost.

The Group measures, at each reporting date, the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Where the credit risk on a financial instrument has not increased significantly since the initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognizes the amount of expected credit losses (or reversal), that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, in the profit or loss.

3.4.2 **Financial liabilities**

a) Initial recognition and measurement

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

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OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Consolidated Financial Statements

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

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

b) Subsequent measurement

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

3.4.3 Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Group has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.5 Balances from contract with customers

Contract assets

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

Trade receivables

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

Contract liabilities

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

Write-off policy

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

3.6 Cash and cash equivalents

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

3.7 Trade and other payables

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

3.8 Staff retirement benefits

The Group operates a defined contribution provident fund for its employees. Equal monthly contributions are made both by the Group and the employees to the fund at the rate of 10% (2023:10%) of the basic salary. The Group contribution is recognized as cost in the profit or loss.

3.9 Taxation

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

Current

The charge for current tax is based on taxable income for the year determined in accordance with the prevailing law in territories of respective group companies for taxation of income.

Deferred

Deferred tax is recognized using the reporting date liability method on all temporary differences between the carrying amount of assets and liabilities and their tax bases. Deferred tax liabilities are recognized for all major taxable temporary differences. Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized and income is taxable in respective territories of group companies.

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OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Consolidated Financial Statements

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

3.10 Revenue recognition

Revenue is to be recognised in accordance with the aforementioned principle by applying the following steps:
i) Identify the contract with a customer.
ii) Identify the performance obligation in the contract.
iii) Determine the transaction price of the contract.
iv) Allocate the transaction price to each of the separate performance obligations in the contract.
v) Recognize the revenue when (or as) the entity satisfies a performance obligation.

Sale of goods

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

Fee for Technical Services

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

Rendering of services

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

Project revenue

These comprise of projects such as hardware and software automation, efficiency solution, Scada upgradation etc. Revenue from these projects is accounted for using cost to cost method, according to which the Group's progress towards satisfaction of performance obligations is determined by dividing actual cost incurred on the project to date by total forecasted cost, which is calculated by a team of engineers on the inception of the project. Project revenue is recognized at a point over time.

3.11 Share based payment transactions

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

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

When share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital (nominal value) and share premium.

3.12 Earnings per share - basic and diluted

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

3.13 Fair value measurement

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

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

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

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

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

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

3.14 Share capital

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

3.15 Related party transactions

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

3.16 Foreign currency transactions and translation

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities measured at fair value through OCI are recognised in other comprehensive income.

3.17 Impairment of non financial assets

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

3.18 Segment reporting

The chief operating decision-maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Senior Management Team that makes strategic decisions. The management has determined the operating segments based on the reports reviewed by CODM of the Group. For management purposes, the Group is organized into operating segments based on their products and services. Each operating segment has a manager responsible for the operations who periodically reports to the CODM the outcome of the operating segment's efforts and its resource requirements. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.19 Provisions

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

3.20 Contingent liabilities

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

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

Note 4

Other Accounting Policy Information

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

4.1 Leases

For contracts entered into, or modified, on or after January 1, 2019, the Group assesses whether a contract contains a lease or not at the inception of a contract. The Group reassesses whether a contract is, or contains, a lease further when the terms and conditions of the contract are modified.

etc.

OCTOPUS DIGITAL LIMITED
Notes to and Forming Part of the Consolidated Financial Statements

Note 4, Other Accounting Policy Information - Continued...

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain to not to exercise that option.

The Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in the determination of the lease term.

The Group revises the lease term if there is a change in the non-cancellable period of a lease.

4.1.1 *Group as a lessee*

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value. The Group recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

4.1.1.2 Initial measurement

Lease liability

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Group incremental borrowing rate if the implicit rate is not readily available. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Right-to-use asset

The Group initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

4.1.1.3 Subsequent measurement

Lease liability

After the commencement date, the Group re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Lease liability payable in foreign currency is translated to local currency of the Group i.e. Pak Rupees at the reporting date. Any foreign exchange differences arising on translation of lease liability are recognized in profit or loss.

Right-to-use asset

After the commencement date, the Group measures the right-to-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Group depreciates the cost of right-to-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-to-use asset reflects that the Group will exercise the purchase option, the Group depreciates the right-to-use asset from the commencement date to the end of the useful life of the underlying asset.

3.3 Dividend and other appropriations

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

3.3 Borrowing costs

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

OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 5

Operating Fixed Assets

Description	Tools and equipment	Office equipment	Furniture	Computers	Vehicles	Total
			------Rupees in Thousands----			
Year Ended December 31, 2024						
Cost						
Balance as at January 01, 2024	5,353	723	21	15,729	17,632	39,458
Additions	58	260	-	6,658	7,287	14,263
Balance as at December 31, 2024	5,411	983	21	22,387	24,919	53,721
Accumulated depreciation						
Balance as at January 01, 2024	2,857	177	3	4,421	1,175	8,633
Charge for the year	1,082	333	4	7,096	4,137	12,652
Balance as at December 31, 2024	3,939	510	7	11,517	5,312	21,285
Balance as at December 31, 2024	1,472	473	14	10,870	19,607	32,436
Depreciation Rates	20%	20% - 25%	20% - 25%	25% - 33.33%	20%	
Year Ended December 31, 2023						
Cost						
Balance as at January 01, 2023	4,244	55	-	2,716	-	7,015
Additions	1,109	668	21	13,013	17,632	32,443
Balance as at December 31, 2023	5,353	723	21	15,729	17,632	39,458
Accumulated depreciation						
Balance as at January 01, 2023	1,821	42	-	1,200	-	3,063
Charge for the year	1,036	135	3	3,221	1,175	5,570
Balance as at December 31, 2023	2,857	177	3	4,421	1,175	8,633
Balance as at December 31, 2023	2,496	546	18	11,308	16,457	30,825
Depreciation Rates	20%	20% - 25%	20% - 25%	25% - 33.33%	20%	

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

	Note	2024	2023
		------Rupees in Thousands----	
Cost of sales	21	7,358	2,774
Administrative expenses	22	5,294	2,796
		12,652	5,570

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

Computers	1,556	104
Office equipment	55	-
Total	1,611	104

5.3 All assets are in the name of the Group and in the Group's possession and control except for those obtained through Diminishing Musharakah from First Habib Modaraba having cost amounting to Rs. 24.919 million (2023: Rs. 17.632 million).

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OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 6
Intangible Assets

	Note	2024	2023
		------Rupees in Thousands----	
Intangible assets	6.1	401,999	72,639
Capital work-in-progress - software	6.2	148,317	262,064
Goodwill	6.6 & 6.7	221,811	221,811
		772,127	556,514

6.1 Intangible assets

Opening book value		72,639	-
Add: Additions during the year - cost	6.4 & 6.5	371,968	77,741
Less: Amortization	6.3	(42,588)	(5,102)
Exchange adjustment		(20)	-
Closing book value		401,999	72,639
Amortization rate		10%-20%	10%-20%

6.2 Capital work-in-progress - software

Opening book value	262,064	119,684
Add: Additions during the year - cost	252,363	142,380
	514,427	262,064
Transfer during the year to intangibles	(366,110)	-
Closing book value	148,317	262,064

6.3 Amortization charge for the year has been allocated to cost of sales and administrative expenses.

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

6.5 As at December 31, 2024, the carrying value of Omniconnect is Rs. 292.79 million (2023: Rs. 212.01 million), Fintech Fuel is Rs. 22.01 million (2023: Rs. 14.63 million), Priority Suite is Rs. 10.40 million (2023: Rs. 6.92 million), Fuel Bureau is Rs. 14.38 million (2023: Rs. 9.56 million), Industrial Analytics is Rs. 26.53 million (2023: Rs. 14.89 million) and Website Cost is Rs. 3.65 million (2023: Rs. 4.05 million). The residual value of these intangible assets is insignificant. These intangibles are internally generated.

6.6 Goodwill arising from the acquisition has been recognised as follows:

Consideration transferred	440,024	440,024
Carrying value of identifiable net assets	(218,213)	(218,213)
Goodwill	221,811	221,811

6.7 The goodwill is attributable to the skills and technical talent of Empiric AI (Private) Limited's workforce and the synergies expected to be achieved from integrating the Group into it's existing Standard Artificial Intelligence business. None of the goodwill recognised is expected to be deductible for tax purposes.

Note 7
Deferred Taxation

	Note	2024	2023
		---- Rupees in Thousands ----	
Deferred tax asset	7.1	19,390	21,056

7.1 Breakup of Deferred tax Asset

Taxable temporary differences		
Accelerated tax depreciation	(363)	(329)
Deductible temporary differences		
Deferred tax on alternate corporate tax	-	9,925
Allowance for expected credit loss	19,753	11,460
	19,390	21,056

7.2 Deferred tax assets / liabilities on temporary differences are measured at effective rate of 29% (2023: 29%).

7.3 Reconciliation of deferred tax liabilities / (assets) - Net

Opening balance	21,056	10,334
Deferred tax (expense) / income during the year recognised in profit or loss account	(1,666)	10,722
Closing balance	19,390	21,056

7.4 Analysis of deferred tax

	Statement of Financial Position		Statement of Profit or Loss	
	2024	2023	2024	2023
Accelerated tax depreciation and amortization	(363)	(329)	(34)	(276.1)
Provision for doubtful debts	19,452	11,282	8,170	1,057
Provision for contract assets	301	178	123	17
Alternate corporate tax	-	9,925	(9,925)	9,925
	19,390	21,056	(1,666)	10,723

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Note 8
Trade Debts

	Note	2024	2023
		---- Rupees in Thousands ----	
Due from related parties - unsecured	8.1	1,510,889	1,610,160
Less: Allowance for expected credit loss	8.3	(167,092)	(143,987)
		1,343,797	1,466,173
Due from others - unsecured	8.4	85,872	39,050
Less: Allowance for expected credit loss	8.5	(927)	(3,222)
		84,945	35,828
		1,428,742	1,502,001

8.1 Due from related party

Avanceon Limited		240,750	469,014
Avanceon FZE		77,491	77,703
Avanceon Automation & Control WLL		1,053,708	1,037,893
Avanceon Saudi for Energy Company		138,940	25,550
		1,510,889	1,610,160
Less: Allowance for expected credit losses	8.3	(167,092)	(143,987)
		1,343,797	1,466,173

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

8.2 Aging of outstanding balance of related parties as at December 31, 2024, is as under:

2024

	Avanceon Limited	Avanceon FZE	Avanceon Automation and Control WLL	Avanceon Saudi for Energy Company	Total
	---- Rupees in Thousands ----				
Not overdue	6,143	221	3,448	11,516	21,328
Past due less than 30 days	1,208	192	-	-	1,400
Past due less than 90 days	10,615	-	4,464	12,081	27,160
Past due less than 180 days	15,571	1,041	2,428	12,487	31,527
Past due less than 360 days	54,476	13,380	60,354	43,053	171,263
Past due over 360 days & above	152,737	62,658	983,014	59,802	1,258,211
	240,750	77,492	1,053,708	138,939	1,510,889

2023

	Avanceon Limited	Avanceon FZE	Avanceon Automation and Control WLL	Avanceon Saudi for Energy Group	Total
	---- Rupees in Thousands ----				
Not overdue	104,030	-	205,238	6,582	315,850
Past due less than 30 days	1,074	77,702	-	-	78,776
Past due less than 90 days	19,001	-	105,530	346	124,877
Past due less than 180 days	25,288	-	40,709	9,174	75,171
Past due less than 360 days	24,789	-	289,724	9,449	323,962
Past due over 360 days & above	294,832	-	396,692	-	691,524
	469,014	77,702	77,492	25,551	1,610,160

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

	2024	2023
	---- Rupees in Thousands ----	
Avanceon Limited	240,750	469,014
Avanceon FZE	83,316	480,403
Avanceon Automation & Control WLL	1,173,085	1,172,235
Avanceon Saudi Energy Group	138,940	25,550

8.3 Allowance for expected credit losses - Related party

Opening balance		143,987	84,374
Loss allowance for the year		23,105	59,613
		167,092	143,987
Less: Bad debts written off		-	-
As at December 31	8.3.1	167,092	143,987

8.3.1 This represents the Expected Credit Loss (ECL) on account of time value of money, based on the duly approved management plan for the recovery of these balances within twelve months from the reporting date. No credit loss is expected in respect of these balances, as all counterparties are controlled by the Company. The assessment has been made in accordance with IFRS 9, considering the short-term nature of the balances and the Company's expectation of full recovery.

8.4 Ageing of due from others

	2024	2023
	---- Rupees in Thousands ----	
Not overdue	36,083	1,708
Past due less than 30 days	17,061	9,352
Past due less than 90 days	6,459	2,250
Past due less than 180 days	3,357	1,247
Past due less than 360 days	8,590	4,717
Past due over 360 days & above	14,322	7,834
Total	85,872	27,108

8.5 Allowance for expected credit losses

As of January 01		3,222	1,838
Written off during the year		-	(304)
Add: (Reversal) / allowance for the year	8.5.1	(2,295)	1,688
As at December 31		927	3,222

8.5.1 Due to recovery of old age buckets of the debtors, Empiric AI (Private) Limited has reversed the allowance for exepected credit loss amounting to Rs. 3.125 million (2023: Nil.)

