NOTICE

PSX/N-1350 October 30, 2026

FOR ALL CONCERNED

PLACEMENT OF DRAFT PROSPECTUS OF "ADAL FINTECH LIMITED" ON PSX WEBSITE FOR SEEKING PUBLIC COMMENTS

Pakistan Stock Exchange Limited ("**PSX"**) is pleased to inform all concerned that **Adal Fintech Limited** (**"the Company"**) has applied for listing on the Main Board of PSX.

The total issue size of the Initial Public Offering comprises 50,160,003 Ordinary Shares having par value of PKR 1/- each using Book Building Method at a Floor Price of PKR 8.75/- per share. Arif Habib Limited is the Lead Manager to the Issue.

Pursuant to Clause 3A.(2) of the Public Offering Regulations, 2017, the Draft Prospectus of the Company is hereby placed on the PSX Website under the caption of "**Public Comments on Draft Prospectus of Adal Fintech Limited**". Details about the Issue can be reviewed through the attached Draft Prospectus of the Company.

All concerned are requested to provide their written comments on the Draft Prospectus, if any, to PSX by emailing at comments.draftprospectus@psx.com.pk latest by **COB Friday, November 06, 2026.**

Syed Ahmad Abbas
Head of Business Development & Listing

Copy to:

1. The HOD, PMADD (SMD), SECP
2. Adal Fintech Limited
3. Arif Habib Limited
4. PSX Website

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5 AND SEEK PROFESSIONAL ADVICE, BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT SECTION 5 OF THE PROSPECTUS.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET-WORTH INDIVIDUALS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION EXCEPT IN THE CASE OF UPWARD REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSION OF CONSOLIDATED BID IS PROHIBITED UNDER THESE REGULATIONS. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN ONE WORKING DAY OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE UNDERWRITING COMMISSION, BIFURCATING AS TAKE UP COMMISSION OR ANY OTHER, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.

THIS PROSPECTUS CONTAINS FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS CONTAINED IN THIS PROSPECTUS, INCLUDING STATEMENTS REGARDING FUTURE RESULTS OF OPERATIONS AND FINANCIAL POSITION, BUSINESS STRATEGY AND PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS, TIMELINES RELATING TO IMPLEMENTATION PLAN ARE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER IMPORTANT FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS.

ADAL FINTECH LIMITED
PROSPECTUS FOR INITIAL PUBLIC OFFERING

Date and Place of Incorporation: June 22, 2021, Lahore, Incorporation number: 0178082, Registered Office: 39-Empress Road, Lahore, Pakistan, Head Office: 14th Floor, New State Life Tower, Jinnah Avenue, Blue Area, Islamabad, Pakistan, Contact No: 042-111-859-859, Website: https://www.adalfi.com/, Email: salman@adalfi.com, Contact Persons: Salman Akhtar (Chief Executive Officer), Phone: 042 - 111 859 859, Email: salman@adalfi.com; Waqar Safdar (Chief Financial Officer) Phone: +92-300-4776688, Email: waqar@adalfi.com.

Issue Size: The Issue consists of 50,160,003 Ordinary Shares (i.e. 10% of the total post-IPO paid up capital of Adal Fintech Limited) of face value of PKR 1/- each (including premium of PKR 7.75/- per share).

Method of Offering: Book Building Method

Book Building Method and Floor Price: Seventy-five percent (75%) of the Issue size i.e., 37,620,002 shares will be offered through Book Building Method at a Floor Price of PKR 8.75/- per share with a maximum price band of up to 48.57% (PKR 13/-). Justification of Issue Price is given under "Valuation section", i.e. Section 4A). The Bidders shall be allowed to place Bids for seventy-five percent (75%) of the Issue size and the Strike Price shall be the price at which seventy-five percent (75%) of the Issue 37,620,002 is subscribed for book building. The remaining twenty-five percent (25%) i.e., 12,540,001 shares shall be offered to the retail investors through General Public portion.

Retail/General Public Portion: General Public portion of the Issue comprises of 12,540,001 ordinary shares (25% of the total issue size) at the Strike Price. The retail portion of the public offer shall be fully underwritten.

Public Comments: Draft Prospectus was placed on PSX's website seeking public comments starting from [•] to [•] and all public comments received were duly addressed by the Consultant to the Issue.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on [•] and will close at 3:00 pm on [•]

BIDDING PERIOD DATES: From [•] to [•], From: 9:00 am to 5:00 pm

DATE OF PUBLIC SUBSCRIPTION: From [•] to [•] (both days inclusive) From: 9:00 am to 5:00 pm

Consultant to the Issue / Lead Manager	Eligible Participants for Book Building	Public Offer Underwritten By
ARIF HABIB LIMITED	Securities Broker, Mutual Funds, Scheduled Banks and Developmental Financial Institutions that are clearing members of NCCPL and Trading only Brokers.[1]	ARIF HABIB LIMITED

For retail portion/general public portion, investors can submit application(s) through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system ("**PES**") and CDC's Centralized E-IPO system ("**CES**"). PES and CES can be accessed via the web links https://eipo.psx.com.pk, and www.cdceipo.com, There is no transaction limit on making payment through e- banking channels. 1Link through Memo dated August 22, 2024, has instructed all its member banks to remove the limits on transfer of funds for transactions executed through e-IPO platforms. For details, please refer to Section 13.3 of the Prospectus.

Date of Publication of this Prospectus

Prospectus can be downloaded from the following websites: https://www.adalfi.com/, http://www.psx.com.pk, www.cdceipo.com and http://www.arifhabibltd.com/ .

For Further Queries you may Contact

Adal Fintech Limited: Salman Akhtar (Chief Executive Officer), **Phone:** 042 - 111 859 859, **Email:** salman@adalfi.com; Waqar Safdar (Chief Financial Officer) **Phone:** +92-300-4776688, **Email:** waqar@adalfi.com; **Arif Habib Limited**: Hamza Rehan (AVP – Investment Banking) | **Phone**: +92-21-38280227 | **Email**: hamza.rehan@arifhabibltd.com; Muhammad Ali Farooq (Analyst – Investment Banking) | **Phone**: +92-21-38280290 | **Email**: muhammad.ali@arifhabibltd.com; Muhammad Ali Chandio (Analyst – Investment Banking) | **Phone**: +92-21-38280638 | **Email**: ali.chandio@arifhabibltd.com. **Underwriter**: **Arif Habib Limited**: Hamza Rehan (AVP – Investment Banking) | **Phone**: +92-21-38280227 | **Email**: hamza.rehan@arifhabibltd.com.

The Company is proposed to be listed at the Pakistan Stock Exchange Limited

[1] *Provided that Trading only Securities Brokers shall also be eligible to act as Eligible Participant for Book Building. PCM shall create separate accounts for TO Brokers. TO Brokers shall allowed to participate in the Book Building from the proprietary account and may also onboard its clients.*

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)

E-STAMP
(GOVERNMENT OF PUNJAB)

PB-LHR-3C2FD58F0424ABD1

PSID-40172609305601371

Rs 300/-

Three Hundred Rupees Only

Purpose	: AFFIDAVIT - 4
Applicant	: SALMAN AKHTAR [35202-1878172-1]
Representative From	: ADAL FINTECH LIMITED
Address	: 39 Empress Road Lahore
Issue Date	: 30-Sep-2026, 07:51:03 PM
Delisted On/Validity	: 7-Oct-2026
Paid Through Challan	: 20262AF0C79B6F3B
Reason	: UNDERTAKING FOR PSX

ATTESTED
Saud-ul-Hassan Khan Sabri
ADVOCATE & NOTARY PUBLIC
NOTARY PUBLIC
LAHORE HIGH COURT LAHORE

نوٹ: یہ زائر شناختی جاری ہونے سے سات دنوں تک کے لیے قابل استعمال ہے۔ اسی اسٹامپ کی تصدیق پنجاب ویب سائٹ کیو آر کوڈ سے کی جا سکتی ہے۔

ATTESTED
MUHAMMAD ZAFAR RAFIQUE BHATTI
OATH COMMISSIONER
ADVOCATE HIGH COURT
Date: 01-01-26
Expiry Date: 01-01-29

MUHAMMAD ZAFAR RAFIQUE BHATTI
ADVOCATE HIGH COURT OATH COMMISSIONER
LAHORE HIGH COURT LAHORE

Dated: 19/10/2026

UNDERTAKING

WE, Salman Akhtar, THE CHIEF EXECUTIVE OFFICER AND Waqar Safdar, THE CHIEF FINANCIAL OFFICER OF ADAL FINTECH LIMITED CERTIFY THAT:

1. THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THE PROSPECTUS.

FOR AND BEHALF OF ADAL FINTECH LIMITED

Salman Akhtar
CHIEF EXECUTIVE OFFICER

Waqar Safdar
CHIEF FINANCIAL OFFICER

Note: This Supplement shall be published within 1 working day of the close of Bidding Period in at least all those newspapers in which the Prospectus of Adal Fintech Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of Adal Fintech Limited earlier published on [•]

Adal Fintech Limited

- FLOOR PRICE: PKR 8.75/- PER SHARE
- STRIKE PRICE: PKR [•] /- PER SHARE
- ISSUE PRICE: PKR [•] /- PER SHARE
- PRICE BAND (MAXIMUM 48.57%): PKR 13/- PER SHARE

Underwriter to the Retail Portion of the Issue, If Any

Sr. No.	Name(s) of Underwriter	No. of Shares Underwritten	Amount Underwritten (at Floor Price of PKR 8.75/-)	Amount Underwritten (at Cap Price of PKR 13/-)	Underwriting Fee	Take-up Commission
					%	
1.	Arif Habib Limited	12,540,001	109,725,009	163,020,013	1%	**1%**

Category Wise Breakup of Successful Bidders

Sr. No.	Category	No. of Bidders	No. of Shares Provisionally Allocated
Institutional Investors			
1.	Commercial Banks	[•]	[•]
2.	Development Financial Institutions	[•]	[•]
3.	Mutual Funds	[•]	[•]
4.	Insurance Companies	[•]	[•]
5.	Investment Banks	[•]	[•]
6.	Employees' Provident / Pension Funds	[•]	[•]
7.	Leasing Companies	[•]	[•]
8.	Modarabas	[•]	[•]
9.	Securities Brokers	[•]	[•]
10.	Foreign Institutional Investors	[•]	[•]
11.	Any other Institutional Investors	[•]	[•]
Total Institutional Investors		[•]	[•]
Individual Investors			
12.	Foreign Investors	[•]	[•]
13.	Local	[•]	[•]
Total Individual Investors		[•]	[•]
GRAND TOTAL		[•]	[•]

GLOSSARY OF TECHNICAL TERMS

ACT	Securities Act, 2015
ADR	Advances to Deposits Ratio
AHL	Arif Habib Limited
AI	Artificial Intelligence
AML	Anti-Money Laundering
API	Application Programming Interface
ATL	Active Taxpayers List
AVP	Assistant Vice President
Bn	Billion
B2B	Business-to-Business
BCG	Boston Consulting Group
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CAPEX	Capital Expenditure
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CEO	Chief Executive Officer
CES	Centralized e-PO System
CI	Continuous Integration
Commission/SECP	The Securities and Exchange Commission of Pakistan
Companies Act	Companies Act, 2017
CPI	Consumer Price Index
CTI	Consultant to the Issue
CUIN	Corporate Unique Identification Number
CY	Calendar Year
EPS	Earnings Per Share
ERP	Enterprise Resource Planning; in the Valuation Section, Equity Risk Premium
ESOS / ESOP	Employees' Stock Option Scheme
FBR	Federal Board of Revenue
FY	Financial Year
GDP	Gross Domestic Product
GenAI	Generative Artificial Intelligence
GLV	Gross Lending Volume
GPU	Graphics Processing Unit
GRC	Governance, Risk and Compliance

IPO	Initial Public Offering
LLM	Large Language Model
MENA / MENAP	Middle East and North Africa / Middle East, North Africa, Afghanistan and Pakistan
ML / MLOps	Machine Learning / Machine Learning Operations
Mn	Million
NCCPL	National Clearing Company of Pakistan Limited
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificates
P.A.	Per Annum
PCM	Professional Clearing Member
PKR or Rs.	Pakistan Rupee(s)
PPE	Property, Plant and Equipment
PSX / Exchange	Pakistan Stock Exchange Limited
ROA	Return on Assets
ROE	Return on Equity
SAM	Serviceable Addressable Market
SDK	Software Development Kit
SEZ	Special Economic Zone
SIEM	Security Information and Event Management
SIMAH	Saudi Credit Bureau
SME(s)	Small and Medium-sized Enterprise(s)
SMS	Short Message Service
SOC 2	System and Organization Controls 2
S&P	Standard and Poor
SBP	State Bank of Pakistan
TREC	Trading Right Entitlement Certificate
TTM	Trailing Twelve Months
UIN	Unique Identification Number
USD	United States Dollar
WAF	Web Application Firewall
YoY	Year-on-Year

DEFINITIONS

Application Money	In case of bidding for shares out of the Book Building portion, the total amount of money paid by a Bidder, which is equivalent to the product of the Bid Price and the number of shares.
Bid	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Adal Fintech Limited Limited at a price at or above the floor price, including upward revisions thereto. An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 48.57% of the Floor Price. Please refer to Section 12.1.2 for details.
Bid Amount	The amount equals the product of the number of shares Bid for and the Bid price.
Bid Price	The price at which a bid is made for a specified number of shares.
Bid Revision	The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation10(2)(iii) of the PO Regulations. As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same. As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.
Bidder	An eligible investor who makes a bid for subscription of shares in the Book Building process.
Bidding Period	The period during which bids for subscription of shares are received.
Book Building	A process undertaken to elicit demand for shares under which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.
Book Building Portion	The part of the total Issue which has been allocated for subscription through Book Building.
Book Building System	An online electronic system operated by the Designated Institution for conducting Book Building.

Cap Price	The maximum price, being 48.57% above the Floor Price, at which a prospective Bidder may place a bid for shares under the Book Building process.
Company / AdalFi	Adal Fintech Limited
Company's Legal Advisor	Huzaima & Ikram (Law Firm)
Commission / SECP	Securities & Exchange Commission of Pakistan
Consolidated Bids	A bid which is fully or partially beneficially owned by persons other than the one named therein
Consultant to the Issue / Lead Manager	Any person licensed by the Commission to act as Consultant to the Issue and/or the Lead Manager. Arif Habib Limited has been appointed as Consultant to the Issue and/or the Lead Manager by the Issuer.
Designated Institution	Includes the securities exchange, central depository and clearing company to provide the Book Building System for conducting Book Building.
Dutch Auction Method	The method through which Strike Price is determined by arranging all the Bids in descending order based on the Bids Prices along with the number of shares and the cumulative number of shares bid for. The Strike Price is determined by lowering the Bid Price to the extent that the total number of securities offered under the Book Building Portion is subscribed.
E-IPO Platform	E-IPO refers to the electronic platform through which investors can submit applications for public subscription of securities electronically with payment through e-banking channels. Retail investors shall be able to participate in the public subscription through only the e-IPO platforms provided by CDC and PSX. The following systems are available for e-IPO: **(i)** PSX's e-IPO System (PES): To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (https://eipo.psx.com.pk). Payment of subscription money can be made through 1LINK's and NIFT's member banks available for PES. For making application though PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Similarly, an e-IPO application can be filed by:

- the investor himself, or
- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or +92-21-35274401-10, or email:itss@psx.com.pk

Investors who are registered with PES can submit their applications through the web link, https://eipo.psx.com.pk, 24 hours a day during the subscription period which will close at midnight on [•]

(ii) Centralized e-IPO System (CES): To facilitate investors, the Central Depository Company of Pakistan ("CDC") has developed a Centralized e-IPO System ("CES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES. There is no transaction limit on making payment through e – banking channels.

For making application though CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific Company by authorising (adding the details of) their respective Participant(s) in CES. Consequently, authorised Participants can electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and can also make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES

	portal. The securities will be credited directly in Investors' subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC's IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account. Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: or contact Mr. Farooq Ahmed Butt, Senior Manager – Operations, at Phone +92-21-34326030 and email: farooq_butt@cdc.pak.com Investors who are registered with CES can submit their applications through the web link 24 hours a day during the subscription period which will close at midnight on [•]. IPO Facilitation Account (IFA): Investors not having investor account or sub account can subscribe IPO application by opting for the IPO facilitation account. IPO Facilitation Account is an account to be maintained by CDC separately for each IPO wherein securities of such successful applicants who do not have CDS Accounts at the time of making subscription application, shall be parked for a certain period of time. Subsequent to parking, all the successful applicants shall be intimated via email to open an Investor Account with CDC or Sub-Account with any of the CDS Participants (i.e. licensed securities brokers or commercial banks). Upon opening of CDS Account, successful applicants shall approach CDC Investor Account Services and securities of such successful applicants shall be moved from the IFA to their respective CDS Accounts.
Eligible Investor	An Individual or Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 2,000,000/- (Two Million Rupees only).
Eligible Participant for Book Building (Eligible Participant)	Eligible Participant shall include securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing member of NCCPL. Provided that Trading Only Securities Broker shall also be eligible to act as Eligible Participant for Book Building. Provided further that in case of Trading Only Securities Broker, Professional clearing members shall collect the margin money from the bidders and deposit the same with NCCPL.

Floor Price	In case of book building means the minimum price per share set by the Issuer in consultation with Consultant to the Issue. For this Issue, Floor Price is PKR 8.75/- per share.
Gross Domestic Product	GDP is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
General Public	All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.
Initial Public Offer (IPO)	It means first time offer of securities to the general public.
Institutional Investors	Any of the following entities: **(i)** A financial institution; **(ii)** A company as defined in the Companies Act, 2017; **(iii)** An insurance company established under the Insurance Ordinance, 2000; **(iv)** A securities broker; **(v)** A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; **(vi)** A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; **(vii)** A private fund established under Private Fund Regulations, 2015; **(viii)** Any employee's fund established for the benefit of employees; **(ix)** Any other fund established under any special enactment; **(x)** A foreign company or any other foreign legal person; and **(xi)** Any other entity as specified by the Commission.
Issue	The public offer of securities to the general public or a class thereof by an Issuer. This Issue consists of 50,160,003 Ordinary Shares representing 10% of total post-IPO paid-up capital having floor price of PKR 8.75/- per share.
Issue Price	The price at which Ordinary Shares of the Company are issued to the General Public/retail portion. The Strike Price will be the Issue Price.
Issuer	Adal Fintech Limited
Joint Procedures	The procedures notified by the Securities Exchange and NCCPL for Book Building
Key Employees	Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company.

Limit Bid	A bid placed by the bidder at a maximum price that he is willing to pay for shares under the Book Building method
Listing Regulations	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'. The aforementioned regulations can be found at the following link; https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Regulations-February-09-2026.pdf
Margin Money	The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Eligible Participants shall collect full amount of the bid money as Margin Money from the Bidders and deposit same with the NCCPL. Individual Investors and Institutional Investors shall pay 100% of bid amount as margin money to the Eligible Participants. Provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment. Eligible Participants that are Banks, Development Finance Institutions, and Mutual Funds, shall be allowed to participate in the book building with 0% margin money for proprietary trade. Provided that the Banks and Development Finance Institutions shall provide standing instruction to the NCCPL to directly debit the bank account in case of default.
Minimum Bid Size	The Bid amount equal to Two Million Rupees (PKR 2,000,000/-) under the Book Building Method
Ordinary Shares	Ordinary Shares of Adal Fintech Limited having face value of PKR 1/- each.
PO Regulations	The Public Offering Regulations, https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-august-6-2025/?wpdmdl=61673&refresh=6984133c13ec91770263356
Price Band	Floor Price with an upper limit of 48.57% above the Floor Price, i.e. PKR 8.75/- and PKR 13/-, allowing Bidder to make Bid at Floor Price or within the Price Band.
Prospectus	Prospectus includes any document, notice, circular, material, advertisement, offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a company, body corporate or entity, other than deposits invited by a bank and certificate of investments and certificate of deposits issued by non-banking finance companies.

Registration Period	The period during which registration of bidders is carried out. The registration period shall commence two days before the start of the Bidding Period and shall remain open till 3:00 pm on the last day of the Bidding Period.
Related Employees	Related Employees mean such employees of the Issuer, the Offeror, the Underwriters, and the Consultants to the Issue, who are involved in the Issue or the prospectus. Please refer to Section 3A (vi) for further details.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing company whether directly or indirectly.
Step Bid	Step Bid in case of shares means a series of Limit Bids at increasing prices provided that Bid Amount of any step is not less than minimum bid size. In case of a step bid the amount of each step will not be less than Rupees Two Million only (PKR 2,000,000/-).
Strike Price	The price per share is determined on the basis of Book Building process.
Supplement to the Prospectus	Means the supplement to the prospectus to be published within One (1) working day of the close of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.

INTERPRETATION

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

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1. APPROVALS AND LISTING ON THE STOCK EXCHANGE

1.1 APPROVAL OF THE SECURITIES EXCHANGE AND COMMISSION OF PAKISTAN

Approval of the Pakistan Stock Exchange (the "**Securities Exchange**" or the "**PSX**") has been obtained by **Adal Fintech Limited** ("**Adal Fintech**", "**AdalFi**" or the "**Company**" or the "**Issuer**") for the offer, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter No PSX/_____ dated [•].

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by **Adal Fintech Limited** for the offer, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter Ref. No _____ dated [•].

DISCLAIMER:

(a) THE SECURITIES EXCHANGE AND COMMISSION HAS NOT EVALUATED THE QUALITY OF THE OFFER AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC/INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE OFFER BEFORE SUBSCRIBING.

(b) THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY THE SECURITIES EXCHANGE AND COMMISSION.

(c) THE CONTENTS OF THIS DOCUMENT DO NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY THE SECURITIES EXCHANGE AND COMMISSION, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT WITH ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF THE EXCHANGE AND COMMISSION.

(d) IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY THE SECURITIES EXCHANGE AND COMMISSION AND MUST NOT BE TREATED AS A SUBSTITUTED FOR SPECIFIC ADVICE.

(e) THE SECURITIES EXCHANGE AND COMMISSION DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANY ONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND/OR MISTAKES, FOR DECISIONS AND/OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

(f) SECURITIES EXCHANGE AND COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIALS SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARDS TO THEM BY THE COMPANY IN THIS PROSPECTUS.

(g) ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT

1.2 FILING OF PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

Adal Fintech Limited has filed with the Registrar of Companies as required under Section 57 (1) of the Companies Act, 2017, a copy of this Prospectus signed by all the Directors of the Company.

1.3 LISTING ON PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

In accordance with Section 69 of the Companies Act, 2017, any allotment made on the basis of this prospectus shall be void if such permission has not been applied for within seven (7) days after the first offer of this prospectus or, having been applied for, is not granted within twenty-one (21) days from the closing of the subscription lists (or within such extended period, not exceeding forty-two (42) days, as may within the said twenty-one (21) days be notified by PSX).

If permission to deal in and quote the shares is not granted within the above period, the Company shall forthwith refund, without surcharge, all money received from applicants in pursuance of this prospectus. If any such money is not repaid within eight (8) days after the Company becomes liable to repay it, the Directors shall be jointly and severally liable to repay that money from the expiration of the eighth day together with a surcharge at the rate of two percent (2%) per month or part thereof and shall, in addition, be liable to a penalty of Level 3 on the standard scale as prescribed under the Act.

All monies received from applicants shall be deposited and kept in a separate bank account in a scheduled bank until the Company is no longer liable to repay such amounts under sub-section (2) of Section 69. In the event of default in complying with this requirement, the Company and every officer who authorises or permits the default shall be liable to a penalty of Level 2 on the standard scale in accordance with the provisions of the Act.

2. SUMMARY OF THE PROSPECTUS

2.1 SUMMARY OF THE PRIMARY BUSINESS OF ADAL FINTECH LIMITED

Adal means Justice and Fi stands for Finance. AdalFi helps create fairness in lending. The Company exists to make lending fairer – and safer: to let banks say "yes" to the many creditworthy people and businesses they could never previously see while managing the credit risk.

Five ideas carry this mission through this Prospectus:

- **What problem is AdalFi solving:** Lending in Pakistan is structurally unfair. With consumer credit at roughly 1% of GDP, millions of creditworthy consumers, SMEs and farmers are invisible to traditional, scorecard-based lending and are simply turned away.
- **What has AdalFi built:** An AI platform that analyzes a borrower's actual real-time cash flows so a partner bank can fairly and confidently say "yes" and disburse the loan in real-time.
- **Evidence it works:** Our partner banks have used the AdalFi platform to lend PKR 90+ billion to over 130,000 borrowers at a ≈0.2% default rate over 3+ years of lending, against a ≈3.5% bank baseline – fairer for borrowers and safer for banks.
- **Why it's a good business:** AdalFi is paid a share of lending income net of losses, not a licence fee. AdalFi's economics align with banks and compound as multi-year loans stack up, while the platform is built once and deployed many times.
- **Where it goes from here:** New lending products, more partner banks, Islamic digital finance and the coming open-banking rails extend the platform across a barely-tapped market.