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OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 9
Contract Assets

	Note	2024	2023
		---- Rupees in Thousands ----	
Contract assets		213,160	144,354
Less: Allowance for expected credit losses	9.2	(2,606)	(2,277)
		210,554	142,077

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

9.2 Allowance for expected credit losses

As of January 01	2,277	13,279
Add: (Reversal) / allowance for the year	329	(11,002)
As at December 31	2,606	2,277

Note 10
Loans, Advances and Prepayments

	Note	2024	2023
		---- Rupees in Thousands ----	
Advances - considered good - unsecured			
- To employees against expenses		10,017	21,033
- To suppliers		8,837	7,904
		18,854	28,937
Prepayments		2,934	1,422
Due from related party - unsecured	10.1	426,144	382,267
Markup receivable from the Parent Group	10.3	47,020	-
Sales tax refundable		10,480	-
Tax refunds due from the government -Income tax		11,379	24,633
Advance tax paid to FBR		-	4,481
Other receivables - considered good		1,544	182
		518,355	441,922

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

Avanceon Limited	56,473	69,202
Avanceon FZE	304,806	313,065
Avanceon Automation & Control WLL	64,865	-
	426,144	382,267

10.2 The maximum amount outstanding in current account at any time during the year calculated by reference to the month end balances is as follows:

Avanceon Limited	132,340	291,529
Avanceon FZE	304,806	313,065
Avanceon Automation & Control WLL	64,865	-

10.3 The balances with related parties are maintained on a running account basis and interest @ 01 month KIBOR is charged on the outstanding balance at the end of each month.

Note 11
Short Term Investment

	Note	2024	2023
		---- Rupees in Thousands ----	
MCB Money Market Fund 5,145 units (2023: 100,492 units)	11.1	539	10,119

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

Note 12
Bank Balances

	Note	2024	2023
		---- Rupees in Thousands ----	
Current Accounts:			
- Local - conventional banks		6,224	6,743
- Local - Shariah-compliant banks		3,390	29,301
- Foreign - current accounts		11,652	957
Saving Accounts:			
- Local - saving banks	12.2	262	1,402
		21,528	38,403

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

12.2 Profit on balances in saving accounts ranges from 14% to 21% (2023: 15.10% to 19.25%) per annum.

Note 13
Share Capital

13.1 Authorized share capital

2024	2023		Note	2024	2023
Number of Shares				---- Rupees in Thousands ----	
250,000,000	250,000,000	Authorized ordinary shares of Rs. 10 each		2,500,000	2,500,000

13.2 Issued, subscribed and paid up capital

28,350,002	28,350,002	Ordinary shares of Rs. 10 each issued as fully paid in cash		283,500	283,500
108,400,000	108,400,000	Ordinary shares of Rs. 10 each issued for consideration other than in cash	13.5	1,084,000	1,084,000
20,512,500	20,512,500	Ordinary shares of Rs. 10 each issued as fully paid bonus shares		205,125	205,125
157,262,502	157,262,502			1,572,625	1,572,625

13.3 Reconciliation of number of shares outstanding

Number of shares outstanding at the beginning of the year	1,572,625	1,367,500
Shares alloted as bonus shares	-	205,125
Number of shares outstanding as at the end of the year	1,572,625	1,572,625

13.4 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 Group. Voting and other rights are in proportion to the shareholding.

13.5 These shares were issued against the transfer of business of After Market Support Segment from the ultimate parent company to the Group.

13.6 Avanceon Limited, Pakistan is the parent company holding 74% (2023 : 74%) of issued capital of the Group.

13.7 The Group is not subject to any externally imposed capital requirements for the financial years 2024 and 2023.

Note 14
Reserves

		2024	2023
		---- Rupees in Thousands ----	
Capital Reserve			
Share premium	14.1	789,209	789,209
Employees' share compensation reserve	14.2	37,480	9,264
Exchange difference on translating foreign operations		4,226	-
Group restructuring reserve		(1,050,259)	(1,050,259)
		(219,344)	(251,786)
Revenue Reserve			
Unappropriated profit		1,346,008	1,140,983
		1,126,664	889,197

14.1 This reserve can be utilized by the Group only for the purposes specified in Section 81(2) of the Companies Act, 2017.

14.2 Share Options Scheme

Balance as at the beginning of the year	9,264	-
Compensation expense booked during the period	28,216	9,264
Balance at the end of the year	37,480	9,264

Description of scheme

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

Measurement of fair value

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

Total number of options granted	3,084,166	1,444,877
Per option fair value at the grant date	62.66	32.96
Average 30 days per share price preceding the date of grant		
Exercise price per option	10	10
Annual rate of quarterly dividends	0.00%	0.00%
Discount rate - bond equivalent yield	10%	14%
Annual volatility	111%	35%

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Note 14, Reserves - Contd...

14.3 Group restructuring reserve

	2024	2023
	---- Rupees in Thousands ----	
Opening reserve as on December 31,	(1,050,259)	(1,084,000)
Adjustment due to acquisition of subsidiary	-	33,741
	(1,050,259)	(1,050,259)

14.4 This represents adjustment on account of acquisition of a subsidiary Empiric AI (Private) Limited from Avanceon Limited, the Ultimate Parent Company.

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:

	2024		2023	
	Number of options	Weighted Average exercise price	Number of options	Weighted Average exercise price
Options outstanding at the beginning of the year	1,444,877	10.00	-	-
Options granted during the year	1,639,289	10.00	1,444,877	10.00
Options outstanding at the end of the year	3,084,166	10.00	1,444,877	10.00

14.2.1 Out of the total 3.084 million options granted, the directors and executives are entitiled to 1.665 million (2023: 1.665 million) and 1.335 million (2023: 1.335 million) options respectively.

Note 15

Long Term Diminishing Musharaka

	Note	2024	2023
		---- Rupees in Thousands ----	
Long Term Diminishing Musharaka - secured	15.1	17,270	13,690
Current portion		(4,460)	(2,588)
		12,810	11,102

15.1 The Group had acquired certain vehicles under the diminishing musharaka financing arrangements from First Habib Modaraba, for a period of 48 months commencing from October, 2023. During the year the Group acquired 02 more vehicles under the diminishing musharaka financing arrangements from First Habib Modaraba, for a period of 48 months commencing from September 15, 2024. The effective rate is 3 month KIBOR plus 2.25% (2023: 3 month KIBOR plus 2.25%) per annum and to be paid on monthly basis.

Note 16

Trade and Other Payables

	Note	2024	2023
		---- Rupees in Thousands ----	
Creditors-unsecured		43,104	55,813
Payable to related parties	16.1	110,493	62,513
Accrued liabilities		32,418	7,439
Payable to employees		1,532	9,537
Tax deducted at source		15,744	6,043
Sales tax payable		311	43,895
Advance from employees against vehicles		9,467	8,980
Payable to provident fund		11,535	7,761
Other payables		37,626	1,428
		262,230	203,409

16.1 Payable to related parties

Avanceon Limited	39,346	38,115
Avanceon Saudi Energy Group	19,414	14,780
Avanceon Automation and Control WLL, Qatar	20,820	4,106
Avanceon FZE	30,913	5,512
	110,493	62,513

Note 17

Contract Liabilities

	Note	2024	2023
		---- Rupees in Thousands ----	
Advances from customers	17.1	237	6,882
Billing in excess of earnings	17.2	1,987	5,160
		2,224	12,042

17.1 This amount relates to the advance received from customers for invoices to be recorded in the future.

17.2 Movement of billings in excess of earnings

As at January 01	5,160	5,877
Addition during the year	-	1,080
Recognized as revenue during the year	(3,173)	(1,797)
As at December 31	1,987	5,160

Note 18
Provision for Taxation

	2024	2023
	---- Rupees in Thousands ----	
Opening balance	52,678	49,946
Add: Charge for the year	9,065	17,320
Prior year adjustment	(2,264)	-
	59,479	67,266
Adjustments / payment against completed assessments	(36,720)	(14,588)
	22,759	52,678

Note 19
Contingencies and Commitments

19.1 There are no material contingencies and commitments of the Group outstanding as at December 31, 2024 (2023: Nil).

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Note 20
Revenue

	2024	2023
	---- Rupees in Thousands ----	
Local Sales		
Sale of goods	4,890	2,980
Services rendered	156,149	137,950
AMS business services	154,507	162,369
Subscription and digital business services	28,861	-
	344,407	303,299
Export Sales		
Revenue from export sales - subcontracted	764,118	520,331
Subscription and digital business - Export	132,433	-
Revenue from export sales - transfer of profits	81,990	134,433
	978,541	654,764
	1,322,948	958,063
Less: Sales tax		
Sale of goods	(785)	(455)
Services rendered	(54,676)	(37,937)
	(55,461)	(38,392)
Less : Discount allowed	(1,464)	-
	1,266,023	919,671

20.1 Disaggregation of revenue from contract with customers

Type of products - net local sales

Sale of goods	4,105	2,525
Services rendered	284,841	262,382
	288,946	264,907
Type of products - net export sales		
Services rendered	977,077	654,764

20.2 Country wise breakup of export revenue are:

Qatar	110,027	-
Dubai	514,559	629,647
Kingdom of Saudi Arabia	153,266	25,117
Others	199,225	-
	977,077	654,764

20.3 Contract balances

Trade receivables	1,428,742	1,502,001
Contract assets	210,554	142,077
Contract liabilities	2,224	12,042

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

20.5 This represents the revenue earned from shariah compliant activities.

Note 21
Cost of Sales

	Note	2024	2023
		---- Rupees in Thousands ----	
Materials consumed		87,324	40,004
Salaries, wages, allowances and other benefits	21.1	91,803	155,029
Installation charges relating to engineering services		342,215	227,893
Travelling and conveyance relating to engineering services		70,723	63,241
Back office support	21.2	5,000	27,448
Telephone, postage and telex		1,589	2,766
Entertainment relating to engineering services		827	476
Fee and subscription		20,332	6,855
Rent, rates and taxes		93	942
Repairs and maintenance		1,127	767
Import cost		158	819
Training and tuition		24	66
Insurance		-	240
Depreciation on operating fixed assets	5.1	7,358	2,774
Other expenses		5,803	10,165
Amortization		20,741	5,102
		655,117	544,587

21.1 This includes Rs. 5.441 million (2023: 0.231 million) relating to provident fund contribution by the Group.

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

OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 22
Administrative and Selling Expenses

	Note	2024	2023
		---- Rupees in Thousands ----	
Salaries, wages, allowances and other benefits	22.1	198,899	138,841
Employees' share option expense		40,520	28,890
Travelling and conveyance		9,924	10,469
Back office support	21.2	48,450	41,171
Telephone, postage and telex		1,589	2,706
Rent, rates and taxes		309	1,067
Sales promotion expense		30	4,764
Legal and professional charges		4,455	33,769
Auditors' remuneration	22.2	3,840	4,032
Fee and subscription		19,379	10,869
Advertisement		446	1,112
Repairs and maintenance		1,127	767
Management fee		182	367
Insurance		5,676	240
Depreciation on operating fixed assets		5,294	2,797
Printing and stationery		390	466
Entertainment		3,440	2,522
Amortization		21,847	-
Other expense		2,389	983
Bad debt expense		-	35,774
		368,186	321,606

22.1 This includes Rs. 12.696 million (2023: Rs. 1.374 million) relating to provident fund contribution by the Group.

22.2 Auditor's remuneration

Statutory audit	2,657	3,050
Audit of consolidated financial statemetns	100	-
Half yearly review fee	483	483
Other certifications	100	-
Out of pocket expenses	500	500
	3,840	4,033

Note 23
Other Operating Expenses

	Note	2024	2023
		---- Rupees in Thousands ----	
Exchange loss - net		32,945	-
Donations		350	150
Penalty paid to Pakistan Stock Exchange Limited		345	85
Allowance for expected credit losses - trade debts - related parties	8.3	23,105	59,613
Allowance for expected credit losses - trade debts - others	8.5	830	(1,436)
Allowance for expected credit losses - contract assets	9.2	329	(11,002)
Zakat		78	-
		57,982	47,410

Note 24
Finance Cost

	2024	2023
	---- Rupees in Thousands ----	
Markup on diminishing musharaka finance	2,975	1,505
Bank charges	1,423	215
	4,398	1,720

Note 25
Other Operating Income

		2024	2023
		---- Rupees in Thousands ----	
Exchange gain - net		-	317,281
Markup from related parties		14,416	57,660
Remission of liabilities		10,607	-
Reversal of provision for expected credit loss	8.5	3,125	-
Profit on saving accounts		655	582
Dividend on short term investment		1,094	140
Other income		1,589	-
		31,486	375,663

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OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 26
Levy / Final Taxation

	2024	2023
	---- Rupees in Thousands ----	
Charge for the year	1,815	2,580

26.1 The Group falls under the ambit of final tax regime with respect to export sale under section 169 of the Income Tax Ordinance, 2001 for the current year.

26.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit or loss, is as follows

Current tax liability as per applicable tax laws	7,399	33,856
Portion of current tax liability representing income tax as per IAS -12	(5,584)	(31,276)
Portion of current tax liability representing levy as per IFRIC 21 / IAS 37	(1,815)	(2,580)
Difference	-	-

Note 27
Taxation

	Note	2024	2023
		---- Rupees in Thousands ----	
Current	26.2 & 27.1	5,584	31,276
Prior period adjustment		(2,264)	(16,536)
Deffered tax expense / (income)		1,666	(10,722)
		4,986	4,018

27.1 Reconciliation between accounting profit and tax expense for the current year is not presented as the provision for current income tax for the year is based on the local laws of the Group companies.