Adal Fintech Limited ("AdalFi", the "Company" or the "Issuer") is a technology product company that provides the AI-based credit infrastructure using which banks and other regulated lenders in Pakistan originate, underwrite, disburse and manage consumer, SME and agriculture credit through fully digital, straight-through journeys. The platform is built once and deployed across many lenders. AdalFi itself is not a lender: it holds no loan assets and takes no balance-sheet credit exposure. The partner bank that remains the lender of record. AdalFi thus combines software-like operating leverage with a performance-linked share of the lending it enables. The product and economics of AdalFi are captured in the figure below.

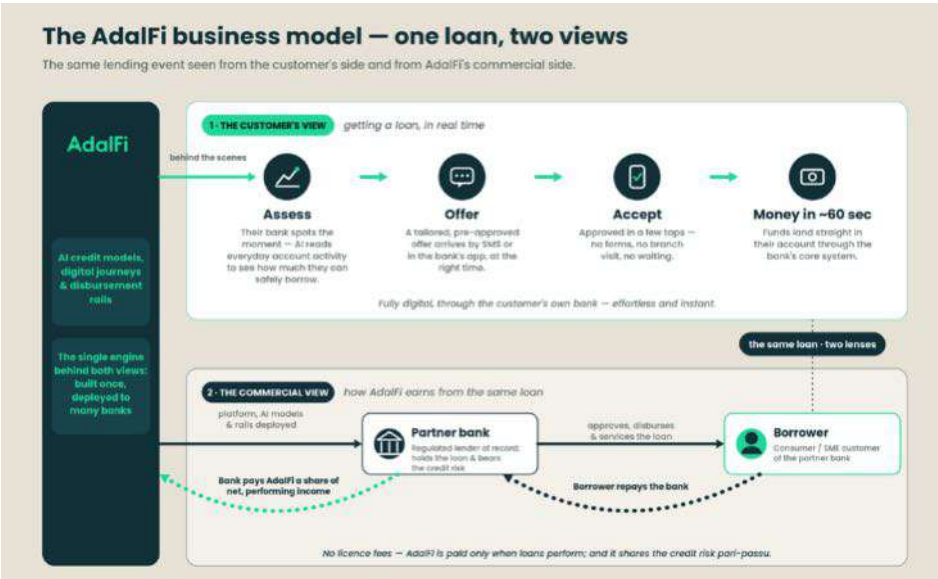

Figure 1: The Company's business model. Source: the Company.

Investment Highlights

- **A pure-play technology product company. Among the first on the PSX**: Capital-light, IP-led software with no balance-sheet credit exposure and software-like operating leverage.
- **Unique economics**: As described above.
- **Demonstrated at scale, with exceptional credit quality**: As described above.
- **High growth, and profitable since 2025**: Revenue has increased from 151 Mn in CY2023 to 567 Mn in CY2025 and a projected 988 Mn in CY2026. PAT was 108 Mn in CY2025 and is projected to be 342.14 Mn in CY2026.
- **Live at 9 Banks**: This includes 6 out of the Top 10 Banks in Pakistan.
- **A widening moat**: Our models learn across all our lending partners. This creates a compounding data advantage that no single lender can replicate.
- **A large, under-penetrated market with clear optionality**: A PKR 30–40 billion annual revenue opportunity[2], of which AdalFi has captured only a low-single-digit share, with further upside from new products, new partner banks, Islamic digital lending, and the coming Wasl/open-banking data rails.
- **Partner-aligned ethos**: Partners control the level of target credit risk. We share in that risk, and provide the lending technology to meet their goals.

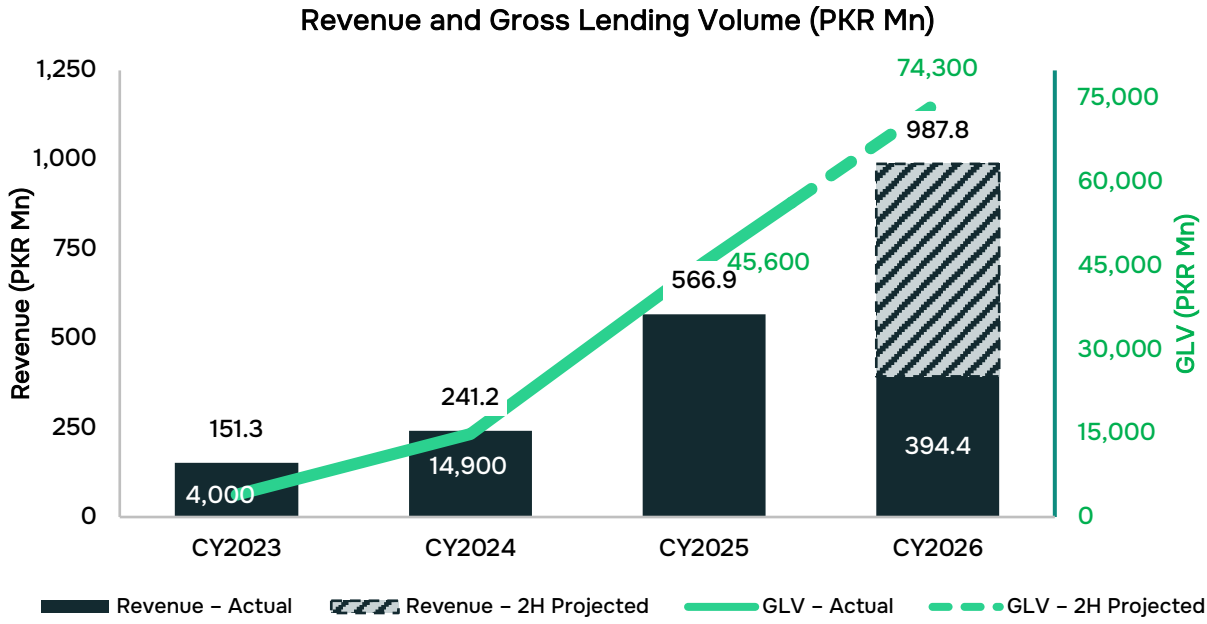

Figure 2: Revenue and Gross Lending Volume Growth. Source: the Company.

How AdalFi works

The platform operates as a continuous, self-improving cycle: the AdalFi Lending Loop (Assess, Activate, Disburse, Optimise), powered by the AdalFi Analytical Architecture and AI model families trained on more than 2.5 billion bank-account transactions. These models score a borrower's "credit reality" using live cash flows rather than static bureau history.

AdalFi charges banks no licence or implementation fees; its principal revenue is a share of the markup and fee income generated by lending (net of cost of funds), with a corresponding pari passu share of the credit risk. The Company earns only when loans perform, and hence **AdalFi is paid for outcomes not for technology**. (See Sections 3.3 and 3.11 for the full platform description.)

[2] Please see Section 3.8.2 for details

Structure and heritage
AdalFi is the operating company through which the AdalFi Digital Lending Platform is sold in Pakistan. AdalFi deploys the platform under an exclusive, irrevocable licence from Adal Financial Pte. Ltd. (Singapore), which owns the intellectual property.

The Company's engineering and financial services heritage traces to Techlogix, a 500+ person technology services firm with more than 15 years' experience delivering Core Banking, Digital Banking, AML/KYC and Risk systems (including Oracle FLEXCUBE and OBDX) across 50+ banks in Pakistan, the Middle East and Africa. This experience, and the trust it has earned, underpins AdalFi's ability to win banks' confidence and integrate deeply with their systems. (See Sections 3.1–3.2.)

Market opportunity
Pakistan is structurally under-penetrated in credit: consumer credit has averaged around 1% of GDP[3] over the past decade against 10–50% in comparable economies (Indonesia: 10%, India: 17%, China: 62%[4]). Meanwhile, the digital rails the AdalFi model depends on are now in place (approximately 9.1 billion retail transactions worth PKR 612 trillion in CY2025, over 88% through digital channels[5]). With financial inclusion rising from 47% (2018) to 69%[6] (2025) and a national target of 75% by 2028, the addressable base is expanding. Management estimates an annual revenue opportunity of PKR 30–40 billion[7] for a platform of AdalFi's nature, of which the Company has captured only a low-single-digit share. (See Section 3.8.2.)

2.2 SPONSORS OF ADAL FINTECH LIMITED

Adal Financial Pte. Ltd., a company incorporated in the Republic of Singapore, is the sponsor of Adal Fintech Limited and is the Company's Parent. It holds the intellectual property in the AdalFi platform. The Company deploys the platform in Pakistan under an exclusive irrevocable licence from the Sponsor. As at the date of this Prospectus the Sponsor holds 451,440,000 Ordinary Shares of the Company, representing substantially the whole of its issued, subscribed and paid-up capital. The Company's Directors hold the remaining thirty Ordinary Shares as qualifying shares.

Sponsors	Description	No. Shares Held	Ownership
Adal Financial Pte. Ltd.	Parent Company, incorporated in the Republic of Singapore. Holds the intellectual property in the AdalFi platform, which is licensed to the Company.	451,440,000	100.00%

[3] Source: Financial Stability Review 2025, State Bank of Pakistan

[4] Source: India (https://www.ceicdata.com/en/indicator/india/household-debt--of-nominal-gdp), Indonesia: (https://www.ceicdata.com/en/indicator/indonesia/household-debt--of-nominal-gdp). China: (https://www.ceicdata.com/en/indicator/china/household-debt--of-nominal-gdp)

[5] Source: Annual Payment Systems Review FY 2024-25, State Bank of Pakistan

[6] Source: Financial Stability Review 2025, State Bank of Pakistan

[7] Source: Estimate based on current Rs 2.7 Trillion lending to Consumers and SMEs expanding to Rs 8-10 Trillion (low end of comparable countries on a credit-to-GDP ratio basis). Assuming 50% of this lending can be enabled via third party lending infrastructure providers and based on AdalFi's current Loan to Revenue ratios, this would yield a Rs 30-40 Billion opportunity

2.2.1 Management Team

AdalFi is led by a founder-management team that combines deep banking-technology heritage with globally recognised credit-science expertise.

The Company's founder and Chief Executive, Salman Akhtar, holds two engineering degrees from the Massachusetts Institute of Technology (MIT). He co-founded Techlogix, where he has served as co-CEO for over 25 years. He also leads Techlogix's Financial Services practice, which maintains 35+ active relationships with banks in Pakistan, the Middle East and Africa. Salman founded AdalFi in 2021 alongside Kewan Qadre Khawaja, another MIT engineer and co-CEO of Techlogix.

Other senior leaders include Arsalan Ahmed, CTO; Qasim Javed, Head of Implementation; Dr. Qasim Sheikh, Head of Research; and Waqar Safdar, CFO. Over the past year, the Company has further strengthened its leadership with two new senior executives- Khalid Kabeer, Chief Product Officer, who was previously CEO of a Middle East-based SME lender, and Ian Read, Head of Credit Excellence, with 25+ years' experience in international credit, decisioning and analytics firms (including FICO, Experian and SIMAH). Full profiles are set out in Section 7 (Board and Management).

2.3 SALIENT FEATURES OF THE OFFER

The Offer comprises 50,160,003 Ordinary Shares of AdalFi having face value of PKR 1/- at Floor Value of PKR 8.75/- each (including premium of PKR 7.75/- per share), which constitutes 10% of the Post-IPO Paid-up Capital of the Company.

Seventy-five percent (75%) of the IPO Issue size i.e., 37,620,002 shares will be offered through Book Building Method at a Floor Price of PKR 8.75/- per share, with a maximum price band of up to 48.57% (i.e., PKR 13/- per share). The Strike Price shall be the price at which seventy-five percent (75%) of the Issue is subscribed under the Book Building process.

The remaining twenty-five percent (25%) of the Issue, i.e., 12,540,001 ordinary shares, will be offered to Retail Investors through the General Public portion at the Strike Price determined through the Book Building process. The Retail Portion shall be fully underwritten, with Arif Habib Limited acting as the underwriter to the Issue.

The total proceeds from the IPO at the Floor Price of PKR 438,900,026/- are expected to be as follows:

Aggregate Proceeds	No. of Shares	Price/Share	Total Proceeds
	#	*PKR*	
Book Building	37,620,002	8.75	329,175,018
Retail Portion	12,540,001	8.75	109,725,008
Public Issue	50,160,003	8.75	438,900,026

The proceeds from the IPO at the Cap Price (48.57%) of PKR 13/- are expected to be as follows:

Aggregate Proceeds	No. of Shares	Price/Share	Total Proceeds
	#	*PKR*	
Book Building	37,620,002	13.00	489,060,026
Retail Portion	12,540,001	13.00	163,020,013
Public Issue	50,160,003	13.00	652,080,039

2.4 PRE AND POST OFFER SHAREHOLDING OF THE SPONSORS

Names	Pre-Offer Shareholding		Post-Offer Shareholding	
	No. of Shares Held	%	No. of Shares Held	%
Sponsors, Associated Companies, Undertakings and Related Parties				
Adal Financial Pte. Ltd.	451,440,000	100.00%	451,440,000	90.00%
Sub – Total	451,440,000	100.00%	451,440,000	90.00%
Directors, Chief Executive Officer and Members of the Company				
Salman Akhtar (CEO & Director)	10	0.00%	10	0.00%
Kewan Qadre Khawaja (Director)	10	0.00%	10	0.00%
Rayomond Kotwal (Director)	4	0.00%	4	0.00%
Ayesha Aziz (Director)	3	0.00%	3	0.00%
Omer Saeed (Director)	3	0.00%	3	0.00%
Sub – Total	30	0.00%	30	0.00%
Public Offering				
IPO – Fresh Issue	-	0.00%	50,160,003	10.00%
Sub – Total	-	0.00%	50,160,003	10.00%
Total	451,440,030	100.00%	501,600,033	100.00%

2.5 PRINCIPAL PURPOSE OF THE OFFER

The Company intends to apply the net proceeds of the Offer — estimated at approximately PKR 438.9 million — to the continued growth of its business. The proceeds will be directed to the development of new, Pakistan-specific intellectual property owned by the Company — in particular Islamic digital lending products and SME-focused credit models trained on data specific to Pakistan; to accelerating solution delivery and implementation as the Company onboards and expands within partner banks; to strengthening the Company's technology infrastructure, cloud capacity and information-security posture; and to marketing and growth activities that build the Company's partner-bank pipeline. The balance of the proceeds will be applied to general corporate purposes and working-capital requirements.

2.6 BUSINESS PLAN AND WAY FORWARD

The Company's platform is live in production across nine partner banks — including The Bank of Punjab, United Bank Limited, Allied Bank Limited, Askari Bank, JS Bank, MCB Bank, Bank AL Habib, Faysal Bank and The Bank of Khyber — and the number of active product families it supports has grown from two in CY2022 to nine in CY2025, with eleven expected in CY2026. These span salary advances, personal and term loans, digital credit cards, vehicle finance, SME term and running finance, agriculture finance and supply-chain finance.

The opportunity the Company addresses is large and structurally underserved. Consumer credit in Pakistan has averaged only about 1% of GDP over the past decade, compared with 10% to 50% in comparable economies. The digital rails on which data-driven lending depends: Raast, digital and biometric eKYC, and the forthcoming Wasl national data exchange platform are either in place

or nearing deployment. Financial inclusion rose from 47% in 2018 to 69% as of December 2025, against the State Bank of Pakistan's National Financial Inclusion Strategy target of 75% by 2028.

The Company's growth strategy has three complementary strands. The first is to deepen utilisation within its existing partner banks by increasing the range of products each bank offers on the platform, and the volume of lending it originates. The second is to onboard additional partner institutions and, in doing so, to continue diversifying the Company's revenue base: The Bank of Punjab's share of platform lending volume is projected to decline to approximately 86% in CY2026 and to fall below 60% thereafter as United Bank, JS Bank, Askari Bank, Allied Bank and the more recently added partners, including MCB Bank and Bank AL Habib, scale up. The third is to broaden the product suite, with a particular focus on Islamic digital lending — which the Company expects to dominate its product mix within the next two to three years — together with SME, vehicle, credit-card and agriculture-finance products.

Underpinning this strategy is continued investment in the Company's technology and in Pakistan-specific, Company-owned intellectual property. The Company will develop proprietary models and product capabilities tailored to the Pakistani market (including Shariah-compliant credit products and SME-focused use cases). These will be owned by Adal Fintech Limited, separate from the core platform licensed from its parent. It will continue to advance the AdalFi Analytical Architecture and its model families, strengthen its technology infrastructure, and extend its information-security posture through internationally recognised certifications such as ISO 27001.

Over the medium term, management is targeting strong and sustainable growth. Based on the financial projections set out in Sections 6.14 to 6.18, over the five years from CY2025 to CY2030, annual platform-enabled Gross Lending Value is projected to grow from approximately PKR 46 billion to approximately PKR 312 billion, a compound annual growth rate of approximately 47%. Total revenue is projected to grow from PKR 566.9 million to approximately PKR 3.3 billion over the same period, a compound annual growth rate of approximately 42%, with revenue projected at approximately PKR 988 million for the full year CY2026 and approximately PKR 4.0 billion by CY2031. Because the platform is built once and deployed many times, operating costs are projected to grow at a compound annual rate of approximately 29% over the same period (including the royalty payable for the licensed platform from CY2029), materially slower than revenue growth. As a result, gross margin is projected to expand from approximately 43% in CY2025 to approximately 66% in CY2030, and operating margin from approximately 18% to approximately 49%. Profit after tax is projected to grow from approximately PKR 108 million in CY2025 to approximately PKR 1.90 billion in CY2030. The Company expects to remain capital-light and strongly cash-generative throughout, with shareholders' equity rising to approximately PKR 4.52 billion by CY2030, after dividend distributions, and no material borrowings.

2.7 JUSTIFICATION IN FAVOR OF THE FLOOR PRICE OF PKR 8.75/- PER SHARE MAY BE SEEN IN SECTION 4A OF THE PROSPECTUS, TITLED VALUATION SECTION

Justification given by the lead manager/consultant to the issue in favour of floor price of PKR 8.75/- per share may be seen at Section 4A of the prospectus, titled Valuation Section.

2.8 QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL YEARS

The financial statements of AdalFi during the last three financial years, i.e. CY2025, CY2024, CY2023 have been free from any qualification and the audit report has been clean. Grant Thornton Anjum Rahman ("GT") conducted the audits.

2.9 FINANCIAL INFORMATION — (PLEASE REFER TO SECTION 6 FOR FURTHER DETAILS AND RATIOS ANALYSIS)

PKR Mn	CY2023	CY2024	CY2025	1H CY2026
	Audited	*Audited*	*Audited*	*Audited*
Financial Position				
Authorized Share Capital	700.00	700.00	700.00	900.00[8]
Issued, Subscribed and Paid-up Share Capital[9]	451.44	451.44	451.44	451.44
Net Worth	207.51	117.61	225.32	340.09
Total Assets	245.34	200.70	381.64	478.32
Total Liabilities	37.84	83.09	156.32	138.23
Total Debt	-	-	-	-
Total Debt to Equity Ratio	-	-	-	-
Profitability				
Revenue	151.27	241.15	566.92[10]	394.36[11]
Gross Profit / (Loss)	(116.19)	0.12	242.20[12]	190.90
Gross Margin (%)	(77%)	0%	43%	48%
Operating Profit / (Loss)	(134.68)	(98.15)	104.15	111.75
Operating Margin (%)	(89%)	(41%)	18%	28%
EBITDA[13]	(116.93)	(61.81)	135.45	131.49
Profit / (Loss) After Tax	(128.52)	(89.89)	107.71[14]	114.77
Profit After Tax Margin (%)	(85%)	(37%)	19%	29%
Per Share (PKR)				
Earnings / (Loss) per Share Before Split	(2.85)	(1.99)	2.39	2.54
Earnings / (Loss) per Share After Split	(0.28)	(0.20)	0.24	0.25
Break-up Value per Share Before Split	4.60	2.61	4.99	7.53
Break-up Value per Share After Split	0.46	0.26	0.50	0.75
Outstanding Shares – Pre Split	45,144,002	45,144,002	45,144,002	45,144,003
Cash Flows				
Net Cash from / (Used in) Operating Activities	(115.68)	(63.13)	21.46	173.49

[8] Authorised capital was increased by PKR 200 Mn (20,000,000 ordinary shares of PKR 10 each) during 1H CY2026.

[9] Paid-up capital comprised 45,144,002 ordinary shares of PKR 10 each from CY2023, after the issue of right shares of PKR 254.64 Mn during that year. One further share of PKR 10 was issued in 1H CY2026, taking the total to 45,144,003 shares. On 31 August 2026, the shareholders approved a stock split, reducing the par value from PKR 10 to PKR 1, which increased the number of shares tenfold to 451,440,030 without changing paid-up capital.

[10] Revenue increased by 135% in CY2025, almost entirely from local services, which rose from PKR 94.85 Mn to PKR 410.39 Mn as lending volumes on partner-bank programmes expanded. Local services made up 72% of revenue in CY2025, against 39% in CY2024. Export services revenue was broadly flat at PKR 157.74 Mn.

[11] Revenue for 1H CY2026 comprises local services of PKR 281.75 Mn and export services of PKR 113.07 Mn. Local services revenue for the six months was 37% higher than half of the CY2025 figure.

[12] Gross margin improved from nil in CY2024 to 43% in CY2025 because revenue grew much faster than the delivery cost base, which is mostly staff cost.

[13] EBITDA = EBIT + Depreciation (on owned assets and right-of-use assets)

[14] CY2025 was the Company's first profitable year. Revenue grew by PKR 325.77 Mn while total costs (cost of revenue, administrative, selling and marketing and other expenses) grew by PKR 123.47 Mn.

Capital Expenditure	(22.18)	(9.67)	(18.12)	(24.41)
Net Cash from / (Used in) Investing Activities	(149.62)	98.67	(35.66)	(42.35)
Net Cash from / (Used in) Financing Activities	254.64	(11.74)	(15.80)	(6.47)
Net Increase / (Decrease) in Cash	(10.66)	23.81	(30.00)	124.67
Cash and Cash Equivalents at End of Period	10.11	33.92	3.92	128.59

2.10 OUTSTANDING LEGAL PROCEEDINGS

There are no litigations against the Company, Sponsors, Substantial Shareholders, Associated Companies and Directors.

2.11 RISK FACTORS

For a comprehensive understanding of the potential risks and uncertainties associated with AdalFi, including operational, financial, and market-related factors, please refer to Section 5 of this prospectus.

2.12 RELATED PARTY TRANSACTIONS

The Company's related parties comprise the Parent Company, associated undertakings, Directors, key management personnel and the staff provident fund. Provident fund contributions are made in accordance with applicable employment terms and agreements.

Related party transactions primarily involve Adal Financial Pte. Ltd. (Singapore) and associated undertakings within the Techlogix group, comprising revenue, subcontracting costs, receivables and advances. These transactions are conducted in accordance with the Company's transfer pricing policy and are subject to Board approval.

Particulars	Nature of Relationship	CY2023	CY2024	CY2025	1H CY2026
PKR Mn		Audited	Audited	Audited	Audited
Amount Due from Related Parties					
Receivable from Adal Financial Pte. Ltd. (Singapore)	Parent Company	2.62	-	-	11.38
Receivable from Techlogix Pakistan (Private) Ltd.	Associate	8.28	27.80	150.54	70.90
Receivable from Techlogix Mobility (Private) Ltd.	Associate	0.42	0.65	1.81	0.97
Payable to Related Parties					
Advance from Adal Financial Pte. Ltd (Singapore)	Parent Company	-	7.24	32.19	-
Transactions with Related Parties					

Revenue from Adal Financial Pte. Ltd. (Singapore)	Parent Company	121.28	150.44	157.74	113.07
Revenue from Techlogix Pakistan (Private) Ltd.	Associate	22.33	90.12	393.75	266.94
Revenue from Techlogix Mobility (Private) Ltd.	Associate	0.30	0.58	1.16	4.24
Subcontracting cost charged by Techlogix Pakistan (Private) Limited	Associate	12.10	16.55	51.86	22.65
Shares Issued to Related Parties					
Shares Issued to Adal Financial Pte. Ltd. (Singapore)	Parent Company	254.64	-	-	-

Further detail of transactions with the Company's related parties during the three financial years ended 31 December 2025, together with the six months ended 30 June 2026 (1H CY2026), and their corresponding financial impact are presented in Section 3 of the Prospectus. All transactions with related parties are conducted at arm's length.

3. OVERVIEW, HISTORY AND PROSPECTS

3.1 COMPANY OVERVIEW

AdalFi was founded on a simple idea about fairness. "**Adal" means justice and "Fi" stands for finance: the Company exists to create fairness in lending**: to let banks say "yes" to the many creditworthy consumers, SMEs and farmers they could not previously reach.