Note 28
Earnings Per Share

	2024	
	Rupees in Thousands	
28.1 Basic earnings per share		
Net profit for the year	205,025	373,413
Weighted average number of ordinary shares	157,263	147,990
Earnings per share	1.30	2.52

28.2 Diluted earnings per share

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

Net profit for the year	205,025	373,413
Weighted average number of ordinary shares	157,263	147,990
Adjustment for share options	3,084	1,445
Weighted average number of ordinary shares for diluted earnings per share	160,347	149,435
Diluted earnings per share	1.28	2.50

Note 29
Liabilities arising from Financing Activities

	Note	As at December 31, 2023	Non-cash changes	Cash flows (Net)	As at December 31, 2024
		---- Rupees in Thousands ----			
Diminishing musharaka finance - net	15	13,690	-	3,580	17,270

	Note	As at December 31, 2022	Non-cash changes	Cash flows (Net)	As at December 31, 2023
		---- Rupees in Thousands ----			
Diminishing musharaka finance - net	15	-	-	13,690	13,690

29.1 The Group classifies the finance cost paid as cashflow from operating activities.

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Note 30
Remuneration of Chief Executive Officer, Directors and Executives

The aggregate amounts charged in the financial statements for remuneration, allowances including all benefits to the Chief Executive, Directors and other Executives of the Group are as follows:

	2024			
	Chief Executive Officer	**Executive Directors**	**Non Executive Directors**	**Executives**
	---- Rupees in Thousands ----			
Managerial remuneration	13,286	14,341	-	105,755
House rent	1,329	2,913	-	11,277
Utilities	2,125	1,308	-	21,418
Provident fund	1,329	1,294	-	10,920
Other	21	225	-	887
	18,090	20,081	-	150,257
Number of persons	1	2	5	30

	2023			
	Chief Executive Officer	**Executive Directors**	**Non Executive Directors**	**Executives**
	---- Rupees in Thousands ----			
Managerial remuneration	9,225	12,263	-	110,760
House rent	3,690	2,285	-	44,304
Utilities	922	571	-	10,757
Provident fund	922	573	-	8,388
Other	17	319	-	1,694
	14,776	16,011	-	175,903
Number of persons	1	2	4	30

30.1 Apart from the above, the chief executive officer and executives are provided with Group maintained cars.

30.2 No meeting fee has been paid to any director of the Group.

30.3 An executive is defined as an employee, other than chief executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

Note 31
Balances and Transactions with Related Parties

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

Related Party	**Relationship**	**Nature of Transaction**	**2024**	**2023**
			---- Rupees in Thousands ----	
Avanceon FZE (AVFZE)	Associated Company due to common directorship	Sub-contracted services	26,001	110,120
		AMS business services rendered	21,193	59,722
		Trade debts	77,492	55,107
		Contract asset	-	1,461
		Other receivables	304,806	65,752
		Other payables	31,321	-
Avanceon Automation And Control WLL (AVAC)	Associated Company due to common directorship	Expenses incurred on behalf of the Company by	13,564	10,431
		Payments to suppliers by AVFZE on behalf of the Company	31,762	119,610
			-	-
		Markup payable on current account	(6,673)	5,706
		Exchange gain / loss	10,738	-
		Collection / adjustment from AVFZE	125,783	274,748
		Payments to suppliers by AVAC	3,065	19,402
		AMS business services rendered	40,865	52,293
		Trade debts	1,053,708	1,037,893
		Contract asset	-	8,204
		Sub-contracted services	211,959	392,341
		Exchange gain / loss	548	-
		Other payables	20,820	-
		Other receivables	64,865	
		Payments of Salaries by AVAC	126,489	-
		Collection/adjustment from AVAC	125,783	-
		Markup expense on current A/C AVAC	1,578	-
		Payment to employees by AVAC on behalf of the Company	27,623	22,969

Note 31, Balances and Transactions with Related Parties - Continued...

Related Party	Relationship	Nature of Transaction	2024	2023
			---- Rupees in Thousands ----	
Avanceon Limited (AVL)	Parent Company	Loan adjusted/recovered during the year	-	300,000
		Trade debts	240,750	469,014
		Other receivables	56,088	69,202
		Contract assets	-	7,159
		Mark-up charged on loan	-	51,377
		Payments made to or on behalf of Parent Company	346,250	552,901
		Receipts / adjustments from AVL	85,482	126,450
		Markup on current Account - AVL	5,860	34,488
		Purchase of Empiric AI from AVL	-	440,023
		Acquisition of Empiric AI (Private) Ltd	-	111,266
		Payment to Suppliers by the Company	8,647	29,557
		Mark-up received/adjusted from AVL	-	91,622
		Back office support	113,405	54,896
		Building rent charged by AVL	-	360
		AMS business services rendered	84,605	103,634
		Sub-contracted services	45,021	38,244
		Other payables	39,346	-
Avanceon Saudi Energy Company - KSA (AVSEC)	Associated	Payment to Suppliers by AVSEC	-	6
		AMS business services rendered	19,934	-
		Subcontracted projects	131,216	2,699
		Trade debts	138,940	25,550
		Other payables	19,415	-
		Payments to employee by AVSEC	14,353	179
		Payment/ adjusted to AVSEC	-	556
		Collection/ adjusted from AVSEC	8,439	616

31.1 Following are the related parties with whom the Company has entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Country of Incorporation	Relationship	Percentage of Shareholding
1	Avanceon Limited (AVL)	Pakistan	Parent Company	74%
2	Octopus Digital Free Zone LLC (ODFZ LLC)	UAE	Subsidiary Company	100%
3	Empiric AI Private Limited	Pakistan	Subsidiary Company	100%
4	Avanceon Saudi Energy Company (AVSEC)	Saudi Arabia	Associated Company	Nil
5	Avanceon Automation And Control WLL (AVAC)	Qatar	Associated Company	Nil
6	Avanceon FZE (AVFZE)	UAE	Associated Company	Nil

31.2 Details of related parties with whom the Group had entered into transactions or had agreements other then already disclosed in note 32.1 above are as follows:

S.No.	Company Name	Country of Incorporation	Relationship	Percentage of Shareholding
1	Avanceon Group	Pakistan	Parent Group	74%

S.No.	Other Related Parties	Basis of Relationship	Percentage of Shareholding
1	Mr. Mohammad Shahid Mir	Director	0.0000006%
2	Mr. Bakhtiar Hameed Wain	Director	0.0000006%
3	Mr. Tanveer Karamat	Director	0.042923%
4	Mr. Adeel Khalid	Director	0.0000006%
5	Mr. Asmar Ahmed Atif	Director	0.0000006%
6	Ms. Saleha Asif	Director	0.0000006%
7	Mr. Mohammad Arif Janjua	Director	0.00036560%
8	Mr. Faisal Nadeem Sheikh	Key Management Personnel	Nil
9	Mr. Hussain Ahmad	Key Management Personnel	Nil
10	Mr. Muhammad Imran Ashraf	Key Management Personnel	Nil
11	Mr. Khurram Mir	Key Management Personnel	Nil

Note 32

Operating Segments

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) i.e. the Chief Executive Officer of the Holding Group. Segment performance is generally evaluated based on certain key performance indicators including business volume, gross profit and reduction in operating costs.CODM considers the business from the perspective of nature of products and business segments. Systems, engineering and export segments are also viewed in the geographic perspective by segregation of sales made to Middle Eastern countries and USA.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. CODM assesses the performance of the operating segments based on a measure of gross profit and segment assets (stock in trade, trade debts and contract assets). Unallocated items comprise mainly of group corporate assets and liabilities.The Group management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic and business decisions.

32.1 After Market Support (AMS)

AMS segment is the provision of services as technical supports and service level agreements (SLAs) and related spares.

32.2 Digital Business

A cloud-native IT/OT platform that seamlessly collects, enriches, and analyzes manufacturing data in real-time, unlocking actionable insights to enhance business performance and drive business outcomes.

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Note 32, Operating Segments - Continued...

	2024	2023
32.3 Country wise breakup of export revenue are:	---- Rupees in Thousands ----	
Qatar	110,027	-
Dubai	514,559	629,647
Saudi Arabia	153,266	25,117
Others	199,225	-
	977,077	654,764

32.4 Reconciliation of segment profit and loss

Reportable segments gross profit is reconciled to profit after tax as follows:

Gross profit for reportable segments	610,906	375,084
Administrative and selling expenses	(368,186)	(321,606)
Other operating expenses	(57,982)	(47,410)
Other operating income	31,486	375,663
	(394,682)	6,647
Finance costs	(4,398)	(1,720)
Profit before tax	211,826	380,011
Taxation	(6,801)	(6,598)
Profit for the year	205,025	373,413

32.5 Reconciliation of segment assets

Reportable segments assets are reconciled to total assets as follows:

	2024	2023
Assets	---- Rupees in Thousands ----	
Segment assets for reportable segments	1,639,296	1,644,702
Tangible (Property and equipment) and intangible assets	804,563	587,338
Other assets	19,490	21,156
	2,463,349	2,253,196
Unallocated portion of current assets		
Advances, deposits, prepayments and other receivables	518,355	441,922
Short term investments	539	10,119
Cash and bank balances	21,528	38,403
	540,422	490,444
Total assets as per statement of financial position	3,003,771	2,743,640

Segment assets include the operating assets used by each segment and consist of stocks, trade debts and contract assets. All other assets and liabilities are not allocated to operating segments as such information is not presented separately for each segment for the purposes of management decision making.

All expenses and income other than revenue and cost of revenue are not allocated to segments, as this is driven by the central treasury function, which manages the cash position of the Group.

Note 33
Analysis of Revenue

	AMS Business	Digital	Eliminations	Total
Segment Profit And Loss Account 2024				
Revenue from external customers	1,058,582	251,644	(44,202)	1,266,024
Cost of revenue	(598,333)	(100,987)	44,202	(655,118)
Gross profit	460,249	150,657	-	610,906
Segment Assets				
- Debtors considered good	1,454,736	37,821	(63,815)	1,428,742
- Contract assets	93,870	116,684	-	210,554
Stock in trade	-	-	-	-
	1,548,606	154,505	(63,815)	1,639,296
	AMS Business	**Digital**	**Eliminations**	**Total**
Segment Profit And Loss Account 2023				
Revenue from external customers	875,042	64,723	(20,094)	919,671
Cost of revenue	(549,863)	(14,818)	20,094	(544,587)
Gross profit	325,179	49,905	-	375,084
Segment Assets				
- Debtors Considered good	1,499,663	22,372	(20,033)	1,502,002
- Contract assets	102,637	39,439		142,076
Stock in Trade	624	-	-	624
Segment total assets	1,602,924	61,811	(20,033)	1,644,702

33.1 For management purposes the Chief Operating Decision Maker (Board of Directors), views the activities of the Group organised into business units based on the nature of products and expertise required by with four groups containing eight reportable operating segments.

Note 34
Financial Risk Management

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

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

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(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Group's exposure resulting from outstanding import and export payments.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to US Dollars and UAE Dirham. The Group's exposure to currency risk as at reporting date is as follows:

	Notes	2024	2023
		---- Rupees in Thousands ----	
Trade debts	8	1.270.139	1.141.146
Trade and other payables	16	(71.147)	(24.398)
Due from related party	10	426.144	382.267
Bank Balances	12	11.652	957
		1,636,788	1,499,972

The following significant exchange rates were applied during the year.

December 31, 2024	**AED**	**USD**
Average rate	76.79	280.38
Reporting	76.15	278.35

December 31, 2023	**AED**	**USD**
Average rate	69.83	254.65
Reporting	77.43	282.4

Sensitivity analysis

If the functional currency, as at the reporting date, had weakened / strengthened by 1% against the foreign currencies with all other variables held constant, the impact on profit before taxation for the year would have been Rs. 16.368 million (2023: Rs. 15.000 million) respectively lower / higher, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not entirely reflect the exposure during the year.

(ii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to individual financial instrument or its issuer or factors affecting all similar financial instrument traded in the market. The Group is exposed to price risk in respect of certain investments amounting to Rs. 0.539 million (2023: Rs. 10.119 million).

A change of 1% in the value of investments at fair value through profit or loss would have increased / decreased profitability of the Group by Rs. 0.005 million (2023: Rs. 0.101 million) on the basis that all other variables remain constant.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk.

As at the reporting date the interest rate profile of the Group's interest bearing financial instruments was as under:

	2024	2023
	---- Rupees in Thousands ----	
Floating rate instruments		
Financial liabilities		
Diminishing musharaka finance	17,270	13,690
Payable to related parties	110,493	62,513
	127,763	76,203

	2024	2023
	---- Rupees in Thousands ----	
Financial assets		
Short term investments	539	10.119
Due from related party	426,144	382,267
	426.683	392.386

Cash flow sensitivity analysis for variable rate instruments

As at December 31, 2024, if interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 2.989 million (2023: Rs. 3.162 million), mainly as a result of interest exposure on variable rate instruments.