AdalFi is a technology product company. Its core asset, the AdalFi Digital Lending Platform, comprises proprietary, AI-based credit-scoring models packaged within a software platform that enables straight-through digital lending journeys with automated, real-time decisioning and loan disbursement. The platform is built once and deployed repeatedly across many lending partners, giving AdalFi software-like operating leverage. Upon listing, AdalFi would be among the first pure-play technology product companies to list on the Pakistan Stock Exchange, offering public-market investors rare, direct access to a high-growth, intellectual-property-led product business.

Key Metrics:

> PKR 90 Bn Cumulative lending enabled (GLV)	**130,000+** Unique borrowers served	**750,000+** Loans enabled
≈0.2% 90-day default rate (vs ≈3.5% baseline)	**≈1040%** GLV Growth, CY2023–CY2025	**≈275%** Revenue Growth, CY2023–CY2025
Profitable Rs 108 Mn in 2025	**6 out of the Top 10 Banks** Live on the AdalFi Platform	**Tax Exempt to 30 June 2031** Corporate tax exemption (STZA)

The Company is not a lender: it does not extend credit from its own balance sheet and does not hold loan assets. We enable partner lending institutions to identify and serve borrowers they could not previously reach. The partner bank remains the regulated lender of record; AdalFi provides the intelligence and the rails.

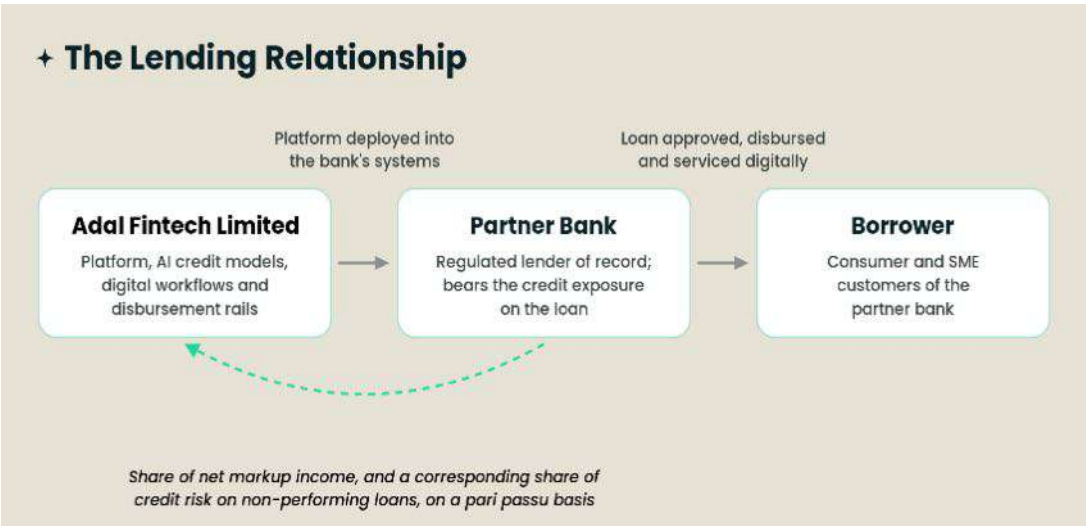

Figure 3: Role of the Company in the lending relationship. Source: the Company.

This positions AdalFi as a capital-light financial-infrastructure platform rather than a balance-sheet lender. Its economics combine software-like scalability with performance-linked participation in the credit programmes it powers: the Company earns a share of the net markup

income generated by AdalFi-enabled portfolios and shares the associated credit risk on a corresponding basis. Because revenue accrues to the Company based on portfolio performance rather than origination volume alone, the Company is completely aligned with ensuring the underwriting quality of its lending partners, not on growth alone.

AdalFi is led by a founder-management team pairing deep banking-technology heritage (via Techlogix) with globally recognised credit-science expertise. The Founder and CEO is an MIT graduate who co-founded and co-led Techlogix. Full profiles appear in Section 7.

The Company also has clear optionality ahead: a pivot into Islamic digital lending (expected to dominate its product mix within two to three years) and rapid adoption and execution on the coming Wasl / open-finance data rails.

Proven at scale with exceptional credit quality

AdalFi has achieved product-market fit, revenue scaling and net profitability in its home market, Pakistan. Across more than PKR 90 billion in lending to over 130,000 borrowers, AdalFi-enabled portfolios have sustained a 90-day default rate of approximately 0.2%—significantly below the ≈3.5% baseline typical of comparable conventionally underwritten bank lending. Lower losses directly improve partner-bank returns and, because AdalFi shares in credit risk, align the Company's own economics with its partner lending institutions.

Corporate Information

Name	Adal Fintech Limited
Incorporation Number	0178082
Date of Incorporation and Place	June 22, 2021, Lahore, Pakistan
Date of Commencement of Business	Not applicable, as Adal Fintech Limited was previously incorporated as a private limited company
Date of Conversion to Public Limited Company	January 22, 2026

Adal Fintech Limited (**"Adal Fintech"**, **"AdalFi"**, the **"Company"** or the **"Issuer"**) was incorporated in Pakistan on June 22, 2021, as a private limited company under the Companies Act, 2017 (XIX of 2017). Effective January 22, 2026, the Company changed its status from "Adal Fintech (Private) Limited", a private limited company, to "Adal Fintech Limited", a public unlisted company, pursuant to the requirements of the Companies Act, 2017.

The Company's registered office is situated at 39 Empress Road, Lahore, Pakistan. The Company's principal place of business is at 14th Floor, New State Life Tower, Jinnah Avenue, Blue Area, Islamabad, Pakistan.

The Company's principal activity is providing infrastructure for digital lending. Currently, its platform provides credit scoring models, digital customer journeys for disbursement and collection, and portfolio monitoring. The Company provides its platform to banks and other regulated lenders, enabling lending to individuals, small and medium-sized enterprises (SMEs) and farmers.

AdalFi is the Pakistan-based operating company through which the platform is commercialised. It deploys the AdalFi platform under licence from Adal Financial Pte. Ltd. (Singapore), the group entity that owns the underlying intellectual property. AdalFi has an exclusive, irrevocable licence for the AdalFi Digital Lending Platform for Pakistan.

Figure 4: Group structure and intellectual property. Source: the Company.

3.2 HISTORY AND DEVELOPMENT OF THE COMPANY

AdalFi's story began with a question its founding team was uniquely placed to answer: if a bank already sees a customer's everyday cash flows, why should a thin credit-bureau file decide whether that customer deserves credit? The Company's engineering and financial-services heritage traces to Techlogix, a technology firm with more than 15 years' experience delivering banking solutions — including Oracle FLEXCUBE core banking, Oracle OBDX digital banking, and compliance and risk systems — to more than 50 banks in Pakistan and the Middle East. That foundation, and the trust it earned, underpins AdalFi's ability to win banks' confidence and integrate deeply with complex banking software.

The founding team's deep familiarity with the systems, data, and integration realities of Pakistani banks was a key advantage. This heritage catalysed breakthrough insights into the use of banking data through AI-based modelling and shaped **AdalFi's central insight: that a borrower's live bank-account cash flows are a more direct and inclusive predictor of creditworthiness than static credit-bureau history**, and that this kind of data signal could become the basis of an end-to-end digital lending platform embedded directly within a bank.

The Company's development has followed a deliberate sequence — proving the platform in depth within an anchor bank, then broadening the range of credit products, and only thereafter widening the partner-bank footprint. Key milestones include:

Date	First live	Notes
2020-21	Origins within Techlogix	The platform was conceived and engineered on the back of more than 15 years of banking systems delivery, providing the domain knowledge and technical experience to deliver pre-built solutions that could be readily deployed into complex bank environments.
2021	Launch at Bank of Punjab	The Salary Advance product went live as AdalFi's first deployment, establishing real-time, transaction-based credit decisioning and 100% digital, straight-through loan disbursement in production.
2022	Partner expansion	New agreements signed, including Allied Bank and JS Bank for consumer and SME lending.

Date	First live	Notes
2022-25	Product and Portfolio expansion	The platform expanded from two active product families to nine, spanning personal loans, credit cards, auto finance, running and term finance, agriculture and supply-chain finance across partners such as Bank of Punjab, UBL, JS Bank, Allied Bank and Askari Bank.
2025-26	Profitability and Scaling	AdalFi recorded its first full year of profitability in Pakistan in 2025; by 2026, expanded its partner bank footprint to nine formal banking partnerships, and began preparations to list on the Pakistan Stock Exchange.

Scale achieved over the development period

The impact of that sequence is evident in the credit the platform has enabled. Cumulative Gross Lending Volume (GLV) — the total value of loans originated through the platform — rose from effectively zero to more than PKR 90 billion by June 2026. Annual GLV is shown in the figure below. What began as a single salary-advance product at two banks is now a nationwide platform spanning more than a dozen consumer and SME products across the country's leading banks.

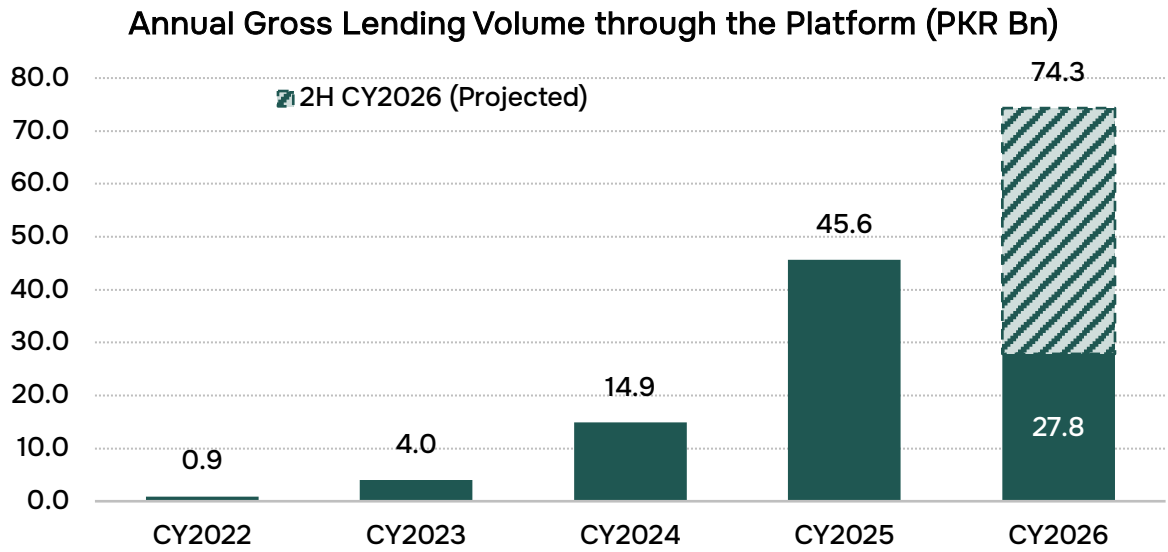

Figure 5: Gross Lending Volume Growth. Source: the Company.

The sections below set out the major events behind this growth under three headings: strategic and financing partnerships; launches of key products and services; and investments and recognition.

3.2.1 STRATEGIC AND FINANCIAL PARTNERSHIPS

The Company's business is built on deep, embedded partnerships with regulated banks, where the platform is deployed. The Company sequentially onboarded a roster of Pakistan's leading institutions, beginning with two anchor partners and expanding to a national footprint.

Bank	Live from	Significance
Bank of Punjab	Jul 2021	Anchor partner; broadest product suite — salary advance, running finance, cards, personal loans, top-ups, vehicle and agriculture finance.
Allied Bank	Jul 2021	Co-anchor from launch; embedded salary-advance journey in the myABL app, later extended to SME.
Askari Bank	Feb 2022	Salary-advance partnership, extended to SME loans.
United Bank	Dec 2023	Running finance, then personal loans and salary advance — a major tier-1 partnership.
JS Bank	Mar 2024	Multi-product partner — credit cards, personal loans, term loans, supply-chain finance and salary advance.
Faysal Bank	2024–25	Supply-chain and term-loan deployments, broadening beyond the largest banks.
Bank of Khyber	2026	Live with salary advance financing.
Bank AL Habib	Jan 2026	Live with salary advance financing.
MCB Bank	Aug 2026	Salary advance

3.2.2 LAUNCH OF KEY PRODUCTS AND SERVICES

From a single product at launch, the Company has systematically extended the platform across the consumer and SME lending spectrum. Each new product reuses the same underlying AI-based decisioning, activation, disbursement and monitoring infrastructure, enabling a faster launch cadence over time.

Product	First live	Note
Salary Advance	Jul 2021	The founding product; earned-wage and advance-salary lending at Bank of Punjab and Allied Bank.
Running Finance	Dec 2022	Revolving consumer credit at Bank of Punjab; scaled to become one of the two largest products by GLV.
Credit Cards	Sep 2023	Digital card origination at Bank of Punjab, later extended to JS Bank.
Personal Loans	Dec 2023	Unsecured instalment lending at Bank of Punjab; a core high-volume product.
Loan Top-ups	Apr 2024	Repeat and incremental lending to existing borrowers.
Term Loans	Apr 2024	Fixed-term consumer lending, first deployed under the JS SAAF programme.
Vehicle Finance	Sep 2024	Auto finance, later extended to two- and three-wheelers (Feb 2026) and e-taxi (Mar 2026).
Agriculture Finance	Jan 2025	Agricultural lending at Bank of Punjab; scaled rapidly to become a top-two product by GLV.

Product	First live	Note
SME Supply-Chain and Term Finance	2025	Supply-chain and SME working-capital and term finance at JS Bank, Faysal Bank and Allied Bank.

Product breadth translated into volume. Monthly GLV first crossed PKR 1 billion in May 2024, PKR 2 billion in October 2024, and exceeded PKR 5 billion by late 2025. The 2025 launch of agricultural finance and the 2026 additions of two- and three-wheeler and e-taxi financing show the platform extending from mainstream consumer credit into adjacent, higher-inclusion segments.

3.2.3 INVESTMENTS, AWARDS AND RECOGNITION

The Company's Sponsor, Adal Financial Pte. Ltd., has been backed since inception by a mix of regional and international venture investors. The capital raised has been used to develop the AdalFi platform and to establish its operating subsidiaries, including the Company.

AWARDS AND RECOGNITION

2023	Winner, SME Credit Innovation Challenge, Karandaaz Pakistan (in partnership with Allied Bank Limited).
2024	Winner, SME Credit Development Grant, State Bank of Pakistan (in partnership with United Bank Limited).
2024	Winner, Agri Credit Innovation Challenge, Karandaaz Pakistan (in partnership with The Bank of Punjab).

3.3 PRIMARY BUSINESS OF THE ISSUER

The Issuer's primary business is the provision of a white-labelled, end-to-end digital lending platform to banks and regulated lenders. The platform plugs into a partner's core banking, card management, loan origination and credit-bureau systems, and operates as a continuous, self-improving cycle.

AdalFi sells a single, integrated software product, the AdalFi Digital Lending Platform, which is built once and deployed repeatedly across many lending partners, giving AdalFi software product economics and operating leverage. AdalFi does not sell consulting or time-and-materials project work to its lending partners; the services it provides to implement the platform are included in the platform licence.

The AdalFi Digital Lending Platform is, in essence, an operating system for digital credit, embedded within the partner lending institution. The AdalFi platform manages the full lending lifecycle, from borrower assessment to loan disbursement and management, using the same building blocks that power every product across both consumer and SME lending. The platform integrates with the Bank's Core Banking and Card Management systems, as well as mobile and web apps, to provide a seamless, 100% digital, straight-through lending solution.

Commercial model
Commercially, AdalFi charges partner banks no licensing or implementation fees; its principal revenue is a share of the net markup income the lending generates, with a corresponding, pari-passu share of the credit risk (for credit cards, revenue is generated through a one-off fee per approved card). The Company is thus rewarded for prudent underwriting rather than loan volume alone, and governs underwriting quality through continuous portfolio monitoring and a monthly

Credit Council. Section 3.5 describes the revenue model, risk-sharing, and compounding economics in full.

Item	Charged to partner banks
Licensing fee	None
Implementation fee	None
Credit cards	One-off fee per approved card
Principal revenue	Share of the net markup income generated by AdalFi-enabled lending programmes
Risk sharing	A corresponding share of the credit risk on non-performing loans, on a pari passu basis

3.3.1 The Borrower Journey

For an existing bank customer, borrowing through an AdalFi-enabled bank is effortless — and happens in real time. The below follows that journey from the customer's point of view.

Figure 6: The borrower journey, from the customer's perspective. Source: the Company.

The process begins before the customer even asks. Working inside the bank, AdalFi's technology analyses relevant banking information within the partner bank's environment to support real-time credit assessment and enable the bank to identify customers eligible for credit. Because this draws on live banking behaviour rather than a thin or out-of-date credit file, the bank can identify creditworthy customers it previously couldn't serve.

When the timing is right, the customer's bank sends a personalised, pre-approved offer by SMS, email, WhatsApp or through its banking app. The customer applies and accepts in a few taps on their phone — no forms to complete, no branch to visit and no waiting for a decision — and the loan is disbursed straight into their account through the bank's core banking system, within about sixty seconds. Throughout, the customer deals only with their own bank, which remains the lender; AdalFi provides the intelligence and the digital rails that make the experience instant.

3.3.2 The Technology Platform

The AdalFi Digital Lending Platform can be understood as three connected layers, each described in detail below:

- **The credit-scoring models:** creditworthiness assessed from live bank-account data rather than from static bureau history.
- **The digital lending journeys:** activation, disbursement, monitoring, governance and security that turn a credit score into a funded, compliant and well-managed loan.
- **The analytics platform:** the AdalFi Analytical Architecture (AAA), which ingests data and produces real-time credit decisions and monitors and optimises the portfolio post-disbursement.

These three layers operate together in the AdalFi Lending Loop shown below.

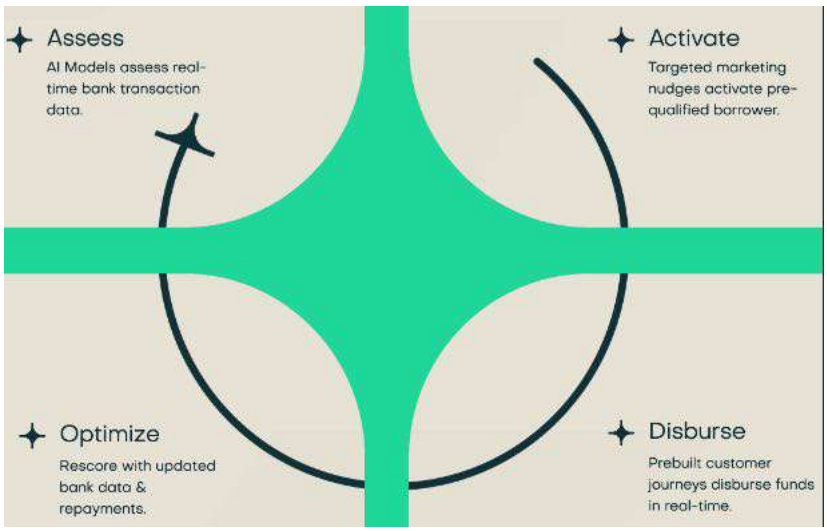

Figure 7: The AdalFi Lending Loop. Source: the Company.

The platform operates as a continuous, self-improving cycle, the AdalFi Lending Loop, in which each loan originated makes the next decision smarter.

Collectively, the platform enables a Bank to offer a variety of credit products to its consumer and SME borrowers. These credit products are 100% configurable, white-labelled to the lending partner's brand, and fully digital from application through disbursement and into collection.

3.3.3 The AdalFi Analytical Architecture

At the core of AdalFi's offering is the AdalFi Analytical Architecture (AAA): a real-time scoring and decisioning engine that sits between a bank's data and its lending channels.

Credit Screening and Scoring Models

AdalFi's distinguishing capability is its approach to credit screening. Rather than relying primarily on static bureau history, which structurally excludes borrowers who are new-to-credit, non-salaried, or running small enterprises, the models score a borrower's "credit reality" from live bank-account cash flows. This allows partner banks to assess and approve creditworthy borrowers that conventional scorecards would reject or be unable to score and also provides new kinds of insights into the behaviour and creditworthiness of otherwise qualified applicants. Model outputs are designed to support explainable credit assessment.

The Company's accumulated transactional and repayment experience provides an expanding body of information against which its proprietary models can be monitored and refined as the platform scales.

3.3.4 Digital Journeys

A key capability delivered by AdalFi are prebuilt digital journeys for customers. These allow banks to deploy an end-to-end digital lending solution in as little as 12 weeks. AdalFi digital journeys are designed to deliver straight-through processing: loans are disbursed into the customer's account within 60 seconds. This real-time disbursement has been key to the adoption of digital loans among partner banks' customers.

The below shows a sample digital journey for a Personal Loan product.

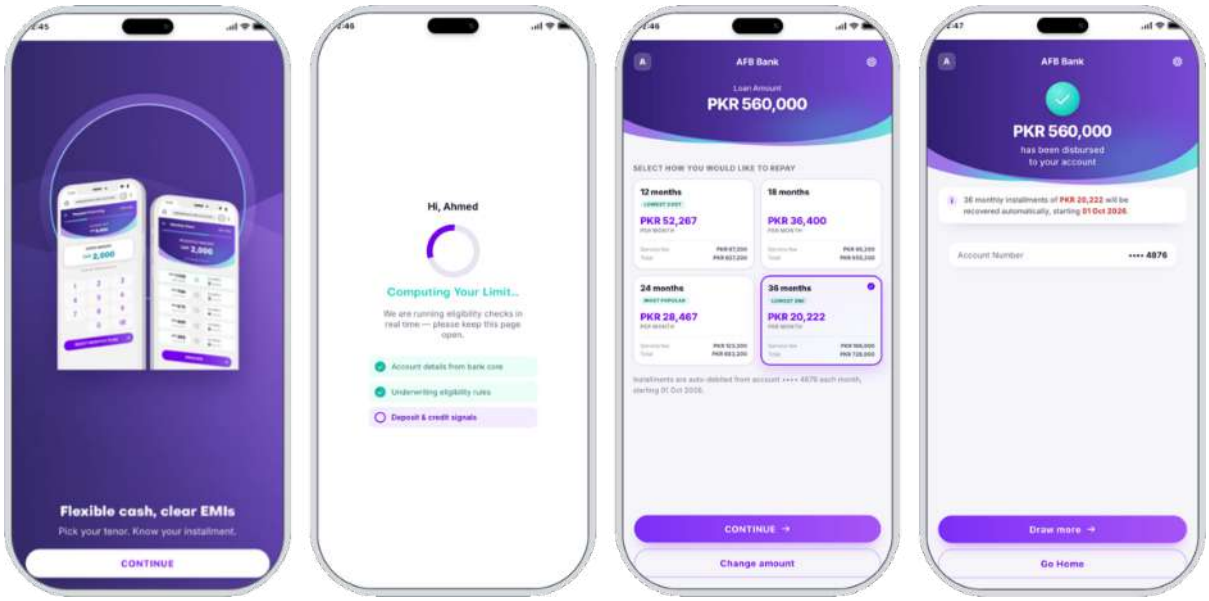

Figure 8: Sample Customer Lending Journey. Source: the Company.

Each journey deployed for a bank is fully customised with bank-specific branding and journey steps. However, each deployment benefits from a number of platform capabilities described below.

Pre-built Integrations

The platform ships with pre-built connectors across the main categories a bank deployment requires — credit bureaus, identity and regulatory databases, core and digital banking systems, and card-management systems — which significantly shorten deployment timelines. Because AdalFi's parent, Techlogix, has extensive banking-systems implementation experience, integration with a bank's systems is accelerated and de-risked.

Deployment And Interfaces

The platform can be deployed on-premises or in a private cloud and is accessed via REST APIs, webhooks, streaming interfaces, and drop-in UI components and SDKs for web and mobile. This enables a bank to embed AdalFi-powered journeys natively within its digital channels or to use AdalFi's white-labelled customer-facing apps.

3.3.5 PORTFOLIO MONITORING

The Optimise function within the AdalFi Lending Loop is the key element in ensuring ongoing portfolio quality. AdalFi constructs a behavioural credit-risk score grounded both in the customer's current financial position and in the customer's demonstrated propensity to repay.

The behavioural score, together with a sophisticated suite of analytical tools, is made available to the Company's lending partners, enabling them to monitor portfolio performance in real time.

3.3.6 CREDIT PRODUCTS FOR INDIVIDUALS AND SMES

Using the capabilities described above, AdalFi enables a number of products for retail and SME credit. Every product uses the same framework for transaction data, scoring, decisioning, activation, disbursement and portfolio monitoring rails: one platform supporting many journeys.