The Group has certain financial liabilities at fixed rate. Therefore, no impact on profit or loss of the Group is expected.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

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Note 34, Financial Risk Management - Continued...

The Group monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at December 31, 2024, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

	Note	2024	2023
		---- Rupees in Thousands ----	
Long term deposits	2	100	100
Trade debts	8	1,428,742	1,502,001
Advances, prepayments and other receivables	10	20,398	29,119
Short term investments	11	539	10,119
Bank balances	12	21,528	38,403

	2024	2023
	---- Rupees in Thousands ----	
The aging of trade debts as at the reporting date was as follows:		
Not due yet	23,951	25,233
1 - 30 days	23,951	24,903
31 - 60 days	25,548	26,058
61 - 180 days	174,047	181,578
More than 180 days	1,349,263	1,402,323
	1,596,760	1,660,095

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows:

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

Credit Rating			2024	2023
Short term	Long term	Agency	---- Rupees in Thousands ----	
JS Bank Limited	A1+	AA	PACRA	12	58
Faysal Bank Limited	A1+	AA	PACRA	2,793	29,043
Dubai Islamic Bank	A1+	AA	VIS	424	70
MCB Islamic Bank Limited	A1	A+	PACRA	174	188
Habib Bank Limited	A1+	AAA	VIS	1,190	7,642
Bank Al Habib	A1+	AAA	PACRA	659	1,242
United Bank Limited	A1+	AAA	VIS	-	160
Standard Chartered Bank	A1+	AAA	PACRA	5,340	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	212	-
				10,804	38,403

(c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Group maintains flexibility in funding by maintaining committed credit lines available. The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios and maintaining debt financing plans. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities as at December 31, 2024:

Description	Carrying Amount	Contractual cash flows	Within 1 year	1-2 Years	2-5 Years	Above 5 Years
	---- Rupees in Thousands ----					
Diminishing musharaka finance	17,270	22,521	7,507	7,507	7,507	-
Trade and other payables	262,230	262,230	262,230	-	-	-
	279,500	284,751	269,737	7,507	7,507	-

Contractual maturities of financial liabilities as at December 31, 2023:

Diminishing musharaka finance	13,690	19,411	5,042	5,225	9,144	-
Trade and other payables	201,582	201,582	201,582	-	-	-
	215,272	220,993	206,624	5,225	9,144	-

(d) 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.
Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the reporting date. Fair value is determined on the basis of objective evidence at each reporting date. The management believes that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Note 34, Financial Risk Management - Continued...

	2024	2023
	---- Rupees in Thousands ----	
34.1 Financial instruments by categories		
a) Financial assets at amortised cost		
Trade debts	1,428,742	1,502,001
Long term deposits	100	100
Contract Assets	210,554	142,077
Advances, prepayments and other receivables	518,355	441,922
Cash and bank balances	21,528	38,403
	2,179,379	38,267,115
b) Financial assets at fair value through profit or loss		
Short term investments	539	10,119
c) Financial liabilities at amortized cost		
Diminishing musharaka finance	17,270	13,690
Trade and other payables	262,230	203,409
	279,500	217,099

34.2 Fair value of financial instruments

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

The fair values of all financial assets and liabilities are not considered to be significantly different from their carrying values. The Group classifies the financial instruments measured in the statement of financial position at fair value in accordance with the following fair value measurement hierarchy:

Level 1	Quoted market prices
Level 2	Valuation techniques (market observable)
Level 3	Valuation techniques (non market observable)

There is no financial instrument which is remeasured at fair value.

Note 35

Capital Risk Management

While managing capital, the objectives of the Group are to ensure that it continues to meet the going concern assumption, enhances shareholders' wealth and meets stakeholders' expectations. The Group ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, 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.

In line with the industry norms, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital employed is calculated as equity, as shown in the statement of financial position, plus net debt.

As at the reporting date, the gearing ratio of the Group was worked out as under:

	2024	2023
	---- Rupees in Thousands ----	
Diminishing musharaka finance	17,270	13,690
Cash and bank balances	(21,528)	(38,403)
Net debt	-	-
Equity	2,699,288	2,461,821
Total capital employed	2,699,288	2,461,821
Gearing ratio %	Not Geared	Not Geared

Note 36

Shari'ah Screening Disclosure

	Note	2024	2023
		---- Rupees in Thousands ----	
Loans and advances as per Islamic mode	13.2	17,270	13,690
Interest or mark up accrued on any conventional loan or advances		-	-
Shariah compliant bank deposits / bank balances / overdrawn	27.4	3,391	29,301
Profit earned from Shariah compliant bank deposits/bank balances		-	-
Revenue earned from a Shariah compliant business segment	20	1,266,023	919,671
Gain/loss or dividend earned from Shariah compliant investments	25	14,416	57,660
Gain earned from Shariah compliant investments		-	-
Exchange gain / (loss) earned from actual currency	33	(32,290)	582
Mark up paid on Islamic mode of financing	44.1	4,398	1,720
Interest paid on any conventional loan or advance		-	-
Relationship with shariah compliant banks;		First Habib Modaraba Faysal Islamic Bank MCB Islamic Bank Dubai Islamic Bank	First Habib Modaraba Faysal Islamic Bank MCB Islamic Bank Dubai Islamic Bank

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OCTOPUS DIGITAL LIMITED

NOTES TO & FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note 37
Number of Employees

	2024	2023
	Number	Number
Total number of employees as at December 31,	102	102
Average number of employees during the year	102	94

Note 38
Provident Fund Related Disclosures

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

Note 39
Date of Authorization for Issue

These financial statements were approved and authorized for issuance by the Board of Directors of the Group on March 28, 2025.

Note 40
General

Comparative figures are re-arranged / reclassified, wherever necessary that- to facilitate comparison. The following re-arrangements have been made in these financial statements for better presentation other than as disclosed in note 2.5.4.

Nature	From	To	Amount
Administrative Expenses	Fee and subscription (Note 22)	Management fee (Note 22)	367
Allowance for expected credit losses - trade debts	Administrative Expenses (Note 22)	Other Operating Expenses (Note 23)	(1,437)
Allowance for expected credit losses - contract assets	Administrative Expenses (Note 22)	Other Operating Expenses (Note 23)	(11,002)
Allowance for expected credit losses - related parties	Administrative Expenses (Note 22)	Other Operating Expenses (Note 23)	59,613

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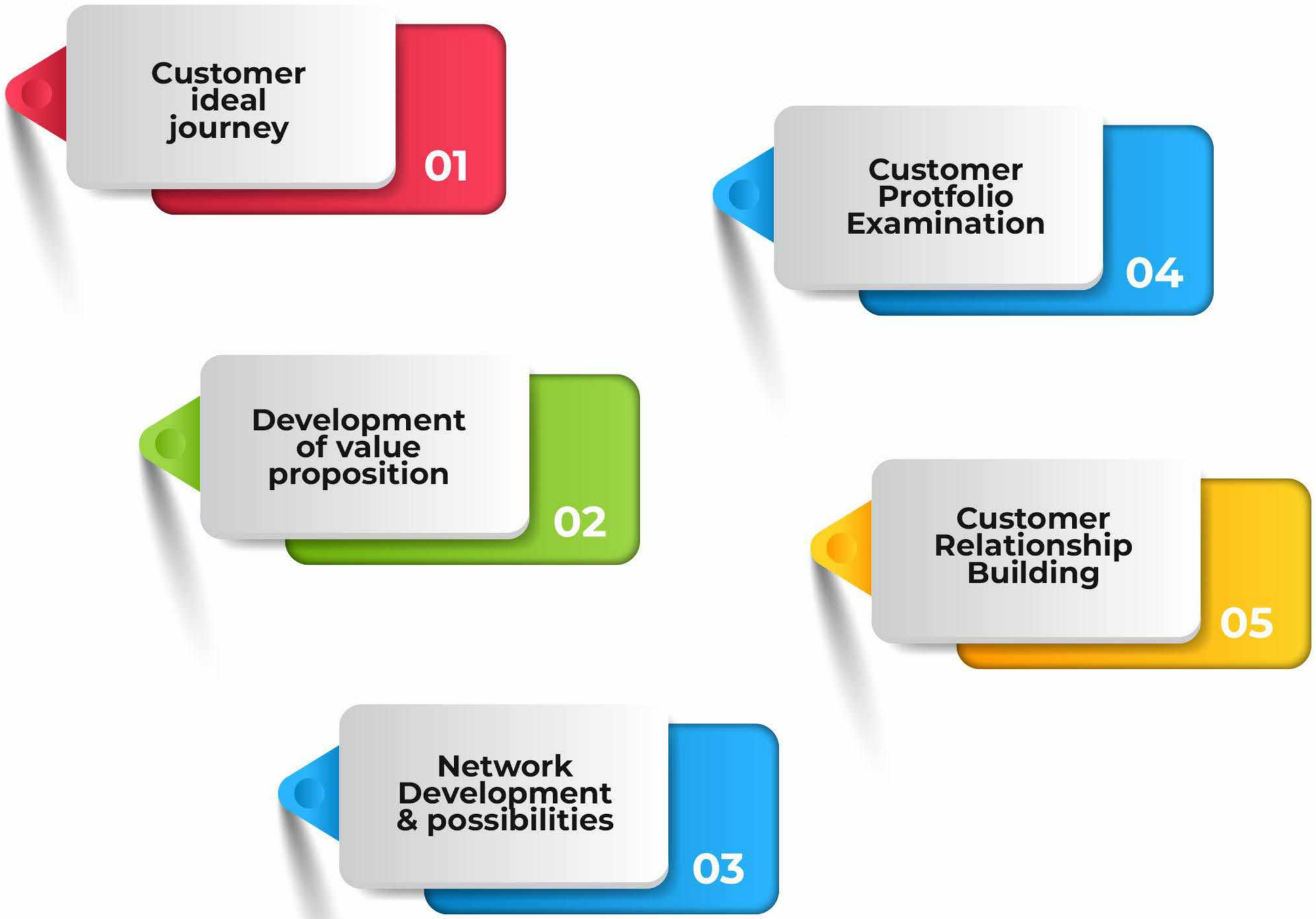
CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

5 STEPS FOR CUSTOMER RELATIONSHIP MANAGEMENT



Performance Highlights 2024

In 2024, our performance milestones showcased a strong pipeline of first-time achievements across key sectors. We onboarded **Mari Energies** as our first oil and gas client running three Machine Learning use-cases, and launched the first multi-endpoint IoT project with **Sui Northern**, spanning over 450 locations. **Engro** became our first Digital Log client to surpass 1,000+ users on a paid plan, while **Colgate** marked a breakthrough in FMCG with over 800+ checklists. We also secured **Shell** as our first fuel retail client using Fintech Fuel across 3 sites, with potential expansion to 400+. Notably, **Ashghal** emerged as our first client operating all three products—OmniConnect™, Digital Log, and Asset Performance X (APX)—simultaneously, and **QATPL** became our first power plant client monitoring environmental KPIs for compliance. These strategic wins form a strong foundation for replication and scaling in 2025.

Definitions & Glossary of Terms

Capital Employed

The value of all resources available to the company, typically comprising share capital, retained profits and reserves, long-term loans, and deferred taxation. Viewed from the other side of the balance sheet, capital employed comprises fixed assets, investments, and the net investment in working capital (current assets less current liabilities). In other words, the total long-term funds invested in or lent to the business and used by it in carrying out its operations.

Liabilities

A general term for what the business owes. Liabilities are long-term loans of the type used to finance the business and short-term debts or money owing as a result of trading activities to date. Long-term liabilities, along with Share Capital and Reserves, make up one side of the balance sheet equation, showing where the money came from. The other side of the balance sheet will show Current Liabilities along with various Assets, showing where the money is now.

Current Liabilities

Money owed by the business that is generally due for payment within 12 months of the balance sheet date. Examples: creditors, current portion of long-term loans and lease liabilities, taxation, etc.

Current Assets

Cash and anything that is expected to be converted into cash within 12 months of the balance sheet date.

Fixed Assets

Assets held for use by the business rather than for sale or conversion into cash, e.g., fixtures and fittings, equipment, and buildings.

Cost of Goods Sold (COGS)

The directly attributable costs of products or services sold, like materials, installations, direct labor, and wages, etc.

Gross Profit Ratio

The relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

Net Profit Ratio

Net profit ratio is the ratio of net profit after taxes to net sales or revenue.

Operating Profit Ratio

The operating profit margin ratio indicates how much profit a company makes after paying for variable costs of production.

Current Asset Ratio

The key indicator of whether you can pay your creditors on time. The relationship between current assets (cash, bank, book debts, stock and work in progress) and current liabilities (like overdraft, trade, and expense creditors and other current debt).

Current Ratio

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities and is a measure of financial strength in the short term. A ratio of 1.1 implies adequate current assets to cover current liabilities; the higher above 1, the better.

Debt-Equity Ratio

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive cash flow and strong cash flow. For comparative purposes, the debt-equity ratio is most useful for companies within the same industry.

Dividend

A dividend is a payment made per share to a company's shareholders by a company, based on the profits of the year, but not necessarily all of the profits, as determined by the directors and voted on at the company's annual general meeting.

Earnings per Share (EPS)

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Profit Margin

Determined by dividing net income by net sales during a time period and expressed as a percentage. Net profit margin is a measure of efficiency and indicates the margin on the bottom line. Trends in margin can be attributed to rising or falling production costs or rising/falling prices of the sold product.

Return on Assets

The amount of profits earned (before interest and taxes), expressed as a percentage of total assets. The higher the number, the better, as it indicates how much profit the business has earned for every dollar of assets.

Return on Equity (ROE)

A percentage that indicates how money is being used and how efficiently it is being turned into profits. This is the result of dividing net earnings by shareholders' equity. ROE measures efficiency and profitability. You can compare a company's ROE to others in the same industry to determine how a company is doing compared to its peers.

Return on Investment (ROI)

Also known as return on capital (ROC), ROI is a measure of how well management has used investment resources. ROI is calculated by dividing earnings by total assets. It is a broader measure than return on equity (ROE) because it evaluates debt as well as equity. It is useful to compare a company's ROI with others in the same industry.

Event Calender

of the Company Follows the Period of

January 1st, 2024
December 31th, 2024

Financials:
Financial Results are announced as per the following schedule:

Annual General Meeting	29th April 2024
1st Quarter ended 31 March 2024	30th April 2024
Extraordinary General Meeting	08th June 2024
Half year ended 30 June 2024	29th August 2024
3rd Quarter ended 30 September 2024	30th October 2024
Board Meeting Other Than Financials	04th November 2024
Financial year ending 31 December 2024	28th March 2025

نوٹس برائے آٹھواں سالانہ اجلاس عام

اطلاع دی جاتی ہے کے آکٹوپس ڈیجیٹل لمٹیڈ " کمپنی " کا آٹھواں سالانہ اجلاس عام مورخہ 30 اپریل 2025ء بروز بدھ صبح 10:00 بجے بمقام دی نشاط ہوٹل، گرینڈ امپیریل ہال، A-9، تیسری منزل، گلبرگ II، میاں محمود علی قصوری روڈ، لاہور سے مندرجہ ذیل کاروباری امور کو انجام دینے کیلئے منعقد ہوگا۔

الف۔عمومی کاروباری امور:۔

ا۔تفصیلات کی منظوری (Minutes of the Meeting) جو کہ غیر معمولی اجلاس عام مورخہ 08 جون 2024ء کو منعقد ہوا تھا۔

۲۔31 دسمبر 2024ء کو ختم ہونے والے کمپنی کے مالی سال کے آڈٹ شدہ مالیاتی گوشوارے، چیئرمین کا جائزہ، ڈائریکٹران اور آڈیٹرز کی رپورٹس وصول کرنا ان پر غور کرنا اور انہیں اختیار کرنا۔

کمپنیز ایکٹ 2017ء کے سیکشن (6)223 اور S.R.O No.389(I)/2023 مورخہ 21 مارچ 2023ء کے تحت مطلوب ہے، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں جنہیں درج ذیل ویب لنک سے ڈاؤن لوڈ کیا جا سکتا ہے۔

https://octopusdtl.com/investor-information/

۳۔کمپنی کے آڈیٹر کو مقرر کرنا اور اس کا معاوضہ طے کرنا۔ حصص یافتگان کو اطلاع دی جاتی ہے کہ کمپنی کی بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹران نے ریٹائر ہونے والے آڈیٹرز کرو حسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کا نام آئندہ مالی سال 31 دسمبر 2025ء کیلئے کمپنی کے آڈیٹرز کی تقرری کیلئے تجویز کیا ہے۔

ج۔کوئی بھی اضافی امور جو کہ چیرمین کی اجازت سے ہونگے۔

بحکم بورڈ:۔ احسن خلیل (کمپنی سیکرٹری)

لاہور مورخہ 08 اپریل 2025ء

ویب لِنک برائے آن لائن میٹنگ بذریعہ "ZOOM"

ممبران کو کمپنی کے زیر انتظام ویڈیو کانفرنس کی سہولت کے ذریعے AGM میں شرکت کے لیے حوصلہ افزائی کی جاتی ہے، نیچے دیے گئے لنک پر عمل کریں:

https://us06web.zoom.us/webinar/register/WN_5w-13mMPTGCIpU2qU_eTng

شیئر ہولڈرز AGM کے ایجنڈا آئٹمز کے لیے اپنے تبصرے اور سوالات فراہم کردہ ای میل ایڈریس agm@octopusdtl.com پر کر سکتے ہیں۔

AGM میں شرکت کیلئے درج ذیل لنک سے رہنمائی حاصل کر سکتے ہیں https://octopusdtl.com/investor-information/

کمپنیز ایکٹ 2017ء کے سیکشن 223(6) کے تحت، آڈٹ شدہ مالیاتی گوشوارے کو ای میل کے ذریعے بھیجنے کی اجازت دی گئی ہے۔ کمپنی کی سالانہ رپورٹ اور سالانہ جنرل میٹنگ کے نوٹس ان حصص یافتگان کو ای میل کے ذریعے بھیجی جائے گی جن کے ای میل CDC اور شیئر رجسٹر کے ریکارڈ/ڈیٹا بیس میں موجود ہیں۔ حصص یافتگان کی حوصلہ افزائی کی جاتی ہے کہ وہ اپنے ای میل کو مذکورہ بالا لنک یا ای میل یا پوسٹل ایڈریس پر بھیجیں۔ سالانہ رپورٹ کمپنی کی ویب سائٹ https://octopusdtl.com/ پر بھی لوڈ کی گئی ہے اور حصص یافتگان تک آسانی سے قابل رسائی ہے۔

حاشیات:۔

حصص یافتگان کے اجلاس میں شرکت کیلئے۔

ا۔کمپنی کے حصص کی منتقلی کی کتب مورخہ 23اپریل2025ء سے 30اپریل 2025ء (بشمول دونوں دن) بند رہیں گی جس دوران تدوین کیلئے کسی بھی حصص کی منتقلی کی وہ درخواستیں جو درست حالت میں کمپنی کے شیئر رجسٹرار کے دفتر فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، 8-ایف، نزد ہوٹل فاران نرسری بلاک نمبر 6، PECHS، شاہراہ فیصل، کراچی، مورخہ 22 اپریل 2025ء کو دفتری اوقات ختم ہونے سے قبل موصول ہونگی۔ان کو سالانہ اجلاس عام میں شرکت اور حق رائے دھی استعمال کرنے کے استحقاق کے تعین کیلئے بروقت شمار کیا جائے گا۔

۲۔انفرادی فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا وہ جسکی سکیورٹی گروپ اکاؤنٹ میں جمع ہے انکی رجسٹریشن کی تفصیل قوانین کے مطابق لف ہوں، اجلاس میں شرکت کیلئے شناخت کی تصدیق اپنا شناختی کارڈ یا پاسپورٹ سے کروائیں۔

۳۔حصص یافتگان جو کہ CDC میں رجسٹر ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنا آئی ڈی نمبر اور اکاؤنٹ نمبر جو کہ CDC میں ہے، مہیا کریں۔

۴۔کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹران اپنے ٹرسٹیز کی قرارداد/ مختارنامہ بمعہ نامزد کیے گئے شخص کے دستخط نمونہ پیش کریں۔

پراکسی کی تقرری کیلئے:۔

ا۔سالانہ اجلاس عام میں شمولیت، بولنے اور حق رائے دھی استعمال کرنے کے مستحق ہر حصص یافتگان کو یہ حق حاصل ہے کہ وہ شرکت بولنے اور حق رائے دھی استعمال کرنے کیلئے اپنی جگہ کسی پراکسی (نمائندہ) کو مقرر کرے اور ایسے پراکسی کو اجلاس میں شرکت، بولنے اور حق رائے دھی استعمال کرنے کی نسبت سے وہی اختیارات حاصل ہونگے جو کہ بذات خود کمپنی کے حصص یافتگان کو حاصل ہوتے ہیں۔ پراکسی مقرر کرنے کیلئے ہر لحاظ سے درست اور باقاعدہ مہر شدہ اور دستخط شدہ پراکسی فارم اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونا ضروری ہے۔ پراکسی کا بذات خود کمپنی کے حصص یافتگان میں سے ہونا ضروری نہیں۔

۲۔انفرادی فرد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور زیادہ افراد جسکی سکیورٹی گروپ اکاؤنٹ میں ہوں اور انکی رجسٹریشن کی تفصیلات قوانین کے مطابق جمع کروائی گئی ہوں، پراکسی فارم مکمل اور صحیح طور پر تصدیق شدہ ہو جمع کروانا ہونگے۔

۳۔پراکسی فارم پر دو اشخاص گواہ ہونے چاہیئں جنکے نام، پتہ جات، شناختی کارڈ نمبر پراکسی فارم پر لکھے ہوں۔

۴۔حصص یافتگان اور پراکسی کے درست شناختی کارڈ یا فائدہ مند مالکان کے پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ مہیا کریں۔

۵۔پراکسی اپنا شناختی کارڈ یا پاسپورٹ اجلاس کے وقت یا آن لائن رجسٹریشن کے وقت پیش کرے۔

۶۔کارپوریٹ شناخت کی صورت میں مختار عام بورڈ آف ڈائریکٹران کا ریزولوشن نامزد کیے گئے شخص کے دستخط نمونہ جات کے ساتھ اجلاس کے وقت یا آن لائن رجسٹریشن کے وقت پیش کرے۔

پراکسی فارم

نوٹس برائے آٹھواں سالانہ جلاس

میں/ہم _____

ساکن _____ بطور آکٹوپس ڈیجیٹل لمٹیڈ

رکن و حامل _____ عام حصص بمطابق شیئر رجسٹرڈ

فولیونمبر _____ اور یاسی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور

ذیلی کھاتہ نمبر _____ ساکن _____ یا بصورت دیگر

_____ ساکن _____ کو اپنی جگہ مورخہ 30 اپریل 2025ء

منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کیلئے اپنا نمائندہ مقرر کرتا ہوں۔

دستخط بتاریخ _____ 2025ء

گواہان:۔

1 دستخط: _____

نام : _____

پتہ : _____

قومی شناختی کارڈ یا پاسپورٹ نمبر: _____

2 دستخط: _____

نام : _____

پتہ : _____

قومی شناختی کارڈ یا پاسپورٹ نمبر: _____

دستخط

براہ کرم پانچ روپے
مالیت کے ریونیوٹکٹ
چسپاں کریں

دستخط کمپنی میں درج نمونہ کے
مطابق ہونے چاہئیں

نوٹ: پراکسیز کے موثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ نیابت دار کا کمپنی کا رکن ہونا ضروری نہیں ہے۔ سی ڈی سی کے حصص یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ کمپنی میں جمع کروائیں۔

AFFIX
CORRECT
POSTAGE

The Company Secretary
OCTOPUS DIGITAL LIMITED
The Avanceon Building,
19 km, Main Multan Road, Lahore - 54660
Pakistan

Form of Proxy

8th Annual General Meeting of Octopus Digital Limited

I/ We _____

of _____

Being a member of Octopus Digital Limited & holders of _____ **ordinary shares**

As per share Register Folio (Number of Shares) No _____ **and / or CDC**

Participant ID No. _____ **and Sub**

Account No. _____ **Hereby appoint** _____ **of**

or

Failing him _____ **of** _____ **as**

My / our proxy to vote for me / us and on my / our behalf at the 8th Annual General Meeting of the company to be held on the 30th day of April 2025 and at any adjournment thereof.

Signed this _____ **day of** _____ **2025** _____

Witnesses: _____

1) **Signature:** _____
   Name : _____
   Address : _____

   CNIC or : _____
   Passport : _____

Signature on Rs. 5/- Revenue Stamp

_____

Signature

Signature should agree with the specimen registered with the company

2) **Signature:** _____
   Name : _____
   Address : _____

3) **CNIC or :** _____
   Passport : _____

Note:

Proxies in order to be effective must be received at the Registered Oficce of the Company not less than 48 hoursbefore the meeting. A Proxy need not be a member of the Company.