CONSUMER LENDING

- **Personal Loans:** cash-flow–based qualification for salaried and non-salaried customers, with dynamic limits and pricing and 100% digital onboarding and acceptance.
- **Salary Advances:** against verified salary streams, with instant payout and payday auto-recovery via e-mandate, and configurable fees and limits (typically short, salary-linked tenors).
- **Credit Cards:** pre-approval from bank-transaction data and instant approval from bank statements, with risk-based limits and pricing and instant issuance where supported.
- **Vehicle Finance:** cash-flow underwriting with digital eligibility, affordability checks and policy-bound approvals.

SME LENDING

- **Revolving (Running) Finance:** dynamic, auto-replenishing working-capital lines set from live cash flows, with instant drawdowns and real-time risk monitoring.
- **Term Loans:** risk-based amount, tenor and pricing with instant approvals for pre-qualified SMEs, via digital or branch-assisted journeys.
- **Supply-Chain Finance:** buyer-approved limits and invoice discounting with ERP/API integration and automated repayment tracking.
- **Agriculture Running Finance:** seasonal, auto-replenishing credit lines for farm inputs and working capital, sized from crop-cycle and account cash flows, with instant drawdowns and real-time risk monitoring.
- **Agriculture Term Loans:** risk-based amount, tenor and pricing for farming and non-farming rural enterprises, with digital eligibility, affordability checks and policy-bound approvals.

The following table highlights the number of loans and other characteristics of key products:

Product	No. of loans	Disbursed (PKR Bn)
Salary Advance	628,127	10.20
Personal Loan	79,429	23.50
SME Running Finance	11,877	23.56
SME Term Loan	2,975	10.91
Agriculture (Running Finance)	20,191	20.19
Vehicle Finance	12,296	2.38
Credit Cards	7,779	1.06
Total	762,674	91.81

3.3.7 PROVEN IN PRODUCTION — SELECTED RESULTS

- **Bank of Punjab (anchor partner):** doubled monthly unsecured disbursements, cut decision-to-disbursement time from around five days to roughly 60 seconds, and reduced manual processing by approximately 80%. In 2024, AdalFi enabled 18,000+ two-wheeler loans in just three months under a Bank of Punjab / Government of Punjab programme — evidence the platform can absorb government-scale volumes on demand.

- **Allied Bank:** issued more than 20,000 digital loans in 2025 through a salary-advance journey embedded in its myABL app.

- **At platform level:** more than PKR 90 billion enabled to 130,000+ borrowers across 750,000+ loans, at a ≈0.2% default rate.

Two illustrative deployments are summarised below.

Bank of Punjab (BOP)

2× increase in monthly unsecured disbursements · processing time cut to ≈60 seconds · 86% average business growth over 9 months · 80% reduction in manual work

Bank of Punjab's deployment illustrates what the AdalFi platform changes for a partner bank. By moving unsecured lending onto fully digital, straight-through journeys, the bank doubled its monthly unsecured disbursements while compressing approval and disbursement from a multi-step manual process to roughly sixty seconds end to end. Over a nine-month window the business grew by an average of 86%, and the automation of decisioning and documentation removed an estimated 80% of the manual effort previously required, redeploying staff from processing toward sales and portfolio growth.

"AdalFi is reliable, trustworthy, and fast. That combination really works well for us and helps us scale our operations."
— Asif Riaz, Group Chief of Consumer & SME Banking, Bank of Punjab

What changed: End-to-end digital journeys; automated decisioning tied to BOP policy; real-time monitoring; on-premise deployment to meet data-security requirements.

Together, these changes — model-based credit scoring, decisioning configured to Bank of Punjab's own credit policy and real-time portfolio monitoring gave the bank speed, reliability and full policy control at once. It is that combination which the bank's leadership credits with allowing it to scale lending with confidence.

Allied Bank (ABL)

PKR 1.5+ Billion in digital loans to date · 20,000+ loans issued in 2025

At Allied Bank, AdalFi was embedded directly within the bank's myABL digital channel, bringing credit decisioning to the point of customer interaction. Since launch the programme has originated more than Rs 1.5 Billion of digital loans across over 50,000 loans. The significance lies less in the absolute size than in the demonstration that AI-driven, cash-flow-based lending can be delivered seamlessly inside a large bank's existing app, at a speed and volume that manual workflows could not match.

"The ability to embed credit decisioning into myABL and make it seamless for customers was a game changer for us."
— Mohsin Mithani, Chief Digital Officer, Allied Bank

What changed: Embedded Salary Advance with AI-driven cash-flow underwriting; early-warning risk flags; servers-in-bank deployment aligned with compliance and risk controls.

In practice this meant embedding Salary Advance with AI-driven, cash-flow-based underwriting, layering in early-warning risk flags and running the solution on servers inside the bank, aligned with its compliance and risk controls. As the bank's Chief Digital Officer observes, embedding decisioning into myABL and making it seamless for customers was the decisive change.

3.3.8 GOVERNANCE, RISK AND COMPLIANCE

Partner institutions retain control over their credit policies and final lending decisions. AdalFi's models provide credit assessments and recommendations, while the partner institution determines the applicable policies, thresholds, affordability caps and credit limits. Explainable score drivers, immutable decision logs and adverse action notices support credit review and regulatory audit requirements.

At the portfolio level, the platform identifies indicators of potential credit deterioration and provides tools to support ongoing portfolio monitoring. Formal model-governance and performance-monitoring processes are overseen by a monthly Credit Council within AdalFi.

Security and Data Residency

The platform is designed to meet the security and data residency requirements of regulated financial institutions. It can be deployed on-premises, in a private cloud, or in a regulated, in-country public cloud environment, with an architecture designed to keep personally identifiable information within the partner institution's environment.

AdalFi does not access production customer data. Industry-standard information-security, encryption, access-control and data-residency safeguards are supported by the platform..

3.4 SUMMARY OF FINANCIAL PERFORMANCE

The platform described above is what produces the financial results summarised here — and the numbers show the signature of a scaling software business: rapid revenue growth, a clean crossover into profit, and strong operating leverage.

Revenue growth. Revenue rose from PKR 151.3 million in CY2023 to PKR 241.2 million in CY2024 (+59%) and PKR 566.9 million in CY2025 (+135%) — an increase of approximately 275% over two years — and reached PKR 394.4 million in 1H CY2026.

Crossover to gross profit. Cost of sales went from PKR 267.5 million (CY2023) to PKR 324.7 million (CY2025). Revenue overtook cost of sales during CY2024, converting a gross loss of PKR 116.2 million (CY2023) into a gross profit of PKR 242.2 million (CY2025); gross margin reached approximately 48% in 1H CY2026.

Profitability. The Company recorded its first full-year net profit in CY2025 (profit after tax of PKR 107.7 million); profit after tax for 1H CY2026 alone, at PKR 114.8 million, already exceeds the full CY2025 result. EBITDA margin moved from approximately -77% (CY2023) to +24% (CY2025) and +33% (1H CY2026), and return on equity reached 81% in 1H CY2026.

Operating leverage. Because the platform is built once and deployed many times, revenue has grown far faster than costs. Between CY2023 and CY2025, revenue grew by approximately 275%, while personnel costs — the largest cost line — rose by only 55.5%, so personnel costs fell from 126.8% to 52.6% of revenue. This is the defining financial characteristic of the Company and is expected to continue as additional banks and products are added to the existing platform.

Particulars	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Gross Revenue	151.27	241.15	566.92	394.36
Cost of Sales	(267.46)	(241.02)	(324.71)	(203.45)
Gross Profit / (Loss)	(116.19)	0.12	242.20	190.90
Operating Profit / (Loss)	(134.68)	(98.15)	104.15	111.75
Profit / (Loss) After Tax	(128.52)	(89.89)	107.71	114.77

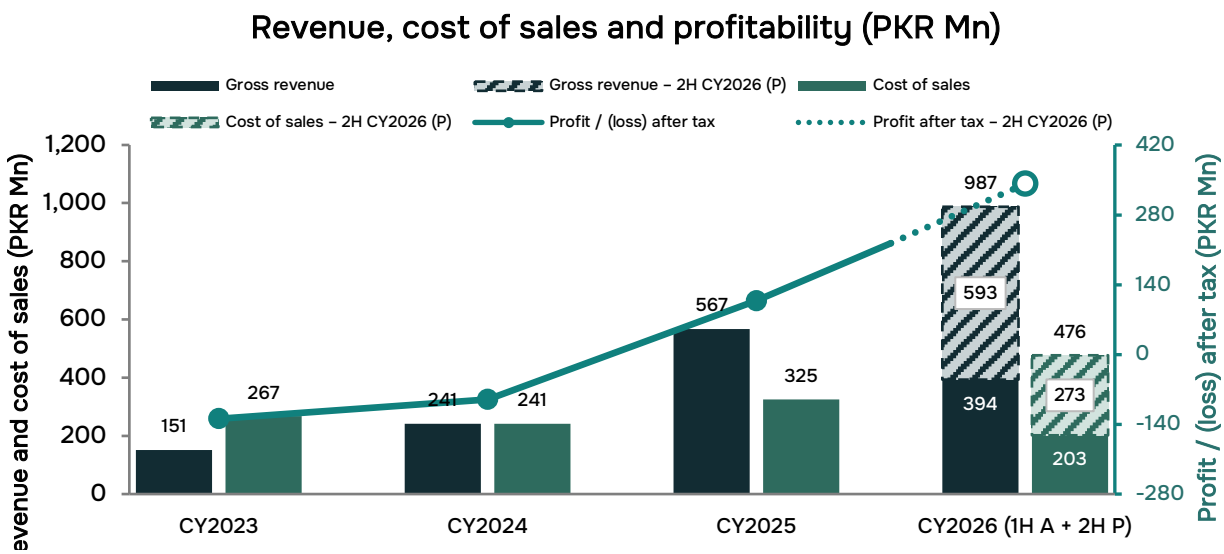

Figure 9: Revenue, cost of sales and profitability, CY2023 to 1H CY2026. Source: the Company.

A detailed analysis of the Company's profitability, cash-flow, working-capital, leverage and per-share ratios over the review period is set out in Section 6 (Commentary on Selected Ratios).

3.5 REVENUE AND INCOME DRIVERS OF THE COMPANY

AdalFi makes money only when the loans it enables perform. This section explains how it earns revenue, what drives it, and how durable it is.

3.5.1 THE REVENUE MODEL

AdalFi is a technology company whose revenue is intrinsically linked to the lending enabled by its platform. Rather than charging a fixed software licence or subscription, AdalFi earns a share of the incremental net income that partner banks generate on loans originated, underwritten and managed through the platform. Revenue is therefore recurring and performance-aligned: it grows automatically with the volume and quality of lending the platform drives, and the Company is paid only as the underlying loans perform.

A risk-sharing model, unique in credit infrastructure. What most sharply distinguishes AdalFi from other players in the credit-infrastructure landscape is that it shares directly in the credit risk of the lending it enables. Because AdalFi is paid a percentage of net income — the bank's income after its cost of funds and, critically, after deducting the principal of non-performing loans — the Company earns only when a loan performs. If a borrower defaults, the outstanding principal is stripped out of the revenue-share base and AdalFi forgoes its fee on it entirely, absorbing the downside alongside the lender.

This is a fundamentally different bargain from the rest of the sector: conventional credit-infrastructure and lending-technology vendors — credit bureaux, scoring and decisioning engines, loan-origination systems, and API-based data providers — are invariably paid fixed licence fees, per-seat subscriptions, or per-decision and per-API-call charges that are due whether or not the underlying credit is repaid. **Bureaux and decisioning engines are paid for the tool; AdalFi is paid for the outcome**.

By putting its own revenue at risk on every single loan, AdalFi is not merely a software supplier to its banks but a genuine risk-sharing partner in their lending economics — an alignment that is, to the Company's knowledge, effectively unique among credit-infrastructure providers, and one that both validates the quality of AdalFi's models and cements the trust and stickiness of its bank relationships.

Annual compounding of loans. The model's second powerful feature is the way each year's loans compound over time rather than resetting. Many of the credit products we enable (Personal Loans, Term Loans for SMEs, Vehicle financing) have multi-year tenors (from 1 to 4 years). Thus, every set of loans originated through the platform continues to earn a share of net income across its multi-year life, and each new set of loans is layered on top of the still-earning books built in prior years. Revolving and 'evergreen' products — running finance, agri finance, SME working-capital lines and credit cards — renew and grow their balances year after year, while multi-year personal, term and auto loans (typically one to five years) generate a recurring share over their full tenor.

Each successive year therefore adds fresh set of loans to the residual earning power of every set that preceded it, so platform revenue compounds annually rather than growing in a straight line. As the installed base of performing loans broadens across more products and more banks, this layering becomes the dominant engine of growth — a compounding annuity that strengthens with each year the platform operates.

3.5.2 KEY REVENUE DRIVERS

DISBURSEMENT VOLUME (GROSS LENDING VOLUME)
The primary driver of revenue is disbursement volume — the platform's Gross Lending Volume (GLV), whose growth is set out in Section 3.2. Because AdalFi earns a share of the income banks make on this lending, GLV growth flows directly to the top line. It compounds from three sources: new banks onboarded, new products launched for existing banks, and deeper penetration of each product within a bank's existing customer base.

Pricing Terms with Banks
AdalFi's pricing is predominantly a share of the net income a bank earns on the lending, with fee-based pricing applied to certain product types. The specific commercial terms are agreed with each partner bank.

Net Income basis. For the share-of-income contracts, AdalFi earns a share of the net income a bank generates on the platform-originated portfolio: that is, the bank's income after its funding costs and after the impact of non-performing loans. AdalFi therefore participates only in the genuinely incremental, performing economics of the lending it enables.

3.5.3 CONTRACT STRUCTURE AND STICKINESS

Agreements typically run for a multi-year initial term with automatic renewal, and are billed in arrears. AdalFi retains ownership of the platform's intellectual property and grants each bank a non-exclusive, non-transferable licence. Once a bank is live, revenue is durable and margins are high: the platform continues to earn across the life of each set of loans, and AdalFi's data-science team continues to monitor and improve the models for the bank. Together, these features make partner relationships sticky and long-lived.

3.5.4 LOCAL VERSUS EXPORT SERVICES

AdalFi generates revenue across two geographies. Local services revenue comprises the bank revenue share earned in Pakistan and billed in rupees. It is the Company's principal growth engine and has become the larger of the two revenue streams as domestic lending scales. Export services revenue is earned in foreign currency from platform development and implementation services provided to the Singapore parent and its Saudi Arabia subsidiary. This provides the Company with a stable hard currency revenue base and has historically benefited from Pakistan's incentives for the export of technology services.

The revenue mix is increasingly shifting towards local services, with local revenue growing faster than export revenue as AdalFi's domestic lending programmes expand.

3.5.5 SEGMENT-WISE REVENUE BREAKDOWN

The table below illustrates the value-wise break-up of revenue by credit product from CY2023 to 1H CY2026.

Product Type	CY2023		CY2024		CY2025		1H CY2026	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
	Audited		*Audited*		*Audited*		*Audited*	
Smart Advance	2.96	2.0%	8.28	3.4%	17.53	3.1%	8.06	2.0%
Running Finance	14.97	9.9%	12.41	5.1%	15.77	2.8%	14.37	3.6%

Product Type	CY2023		CY2024		CY2025		1H CY2026	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
	Audited		*Audited*		*Audited*		*Audited*	
SME – Term Loan	-	-	-	-	15.22	2.7%	21.79	5.5%
Term Loan	7.36	4.9%	43.60	18.1%	314.87	55.5%	216.37	54.9%
Credit Card	4.70	3.1%	9.27	3.8%	8.32	1.5%	2.46	0.6%
Agriculture Loan	-	-	17.14	7.1%	28.40	5.0%	16.38	4.2%
Vehicle Finance	-	-	-	-	9.06	1.6%	1.86	0.5%
Total Local Services Revenue	29.99	19.8%	90.71	37.6%	409.17	72.2%	281.29	71.3%
Export Services Revenue	121.28	80.2%	150.44	62.4%	157.74	27.8%	113.07	28.7%
Total Revenue	151.27	100%	241.15	100%	566.92	100%	394.36	100%

Term Loans are the Company's dominant credit product by revenue, growing from PKR 7.36 million in CY2023 to PKR 314.87 million in CY2025 and accounting for 55.5% of total revenue in that year. Product coverage has broadened materially over the period: Agriculture Loans were introduced in CY2024, and SME – Term Loan and Vehicle Finance in CY2025, so that seven products were revenue-generating in CY2025 against four in CY2023. Running Finance and Credit Card have remained broadly stable in absolute terms and have therefore declined as a proportion of a much larger revenue base.

3.5.6 BREAKDOWN OF REVENUE BY PARTNER BANK

The table below illustrates the break-up of Local Services Revenue by partner bank from CY2023 to 1H CY2026.

Partner Bank	CY2023		CY2024		CY2025		1H CY2026	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
	Audited		*Audited*		*Audited*		*Audited*	
The Bank of Punjab	21.23	14.0%	86.80	36.0%	388.56	68.5%	265.43	67.3%
United Bank Limited	4.73	3.1%	-	-	0.17	0.0%	6.32	1.6%
Askari Bank	0.30	0.2%	0.58	0.2%	1.16	0.2%	4.24	1.1%
JS Bank Limited	2.63	1.7%	-	-	7.92	1.4%	3.79	1.0%
Allied Bank Limited	1.10	0.7%	3.32	1.4%	5.19	0.9%	1.51	0.4%
Bank Al-Habib Limited	-	-	-	-	6.16	1.1%	-	-
Faysal Bank	-	-	-	-	0.01	0.0%	-	-
The Bank of Khyber	-	-	-	-	0.00	0.0%	-	-
Total Local Services Revenue	29.99	19.8%	90.71	37.6%	409.17	72.2%	281.29	71.3%

Partner Bank	CY2023		CY2024		CY2025		1H CY2026	
	PKR Mn	%	PKR Mn	%	PKR Mn	%	PKR Mn	%
	Audited		*Audited*		*Audited*		*Audited*	
Export Services Revenue	121.28	80.2%	150.44	62.4%	157.74	27.8%	113.07	28.7%
Total Revenue	151.27	100%	241.15	100%	566.92	100%	394.36	100%

The Bank of Punjab is the Company's anchor partner and its largest customer. Revenue from that institution grew from PKR 21.23 million in CY2023 to PKR 388.56 million in CY2025, representing 68.5% of total revenue in CY2025. United Bank Limited, Askari Bank, JS Bank Limited and Allied Bank Limited are live but at materially earlier stages of ramp-up, and Bank Al-Habib Limited, Faysal Bank and The Bank of Khyber commenced contributing revenue during CY2025.

Customer Concentration	CY2023	CY2024	CY2025	1H CY2026
The Bank of Punjab as % of Total Revenue	14.0%	36.0%	68.5%	67.3%

3.6 COST DRIVERS OF THE COMPANY

The Company's cost base is people- and technology-based. It carries no raw materials, inventory, or manufacturing inputs. The tables below set out the Company's total cost by nature of expense for each period under review. Together, they reconcile to the aggregate of cost of revenue, administrative expenses, selling and marketing expenses, other expenses, and finance cost as presented in the statement of profit or loss.

Personnel and Delivery Cost	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Salaries, Wages and Other Benefits	191.79	235.93	298.31	180.34
Sub-contracting Cost	18.70	25.02	62.37	26.97
Fee and Subscription	11.26	9.53	9.65	24.89
Cost of External Hardware	-	0.73	-	-
Total	221.74	271.21	370.34	232.20

Premises and Infrastructure Cost	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Rent	27.51	15.91	17.87	9.77
Utilities	4.92	7.33	5.62	2.68
Repair and Maintenance	0.43	0.23	0.51	0.69
Insurance	0.21	0.19	0.20	0.17
Depreciation on Operating Assets	11.59	12.23	12.74	6.42
Depreciation on Right-of-Use Assets	-	13.21	13.54	8.21

Premises and Infrastructure Cost	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Total	44.66	49.08	50.49	27.93

Selling and Marketing Cost	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Selling and Marketing Expenses	1.14	4.02	17.25	6.10
Entertainment	1.05	0.98	1.75	1.14
Travelling and Conveyance	7.64	9.10	17.74	11.75
Total	9.83	14.10	36.73	19.00

Administrative and Other Expenses	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Communications	2.56	2.05	2.03	1.15
Legal and Professional Charges	3.14	1.25	1.12	0.49
Auditor's Remuneration	0.41	0.59	0.62	0.46
Donations	0.85	0.75	0.75	-
Training and Education	0.03	0.03	-	0.67
Miscellaneous	0.18	0.02	0.69	0.71
Total	7.16	4.70	5.20	3.48

Finance Cost and Exchange Loss	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Bank Charges	0.17	0.28	0.30	0.08
Lease Finance Charges	-	2.65	1.46	2.09
Exchange Loss – Net	2.55	0.21	-	-
Total	2.72	3.14	1.76	2.17

Total Cost	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Personnel and Delivery Cost	221.74	271.21	370.34	232.20
Premises and Infrastructure Cost	44.66	49.08	50.49	27.93
Selling and Marketing Cost	9.83	14.10	36.73	19.00
Administrative and Other Expenses	7.16	4.70	5.20	3.48
Finance Cost and Exchange Loss	2.72	3.14	1.76	2.17
Total Cost	286.12	342.22	464.52	284.78

3.6.1 PERSONNEL COST

Personnel cost is the most significant element of the Company's cost base and constitutes a substantial portion of total cost. Its consistently high contribution highlights the Company's dependence on specialist engineering, data science and delivery talent, making salary levels and headcount the principal determinants of operating economics and margin performance.

% of Total Cost	CY2023	CY2024	CY2025	1H CY2026
	Audited	*Audited*	*Audited*	*Audited*
Salaries, Wages and Other Benefits	67.0%	68.9%	64.2%	63.3%

The Company competes for engineering and data science talent with domestic technology firms and, increasingly, with overseas employers recruiting remotely from Pakistan. While this supports access to high-quality capability, it also exposes the Company to external risk factors beyond its direct control.

These risks include wage inflation in a competitive technology labour market, attrition of key technical staff, and the concentration of specialist model-development knowledge within a small group of individuals. Personnel cost is also largely fixed in the short term, so it cannot be reduced quickly in response to a revenue downturn.

Given the material importance of personnel cost, sustained retention, structured knowledge transfer and disciplined headcount planning remain critical to controlling input cost volatility and sustaining profitability. The resulting operating leverage — revenue growing far faster than personnel cost — is quantified in Section 3.4.

3.6.2 TECHNOLOGY AND SUBCONTRACTING COST

In addition to its own personnel, the Company relies on subcontracted specialist engineering capacity and on third-party technology services, including cloud infrastructure, software licences and data subscriptions. Collectively, these inputs account for a growing share of total cost and form an integral component of platform delivery and operation.

% of Total Cost	CY2023	CY2024	CY2025	1H CY2026
	Audited	*Audited*	*Audited*	*Audited*
Sub-contracting Cost	6.5%	7.3%	13.4%	9.5%
Fee and Subscription	3.9%	2.8%	2.1%	8.7%
Cost of External Hardware	0.0%	0.2%	0.0%	0.0%

Subcontracting is procured principally from Techlogix Pakistan (Private) Limited, an associated undertaking, and is a related party transaction disclosed in Section 2.12. Fee and subscription costs are largely denominated in foreign currency, being payable to international cloud and software providers.

The primary risks associated with these inputs are foreign-currency exposure arising from dollar-denominated cloud and licence costs, price revisions by a small number of major infrastructure providers, and dependence on a single associated undertaking for a substantial share of subcontracted capacity. Fee and subscription costs rose sharply in 1H CY2026 to PKR 24.89 million, reflecting the commissioning of expanded infrastructure capacity ahead of additional

partner-bank deployments as well as substantial investments in the use of LLM models to increase employee productivity.

Given the material contribution of these inputs, supplier diversification, multi-year pricing arrangements where available and continuous capacity optimisation are essential to mitigate volatility and maintain margin stability as the platform scales.

3.6.3 PREMISES, UTILITIES AND DEPRECIATION

Premises and utility costs, including rent, electricity, repairs and depreciation of operating and right-of-use assets, constitute a smaller yet essential component of the Company's cost structure. These costs are largely fixed and are linked to office capacity and headcount rather than to revenue and therefore tend to fall as a proportion of total cost as business scales.

% of Total Cost	CY2023	CY2024	CY2025	1H CY2026
	Audited	*Audited*	*Audited*	*Audited*
Rent	9.6%	4.6%	3.8%	3.4%
Utilities	1.7%	2.1%	1.2%	0.9%
Depreciation on Operating Assets	4.1%	3.6%	2.7%	2.3%
Depreciation on Right-of-Use Assets	0.0%	3.9%	2.9%	2.9%

Rent fell from PKR 27.51 million in CY2023 to PKR 17.87 million in CY2025. This does not represent a reduction in occupancy cost: the Company recognised its premises as a right-of-use asset under IFRS 16 from CY2024, so the charge previously recorded as rent now appears as depreciation on right-of-use assets together with lease finance charges. Taken together, premises and infrastructure cost has been broadly flat in absolute terms while falling from 15.6% to 10.9% of total cost.

While utilities and premises costs are generally more stable than technology inputs, increases in energy tariffs or in commercial rents on renewal may exert upward pressure on operating costs. As revenue expands, improved absorption of these fixed and semi-fixed costs supports margin stability despite inflationary pressures.

3.6.4 SELLING AND MARKETING COST

Selling and marketing cost comprises borrower-activation campaigns run within partner banks' digital channels, partner-bank acquisition activity, and related travel and business development. It grew from a negligible base as the Company moved from development to commercialisation.

% of Total Cost	CY2023	CY2024	CY2025	1H CY2026
	Audited	*Audited*	*Audited*	*Audited*
Selling and Marketing Expenses	0.4%	1.2%	3.7%	2.1%
Entertainment	0.4%	0.3%	0.4%	0.4%
Travelling and Conveyance	2.7%	2.7%	3.8%	4.1%

Because the Company acquires borrowers from a partner bank's existing deposit base rather than through open-market customer acquisition, this cost line remains small relative to the volume of lending it supports. Selling and marketing cost represented 7.9% of total cost in CY2025 against

3.4% in CY2023, and the increase is a deliberate investment in partner-bank acquisition rather than a cost-control failure.

3.7 MARKETING ACTIVITY

AdalFi sells to banks, not to millions of consumers, so its marketing looks nothing like a lender's: it is a focused, B2B effort to reach and win the senior decision-makers inside lending partner institutions. This section sets out that strategy, the Company's brand positioning, and how it reaches its audience.

3.7.1 MARKETING STRATEGY AND APPROACH

AdalFi operates a business-to-business ("B2B") marketing model, with banks and other regulated financial institutions as its primary customers. Accordingly, its marketing activities are targeted at a specific group of senior decision-makers within financial institutions rather than mass-market consumer advertising.

The Company's marketing strategy is centred on four principal areas: **thought leadership, category education, relationship building and demonstration of platform performance**. LinkedIn serves as the principal digital channel for engaging with the Company's target audience, supported by industry events, executive engagements and public relations activities.

The Company's messaging centres on its positioning as an intelligent credit infrastructure provider that enables regulated lenders to expand access to digital and cash-flow-based credit. Its brand positioning is captured in the themes **"Smarter Credit Decisions. Instant Lending Rails."** and **"Smarter lending, fairer outcomes."**

Consumer acquisition and engagement are largely managed by partner institutions. Through the Activate component of the platform, partner banks can conduct personalised, pre-qualified customer outreach, while AdalFi's marketing activities remain primarily focused on its B2B customer base.

3.7.2 BRAND POSITIONING AND AWARENESS

AdalFi positions itself as an AI-based credit infrastructure provider for banks and other regulated lenders, with its offering spanning the **Assess, Activate, Disburse and Optimise** stages of the lending lifecycle.

Its positioning is built around the following areas:

- **Infrastructure rather than lending.** AdalFi provides the technology and credit intelligence infrastructure that supports lending programmes operated by regulated financial institutions. The partner institution retains the lending relationship and credit exposure.

- **Cash flow based credit assessment.** The Company promotes the use of transactional and Open Banking data to assess borrowers who may have limited or no conventional credit histories, thereby positioning cash flow-based underwriting as an alternative and complementary approach to traditional bureau-based scoring.

- **Credit science and industry expertise.** The Company builds credibility through its management and advisory team, including senior professionals with experience across established credit information, scoring and financial services organisations. Public

announcements of senior appointments have also strengthened the Company's positioning in the credit technology sector.

- **International brand development.** During the third quarter of 2025, the Company undertook a brand refresh, including a new visual identity, website, and launch film. The initiative coincided with its expansion into international markets and was intended to establish a consistent global brand identity.

3.7.3 ADVERTISING AND PROMOTIONS

Given its B2B business model, AdalFi does not engage in mass-market consumer advertising. Partner banks primarily handle end-borrower acquisition through their lending channels, with AdalFi supporting these activities through its Activate capabilities.

The Company's promotional activities principally comprise:

- **LinkedIn**. The Company uses targeted LinkedIn activity to share thought leadership, corporate announcements, product developments and industry insights with its target audience of banking and financial services professionals.

- **Industry events and executive engagements.** Industry conferences and executive roundtables are an important part of the Company's relationship-building activities. AdalFi has participated in international industry events, including Money20/20 USA and Money20/20 Middle East, and has organised invitation-only discussions for banking and fintech executives on topics such as MSME lending and Open Banking.

- **Public relations.** The Company uses earned media and public relations to communicate funding milestones, product developments, financial inclusion initiatives and management expertise, thereby supporting awareness among potential customers and industry stakeholders.

3.7.4 CUSTOMER SEGMENTATION AND TARGETING

AdalFi's customers are financial institutions, and its targeting is segmented along three axes:

Axis	Segments targeted
Institution type	Tier 1 and mid tier commercial banks, as well as microfinance banks, credit unions and fintech lenders.
Geography	Pakistan as the Company's established home market; the MENAP region, with a particular focus on Saudi Arabia.
Lending line within a bank	Consumer lending, including salary advances, personal loans, credit cards and auto finance, and SME/MSME lending, including working capital, term, supply chain and agricultural finance.

Within each institution, the Company primarily targets senior decision-makers, including Chief Executive Officers and heads of retail and SME lending, risk, and digital and technology functions. Customer acquisition is supported by management relationships, industry events, referrals and targeted digital marketing.

The Company also tailors its messaging to the needs of individual customer segments. For SME and MSME lenders, the emphasis is on expanding access to timely financing. For consumer lenders, messaging focuses on cash-flow-based underwriting and on borrowers with limited conventional credit histories. For risk and growth functions, the focus is on expanding lending to qualified customers while maintaining portfolio quality.

3.7.5 DIGITAL MARKETING INITIATIVES

LinkedIn is the Company's principal digital marketing channel. Management supports its digital activity with thought leadership, educational content, platform performance data, and event-related campaigns.

- **Founder- and management-led thought leadership:** Management regularly publishes content relating to credit, cash flow underwriting, Open Banking and financial inclusion, supporting the Company's positioning as a specialist in digital credit infrastructure.

- **Educational content:** The Company uses explanatory content to educate potential customers on concepts including the Lending Loop, cash flow-based credit scoring and Open Banking, using formats such as short-form videos, written content and visual presentations.

- **Data- and performance-based communication:** The Company uses performance metrics and lending milestones to demonstrate the platform's scale and effectiveness. These communications include lending volumes, portfolio performance, transaction data and the number of live lending programmes.

- **Digital brand presence.** The Company's website, launch film and visual identity are integral to its broader digital brand strategy and provide a consistent platform for communicating its products, capabilities and market positioning.

- **Event-driven campaigns.** Digital marketing activity is also aligned with industry events and executive engagements, with pre-event communications, event coverage and post-event content used to extend engagement with the target audience.

AdalFi adopts a focused, credibility-led B2B marketing strategy aligned with its role as a provider of mission-critical technology infrastructure for regulated lenders. Rather than relying on mass-market advertising, the Company focuses on thought leadership, market education, executive relationships, industry events, public relations and data-driven evidence of platform performance.

The Company's marketing approach is further supported by its management expertise, international industry participation, and its positioning in AI-based credit intelligence and cash flow underwriting. Consumer demand generation is delivered primarily through partner institutions, with the Company's Activate capabilities enabling personalised, pre-qualified outreach to end borrowers.

3.8 FUTURE PROSPECTS AND DEMAND OUTLOOK

Pakistan is one of the most under-lent economies in the world — consumer credit is roughly 1% of GDP,[15] against 10–50% in comparable markets[16] — and the digital rails AdalFi needs are now in place. Management sizes the gross lending opportunity at PKR 8–10 trillion and the annual revenue opportunity for a platform like AdalFi at PKR 30–40 billion[17], of which the Company has captured only a low-single-digit share. AdalFi's growth is tied directly to the expansion of digitally originated credit across its partner banks.

3.8.1 DEMAND FOR DIGITAL LENDING AND CREDIT DECISIONING TECHNOLOGY

The demand outlook for digital lending infrastructure is supported by Pakistan's relatively low formal credit penetration and the growing availability of digital financial data. Consumer and SME credit penetration also remains comparatively low. This indicates significant scope for further formalisation and expansion of credit, particularly among thin-file, non-salaried and small-business borrowers.

Three structural developments are supporting the adoption of digital credit decisioning and lending infrastructure:

a. **Digital data depth.** Pakistan's retail payments ecosystem has become increasingly digital. In CY2025, retail payments reached approximately 9.1 billion transactions[18] with a total value of approximately PKR 612 trillion, of which more than 88% were conducted through digital channels. Mobile application-based banking accounted for more than 6.2 billion transactions. The growing availability of transaction-level financial data provides banks with a broader information base for credit assessment and supports the development of digital lending journeys.

b. **Expansion of the formal financial base.** Financial inclusion rose from 47% in 2018 to 69% as at December 2025[19], while the State Bank of Pakistan's National Financial Inclusion Strategy 2024 to 2028 targets 75% by 2028. Continued expansion of the formal financial system increases the number of consumers and enterprises that can be served through digitally originated and digitally serviced credit products.

c. **Bank demand for scalable lending infrastructure.** Banks continue to seek opportunities to expand lending to consumers, SMEs and other priority sectors while maintaining appropriate credit and operational controls. Digital decisioning and straight-through processing can support this expansion by reducing processing requirements, improving turnaround times and enabling banks to assess borrowers using a broader range of financial information. AdalFi's experience across multiple lending programmes provides an established technology platform for these applications.

The Company's operating history also demonstrates increasing adoption of its platform. Gross Lending Volume enabled by the platform increased from approximately PKR 0.9 billion in CY2022

[15] Source: Financial Stability Review 2025, State Bank of Pakistan

[16] Source: India (https://www.ceicdata.com/en/indicator/india/household-debt--of-nominal-gdp), Indonesia: (https://www.ceicdata.com/en/indicator/indonesia/household-debt--of-nominal-gdp). China: (https://www.ceicdata.com/en/indicator/china/household-debt--of-nominal-gdp)

[17] Source: Estimate based on current Rs 2.7 Trillion lending to Consumers and SMEs expanding to Rs 8-10 Trillion (low end of comparable countries on a credit-to-GDP ratio basis). Assuming 50% of this lending can be enabled via third party lending infrastructure providers and based on AdalFi's current Loan to Revenue ratios, this would yield a Rs 30-40 Billion opportunity

[18] Source: Annual Payment Systems Review FY 2024-25, State Bank of Pakistan

[19] Source: Financial Stability Review 2025, State Bank of Pakistan

to PKR 45.6 billion in CY2025, and management projects it will reach approximately PKR 74 billion in CY2026.

3.8.2 SIZING THE DOMESTIC OPPORTUNITY

Total lending to SME, Agriculture, and Consumer of Rs 2,735 billion[20], with a 29% growth rate over the past year. At a 25% growth rate over the next 5 years, this would result in a total loan book of Rs 8.4 trillion. Management assesses that, of this potential lending, the serviceable addressable market (focused on non-collateralised loans plus vehicle financing) is approximately 50% of the total market, leading to a SAM of Rs 4.2 trillion. Based on management's assessment, this represents an annual revenue opportunity of approximately PKR 30–40 billion for a platform like AdalFi.

Against this backdrop, the AdalFi platform has served more than 130,000 unique borrowers to date and generated PKR 394.4 million in revenue in the first half of CY2026 (CY2025: PKR 566.9 million) — a small fraction of the estimated opportunity. It is projected to generate approximately PKR 988 million in revenue for the full year CY2026. The Company therefore remains at an early stage relative to the estimated addressable market. Further growth is expected to be supported by increased utilisation of the platform by existing partner banks, the addition of new products and the onboarding of additional financial institutions.

3.8.3 PROSPECTS FOR PLATFORM IMPLEMENTATION AND PRODUCT EXPANSION

The Company's platform is designed to support multiple lending products and partner institutions through a single technology, decision-making and monitoring infrastructure. Accordingly, growth can be achieved through three principal avenues: increasing lending volumes within existing products, introducing additional products through existing partner banks, and onboarding additional partner institutions.

a. Product Expansion

The number of active product families supported by the platform increased from two in CY2022 to nine in CY2025 and is projected to reach eleven in CY2026. These products include salary advance and salary-linked facilities, personal instalment loans, digital credit cards, vehicle finance, SME term and running finance, agriculture finance, and other bank-led lending products.

Islamic Digital Lending

The Company is also at the forefront of defining Islamic digital lending products for both the consumer and SME segments. As the country moves towards the adoption of Islamic Banking, the ability to offer Islamic products will be critical, and the Company expects that over the course of the next 2-3 years, its product portfolio will be dominated by Islamic lending products. The Company's ability to draw on the deep expertise within Techlogix in implementing Islamic products in Core Banking systems is a major element in executing this transition.

New SME Products

The Company expects to introduce new credit products for SMEs by drawing on additional sources of digitally verifiable data, subject to the necessary permissions. These products are intended to support the expansion of formal SME lending, a national policy priority.

The ability to deploy additional products using the existing decision-making, activation, disbursement and monitoring infrastructure enables the Company to leverage its technology capabilities across a broader range of lending programmes. The Optimise functionality within the

[20] Source: State Bank of Pakistan: *"Mid-Year Performance Review of the Banking Sector Jan-Jun 2026"*

AdalFi Lending Loop also enables partner institutions to reassess borrowers using updated transaction and repayment information throughout the life of a lending relationship.

b. Platform Implementations and New Partner Banks

The Company's partner bank base has expanded as its platform has been deployed across a wider range of lending products and institutions. Management expects ten named partner banks to be live in production by the end of CY2026.

The Company's implementation approach involves establishing an initial lending programme with a partner institution and subsequently expanding the product set and lending use cases within that institution. This enables additional products to be introduced using existing integrations and infrastructure. Pre-built integrations with core banking systems, card management systems, credit bureaus and NADRA also support the implementation process.

The recent additions of Bank AL Habib and MCB Bank further expand the Company's addressable partner base and create additional opportunities for product deployment and growth in lending volume over the medium term.

3.8.4 REGULATORY AND POLICY ENVIRONMENT

AdalFi operates as a technology provider to SBP-regulated financial institutions rather than as a regulated lender. Accordingly, the Company's prospects are influenced by regulatory and policy developments affecting digital financial services, financial inclusion and bank lending.

Tailwinds

Financial inclusion and digital finance. The National Financial Inclusion Strategy 2024 to 2028 targets 75% financial inclusion by 2028. The continued development of digital payment infrastructure, including Raast, digital and biometric eKYC capabilities, digital banking, and interoperable financial infrastructure, is expected to enhance financial institutions' ability to reach and serve customers through digital channels. These developments support the broader ecosystem in which AdalFi's platform operates.

Priority sector lending. The State Bank continues to promote lending to sectors such as agriculture and SMEs. In CY2025, agricultural credit disbursements rose by approximately 16.3%, and SME financing limits increased by 29%[21]. Continued policy support for these sectors may contribute to demand for scalable underwriting and digital lending infrastructure.

Government programmes. Targeted lending initiatives, including housing, SME and youth enterprise programmes and associated refinance facilities, can support lending in specific sectors. Such programmes increase the need for efficient origination, credit assessment, and monitoring capabilities within participating financial institutions, since they generally require rapid scaling. The Company has supported such programmes with its partner banks (see the Bank of Punjab / Government of Punjab example in Section 3.3.7).

Financial Data Exchange (FDX). The Government, through the Pakistan Digital Authority and NADRA, is working to launch Wasl, a unified platform for exchanging data between regulated entities such as banks, FBR, land record authorities, and utility companies, through a common consumer permissioning architecture authenticated via biometrics. One key use case enabled by Wasl is exchanging data to facilitate lending. The CEO of the Company is a member of the FDX subcommittee of the Access To Finance committee notified by the Government of Pakistan. It is expected that, within CY2027, banks and other institutions such as FBR will move towards live

[21] Source: Financial Stability Review 2025, State Bank of Pakistan

adoption of the Wasl platform. The Company expects its credit scoring models to be at the forefront of using such data for lending decisions.

Outlook and Summary
The Company's domestic growth prospects are supported by four principal factors: the relatively low penetration of formal consumer and SME credit, the increasing digitalisation of financial services, the expansion of the product portfolio and the growth in the number of partner financial institutions.

Level of Headroom	Why the Opportunity is Large	Why it Matters for AdalFi
Credit Market	Consumer credit to GDP remains approximately 1%[22], compared with approximately 10% to 50% for comparable lower middle-income economies[23]	Greater credit penetration creates opportunities for banks to expand lending through improved underwriting and digital origination
Digital Rails	2025 retail payments reached approximately 9.1 billion transactions[24] with a value of approximately PKR 612 trillion, with more than 88% conducted digitally	Greater digital transaction activity increases the availability of data and supports digital lending journeys
Products	Active product families increased from 2 in CY2022 to 9 in CY2025 and are projected at 11 in CY2026	Additional products can utilise the Company's existing technology and decisioning infrastructure
Banks	The number of named partner banks is projected to reach 10 in CY2026	A broader partner base provides additional lending programmes and reduces reliance on individual institutions

The Company's capital-light operating model, together with its participation in the economics of lending programmes without holding the underlying loan assets, provides a basis for further expansion as existing partner banks increase utilisation, additional products are introduced, and new institutions are onboarded.

Overall, the Company's prospects are supported by the ongoing digitalisation of Pakistan's financial system, the relatively low penetration of formal credit, and the potential to expand its platform to additional products and financial institutions. Growth will depend on the pace of partner bank onboarding, product deployment, lending activity, and the broader regulatory and credit environment.

3.9 COMPETITORS

The Company differentiates its offering through an integrated platform covering the Assess, Activate, Disburse and Optimise stages of the lending lifecycle. Competitors generally focus on specific components of this value chain, provide software and services on a fee-based model, or operate as lenders or embedded finance providers.

[22] Source: Financial Stability Review 2025, State Bank of Pakistan

[23] Source: India (https://www.ceicdata.com/en/indicator/india/household-debt--of-nominal-gdp), Indonesia: (https://www.ceicdata.com/en/indicator/indonesia/household-debt--of-nominal-gdp). China: (https://www.ceicdata.com/en/indicator/china/household-debt--of-nominal-gdp)

[24] Source: Annual Payment Systems Review FY 2024-25, State Bank of Pakistan

Distinction from credit bureaus

AdalFi should be distinguished from Pakistan's credit bureaus. Tasdeeq and DataCheck, the country's licensed private credit bureaus, and the State Bank of Pakistan's electronic Credit Information Bureau ("eCIB") provide credit reports on a borrower's existing obligations and repayment history. They do not provide credit-scoring models, pre-qualify, make decisions, or enable loan disbursement. AdalFi's digital lending journeys use these bureau reports as one of many inputs in the decisioning process, typically a runtime check performed only for borrowers already qualified using transactional data.[25]

	Credit bureaus (eCIB, Tasdeeq, DataCheck)	AdalFi
What is provided	Credit reports on existing obligations and repayment history	AI-based credit scoring, pre-qualification, activation, disbursement and portfolio optimisation
Decisioning	None — reports only	Configurable decisioning engine combining model scores with each bank's policy
Borrower coverage	Borrowers with existing credit history	Includes thin-file and new-to-credit borrowers scored on live cash-flow behaviour
Disbursement	Not enabled	Straight-through digital disbursement in under a minute
Monetisation	Per-report fee	Performance-linked share of net markup income

The Company's value proposition is therefore fundamentally different and far broader. It encompasses AI-based credit scoring; pre-qualification of a bank's existing liability (deposit) account base; prospect activation; end-to-end, straight-through loan disbursement; and continuous portfolio optimisation, all monetised through a performance-linked share of net markup income rather than the per-report fee on which a bureau relies. The bureaus are therefore a data source that AdalFi consumes, not a substitute for AdalFi's offering.

More broadly, the competitive landscape can be categorised as follows.

Global Credit Scoring, Decisioning and Origination Providers

International providers such as FICO, Experian and CRIF offer credit scoring, bureau analytics and decisioning capabilities, while Provenir provides decisioning and rules engine capabilities. Origination workflow providers offer software for loan origination and related processes.

These providers typically address individual components of the lending value chain, whereas AdalFi integrates credit scoring, decisioning, customer activation, disbursement and portfolio optimisation on a single platform. The Company's assessment is that these international providers do not currently have a comparable operational presence in Pakistan.

Core Banking and Digital Banking Software Providers

[25] Tasdeeq (Pvt.) Limited and DataCheck (Pvt.) Limited are private credit bureaus licensed under the Credit Bureaus Act, 2015. The electronic Credit Information Bureau (eCIB) is maintained by the State Bank of Pakistan.

Core banking and digital banking solutions in Pakistan include platforms from Temenos and Oracle, with Oracle also maintaining a longstanding relationship with Techlogix. AdalFi's platform is designed to integrate with major core banking platforms, including Temenos and Oracle, as well as with other systems.

These providers primarily supply core banking, digital banking and related software infrastructure. AdalFi's offering focuses on AI-based credit assessment, borrower activation and digital lending workflows, together with its performance-linked commercial model.

Domestic Embedded Finance Fintechs
Domestic fintech companies such as Abhi and Haball operate in adjacent areas, including earned wage access, SME financing, payments and supply chain finance. Their business models may overlap with individual AdalFi products, but they generally operate as lenders or embedded finance providers rather than as technology infrastructure providers for regulated lending institutions.

In-House Bank Builds
Banks may also develop proprietary digital lending systems and credit scoring capabilities in-house. This approach gives institutions direct control over the technology stack but requires investment in development, data science, integration, model governance and ongoing maintenance. Accordingly, in-house development is an alternative to using third-party lending infrastructure. However, such in-house digital lending systems do not benefit from the learning across banks that AdalFi is able to deploy for its lending partners.

3.9.1 COMPETITIVE LANDSCAPE

Category	Representative players	Primary focus	How AdalFi differs
Global scoring & decisioning	FICO, Experian, CRIF	Scorecards, bureau analytics, decisioning	AdalFi does Cash-flow AI scoring of thin-file / new-to-credit borrowers across the full lifecycle
Decisioning engines / origination	Provenir, Trusso	Rules engines, loan-origination workflow	One slice only; AdalFi adds scoring, activation, disbursement and optimisation
Core Banking and Digital Banking software	Temenos (Systems Limited) and Oracle (Techlogix)	Core/digital banking, Loan Origination Systems	These are Licensed software, not AI scoring and digital journeys with shared revenue and risk
Embedded-finance fintechs	Abhi, Haball	Earned-wage / SME lending; supply-chain finance	These operate as lenders. AdalFi is white-label infrastructure for banks
In-house bank builds	(bank IT teams)	Proprietary stacks	The challenge is the long lead time. Few banks are geared to build and support these models over time

Category	Representative players	Primary focus	How AdalFi differs
Credit bureaus (adjacent)	Tasdeeq, DataCheck, SBP eCIB	Credit reports (data). Don't have scoring models or customer journeys.	AdalFi consumes reports as an input; provides scoring, not reports

Overall, the Company's competitive positioning is built on integrating AI-driven credit intelligence, digital lending workflows, customer activation and portfolio optimisation on a single platform, together with its performance-linked commercial model. Further differentiation stems from its experience operating digital lending programmes in Pakistan's regulated banking environment.

3.10 INFRASTRUCTURE AND CAPACITY

This section outlines the nature and location of the Company's operations in Pakistan, which develop, implement and support the AdalFi platform. It covers three key areas:

- technology platform development and client implementation engagements
- the operational status of the Company's offices and service delivery arrangements
- overall service delivery capacity and utilisation of staff and resources

Organogram

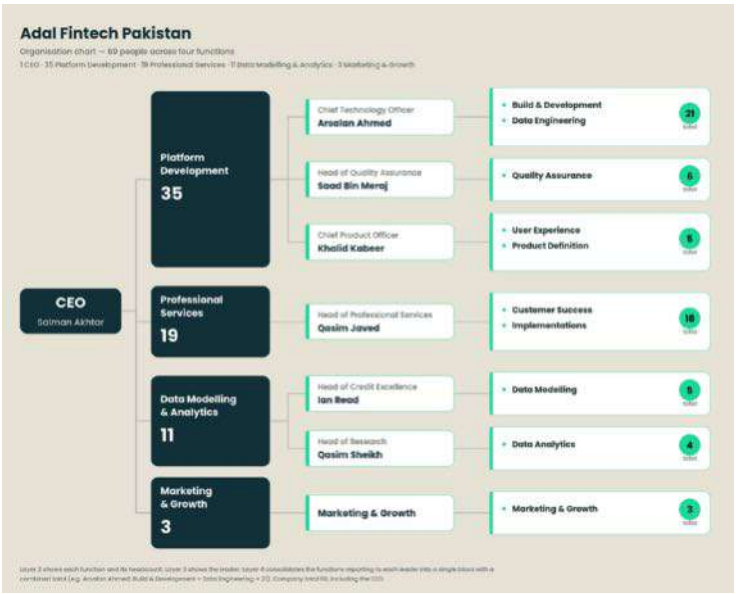

Figure 10: Company Organogram. Source: the Company.