CDC Shareholders and their Proxies are each requested to attach an attested photocopy of their Computerized National identity Card or Passport with this proxy from before submission to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary
OCTOPUS DIGITAL LIMITED
The Avanceon Building,
19 km, Main Multan Road, Lahore - 54660
Pakistan

ڈائریکٹرز رپورٹ

ہیئتِ مدیران (بورڈ آف ڈائریکٹرز) آکٹوپس ڈیجیٹل لمیٹڈ ("کمپنی") کی رپورٹ برائے سالِ اختتام 31 دسمبر 2024 کے ساتھ کمپنی کے آڈٹ شدہ سالانہ مالی بیانات پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔ تمام مالی گوشوارے (اکاونٹس) بمعہ تفصیلات (نوٹس) کمپنی کے انتظامیہ کی طرف سے مندرجہ ذیل اصولوں کے مطابق تیار کیے گئے ہیں

1. انہوں نے کمپنی کے معاملات کی صحیح اور منصفانہ وضاحت، آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تمام تبدیلیوں کو پیش کیا ہے،

2. کمپنی کے حابات (اکاؤنٹنگ بکس) مناسب برقرار رکھی گئی ہیں،

3. مناسب اکاؤنٹنگ پالیسیاں اپنائی گئی ہیں اور مالی بیانات کی تیاری میں مسلسل ان پر عمل کیا گیا ہے، نیز اکاؤنٹنگ تخمینے معقول اور محتاطانہ فیصلوں پر مبنی ہیں،

4. مالی بیانات کمپنیز ایکٹ 2017 اور پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کے مطابق تیار کیے گئے ہیں، نیز کسی بھی انحراف کو مناسب طور پر افشاں کیا گیا ہے،

5. اندرونی انتظامی نظام انتہائی مضبوط ہے اور مؤثر طریقے سے نافذ کیا گیا ہے،

6. کمپنی کی جاری رہنے کی صلاحیت (گوئنگ کنسرن) پر کوئی قابلِ ذکر شکوک و شبہات موجود نہیں ہیں،

7. اگر ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی کوئی قانونی ادائیگی باقی ہے تو متعلقہ رقم کے ساتھ مختصر وضاحت اور وجوہات افشاں کی گئی ہیں۔

مدیران کی یہ رپورٹ، موجودہ کمپنیز ایکٹ کے متعلقہ دفعات کے تحت تیار کی گئی ہے، جو کمپنی کے آٹھویں سالانہ اجلاس عام میں اراکین کے سامنے پیش کی جائے گی۔ یہ میٹنگ 30 اپریل 2025 بروز بدھ صبح 10:00 بجے دی نشاط ہوٹل، گرینڈ امپیریل ہال 9 اے تھرڈ فلور میاں محمود علی کاسوری روڈ گلبرگ 3، لاہور پر منعقد ہوگی۔

کمپنی کا تعارف

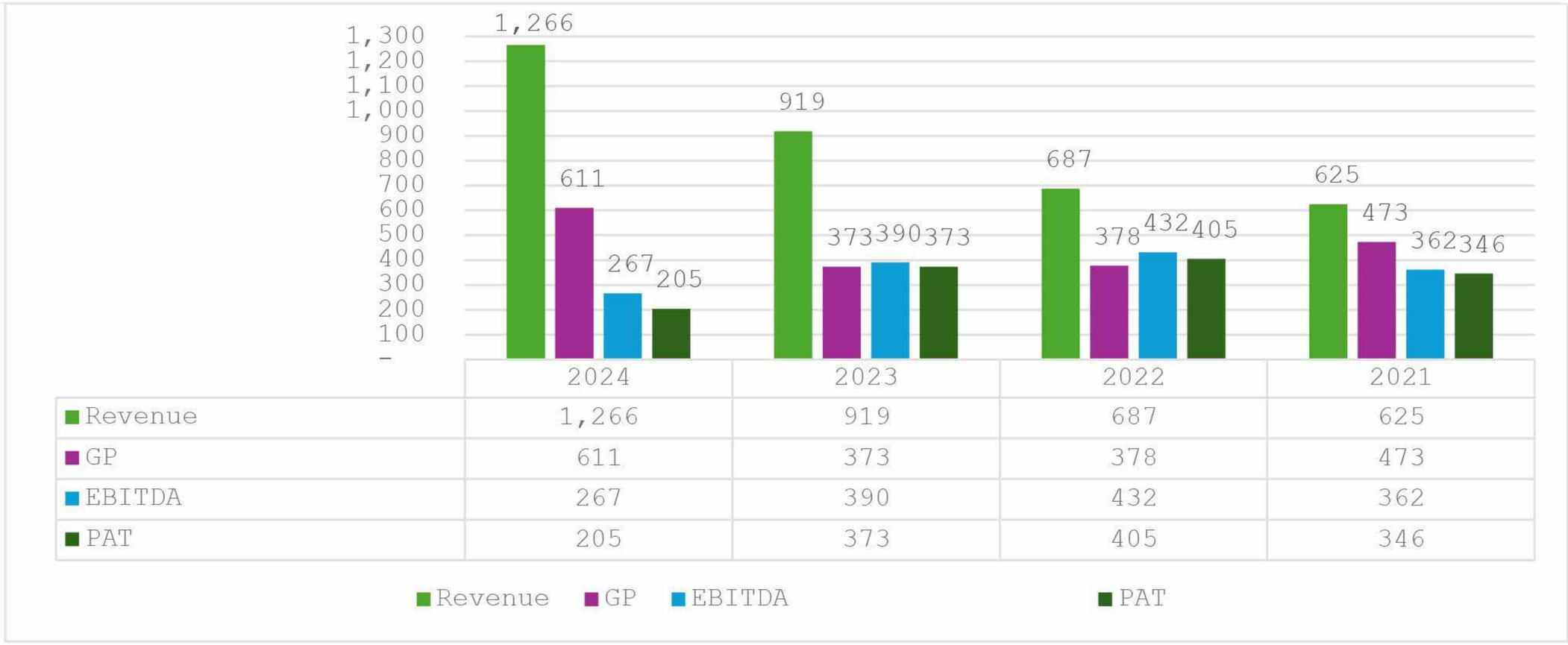
آکٹوپس ڈیجیٹل، مینوفیکچرنگ، سپلائی چین اور مالی ورک فلو کے ڈیجیٹلائزیشن میں کاروباری اداروں کی معاونت کرتا ہے، جو مشرقِ وسطیٰ اور جنوبی ایشیا میں اسٹریٹجک اور آپریشنل مینٹیننس سپورٹ سروسز فراہم کرتی ہے۔ اس طرح فیصلہ سازی میں معاونت، قابل عمل بصیرتیں، اور کاروباری ذہانت منتظم شدہ اور غیر منتظم شدہ خدمات کی صورت میں پورا سال 24 گھنٹے کثیر السنہ (طویل المدتی) ماہانہ سبسکرپشن کی بنیاد پر فراہم کی جاتی ہیں

کارکردگی کا جائزہ

کمپنی نے سال 2024 کو انتہائی مثبت نتائج کے ساتھ اختتام تک پہنچایا۔ کمپنی کی مجموعی آمدنی میں 38٪ کا اضافہ ہوا ہے جو ملک کے سامنے موجود مشکل معاشی حالات کے باوجود کمپنی کے استحکام کو ظاہر کرتا ہے۔ شرحِ مبادلہ میں استحکام اور شرحِ سود میں کمی نے کاروباری کارکردگی کو بہتر بنانے میں اہم کردار ادا کیا ہے، اور ہم اس کے مثبت اثرات کو سال 2025 تک جاری رکھنے کی توقع رکھتے ہیں۔ تمام کاروباری شعبوں کی کارکردگی، 2023 کے مقابلے میں، بہتر ہوئی ہے۔ اگر ہم خالص منافع کا جائزہ لیں، جو کہ گزشتہ سال غیر معمولی زرِ مبادلہ کے فوائد (فارن ریسیویبلز پر) کی وجہ سے بہتر رہا تھا، تو ہم نے اس میں نمایاں بہتری حاصل کی ہے۔ ہمیں امید ہے کہ ہم اس رفتار کو برقرار رکھتے ہوئے آنے والے سال میں مزید ترقی حاصل کریں گے۔

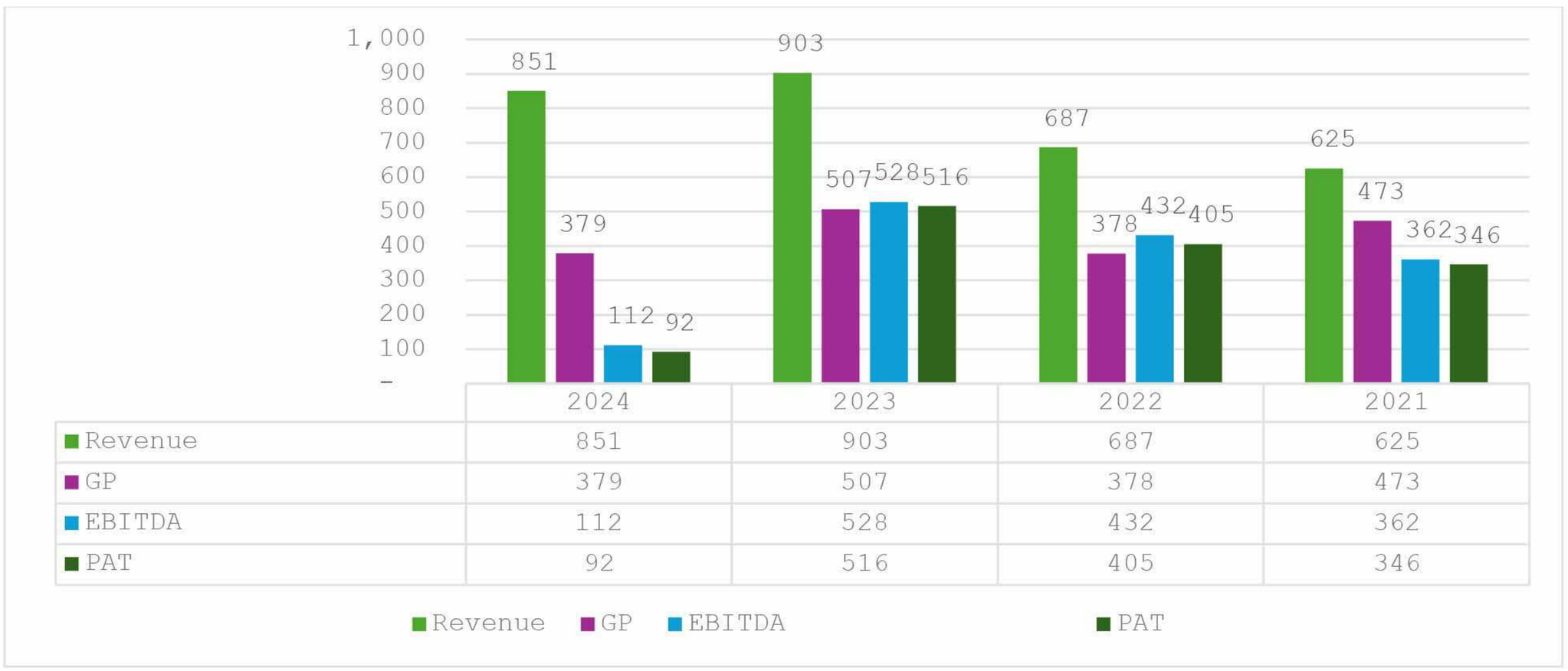
مالی نتائج (مجموعی) (CONSOLIDATED OPERATING RESULTS)

تفصیل (روپے ہزاروں میں)	2024	2023	تبدیلی ٪	فرق
آمدنی	1,266,023	919,173	38٪	+346,850
ٹیکس سے پہلے منافع	211,826	379,647	(44٪)	(167,821)
ٹیکس کے بعد منافع	205,025	373,048	(45٪)	(168,023)



مالی نتائج (سٹینڈالون) (STANDALONE OPERATING RESULTS)

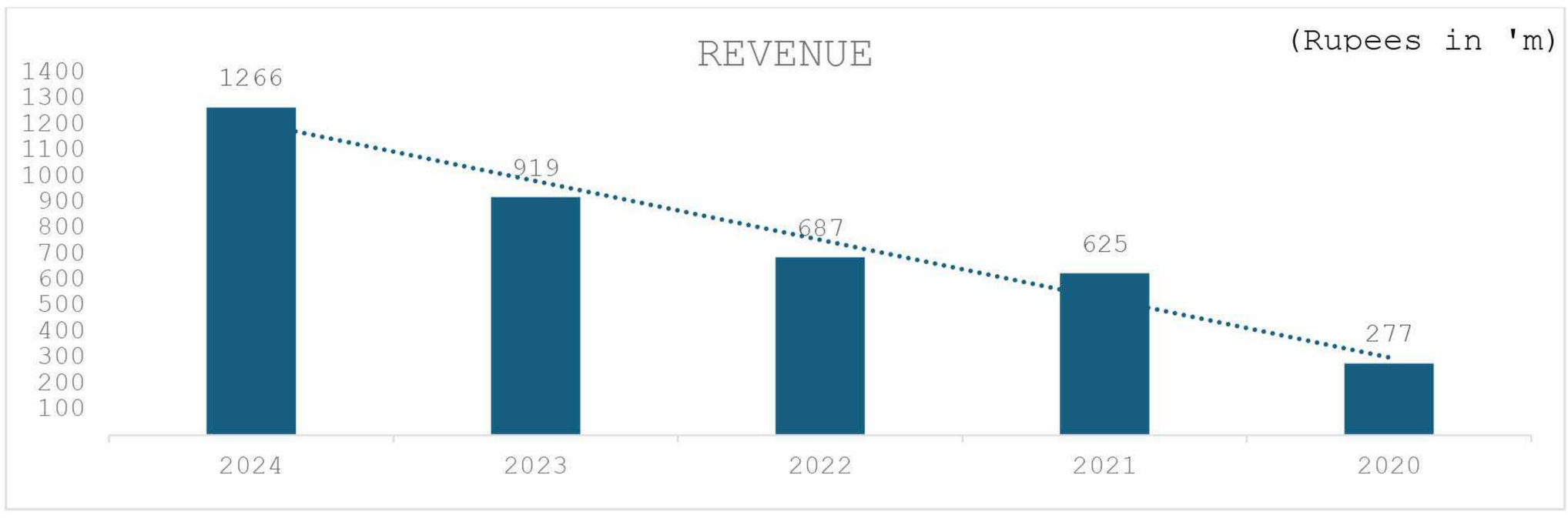
تفصیلات	2024	2023	تبدیلی	فیصد تبدیلی
آمدنی	850,728,940	903,118,188	(52,389,248)	-6٪
ٹیکس سے قبل منافع	101,144,555	521,417,405	(420,272,850)	-81٪
ٹیکس کے بعد منافع	92,436,174	515,808,031	(423,371,857)	-82٪