3.10.1 TECHNOLOGY PLATFORM DEVELOPMENT AND CLIENT IMPLEMENTATION ENGAGEMENTS

Platform Development

Platform Development is the Company's largest operational function, comprising 36 employees as at 30 June 2026 and led by the Chief Technology Officer. It is responsible for developing, maintaining and enhancing the Digital Lending Platform and the AdalFi Analytical Architecture,

spanning data engineering, credit-model development, quality assurance, user experience and product definition.

In addition, the Data Modelling & Analytics function, comprising 11 employees and led by the Head of Research, develops and continuously calibrates the Company's principal AI credit model families. The division also manages oversees model performance and monitoring analytics.

Together, Platform Development and Data Modelling & Analytics account for 47 of the Company's 71 employees, representing approximately two thirds of the Company's total workforce. These functions are primarily responsible for developing and enhancing the reusable technology and intellectual property underpinning the Company's deployments across partner institutions.

Client Implementation Engagements

The Professional Services division manages implementation and ongoing client support. It comprises 20 employees and is led by the Head of Professional Services. The division comprises an Implementations team of 15 and a Customer Success team of 5.

Client implementations typically follow a 12-week deployment methodology covering solution design, system integration, testing, regulatory and compliance requirements, and production deployment. After launch, the Customer Success team provides ongoing support, including optimising pricing, credit limits, and customer targeting, and expanding into additional lending products.

Finally, the Marketing and Growth team is responsible for outbound marketing for AdalFi at the corporate level and for its lending-partner prospects. Additionally, the Growth team focuses on optimising digital lending journeys to minimise customer drop-offs and accelerate disbursement.

Current Engagements

The platform is currently operational across nine partner banks, namely Bank of Punjab, United Bank Limited (UBL), Allied Bank Limited (ABL), Askari Bank, JS Bank, MCB Bank, Bank AL Habib, Faysal Bank and The Bank of Khyber, and supports a range of consumer and SME lending products. These include personal loans, salary advances, credit cards and auto finance, as well as SME working capital, term finance and supply chain finance.

Illustrative partner outcomes are set out in Section 3.3.7 (Proven in Production).

The Company's engagements are implemented within the operating environments of its partner institutions, as described below.

Service Delivery Model

The Company provides technology infrastructure and software capabilities rather than lending services or a hosted balance sheet. The platform is deployed within each partner bank's environment, including on-premises infrastructure, private cloud environments, or regulated in-country public cloud environments. The platform's security and data-residency controls are described in Section 3.3.8.

Service Delivery Capacity and Resources

The Company employs 71 people across its principal operating functions as at 30 June 2026. The workforce composition reflects the product-led nature of the business, with most employees engaged in platform development, data modelling and analytics. This structure enables the

Company to scale capacity primarily through reusable technology and model capabilities, rather than through a proportionate increase in client-facing resources.

Division	Sub-teams (headcount)	Staff	Share
Platform Development	Product Definition, Build & Development, Data Engineering, Quality Assurance, User Experience and	36	51%
Professional Services	Implementation and Customer Success	20	28%
Data Modelling & Analytics	Data Modelling and Data Analytics	11	15%
Marketing & Growth		3	4%
CEO		1	1%
Total		71	100%

Operating Leverage

Approximately 47 employees, or two-thirds of the workforce, are engaged in Platform Development and Data Modelling & Analytics. These functions develop and maintain the core platform and credit models, which can be deployed across multiple partner institutions and across lending products.

The Professional Services function remains comparatively lean, with 20 employees, and supports implementation and ongoing client requirements. The approximately 12-week implementation methodology, reusable integrations and standardised digital journeys enable additional banks and products to be onboarded without a corresponding increase in technology development resources.

Accordingly, the Company's service delivery capacity is designed to scale primarily through the reuse of existing platform and model capabilities, with incremental client-facing resources added as required by the implementation pipeline.

Utilisation and Headroom

The existing 71-person workforce supports multiple production lending programmes across the Company's partner bank network while maintaining profitability. The platform development and modelling functions provide the core technology capability, while the Professional Services team manages implementation and ongoing support.

As the number of partner institutions and lending products increases, the Company expects to generate additional capacity primarily by reusing existing platform capabilities, supplemented by additional Professional Services resources as required. The wider Techlogix group also provides access to additional technical and operational expertise on a short-term basis as required.

The Company's leadership and functional structure comprises the Chief Executive Officer, Chief Technology Officer, Chief Financial Officer, and Heads of Engineering, Quality Assurance, Product, Professional Services, and Research.

Overall, the Company operates as a Pakistan-based, product-led technology business, with its core credit intelligence platform developed and continuously enhanced in-house and deployed

within regulated partner institutions' environments. Its workforce is weighted towards platform development and data science, supported by a comparatively lean professional services function. This operating structure enables the Company to support additional products and partner institutions by reusing existing technology and model capabilities, providing scope for operating leverage as the platform scales.

3.11 PATTERN OF SHAREHOLDING OF THE COMPANY

Names	Pre-Offer Shareholding		Post-Offer Shareholding	
	No. of Shares Held	%	No. of Shares Held	%
Sponsors, Associated Companies, Undertakings and Related Parties				
Adal Financial Pte. Ltd.	451,440,000	100.00%	451,440,000	90.00%
Sub – Total	451,440,000	100.00%	451,440,000	90.00%
Directors, Chief Executive Officer and Members of the Company				
Salman Akhtar (CEO & Director)	10	0.00%	10	0.00%
Kewan Qadre Khawaja (Director)	10	0.00%	10	0.00%
Rayomond Kotwal (Director)	4	0.00%	4	0.00%
Ayesha Aziz (Director)	3	0.00%	3	0.00%
Omer Saeed (Director)	3	0.00%	3	0.00%
Sub – Total	30	0.00%	30	0.00%
Public Offering				
IPO – Fresh Issue	0	0.00%	50,160,003	10.00%
Sub – Total	0	0.00%	50,160,003	10.00%
Total	451,440,030	100.00%	501,600,033	100.00%

3.11.1 DETAILS OF THE MAJOR SHAREHOLDERS

Adal Financial Pte. Ltd., a company incorporated in Singapore, is the Parent Company and principal Sponsor of Adal Fintech Limited. As at the date of this Prospectus, Adal Financial Pte. Ltd. holds 451,440,000 Ordinary Shares, representing 100% of the Company's issued, subscribed and paid-up capital prior to the Offer. Following the stock split, and the completion of the proposed Offer, Adal Financial Pte. Ltd.'s shareholding is expected to comprise 451,440,000 Ordinary Shares, representing approximately 90% of the Company's Post-Offer paid-up capital. It will continue to be the Company's Sponsor and majority shareholder.

3.12 INTELLECTUAL PROPERTY RIGHTS AND ROYALTY

The Company relies on two categories of intellectual property. The first is the core AdalFi Digital Lending Platform, which is owned by the Company's parent, Adal Financial Pte. Ltd. (Singapore), which has granted the Company an exclusive, irrevocable licence to commercialise this platform in Pakistan. The second is new, Pakistan-specific intellectual property that the Company is developing and will own in its own right, as described further below.

Under the terms of the agreement between Adal Financial Pte. Ltd. (Singapore) and the Company, the licence for the AdalFi Digital Lending Platform is subject to royalty payments as summarised in the table below:

Annual Revenue (Local Services)	Royalty Payment
Up to Rs 2 Billion	0%
2 Billion – 4 Billion	5% of Local Services Revenue*
4 Billion – 6 Billion	7.5% of Local Services Revenue*
More than 6 Billion	10% of Local Services Revenue*

* As and when the Company develops its own intellectual property (for Islamic Lending and Pakistan-specific SME use cases), the Local Services Revenue will be adjusted to exclude income from these products.

This royalty is calculated on a quarterly basis based on the revenue generated by the Company from the AdalFi Digital Lending Platform. The royalty will be calculated in PKR and remitted to Adal Financial Pte. Ltd. (Singapore) within 60 days of the completion of each quarter.

The IP licence agreement terms, including the royalty terms, survive any change of control of Adal Financial Pte. Ltd. (Singapore)

In addition to the licensed platform, the Company is developing new intellectual property that it will own in its own right, funded in part by the net proceeds of the Offer (see Section 4, Principal Purpose of the Offer). This comprises Islamic digital lending products and their underlying Shariah-compliant credit models, together with SME-focused use cases and credit models trained on data specific to Pakistan.

The Company will own this Pakistan-specific intellectual property (AdalFi Pakistan), distinct from the licensed core platform described above; the royalty described above relates to the licence for the AdalFi Digital Lending Platform. The Company expects this locally owned intellectual property to strengthen its competitive position and support the anticipated shift towards an Islamic-dominated product mix as well as a significant increase in SME lending over the next two to three years.

3.13 DETAILS OF MATERIAL PROPERTY

The Company does not own any immovable property.

3.14 VENDORS OF THE ISSUER

No.	Name	Classification	Nature	Geographical Location
Key Technology and Service Vendors				
1	Jaffer Business Systems	Key Technology	Azure Cloud Hosting	Domestic
2	Google Cloud Tridorian	Key Technology	Software Subscriptions	International
3	Claude.Ai	Key Technology	Software Subscriptions	International
4	SonarSource	Key Technology	Software Subscriptions	International
5	Zoho	Key Technology	Software Subscriptions	International
6	Amazon Web Services	Key Technology	Software Subscriptions	International

7	Cursor	Key Technology	Software Subscriptions	International
8	NRI New Relic	Key Technology	Software Subscriptions	International
9	Linkedin	Key Technology	Software Subscriptions	International
10	Family Travels	Services	Travel	Domestic
11	Litso Events	Services	Travel	Domestic
12	PTCL	Services	Communication	Domestic
13	Transworld Enterprise	Services	Communication	Domestic
14	IGI General Insurance	Services	Insurance	Domestic
15	K-Electric Limited	Services	Supplies	Domestic
16	State Life (Red) Islamabad	Services	Rent	Domestic
17	Usman Muhammad Khattani	Services	Rent	Domestic
Associated Companies Providing Sub-Contracted Development / Technology Support				
1	Techlogix Pakistan Private Limited	Services	Sub-contracting / common expense sharing	Domestic

Further details regarding these agreements are provided in Section 11.

3.15 ALL GOVERNMENT AND OTHER APPROVALS WHICH ARE MATERIAL AND NECESSARY FOR CARRYING ON THE BUSINESS OF THE ISSUER

Adal Fintech Limited (formerly Adal Fintech (Private) Limited) holds a Zone Enterprise Licence (Licence No. 01-B-10003-101) issued by the Special Technology Zones Authority under Section 5(1)(u) of the Special Technology Zones Authority Act, 2021, read with Rule 17(2) of the STZA (Qualification and Approval) Rules, 2021. The Company is classified as an Enterprise in the FinTech category. The licence was issued on 1 July 2021 and is valid until 30 June 2031.

3.16 GROUP STRUCTURE OF THE ISSUER

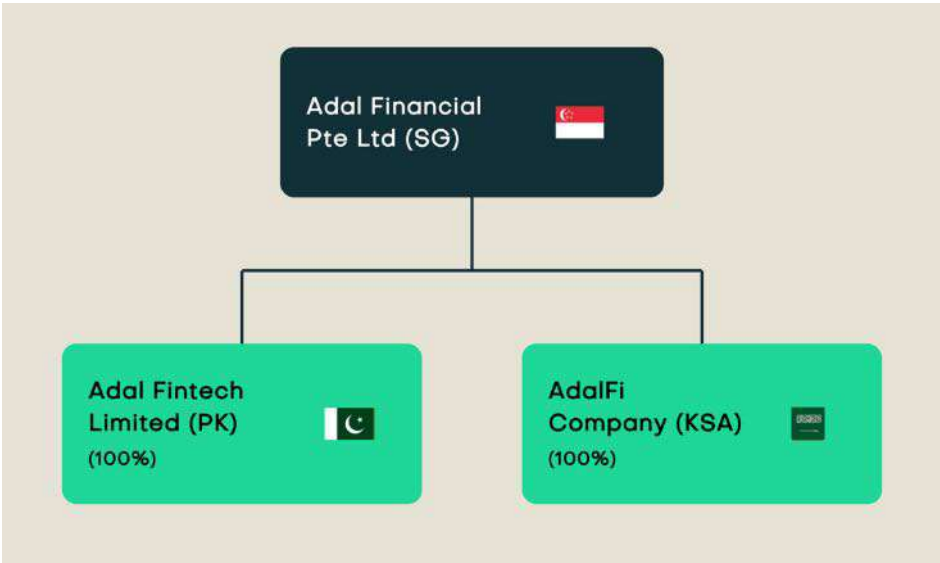

Figure 11: Group Structure. Source: the Company.

3.17 ASSOCIATED COMPANIES

Name of Company	Country of Registration	Nature of Business	Operational Status	Listing Status	Nature of Relation	Shareholding in Adal Fintech Limited	Shareholding of Adal Fintech Limited
						%	%
Adal Financial Pte. Ltd.	Singapore	Development of software and programming activities (fintech)	Operational	Unlisted	Holding company – Common directorship	99.99%	Nil
AdalFi Company (Single-Member LLC)	Saudi Arabia	Software publishing, computer programming, and data processing, website hosting and related services (fintech)	Operational	Unlisted	Associated company – Fellow subsidiary (100% owned by Adal Financial Pte. Ltd.	Nil	Nil
Techlogix International Limited	Bermuda	Technical consultancy, IT Services and software development services (through its subsidiaries); holding company of the Techlogix group	Operational	Unlisted	Associated company – Common directorship	Nil	Nil
Techlogix, Inc.	United States	Technical consultancy and software development services	Operational	Unlisted	Associated company – Common directorship	Nil	Nil
Techlogix Pakistan (Private) Limited	Pakistan	Computer software development and IT services for export and local sales	Operational	Unlisted	Associated company – Common directorship	Nil	Nil
Techlogix FZ-LLC	United Arab Emirates (Dubai)	Development and maintenance of computer software	Operational	Unlisted	Associated company – Common directorship	Nil	Nil
Techlogix Information Technology (Single Person) LLC	Saudi Arabia	User experience design, application development, AI, blockchain, big data and data analysis, systems installation, systems analysis and design, and specialised programming	Operational	Unlisted	Associated company – Common directorship	Nil	Nil
TLX Mobility Inc.	United States	Software and IT services related to mobile devices and platforms	Operational	Unlisted	Associated company – Common directorship	Nil	Nil
Techlogix Mobility (Private) Limited	Pakistan	Software development for smart mobile devices, and IT consultancy	Operational	Unlisted	Associated company – Common directorship	Nil	Nil

		and data processing services					
AlmusNet Inc.	United States	Software and IT services for educational institutions	Operational	Unlisted	Associated company – Common directorship	Nil	Nil
Almusnet (Private) Limited	Pakistan	Software development of applications for managing educational institutions, and IT consultancy and data processing services	Non-operational	Unlisted	Associated company – Common directorship	Nil	Nil
Vicenna, Inc.	United States	Offers clinical, operational and analytics solutions for hospitals, practices and innovative care delivery ventures.	Operational	Unlisted	Associated company – Common directorship	Nil	Nil
Vicenna (Private) Limited	Pakistan	Offers clinical, operational and analytics solutions for hospitals, practices and innovative care delivery ventures.	Non-operational	Unlisted	Associated company – Common directorship	Nil	Nil

3.17.1 COMMON DIRECTORSHIP

Company	Common Directors
Adal Financial Pte. Ltd.	Salman Akhtar Kewan Qadre Khawaja Ahmad Hammoudi Ali Mukhtar
Techlogix International Limited	Salman Akhtar Kewan Qadre Khawaja
Techlogix, Inc.	Salman Akhtar Kewan Qadre Khawaja
Techlogix Pakistan (Private) Limited	Salman Akhtar Kewan Qadre Khawaja
Techlogix FZ-LLC	Salman Akhtar Kewan Qadre Khawaja
TLX Mobility Inc.	Salman Akhtar Kewan Qadre Khawaja
Techlogix Mobility (Private) Limited	Salman Akhtar Kewan Qadre Khawaja
AlmusNet Inc.	Salman Akhtar Kewan Qadre Khawaja
Almusnet (Private) Limited	Salman Akhtar Kewan Qadre Khawaja

Vicenna, Inc.	Salman Akhtar Kewan Qadre Khawaja
Vicenna (Private) Limited	Salman Akhtar Kewan Qadre Khawaja

3.18 RELATED PARTY TRANSACTIONS

All related party transactions and balances of the Company are with its Parent Company, Adal Financial Pte. Ltd. (Singapore), and with associated undertakings within the Techlogix group. Transactions are carried out on terms determined in accordance with the Company's transfer pricing policy and are approved by the Board of Directors.

Related party risks and mitigation are discussed in detail in Section 5.

Particulars	Nature of Relationship	CY2023	CY2024	CY2025	1H CY2026
PKR Mn		*Audited*	*Audited*	*Audited*	*Audited*
Amount Due from Related Parties					
Receivable from Adal Financial Pte. Ltd. (Singapore)	Parent Company	2.62	-	-	11.38
Receivable from Techlogix Pakistan (Private) Ltd.	Associate	8.28	27.80	150.54	70.90
Receivable from Techlogix Mobility (Private) Ltd.	Associate	0.42	0.65	1.81	0.97
Payable to Related Parties					
Advance from Adal Financial Pte. Ltd (Singapore)	Parent Company	-	7.24	32.19	-
Transactions with Related Parties					
Revenue from Adal Financial Pte. Ltd. (Singapore)	Parent Company	121.28	150.44	157.74	113.07
Revenue from Techlogix Pakistan (Private) Ltd.	Associate	22.33	90.12	393.75	266.94
Revenue from Techlogix Mobility (Private) Ltd.	Associate	0.30	0.58	1.16	4.24
Subcontracting cost charged by Techlogix Pakistan (Private) Limited	Associate	12.10	16.55	51.86	22.65
Shares Issued to Related Parties					
Shares Issued to Adal Financial Pte. Ltd. (Singapore)	Parent Company	254.64	-	-	-

3.19 PERFORMANCE FOR THE LAST THREE YEARS, OF ASSOCIATED LISTED COMPANIES OF THE ISSUER OVER, WHICH THE ISSUER HAS CONTROL ALONG WITH FOLLOWING INFORMATION

The Issuer does not have control over any associated listed company

3.20 INDUSTRY OVERVIEW AND SECTOR ANALYSIS

Pakistan's formal lending market comprises commercial banks, microfinance institutions and emerging digital lenders, each serving distinct customer segments. Commercial banks remain the principal providers of credit by value, while microfinance institutions primarily serve lower-income and underserved borrowers. As at December 2025, the microfinance sector served 13.4 million active borrowers, with a gross loan portfolio of PKR 858.5 billion.[26]

Despite the presence of established lending institutions, Pakistan remains an underpenetrated credit market. Domestic credit to the private sector stood at 10.7% of GDP in 2025, compared with 34.5% in Bangladesh and 44.0% in India, while consumer financing has remained at approximately 1% of GDP in recent years.[27][28] Limited credit penetration reflects, in part, challenges in efficiently identifying and assessing creditworthy borrowers, particularly those with limited credit histories, non-salaried incomes and small businesses.

Traditional credit assessment models, manual underwriting and documentation-intensive processes can constrain lending scalability by increasing processing times and operating costs. Technology-enabled credit decisioning can help address these limitations through automated assessments and broader use of data, allowing financial institutions to evaluate underserved borrowers more efficiently.

Pakistan's expanding digital financial infrastructure provides a supportive foundation for this transition. During FY2026, approximately 14.3 billion retail payment transactions, valued at PKR 672.7 trillion, were processed, with more than 92% conducted through digital channels.[29] Financial inclusion reached 69% in CY2025, against a national target of 75% by 2028.[30] Together with digital payment infrastructure such as Raast and electronic Know Your Customer (eKYC) mechanisms, these developments create an enabling environment for technology-led credit assessment and lending solutions that can help financial institutions expand access to credit without replacing their existing lending infrastructure.

INDUSTRY AT A GLANCE

Local Market

[26] Finance Division, Government of Pakistan, Pakistan Economic Survey 2025–26, Chapter 5: Money and Credit, Table 5.8, Microfinance Outreach (December 2025). https://www.finance.gov.pk/survey/chapter_26/6_Money%20and%20Credit.pdf

[27] World Bank, World Development Indicators, "Domestic Credit to Private Sector (% of GDP)," Indicator FS.AST.PRVT.GD.ZS. Accessed 9 October 2026. Available at: https://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS

[28] State Bank of Pakistan, Mid-Year Performance Review of the Banking Sector, H1CY26; Finance Division, Government of Pakistan, Pakistan Economic Survey 2025–26, Economic and Social Indicators. Available at: https://www.sbp.org.pk/assets/document/publications/H1CY26.pdf and https://www.finance.gov.pk/survey/chapter_26/Economic_and_Social_Indicators.pdf

[29] State Bank of Pakistan, Annual Payment Systems Review FY2026, including Annex Tables A-1, A-4, A-8 and A-15. Available at: https://www.sbp.org.pk/assets/document/publications/Annual-Payment-Systems-Review-FY26.pdf

[30] The News International, "SBP Report Shows Financial Inclusion Rises to 69pc," 3 June 2026, based on the National Financial Inclusion Strategy 2024–28 Annual Progress Report. Available at: https://www.thenews.pk/print/1418507-sbp-report-shows-financial-inclusion-rises-to-69pc

10.7% domestic credit to the private sector as a share of GDP (2025)[31]	**92%** of 14.3 bn retail payment transactions made digitally (FY2026)
69% Financial inclusion, CY2025	**7.8%** SME share of domestic private-sector financing, June 2026

3.20.1 GLOBAL INDUSTRY OVERVIEW

Access to formal credit remains uneven across economies, with significant differences in financial depth. According to the World Bank's World Development Indicators, domestic credit to the private sector stood at 140.3% of GDP globally and 121.2% across low- and middle-income economies in 2024. Among selected emerging markets, the ratio stood at 117.9% in Malaysia, 45.8% in Türkiye, 44.0% in India, 36.3% in Indonesia, 34.5% in Bangladesh and 25.8% in Egypt in 2025. By comparison, Pakistan's ratio was just 10.7%, highlighting the limited depth of its formal credit market.[32]

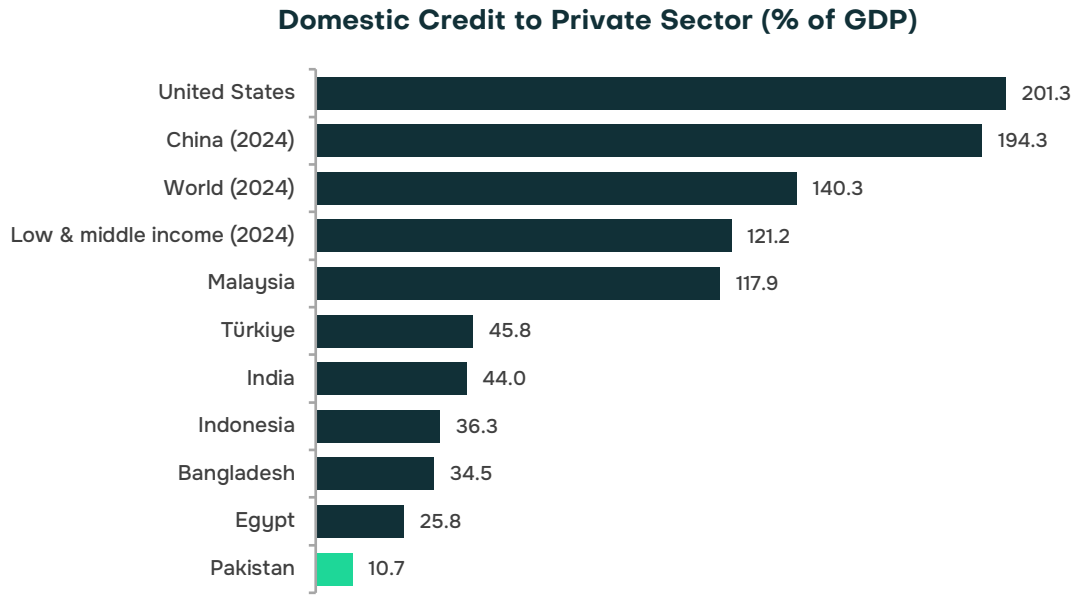

Figure 12: Domestic credit to the private sector, latest available year (2025 unless stated) (% of GDP). Source: World Bank, World Development Indicators.[33]