مالی کارکردگی (CONSOLIDATED FINANCIAL PERFORMANCE)

آمدنی (REVENUE)

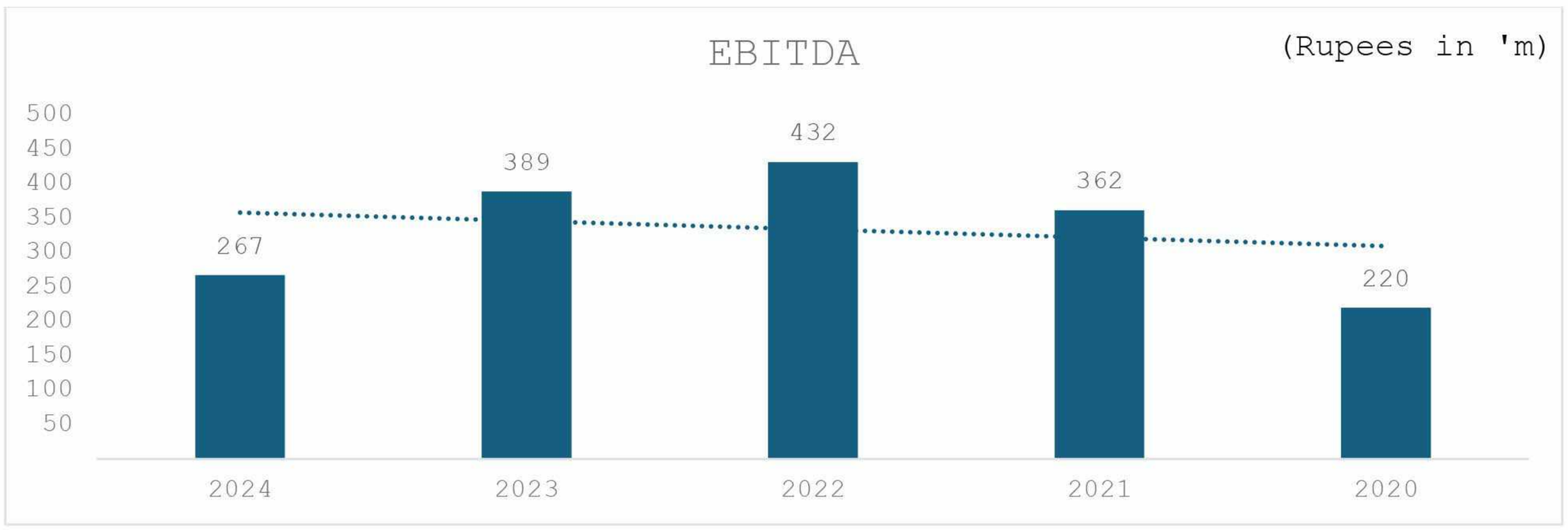
کمپنی کی آمدنی 1266 ملین روپے تک پہنچ گئی ہے، گزشتہ مالی سال کے مقابلے میں 38 فیصد اضافہ ظاہر کرتی ہے۔ یہ 31 دسمبر 2024 کو اختتام پذیر ہونے والے مالی سال میں کاروباری ترقی کی واضح اوپری رجحان کی عکاسی کرتا ہے۔



کل منافع (GROSS PROFIT)

کمپنی کا کل منافع 611 ملین روپے تک پہنچ گیا ہے جو گذشتہ مالی سال کے مقابلے میں سات (7) فیصد اضافے کا مظہر ہے

سود، ٹیکس، قدر میں کمی اور تخفیف سے پہلے کی آمدنی (EBITDA)



منافع بعد از ٹیکس (PROFIT AFTER TAX)

ٹیکس کے بعد خالص منافع میں 205 ملین روپے (25 فیصد) کی کمی محسوس کی گئی ہے جو بنیادی طور پر شرح مبادلہ میں استحکام کے اثرات کی وجہ سے ہے۔ مالی سال 2024 میں ڈالر کی برابری مالی سال 2023 کے مقابلے میں کم رہی۔ انتظامیہ کو پختہ یقین ہے کہ آرڈرز کے مضبوط ذخیرہ کی وجہ سے مالی سال 2025 اور 2026 میں کل منافع کے مارجنز میں مثبت رجحان اور ترقی برقرار رکھی جائے گی۔

تجزیہ

تفصیل	مالی سال 2024	مالی سال 2023
ٹیکس کے بعد منافع (PAT)	ملین روپے 206	ملین روپے 373

تفصیل	مالی سال 2024	مالی سال 2023
زرمبادلہ کا فائدہ / نقصان	ملین روپے 34	ملین روپے (234)
ٹیکس کے بعد خالص منافع	ملین روپے 240	ملین روپے 140
فیصد PAT	19٪	15٪
(EPS) فی شیئر آمدنی	روپے 1.53	روپے 0.89

مجموعی فی شیئر آمدنی (CONSOLIDATED EARNINGS PER SHARE – EPS)

ٹیکس کے بعد بنیادی فی شیئر آمدنی 1.3 روپے ہے جبکہ مالی سال 2023 میں یہ 2.52 روپے تھی

ٹیکس کے بعد رقیق شدہ فی شیئر آمدنی 1.28 روپے ہے جبکہ مالی سال 2023 میں یہ 2.52 روپے تھی

فی شیئر آمدنی (STANDALONE EARNINGS PER SHARE – EPS)

ٹیکس کے بعد بنیادی فی شیئر آمدنی 0.59 روپے ہے جبکہ مالی سال 2023 میں یہ 3.28 روپے تھی

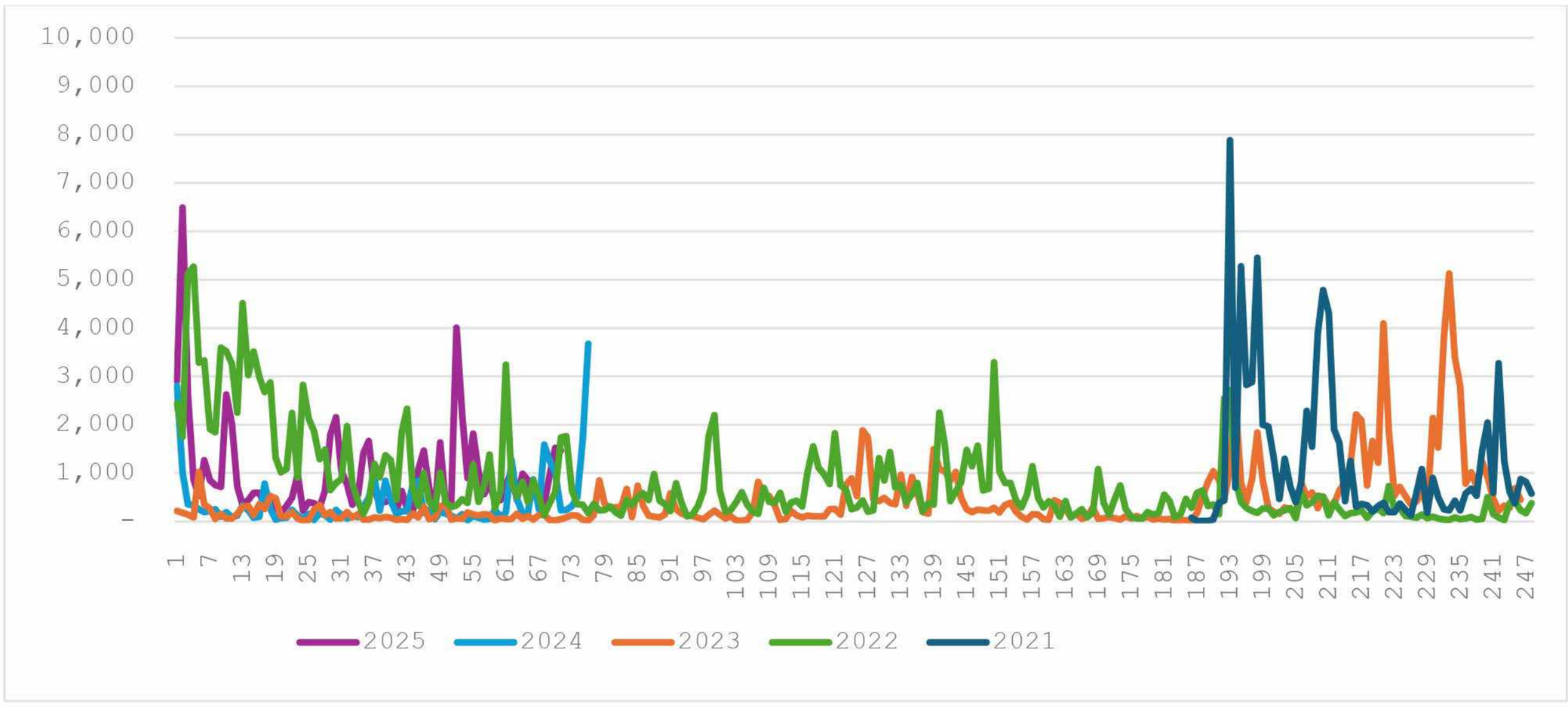
ٹیکس کے بعد رقیق شدہ فی شیئر آمدنی 0.58 روپے ہے جبکہ مالی سال 2023 میں یہ 3.25 روپے تھی

تقسیم منافع نہ کرنے کی وجہ (REASON FOR NON DECLARATION OF DIVIDEND)

کمپنی نے اپنے منافع کو اپنے ڈیجیٹل کاروباری منصوبوں میں دوبارہ سرمایہ کاری کرنے کا فیصلہ کیا ہے، لہٰذا اس سال کوئی منافع اعلان نہیں کیا گیا۔ مالی سال 2024 کے اختتام پر کمپنی کے پاس کافی نقد رقم کی آمدنی دستیاب ہے، جسے کمپنی کاروباری ترقی اور دانشورانہ املاک کی ترقی و بہتری پر خرچ کرنے کا ارادہ رکھتی ہے۔

اوپر بیان کردہ سرگرمیوں سے حاصل ہونے والا کاروبار کمپنی کی آمدنی میں اضافہ کرے گا، جس سے مستقبل میں منافع کی ادائیگی کے امکانات کو سازگار اثرات مرتب ہونے کی توقع ہے۔

مارکیٹ میں اسٹاک کی نقدیت (STOCK LIQUIDITY)



حصص یافتگان کا نمونہ (PATTERN OF SHAREHOLDING)

نمبر شمار	حصص یافتگان کی قسم	حصص یافتگان کی تعداد	حصص کی تعداد	فیصد
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، اور ان کے اہل خانہ (نابالغ بچوں سمیت) (کمپنی کی توثیق مشروط)	8	71,454	0.05٪
2	وابستہ کمپنیاں، ادارے اور متعلقہ فریقین (کمپنی کی توثیق مشروط)	2	117,027,484	74.42٪
3	اور انویسٹمنٹ کارپوریشن آف پاکستان (NIT) نیشنل انویسٹمنٹ ٹرسٹ (ICP)	-	-	-

نمبر شمار	حصص یافتگان کی قسم	حصص یافتگان کی تعداد	حصص کی تعداد	فیصد
4	بینکس، ترقیاتی مالیاتی ادارے، غیر بینکنگ مالیاتی ادارے	-	-	-
5	انشورنس کمپنیاں	4	401,558	0.26٪
6	مُداربات اور مشترکہ فنڈز	9	502,717	0.32٪
7	10 فیصد یا زائد حصص رکھنے والے حصص یافتگان	1	116,877,484	74.32٪
8	عام عوام:			
a.	مقامی	8,230	26,581,026	16.90٪
b.	غیر ملکی	-	-	-
9	دیگر	76	12,678,263	8.06٪
کل		8,329	157,262,502	100.00٪

بورڈ آڈٹ کمیٹی کی تشکیل (COMPOSITION OF BOARD AUDIT COMMITTEE)

بورڈ آڈٹ کمیٹی مندرجہ ذیل چار اراکین پر مشتمل ہے۔

نمبر شمار	نام	عہدہ	حیثیت / ڈائریکٹرشپ
1	ہمایوں مقبول	بورڈ آڈٹ کمیٹی کے چیئرمین	آزاد ڈائریکٹر / غیر عملی ڈائریکٹر

نمبر شمار	نام	عہدہ	حیثیت / ڈائریکٹرشپ
2	بختیار حمید وائیں	رکن	غیر عملی ڈائریکٹر
3	خالد حمید وائیں	رکن	غیر عملی ڈائریکٹر
4	محمد عارف جنجوعہ	رکن	آزاد ڈائریکٹر / غیر عملی ڈائریکٹر

انسانی وسائل اور معاوضہ کمیٹی کی تشکیل (COMPOSITION OF HR AND REMUNERATION COMMITTEE)

انسانی وسائل اور معاوضہ کمیٹی کے بورڈ میں مندرجہ ذیل چار اراکین شامل ہیں

نمبر شمار	نام	عہدہ	حیثیت / ڈائریکٹرشپ
1	ہمایوں مقبول	چیئرمین	آزاد ڈائریکٹر / غیر عملی ڈائریکٹر
2	بختیار حمید وائیں	رکن	غیر عملی ڈائریکٹر
3	خالد حمید وائیں	رکن	غیر عملی ڈائریکٹر
4	تنویر کرمت	رکن	عملی ڈائریکٹر

ڈائریکٹرز بورڈ کی تشکیل (COMPOSITION OF BOARD OF DIRECTORS)

بورڈ آف ڈائریکٹرز مندرجہ ذیل آٹھ اراکین پر مشتمل ہے۔

نمبر شمار	نام	عہدہ
1	بختیار حمید وائیں	چیئرمین / غیر عملی ڈائریکٹر
2	خالد حمید وائیں	غیر عملی ڈائریکٹر
3	تنویر کرمت	چیف ایگزیکٹو آفیسر / عملی ڈائریکٹر
4	اسمار احمد عاطف	عملی ڈائریکٹر
5	ہمایوں مقبول	آزاد ڈائریکٹر / غیر عملی ڈائریکٹر
6	محمد عارف جنجوعہ	آزاد ڈائریکٹر / غیر عملی ڈائریکٹر
7	عدیل خالد	عملی ڈائریکٹر
8	صالحہ عاصف	آزاد ڈائریکٹر / غیر عملی ڈائریکٹر

:ڈائریکٹرز کی کل تعداد آٹھ ہے، بشمول

الف) مرد: سات

ب) خواتین: ایک

بورڈ آف ڈائریکٹرز کے اجلاس (BOARD OF DIRECTORS MEETINGS)

سال کے دوران، بورڈ آف ڈائریکٹرز نے 04 اجلاس منعقد کیے، جن میں مندرجہ ذیل معزز اراکین نے شرکت کی

نمبر شمار	نام ڈائریکٹر کا	حاضر	رخصت	تفصیلات
1	بختیار اتچ وائیں	4	0	
2	خالد حمید وائیں	2	0	جون 2024 میں دو (02) بورڈ اجلاس کے بعد منتخب ہوئے اور اپنے دور میں تمام دو (02) بورڈ اجلاس میں شرکت کی۔
3	تنویر کرمت	4	0	
4	احمد اسمار عاطف	4	0	
5	محمد شاہد میر	4	0	
6	ہمایوں مقبول	0	0	سال 2024 کے آخر میں عارضی خالی جگہ پر تقرر ہوا، ان کے دور میں کوئی اجلاس منعقد نہیں ہوا۔
7	محمد عارف جنجوعہ	4	0	

نمبر شمار	نام	ڈائریکٹر کا حاضر رخصت	تفصیلات
8	عدیل خالد	0 4	
9	صالحہ آصف	0 4	

سرمائی ڈھانچہ (CAPITAL STRUCTURE)

کمپنی ایک غیر مقروض کاروباری کمپنی ہے جو ایک متوازن سرمائی ڈھانچہ برقرار رکھتی ہے، جو اس کی مالیاتی طاقت اور نقد انتظامیہ کی بہترین کارکردگی کی واضح دلیل ہے۔

نقدیاتی حکمتِ عملی (LIQUIDITY STRATEGY)

کمپنی نے مالی سال 2024 میں ایک نقدیاتی منصوبہ مرتب اور منظور کیا ہے جس میں متعلقہ فریقین کے بقایا جات کی وصولی کو شامل کیا گیا ہے تاکہ بڑھتی ہوئی کاروباری مالی ضروریات کو پورا کیا جا سکے اور کارپوریٹ منافع کی ادائیگی کی پالیسی کے تقاضوں کو پورا کیا جا سکے۔ انتظامیہ کو اس بات پر پورا اعتماد ہے کہ مالی سال 2025 میں نقدیاتی حکمتِ عملی کی پالیسی میں طے شدہ ہدف حاصل کر لئے جائیں گے۔

مستقبل کے امکانات (FUTURE PROSPECTS)

مستقبل کا ویژن ہمارے بورڈ اور انتظامیہ کی حکمت عملی اور منصوبہ بندی کا ایک اہم جزو ہے۔

کمپنی کے مستقبل کے امکانات انتہائی روشن ہیں کیونکہ ہم اپنی رسائی اور صلاحیتوں کو وسعت دینے کے لیے متعدد اہم اقدامات پر عمل پیرا ہیں۔ ہمارے اولین ترجیحات میں امریکہ اور یورپی مارکیٹس میں اپنی موجودگی کو بڑھانا شامل ہے۔ ہمارا خیال ہے کہ ان خطوں میں ترقی کے بڑے مواقع موجود ہیں اور ہم کامیابی کے لیے ضروری وسائل کی سرمایہ کاری پر پختہ عزم ہیں۔ اس کے علاوہ، ہم جدید ترین مشین لرننگ حل تیار کر رہے ہیں جو ہمارے صارفین کو جدید مصنوعات اور خدمات فراہم کرنے کی ہماری صلاحیت کو بڑھائیں گے۔ ایک اور اہم توجہ کا مرکز کلاؤڈ ایگنوسٹک بننے کی ہماری کوششیں

ہیں، جو ہمیں زیادہ لچک اور پیمانہ کاری کی صلاحیت فراہم کریں گی۔ ہم سعودی عرب میں اپنے بعد از مارکیٹ سپورٹ کے کاروبار کو بھی وسعت دے رہے ہیں اور اعلیٰ تعلیم یافتہ یونیورسٹی گریجویٹس کی بھرتی کر کے ڈیٹا انجینئرز کی ایک نرسری تیار کر رہے ہیں۔ ترقی کو مزید تیز کرنے کے لیے، ہم دنیا بھر میں چینل پارٹنرز تیار کر رہے ہیں اور ان کی آمدنی بڑھانے میں مدد کے لیے ایک منظم پروگرام نافذ کیا ہے۔ آخر میں، ہم اپنی موجودہ مصنوعات کو بہتر بنانے اور صنعت کے لیے مزید مصنوعات اور حل تیار کرنے کے لیے پر عزم ہیں تاکہ مارکیٹ میں ایک لیڈر کی حیثیت سے اپنی پوزیشن برقرار رکھی جا سکے۔

معاشرے کی خدمت (SERVICE TO SOCIETY)

ایک کمپنی کی حیثیت سے، ہم فعال اور ذمہ دار کارپوریٹ شہری ہونے کا عہد کرتے ہیں۔ ہمارا ماننا ہے کہ کاروباروں کی ذمہ داری ہے کہ وہ معاشرے کے لیے سود مند ثابت ہوں اور تعلیم، صحت عامہ، عوامی تحفظ اور ماحولیاتی صحت جیسے اہم مسائل کے حل میں مدد کریں۔ ہم دیگر اداروں کے ساتھ مل کر کام کرنے کے ذریعے طاقتور اشتراک پیدا کرنے کے لیے پر عزم ہیں تاکہ اس معاشرے کی حالت کو بہتر بنایا جا سکے جہاں ہم کام کرتے ہیں۔ ہماری کمپنی اور ملازمین نے سیلاب متاثرین کی مدد کے لیے بڑی فراخدلی سے اپنا وقت اور رقم دی ہے، جس میں متاثرہ آبادی کو خیمے، رضائیں، ادویات اور راشن بیگز کی فراہمی شامل ہے۔ ہم نے جنوبی پنجاب کے ضلع ڈیرہ غازی خان میں طبی کیمپ لگائے جہاں تقریباً 5,000 متاثرہ افراد کو خوراک، طبی امداد اور مالی معاونت فراہم کی گئی تاکہ ان کی بحالی میں مدد مل سکے۔ ہمیں ان ضرورت مندوں کی مدد اور ان کمیونٹیز پر مثبت اثرات مرتب کرنے کی ہماری جاری کوششوں پر فخر ہے۔

صحت، حفاظت اور ماحولیات (HEALTH, SAFETY AND ENVIRONMENT - HSE)

آکٹوپس ڈیجیٹل لمیٹڈ میں، ہم صحت، حفاظت اور کے معیارات کو سنجیدگی سے لیتے ہیں۔ ہم اپنے کاروبار سے وابستہ ماحولیات کے خطرات کو فعال طور پر منظم کرنے کی اہمیت کو تسلیم کرتے ہیں اور اپنے ملازمین اور زائرین کو آگ، حادثات یا چوٹ کے خطرے کو کم سے کم کرنے کے لیے اپنے طریقہ کار کو بہتر بنانے کے لیے مسلسل کام کر رہے ہیں جن کا مقصد ہمارے کام کے مقامات اور دفاتر میں کسی بھی ممکنہ خطرات کو کم کرنا ختم کرنا یا کنٹرول کرنا ہے۔ مزید برآں، ہم یقینی بناتے ہیں کہ ہماری مصنوعات تمام متعلقہ حفاظتی معیارات اور قانونی تقاضوں کے مطابق محفوظ طریقے سے شپ کی جائیں۔ ہمارے عزم کا اظہار ہماری صحت، حفاظت اور ماحولیات کی پالیسیوں اور طریقہ کار میں ہوتا ہے۔ ہم ملازمین اور زائرین کے لیے ایک محفوظ اور صحت مند کام کا ماحول بنانے کے ساتھ ساتھ معاشرے اور ماحول کے لیے ہماری ذمہ داریوں کو ترجیح دیتے رہیں گے تاکہ ہمارے ملازمین، گاہکوں اور وسیع تر معاشرے کی بہبود کو یقینی بنایا جا سکے۔

گزشتہ سالانہ اجلاس عام میں اٹھائے گئے مسائل (ISSUES RAISED IN THE LAST AGM)

31 دسمبر 2023 کو اختتام پذیر ہونے والے سال کی سالانہ عام اجلاس کے دوران کوئی اہم مسئلہ زیرِ بحث نہیں آیا۔

ایجنڈا نمبر 1۔ 31 دسمبر 2023 کو منعقدہ غیر معمولی جنرل میٹنگ کے منٹس کی تصدیق کرنا۔

ایجنڈا نمبر 2۔ 31 دسمبر 2023 کو اختتام پذیر ہونے والے سال کے آڈٹ شدہ اکاؤنٹس پر غور کرنا۔

ایجنڈا نمبر 3۔ موجودہ آڈیٹر (بی ڈی او۔ ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس) کی مالی سال 2024 کے لیے دوبارہ تقرری کرنا۔

مذکورہ بالا تمام ایجنڈا آیٹمز پر تفصیلی بحث کے بعد منظوری دی گئی اور انہیں اپنا لیا گیا۔ ایک سوال وجواب کا سیشن بھی منعقد کیا گیا۔

میٹنگ کے دوران ایک باہمی سوال وجواب کا سیشن منعقد ہوا جس میں ڈائریکٹر (مسٹر تنویر کرمت)، چیف فنانشل آفیسر (مسٹر فیصل ندیم شیخ) اور کمپنی سیکرٹری (مسٹر احسن خلیل) نے تمام سوالات کے جوابات دیے۔

معاوضہ پالیسی برائے ڈائریکٹرز (BOARD OF DIRECTORS REMUNERATION)

کمپنی کا ڈائریکٹرز کا بورڈ چار غیر عملی ڈائریکٹرز اور تین عملی ڈائریکٹرز پر مشتمل ہے۔ عملی ڈائریکٹرز کو کمپنی کی انسانی وسائل پالیسیوں اور تنخواہ کی سطحوں کے مطابق مقررہ تنخواہ اور مراعات ادا کی جاتی ہیں۔ عملی ڈائریکٹرز کی کارکردگی کا جائزہ انسانی وسائل اور معاوضہ کمیٹی کے منظور شدہ معیارات کے مطابق لیا جاتا ہے اور منظوری کے لیے بورڈ کو سفارش کی جاتی ہے۔ بورڈ اجلاسوں میں شرکت کے لیے صرف ایک آزاد ڈائریکٹر کو معاوضہ ادا کیا جاتا ہے، جبکہ دیگر ڈائریکٹرز کو اس سلسلے میں کوئی معاوضہ نہیں دیا جاتا۔

متعلقہ فریقین کے ساتھ لین دین (TRANSACTIONS WITH RELATED PARTIES)

متعلقہ فریقین کے ساتھ کیے گئے تمام لین دین 'آرم لینتھ پرنسپل' (کاروباری / بازاری اصولوں) کے مطابق اور خالصتاً تجارتی شرائط پر انجام دیے گئے ہیں۔ ان فریقین کے لین دین میں قیمتوں کا تعین قابل موازنہ غیر کنٹرولڈ قیمتوں کے طریقہ کار کے مطابق کیا گیا ہے

کارپوریٹ گورننس کے طریقہ کار (CORPORATE GOVERNANCE PRACTICES)

آکٹوپس ڈیجیٹل لمیٹڈ کی ہیئتِ مدیرہ کمپنی کے اصولوں پر پابندی اور کمپنیز ایکٹ 2017 کے ضوابط میں شامل کارپوریٹ گورننس کوڈ کی تمام ضروریات کی تعمیل کو یقینی بناتی ہے

تسلیمات (ACKNOWLEDGEMENT)

بورڈ آف ڈائریکٹرز کمپنی کے ملازمین کی مسلسل لگن اور کوششوں سے انتہائی خوش ہے۔

برائے **بورڈ آف ڈائریکٹرز**،

تنویر کرمت (چیف ایگزیکٹو آفیسر)

اثمار احمد عاطف (ڈائریکٹر)

لاہور: 30 اپریل 2025

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