Growth of Fintech and Digital Lending

The global fintech industry continues to expand, supported by digital adoption, automation and technology-led financial services. Boston Consulting Group (BCG) and FT Partners estimate that global fintech revenue exceeded USD 500 billion in 2025, growing 22% year-on-year, while 74%

[31] *World Bank, World Development Indicators, "Domestic credit to private sector (% of GDP)" (FS.AST.PRVT.GD.ZS), accessed 9 October 2026. Latest available year shown for each economy. Available at: https://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS*

[32] *World Bank, World Development Indicators, "Domestic credit to private sector (% of GDP)" (FS.AST.PRVT.GD.ZS), accessed 9 October 2026. Latest available year shown for each economy. Available at: https://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS*

[33] *World Bank, World Development Indicators, "Domestic credit to private sector (% of GDP)" (FS.AST.PRVT.GD.ZS), accessed 9 October 2026. Latest available year shown for each economy. Available at: https://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS*

of the 85 largest listed fintech companies were profitable.[34] Boston Consulting Group ("BCG") and QED Investors had earlier projected that fintech revenue could reach USD 1.5 trillion by 2030.[35]

Technology providers increasingly deliver financial services through partnerships with banks and other institutions, enabling lenders to enhance their capabilities without building every technology component in-house. This model is particularly relevant to digital lending platforms, for which Fortune Business Insights estimates a global market of USD 16.5 billion in 2026, potentially growing to USD 70.3 billion by 2034 at a compound annual growth rate (CAGR) of 19.9%.[36]

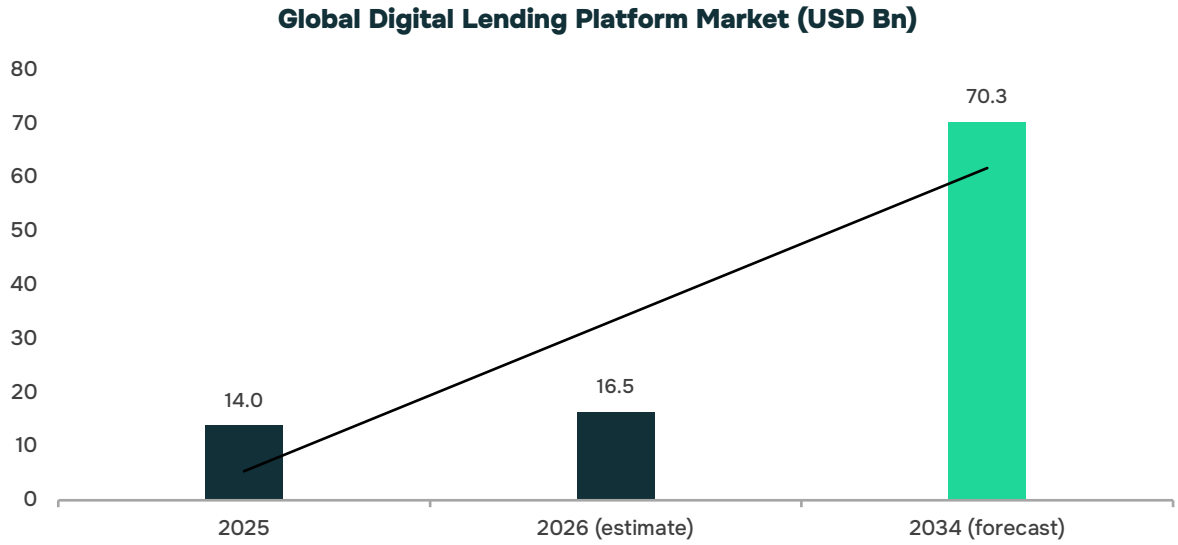

Figure 13: Global digital lending platform market size, 2025, 2026 estimate and 2034 forecast (USD billion; CAGR 2026–2034: 19.9%). Commercial market research estimate. Source: Fortune Business Insights.[37]

AI, ALTERNATIVE DATA AND CASH-FLOW UNDERWRITING

Traditional credit assessment relies primarily on credit bureau records and historical repayment behaviour, limiting lenders' ability to evaluate borrowers with limited credit histories. Cash-flow underwriting and machine-learning models help address this gap by analysing transaction-level data to assess income stability and repayment capacity. Their potential is reflected in Experian's reported improvement of up to 25% in predictive performance from cash-flow-based scores compared with conventional scores,[38] while Upstart's analysis indicates that its AI model approves 41% more applicants than a traditional model.[39] These approaches can enable lenders to expand credit access while improving the assessment of borrower risk.

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[34] Boston Consulting Group and FT Partners, From Recovery to Resurgence in Global Fintech (Global Fintech Report 2026), June 2026; Banking Dive, "Fintech revenues hit record $504 billion in 2025: study", 3 June 2026. Available at: https://www.bcg.com/publications/2026/from-recovery-to-resurgence-in-global-fintech; https://www.bankingdive.com/news/fintech-revenues-hit-record-504-billion-2025-study/821920/

[35] Boston Consulting Group and QED Investors, Global Fintech 2023: Reimagining the Future of Finance (May 2023). Available at: https://www.bcg.com/publications/2023/future-of-fintech-and-banking

[36] Fortune Business Insights, Digital Lending Platform Market Size, Share & Industry Analysis. Commercial market-research estimate, last updated 21 September 2026. Available at: https://www.fortunebusinessinsights.com/digital-lending-platform-market-102967

[37] Fortune Business Insights, Digital Lending Platform Market Size, Share & Industry Analysis (last updated 21 September 2026). Commercial market research estimate. Available at: https://www.fortunebusinessinsights.com/digital-lending-platform-market-102967

[38] Experian plc, "Launch of Experian's Cashflow Score signals new era of open banking," 25 March 2025. Available at: https://www.experianplc.com/newsroom/press-releases/2025/launch-of-experian-s-cashflow-score-signals-new-era-of-open-bank

[39] Upstart Holdings, Inc., 2025 Access to Credit Report. Available at: https://www.upstart.com/lenders/regulatory-compliance/access-to-credit-report

OPEN BANKING AND DATA-SHARING INFRASTRUCTURE

Open banking allows customers to share their bank-account and transaction data securely with authorised third parties. This gives lenders verified, near real-time financial information beyond traditional credit bureau records, which is particularly valuable for borrowers with limited credit histories. In the United Kingdom, one of the most established open-banking markets, user connections reached 18.81 million in June 2026.[40] In Pakistan, this infrastructure is at an early stage, with the State Bank of Pakistan testing open-banking solutions through its Regulatory Sandbox.[41] Until a comprehensive framework is in place, data-driven credit assessment depends on account data held within each bank, which favours solutions that operate inside the bank's own environment.

BANK–FINTECH PARTNERSHIP MODELS AND EMERGING-MARKET PRECEDENTS

Digital lending models broadly fall into two groups: direct or marketplace lenders that provide or arrange financing, and technology providers that equip regulated financial institutions with credit decisioning and loan-origination capabilities. The second model lets banks strengthen their underwriting and digital lending while remaining the lender of record, without building every technology component in-house. Adoption of digital credit is growing across emerging markets. In Indonesia, for example, outstanding fintech lending grew 22% year-on-year to August 2026.[42] This growth underlines both the demand for digital lending and the importance of prudent underwriting and risk management.

ISLAMIC FINANCE AND ISLAMIC FINTECH

The Islamic financial-services industry provides an additional context for technology-enabled financial solutions. The Islamic Financial Services Board estimated industry assets at approximately USD 4.4 trillion in 2025.[43] Separately, the Global Islamic Fintech Report 2025/26 estimated Islamic fintech transaction volume at USD 198 billion in 2024/25, with a projection of USD 341 billion by 2029.[44]

Technology providers that can support Shariah-compliant financing workflows may therefore serve an expanding segment of financial institutions. The extent of the opportunity for digital credit decisioning will depend on adoption by Islamic banks, applicable regulatory requirements and the suitability of solutions for specific financing structures.

LISTED GLOBAL LENDING-TECHNOLOGY COMPANIES

Listed companies operating in credit decisioning and lending technology are concentrated primarily in developed markets, particularly the United States and the United Kingdom. Their business models span AI-enabled lending platforms, credit scoring, data analytics and loan origination software. Selected companies are presented below to illustrate the range of business models and the broader listed market landscape, noting differences in scale, geographic presence and operating focus relative to AdalFi.

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[40] Open Banking Limited, "Open Banking surpasses one billion payments and 100 billion API calls," 30 July 2026. Available at: https://www.openbanking.org.uk/news/open-banking-surpasses-one-billion-payments-and-100-billion-api-calls/

[41] State Bank of Pakistan, press release on the first cohort of the Regulatory Sandbox, 6 January 2026. Available at: https://www.sbp.org.pk/press/2026/Pr-06-Jan-2026.pdf

[42] Kontan, "Tumbuh 22,07%, Pembiayaan Fintech Lending Capai Rp 106,94 Triliun per Agustus 2026," 5 October 2026, citing Indonesia's Financial Services Authority (OJK). Available at: https://keuangan.kontan.co.id/news/tumbuh-2207-pembiayaan-fintech-lending-capai-rp-10694-triliun-per-agustus-2026

[43] Islamic Financial Services Board, Islamic Financial Services Industry Stability Report 2026, 26 May 2026. Available at: https://www.ifsb.org/press-releases/ifsb-releases-islamic-financial-stability-report-2026-highlighting-emerging-hybrid-risks-in-islamic-banking/

[44] DinarStandard and Elipses, Global Islamic Fintech Report 2025/26. Available at: https://www.qfc.qa/en/media-centre/news/list/gift-report-2025---2026

Company	Listing	Business
Upstart	Nasdaq	AI lending platform that partners with banks and credit unions
Pagaya	Nasdaq	AI credit-underwriting network for lenders
nCino	Nasdaq	Cloud banking and loan-origination software for banks
FICO	NYSE	Credit scores and decisioning software
Experian	London Stock Exchange	Credit bureau, data analytics and decisioning

3.20.2 Local Industry Overview

Pakistan's lending market offers significant scope for technology-enabled credit expansion. Domestic credit to the private sector stood at approximately 10.7% of GDP in 2025,[45] reflecting the limited reach of formal lending to individuals, small and medium-sized enterprises ("SMEs") and agricultural borrowers. At the same time, the growing use of digital banking gives financial institutions access to transaction-level data. AI-based credit decisioning can use this data to assess borrowers with limited formal credit histories, allowing banks to serve underserved segments while remaining the lender of record.

BANKING SECTOR: LIQUIDITY, ASSET ALLOCATION AND CREDIT DEPTH

Pakistan's banking sector is well capitalised and has a substantial deposit base, but a relatively small share of these deposits is lent to the private sector. The advances-to-deposit ratio stood at 37.5% at the end of 2025.[46] Credit reach is also narrow: approximately 3.7 million individuals borrowed from commercial banks in 2024,[47] compared with 30.4 million mobile banking users as at June 2026.[48] This gap between banks' funding capacity, their digital reach and their borrower base is the opportunity that data-driven lending platforms are designed to address.

The limited penetration of formal credit, despite the banking sector's substantial deposit base and expanding digital infrastructure, highlights an opportunity to improve the efficiency of credit intermediation. Technology providers offering AI-powered credit decisioning and digital loan origination solutions are positioned to support this transition by enabling financial institutions to assess borrowers more efficiently, broaden access to credit and manage portfolio risk through data-driven underwriting.

CONSUMER FINANCE

Bank consumer financing in Pakistan reached PKR 1,156 billion as at 30 June 2026, up from PKR 837 billion at the end of 2024, supported by easing interest rates and growth in credit cards and auto finance.[49] Despite this growth, formal credit penetration remains limited, with 3.26 million credit cards in issue as at June 2026, compared with 58.9 million debit cards.[50] This disparity

[45] *World Bank, World Development Indicators, "Domestic credit to private sector (% of GDP)." Available at: https://data.worldbank.org/indicator/FS.AST.PRVT.GD.ZS*
[46] *State Bank of Pakistan, Financial Stability Review 2025. Available at: https://www.sbp.org.pk/assets/document/Annexures_I_X_Stability_2025.pdf*
[47] *International Monetary Fund, Financial Access Survey, via FRED. Available at: https://fred.stlouisfed.org/series/PAKFCRODCPENUM*
[48] *State Bank of Pakistan, Annual Payment Systems Review FY26. Available at: https://www.sbp.org.pk/assets/document/publications/Annual-Payment-Systems-Review-FY26.pdf*
[49] *State Bank of Pakistan, Mid-Year Performance Review of the Banking Sector, January–June 2026. Available at: https://www.sbp.org.pk/assets/document/publications/H1CY26.pdf*
[50] *State Bank of Pakistan, Annual Payment Systems Review FY26. Available at: https://www.sbp.org.pk/assets/document/publications/Annual-Payment-Systems-Review-FY26.pdf*

highlights the potential for banks to expand consumer lending by leveraging existing customer relationships and using digital underwriting models to assess creditworthiness through account-level cash flow data.

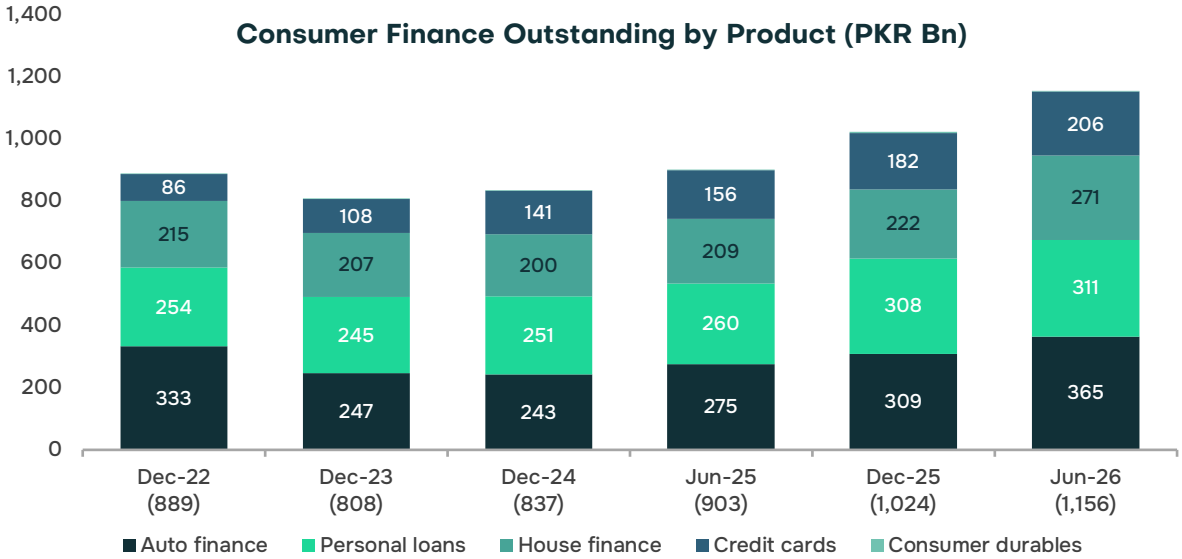

Figure 14: Consumer finance to the domestic private sector by product (PKR billion; total in brackets). Source: State Bank of Pakistan, Mid-Year Performance Reviews of the Banking Sector.[51]

SME FINANCE

Outstanding SME financing by banks and development finance institutions reached PKR 906.7 billion as at June 2026, serving 319,166 borrowers. However, SMEs accounted for only 7.76% of domestic private-sector financing, highlighting a substantial gap in access to formal credit and the potential for data-driven underwriting solutions to expand lending to underserved businesses.[52]

[51] *State Bank of Pakistan, Mid-Year Performance Reviews of the Banking Sector for H1CY24 (Table A1), H1CY25 (Table A1) and H1CY26 (Table A2): consumer financing to the domestic private sector. Available at: https://www.sbp.org.pk/assets/document/publications/H1CY24.pdf; https://www.sbp.org.pk/assets/document/publications/H1CY25.pdf; https://www.sbp.org.pk/assets/document/publications/H1CY26.pdf*

[52] *State Bank of Pakistan, Quarterly SME Finance Reviews (December 2020, December 2022, December 2024, December 2025 and June 2026), Table 1. Available at: https://www.sbp.org.pk/assets/document/publications/Dec-quarterly-sme-finance-review-december-2020.pdf; https://www.sbp.org.pk/assets/document/publications/Dec-quarterly-sme-finance-review-dec-2022.pdf; https://www.sbp.org.pk/assets/document/publications/Dec-quarterly-sme-finance-review-december-2024.pdf; https://www.sbp.org.pk/assets/document/publications/sme_qFR_Dec_2025.pdf; https://www.sbp.org.pk/assets/document/publications/sme_qFR_June_2026.pdf*

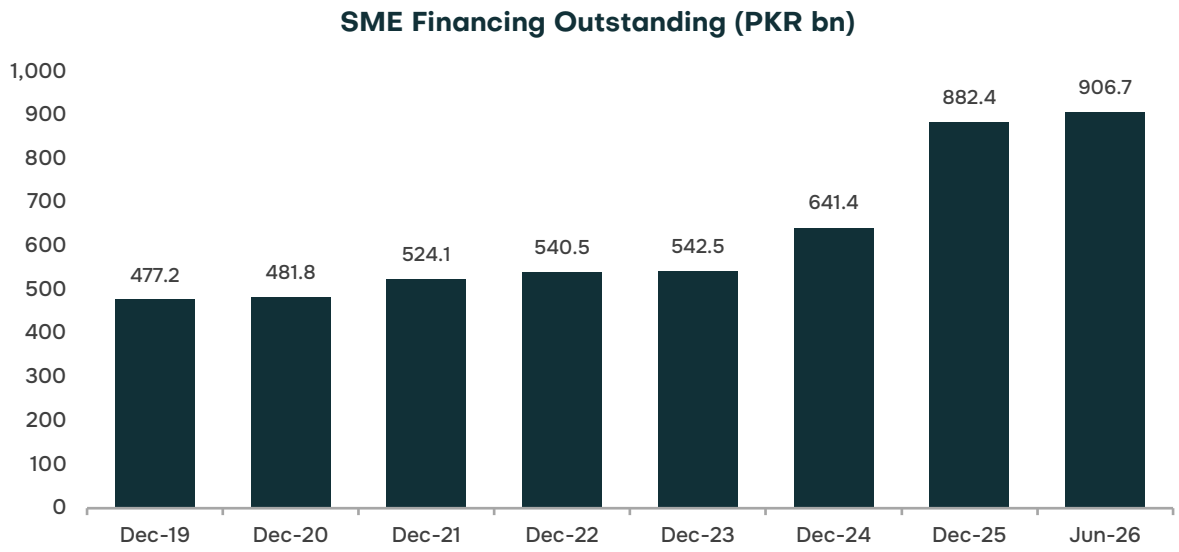

Figure 15: Outstanding SME financing by banks and DFIs, December 2019 to June 2026 (PKR billion). Source: State Bank of Pakistan, Quarterly SME Finance Reviews.[53]

Estimated SME financing demand remains significantly higher than current lending, with Karandaaz Pakistan estimating the financing gap at PKR 3.20–4.05 trillion.[54] To expand access to formal credit, the State Bank of Pakistan (SBP) has set a target of increasing SME financing to PKR 1.5 trillion and the number of SME borrowers to 750,000 by June 2028.

In July 2026, SBP revised its Prudential Regulations for SME Financing to facilitate greater use of digital credit assessment. The updated regulations encourage banks to adopt digital credit-scoring models based on transactional and cash-flow data, either in-house or through partnerships with fintechs, and permit unsecured, cash-flow-based SME financing of up to PKR 50 million.[55] These measures create a more supportive regulatory environment for digital underwriting platforms that enable banks to assess SME creditworthiness using verifiable cash flows rather than relying primarily on collateral.

AGRICULTURE FINANCE

Agricultural financing remains a priority under Pakistan's credit policy. Disbursements reached approximately PKR 3.2 trillion in FY2026, with 3.26 million borrowers as at June 2026.[56] Lending, however, still depends largely on collateral, physical documentation and branch visits. Digital underwriting based on bank-account data, and over time land records, could lower processing costs and widen farmers' access to formal credit.

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[53] *State Bank of Pakistan, Quarterly SME Finance Reviews (December 2020, December 2022, December 2024, December 2025 and June 2026), Table 1. Available at: https://www.sbp.org.pk/assets/document/publications/Dec-quarterly-sme-finance-review-december-2020.pdf; https://www.sbp.org.pk/assets/document/publications/Dec-quarterly-sme-finance-review-dec-2022.pdf; https://www.sbp.org.pk/assets/document/publications/Dec-quarterly-sme-finance-review-december-2024.pdf; https://www.sbp.org.pk/assets/document/publications/sme_qFR_Dec_2025.pdf; https://www.sbp.org.pk/assets/document/publications/sme_qFR_June_2026.pdf*

[54] *Karandaaz Pakistan, "Unlocking Micro, Small & Medium Enterprise (MSME) Potential in Pakistan" (June 2023). Available at: https://www.karandaaz.com.pk/research/blogs/unlocking-micro-small-medium-enterprise-msme-potential-pakistan*

[55] *State Bank of Pakistan, Prudential Regulations for SME Financing (updated 16 July 2026). Available at: https://www.sbp.org.pk/assets/documents/laws_regulations/Updated_Prudential_Regulations_for_SME_Financing-July_16_2026.pdf*

[56] *Associated Press of Pakistan, 1 September 2026, citing State Bank of Pakistan data. Available at: https://www.app.com.pk/?p=1271704*

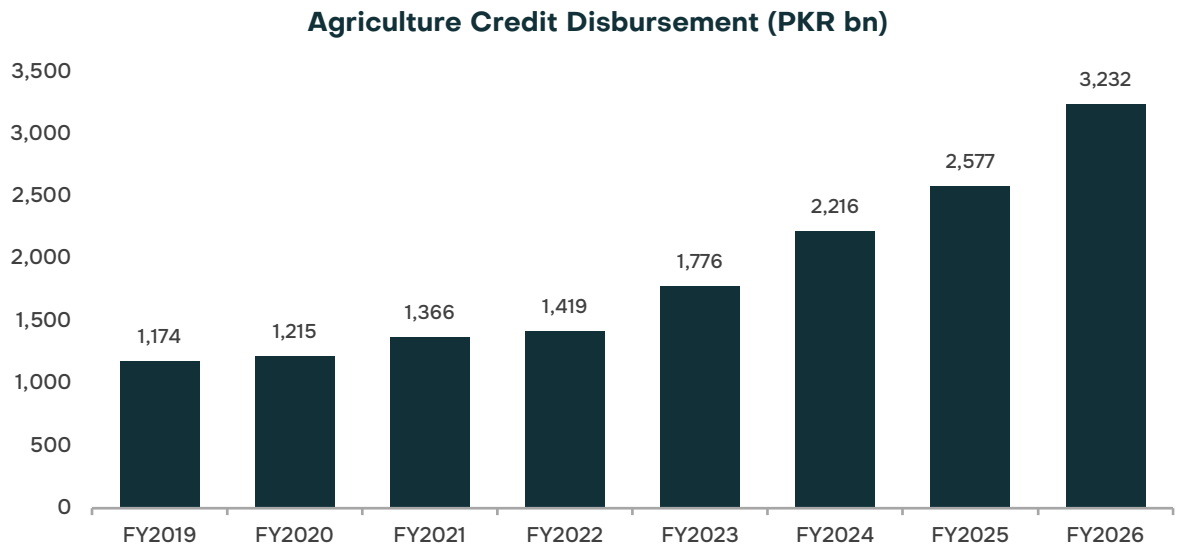
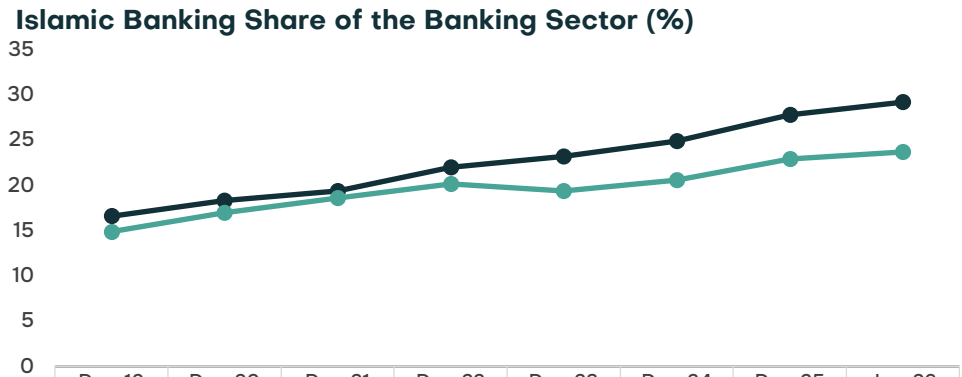


Figure 16: Agriculture credit disbursement, FY2019–FY2026 (PKR billion). Source: Pakistan Economic Survey 2025-26; State Bank of Pakistan.[57]

ISLAMIC BANKING TRANSFORMATION

Islamic banking continues to grow its share of Pakistan's banking sector, reaching 23.7% of assets and 29.2% of deposits as at June 2026. This shift is expected to accelerate ahead of the constitutional deadline of 1 January 2028 for eliminating riba, and several banks, including some of the Company's partner banks, have converted or are converting to Islamic banking. This creates growing demand for Shariah-compliant digital credit products.



	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25	Jun-26
Share of deposits (%)	16.6	18.3	19.4	22.0	23.2	24.9	27.8	29.2
Share of assets (%)	14.9	17.0	18.6	20.2	19.4	20.6	22.9	23.7

Figure 17: Islamic banking share of banking-sector deposits and assets, December 2019 to June 2026 (%). Source: State Bank of Pakistan, Islamic Banking Bulletins.[58]

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[57] *Finance Division, Pakistan Economic Survey 2025-26, "Economic and Social Indicators" (FY2019–FY2025); State Bank of Pakistan data for FY2026 as reported by Associated Press of Pakistan, 1 September 2026. The APP report states FY2025 disbursement as PKR 2,592.2 billion (revised). Available at: https://www.finance.gov.pk/survey/chapter_26/Economic_and_Social_Indicators.pdf; https://www.app.com.pk/?p=1271704*

[58] *State Bank of Pakistan, Islamic Banking Bulletin, December 2025 and 30 June 2026; SBP press release, 24 March 2021 (December 2020 data); ProPakistani, 14 March 2020 (December 2019 data, citing the SBP Islamic Banking Bulletin). Available at: https://www.sbp.org.pk/assets/document/publications/Islamic_Banking_Bulletin_December_2025.pdf; https://www.sbp.org.pk/assets/document/publications/Islamic_Banking_Bulletin_-_30_June_2026.pdf; https://www.sbp.org.pk/press/2021/Pr-24-Mar-21.pdf; https://propakistani.pk/2020/03/14/islamic-banking-industrys-assets-surge-to-over-rs-3-trillion/*

COMPETITIVE LANDSCAPE

Pakistan's digital-lending ecosystem includes software vendors, credit bureaus, in-house bank platforms, global decisioning providers, embedded-finance platforms and direct digital lenders, as summarised below.

Participants In Pakistan's Digital-Lending Ecosystem

Category	Representative participants	Business model	Comparison with the Company
Loan-origination and workflow software vendors	BenchMatrix, Tawha Technologies, Path Solutions; Surfin Meta (MoU with The Bank of Punjab)	Software licensed to banks; no credit-risk participation	Workflow tools; credit models are typically built and maintained by the bank.
Credit bureaus	Tasdeeq (Aequitas Information Services), DataCheck; SBP eCIB	Bureau reports and scores	Based on repayment history; limited for thin-file borrowers. The Company uses bureau data as one input.
In-house bank capabilities	BankIslami (AI financing platform, 2026); Mobilink Bank / JazzCash	Proprietary systems for the institution's own lending	Require sustained data-science investment; not offered to other banks.
Global AI micro-lending decisioning	Optasia (with JS Bank's Zindigi)	Decisioning for small-ticket micro-loans and advances	Focused on micro-lending rather than a multi-product bank platform.
Embedded-finance and data platforms	Neem, DigiKhata, Haball	Platform or ecosystem data channelled to partner lenders	Serve specific ecosystems (employers, retailers, distributors).
Direct digital lenders	easypaisa Digital Bank, ABHI, Finja, SECP-licensed nano-lenders	Balance-sheet lending to borrowers	Compete for borrowers; generally higher cost of funds than commercial banks.

PAKISTAN INDUSTRY ANALYSIS

The principal drivers of and constraints on digital lending in Pakistan are summarized below.

Drivers	Constraints
Under-penetration: private credit of 10.7% of GDP, consumer finance below 1% of GDP and an SME share of 7.8% of private financing leave substantial room for growth.	**Crowding out:** government securities dominate bank balance sheets, with net investments at 63.3% of banking assets in June 2026.

Drivers	Constraints
Ample bank liquidity: deposits of PKR 43.3 trillion and an ADR of 37.5% (end-2025) indicate significant lending capacity.	**Macroeconomic volatility:** inflation of 11.1% in August 2026 and the 100-basis-point rate increase in April 2026 show sensitivity to external shocks.[59]
Regulatory push: the July 2026 SME prudential regulations, SME financing targets for 2028 and NFIS 2024–28 actively encourage data-driven lending.	**Credit and conduct risk:** unsecured digital lending requires disciplined underwriting; past abuses by unlicensed lending apps have prompted regulatory action.
Digital rails: more than 92% of retail transactions are digital, with 30.4 million mobile banking users and widespread Raast adoption.	**Data infrastructure:** no comprehensive open-banking framework yet; data remains siloed within individual institutions.
Demographics: a young, connected population with 71.6% smartphone share on mobile networks.	**Bank technology complexity:** integration with legacy core-banking systems and lengthy approval cycles slow deployment.
Islamic transformation: the 1 January 2028 riba deadline accelerates demand for Shariah-compliant products.	**Scarce risk capital:** startup funding of USD 36.6 million in 2025 limits balance-sheet-heavy fintech models.

Source: as cited in Section 3.20.2.

3.20.3 WHERE ADALFI SITS IN THE VALUE CHAIN

Pakistan's credit market can be understood as three layers. The first is capital and balance sheet, provided by regulated banks. The second is credit data and reporting, provided by credit bureaus (such as Tasdeeq and DataCheck) and the State Bank's eCIB. The third is credit decisioning and digital origination technology — the layer that turns data into real-time, compliant lending at scale.

AdalFi operates in this third layer. It is a credit-infrastructure technology company that equips banks with AI-based, cash-flow credit scoring, digital lending journeys, customer-activation tooling, disbursement rails and portfolio monitoring. Critically, AdalFi is neither a lender (it holds no loan assets and takes no balance-sheet credit exposure) nor a credit bureau (it consumes bureau reports as one input rather than producing them); it is the decisioning-and-origination technology that enables the largest, lowest-cost-of-funds lenders — the commercial banks — to participate in the digital, data-driven phase of the market that has so far been led by fintechs.

MARKET GAPS ADDRESSED BY THE COMPANY

Market Gap	How the Company Addresses it
Low credit penetration	Enables banks to deploy their deposit base into data-driven lending to individuals and SMEs.
Limited borrower reach	Converts existing bank customers into borrowers through pre-approved offers based on their account activity.
Thin-file borrowers	Assesses creditworthiness using bank-account cash-flow data, with bureau data as an additional input.

[59] *State Bank of Pakistan, Monetary Policy Information Compendium (September 2026). Available at: https://www.sbp.org.pk/assets/document/publications/MPIC_September_2026.pdf*

SME financing gap	Supports SME supply-chain, term and running finance in line with the SBP's SME prudential regulations.
Agricultural lending	Provides digital agricultural finance products to partner banks.
Shariah-compliant digital credit	Plans to expand into Islamic digital lending as the banking sector transitions.
Bank technology capability	Offers a single platform deployed across multiple banks, so each bank does not need to build its own.

Source: as cited in Sections 3.20.1 and 3.20.2; the Company.

The Company's operating record shows that this approach can work at scale. AdalFi-enabled lending has exceeded PKR 90 billion across more than 130,000 borrowers at six of Pakistan's ten largest banks (see Section 3.1).

Size of the opportunity

Management estimates Pakistan's gross lending total addressable market at approximately PKR 8–10 trillion, with a serviceable addressable market (SAM) of approximately PKR 4–5 trillion. On management's assessment, this represents an annual revenue opportunity of approximately PKR 30–40 billion for a platform of AdalFi's nature, of which the Company has to date captured only a low-single-digit share. (See Section 3.8.2 for references). Growth is expected to come from increased utilisation within existing partner banks, the launch of additional products, and the onboarding of further partner institutions, with additional optionality from Islamic digital lending — expected to dominate the product mix within two to three years — and from the coming Wasl / open-banking data rails.

3.20.4 REGIONAL CONTEXT AND THE SIGNIFICANCE OF A LISTED CREDIT-INFRASTRUCTURE TECHNOLOGY COMPANY

Across South Asia and other emerging markets, credit-decisioning and loan-origination technology is usually built within banks or supplied by privately held vendors, so investors rarely have direct access to it through public markets. Global providers such as FICO, Experian and CRIF operate broad credit information and analytics businesses rather than dedicated digital lending platforms for individual emerging markets. AdalFi's proposed listing on the Pakistan Stock Exchange would therefore give investors direct exposure to a specialised, technology-led credit-infrastructure business. As a listed company, AdalFi would also be subject to public-market disclosure and governance standards.

3A. SHARE CAPITAL AND RELATED MATTERS

3A(i). SHARE CAPITAL

The current Share Capital of Adal Fintech Limited is as follows:

Share Capital	No. of Shares	Face Value Per Share	Premium Per Share	Total
	PKR			
Authorised Share Capital				
Ordinary Shares	900,000,000	1.0	–	900,000,000
Issued, Subscribed and Paid-Up Capital				
Ordinary Shares of PKR 1/- each fully paid	451,440,030	1.0	–	451,440,030
Total	451,440,030		–	451,440,030
Breakdown of Issued, Subscribed and Paid-Up Capital	No. of Shares	Face Value Per Share	Premium Per Share	Total
	PKR			
Sponsors, Associated Companies, Undertakings and Related Parties				
Adal Financial Pte. Ltd.	451,440,000	1.0	–	451,440,000
Directors, Chief Executive Officer and Members of the Company				
Salman Akhtar – CEO, Director	10	1.0	–	10
Kewan Qadre Khawaja – Director	10	1.0		10
Rayomond Kotwal - Director	4	1.0		4
Ayesha Aziz - Director	3	1.0	–	3
Omer Saeed - Director	3	1.0	–	3
Total	30		–	30
New Issue of Ordinary Shares	No. of Shares	Face Value Per Share	Premium Per Share	Total
IPO – New Issue	50,160,003	1.00	7.75	438,900,026
Total New Issue	50,160,003	1.00	7.75	438,900,026
Post-IPO Paid-Up Capital	No. of Shares	Face Value Per Share		Total
	PKR			
Post-IPO Paid-Up Capital	501,600,033	1.00		501,600,033
Allocation of the Offer	No. of Shares	Face Value Per Share	Premium Per Share	Total
	PKR			

Share Capital	No. of Shares	Face Value Per Share	Premium Per Share	Total
Allocation to institutions and individual investors through the Book Building process at the Strike Price	37,620,002	1.00	7.75	329,175,018
General Public Portion	12,540,001	1.00	7.75	109,725,008
Total Issue Size	50,160,003	1.00	7.75	438,900,026

3A (ii) PATTERN OF SHAREHOLDING OF THE ISSUER

Names	Pre-Offer Shareholding		Post-Offer Shareholding	
	No. of Shares Held	%	No. of Shares Held	%
Sponsors, Associated Companies, Undertakings and Related Parties				
Adal Financial Pte. Ltd. (SG corp)	451,440,000	100.00%	451,440,000	90.00%
Sub – Total	451,440,000	100.00%	451,440,000	90.00%
Directors, Chief Executive Officer and Members of the Company				
Salman Akhtar – CEO, Director	10	0.00%	10	0.00%
Kewan Qadre Khawaja – Director	10	0.00%	10	0.00%
Rayomond Kotwal - Director	4	0.00%	4	0.00%
Ayesha Aziz - Director	3	0.00%	3	0.00%
Omer Saeed - Director	3	0.00%	3	0.00%
Subtotal	30	0.00%	30	0.00%
Public Offering				
IPO – Fresh Issue	0	0.00%	50,160,003	10.00%
Subtotal	0	0.00%	50,160,003	10.00%
Total	451,440,030	100.00%	501,600,033	100.00%

3A(iii) SPONSORS SHARES TO BE KEPT IN BLOCKED FORM

i. As per regulation 5(1) of the PO Regulations, the Sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;

ii. As per regulation 5(2) of the PO Regulations, the Sponsors of the Company shall retain not less than twenty-five percent of the Post Issue Paid Up Capital of the Company for not less than three years from the last date for public subscription;

iii. As per regulation 5(3) of the PO Regulations, the shares of the Sponsors mentioned at (ii) above shall be kept unencumbered in a blocked account with the CDC; and

iv. As per regulation 5(4) of the PO Regulations, subject to compliance with sub-regulation 1 and 2 of Regulation 5, and with the prior approval of the securities exchange, the Sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed Sponsor for the purposes of the PO Regulations. Provided that a sale of at least 5% of the post issue paid up capital or PKR 50 million, whichever is lower, shall constitute a block sale during the lock-in period.

Names of Sponsors	Pre-Offer Shareholding		Post-Offer Shareholding	
	No. Shares Held	%	No. Shares Held	%
Adal Financial Pte. Ltd.	451,440,000	100.00%	451,440,000	90%

3A(iv) PRESENT ISSUE

The Offer comprises 50,160,003 Ordinary Shares of Adal Fintech Limited, each with a face value of PKR 1/-, at a Floor Price of PKR 8.75/- per share (including a premium of PKR 7.75/- per share), representing 10% of the Company's Post-IPO Paid-up Capital.

Seventy-five percent (75%) of the Issue size, i.e. 37,620,002 shares, will be offered through the Book Building Method at a Floor Price of PKR 8.75/- per share (including a premium of PKR 7.75/- per share), with a maximum price band of up to 48.57% (i.e. PKR 13.00/- per share). The Strike Price shall be the price at which seventy-five percent (75%) of the Issue is subscribed in the Book Building process.

The remaining twenty-five percent (25%) of the Issue, i.e. 12,540,001 Ordinary Shares, will be offered to Retail Investors through the General Public portion at the Strike Price determined by the Book Building process. The Retail Portion shall be fully underwritten, with Arif Habib Limited acting as the underwriters for the Issue.

The proceeds from the IPO at the Floor Price of PKR 438,900,026/- are expected to be as follows:

Aggregate Proceeds	No. of Shares	Price / Share	Total Proceeds
	#	*PKR*	
Book Building	37,620,002	8.75	329,175,018
Retail Portion	12,540,001	8.75	109,725,008
Public Issue	50,160,003	8.75	438,900,026

The proceeds from the IPO at the Cap Price of PKR 13.00/- are expected to be as follows:

Aggregate Proceeds	No. of Shares	Price / Share	Total Proceeds
		PKR	
Book Building	37,620,002	13.00	489,060,026
Retail Portion	12,540,001	13.00	163,020,013
Public Issue	50,160,003	13.00	652,080,039

3A(v) BREAK-UP OF SHARES ISSUED DURING PRECEDING YEARS

The following table presents a break-up of shares issued by the Company since its inception, including right shares and bonus shares, along with the corresponding changes in total paid-up capital.

Sr. No.	Consideration	Date	Shares Issued	Face Value per Share	Premium per Share	Total Value
			#	PKR		
1.	Subscribers to the Memorandum of Association	22 June 2021	2	10.00	–	20
2.	Issued against cash consideration	13 September 2021	2,500,000	10.00	–	25,000,000
3.	Right shares issued against cash consideration	21 April 2022	4,420,000	10.00	–	44,200,000
4.	Right shares issued against cash consideration	20 May 2022	6,060,000	10.00	–	60,600,000
5.	Right shares issued against cash consideration	24 November 2022	6,700,000	10.00	–	67,000,000
6.	Right shares issued against cash consideration	30 March 2023	11,330,000	10.00	–	113,300,000
7.	Right shares issued against cash consideration	18 December 2023	14,134,000	10.00	–	141,340,000
8.	Issued against cash consideration	30 January 2026	1	10.00	–	10
Total			45,144,003	10.00	–	451,440,030

Rights Shares Issued during Preceding Years

Sr. No.	Allottee	Date of Allotment	No. of Right Shares	Value (PKR)
1.	Adal Financial Pte. Ltd.	21 April 2022	4,420,000	44,200,000
2.	Adal Financial Pte. Ltd.	20 May 2022	6,060,000	60,600,000
3.	Adal Financial Pte. Ltd.	24 November 2022	6,700,000	67,000,000
4.	Adal Financial Pte. Ltd.	30 March 2023	11,330,000	113,300,000
5.	Adal Financial Pte. Ltd.	18 December 2023	14,134,000	141,340,000
Total			42,644,000	426,440,000

Stock Split
In the Extraordinary General Meeting held on 31 August 2026, the shareholders of Adal Fintech Limited approved a stock split, reducing the par value per share from PKR 10.00 to PKR 1.00.

Capital Structure (Post Stock Split)

Particulars	Amount	Number of Shares	Face Value
	PKR	*#*	*PKR*
Authorised Share Capital	900,000,000	900,000,000	1.00
Paid-up Capital	451,440,030	451,440,030	1.00

3A(vi) EMPLOYEE STOCK OPTION SCHEME

The Company has established the Adal Fintech Limited Employees' Stock Option Scheme, 2026 (the "Scheme") under section 83A of the Companies Act, 2017 read with Regulation 112 of the Companies Regulations, 2024. Article 16A of the Articles of Association of the Company authorises the Scheme.

The Entitlement Pool under the Scheme is 36,603,245 Ordinary Shares of PKR 1 each. Each option gives the holder the right to subscribe for one Ordinary Share at the exercise price, and carries no right to dividends or to vote until the shares are allotted on exercise. Vested options can be exercised within six years of their vesting date, and in no case later than ten years from the grant date. Options that lapse return to the Entitlement Pool and may be granted again. As at the date of this Prospectus, no options have vested, been exercised or lapsed, and no shares have been issued under the Scheme.

Scheme Year	Entitlement Pool (options)	Options granted	Options available for grant	Face value per share (PKR)
2026	36,603,245 (minimum vesting period of 1 year)	28,342,340 (exercise price PKR 3.00 per option, vesting over 3 years)	8,260,905	1.00

3A(vii) RELATED EMPLOYEES

Related Employees of the Company are as follows:

No.	Name	Designation
1.	Mr. Salman Akhtar	Chief Executive Officer and Director
2.	Mr. Waqar Safdar	Chief Financial Officer
3.	Amin Akhtar	Head of Growth & Marketing
4.	Muhammad Sulaiman	Director Accounts

Related employees of the Consultant to the Issue and/or Lead Manager (Arif Habib Limited) are as follows:

No.	Name	Designation
1.	Mr. Shahid Ali Habib	Chief Executive Officer
2.	Mr. Farhan Rizvi	Managing Director, Investment Banking
3.	Mr. Malik Harris Rehman	Assistant Vice President, Investment Banking
4.	Mr. Hamza Rehan	Assistant Vice President, Investment Banking
5.	Mr. Raheel Ahmed	Senior Associate, Investment Banking
6.	Mr. Saif Ul Haq	Associate, Investment Banking
7.	Mr. Ismail Memon	Associate, Investment Banking
8.	Mr. Ali Raza	Senior Analyst, Investment Banking
9.	Mr. Faizan Qureshi	Senior Analyst, Investment Banking
10.	Mr. Naveed Said	Senior Analyst, Investment Banking
11.	Mr. Muhammad Ali Bikiya	Analyst, Investment Banking
12.	Mr. Tasweeb Khan	Analyst, Investment Banking
13.	Mr. Sufiyan Khan	Analyst, Investment Banking
14.	Mr. Muhammad Ali Chandio	Analyst, Investment Banking
15.	Mr. Hammad Arshad Waris	Analyst, Investment Banking

4. PRINCIPAL PURPOSE OF THE OFFER AND FUNDING ARRANGEMENT

4.1 PRINCIPAL PURPOSE OF THE ISSUE

The net proceeds of the fresh issue, comprising 50,160,003 Ordinary Shares representing 10% of the Company's post-IPO paid-up capital and estimated at approximately PKR 438.9 million, will fund AdalFi's post-IPO growth programme across five categories: Product & Model Development; Solution Delivery & Implementation Scale-up; Technology Infrastructure, Cloud & Information Security; Marketing & Growth; and General Corporate & Working Capital.

Of the total proceeds, PKR 100 million (22.8%) will be allocated to Product & Model Development, supporting the development of new, Pakistan-specific intellectual property owned by AdalFi Pakistan, with a focus on Islamic digital lending, SME use cases and credit models trained on local data. This intellectual property will be distinct from the core AdalFi Digital Lending Platform, which is owned by the Company's parent, Adal Financial Pte. Ltd. (Singapore), and licensed to AdalFi Pakistan, as described in Section 3.12.

The Company will deploy the proceeds over approximately 18 to 24 months after completion of the IPO, in line with its strategy to develop Pakistan-specific product and model IP, onboard and scale with partner banks, strengthen its platform infrastructure and security, and grow its market presence. Allocations are shown both as amounts and as percentages of the total, and are based on estimated net proceeds of approximately PKR 438.9 million.

4.2 SUMMARY OF PROPOSED UTILIZATION OF PROCEEDS

Purpose	Amount (PKR)	% of Total
Product & Model Development	100,000,000	22.8%
Solution Delivery & Implementation Scale-up	80,000,000	18.2%
Technology Infrastructure, Cloud & Information Security	120,000,000	27.3%
Marketing & Growth	120,000,000	27.3%
General Corporate & Working Capital	18,900,026	4.3%
Total	438,900,026	100%

4.3 SOURCE OF FUNDING

Mode of Financing	Value (PKR)	Contribution
Fresh-issue IPO proceeds (net)	438,900,026	100%
Total	438,900,026	100%

4.4 UTILISATION OF IPO PROCEEDS

The allocation reflects the Company's priorities at this stage of its growth: developing new, Pakistan-specific product and model IP owned by the Company; scaling the delivery function so additional partner banks can be onboarded faster; strengthening the platform's infrastructure, cloud capacity and information security; and investing in marketing and growth. Unlike the core AdalFi Digital Lending Platform (which is licensed from the parent — see Section 3.12), the new product and model IP developed with these proceeds will be owned by AdalFi Pakistan.

The basis of estimation and key assumptions for each category are summarised below.

Purpose	Estimated Cost (PKR)	% of Total	Basis of Estimation	Comment
Product & Model Development	100,000,000	22.8%	Management estimates	Driven by phased engineering, data-science and QA hiring at the Company's internal cost averages, with compute and tooling at vendor list prices; may vary with market compensation and the USD-PKR rate.
Solution Delivery & Implementation Scale-up	80,000,000	18.2%	Management estimates	Driven by implementation, integration and customer-success hiring and implementation tooling; varies with resource availability and compensation.
Technology Infrastructure, Cloud & Information Security	120,000,000	27.3%	Market estimates	Azure public list prices and local certification quotations; USD-denominated items at PKR 280/USD, subject to the rate at procurement; competitive procurement at time of purchase.
Marketing & Growth	120,000,000	27.3%	Market estimates	B2B thought-leadership, events, PR, digital and sales-partnership activity; digital platforms bill in USD (PKR 280/USD) and spend may be reallocated across channels.
General Corporate & Working Capital	18,900,026	4.3%	Management estimates	Balancing item; general corporate purposes and working capital associated with growth in trade receivables.
Total	438,900,026	100%		

Note: All USD-denominated cost estimates in this section are converted at an assumed exchange rate of PKR 280 per USD, the approximate prevailing interbank rate at the time of estimation. Actual costs will depend on the prevailing USD-PKR rate at the time of procurement or campaign execution.

Execution and vendor status: The Company intends to execute the proposed expenditure using a combination of in-house resources and third-party vendors. As at October 1, 2026, no material contracts have been executed, and no funds have been committed to the proposed expenditure. Cloud, tooling and certain security procurements are USD-denominated and are estimated at PKR 280 per USD; actual costs will depend on the prevailing USD-PKR rate at the time of procurement.

4.4.1 PRODUCT & MODEL DEVELOPMENT

This allocation funds the development of new, Pakistan-specific intellectual property that will be owned by the Company. Building on the licensed AdalFi Digital Lending Platform (see Section 3.12), the Company will develop proprietary models and product capabilities tailored to the Pakistani market — in particular, (i) Islamic digital lending products and the underlying Shariah-compliant credit models, and (ii) SME-focused use cases and credit models trained on data specific to Pakistan. This intellectual property will be owned by the Company (AdalFi Pakistan).

The programme also advances the AdalFi Analytical Architecture and model families, expands the credit-product suite across consumer, SME, agriculture and cards, and deepens portfolio monitoring and decisioning. It is expected to support the Company's shift towards an Islamic-dominated product mix over the next two to three years (see Section 3.8.3).

Component	Amount (PKR)	Duration	%
Human resources — new engineering, data-science / ML and QA positions (phased)	80,000,000	12 months	80%
Model-development compute & data (GPU / cloud training and inference, data subscriptions)	15,000,000	12 months	15%
Software-development & MLOps tooling and licensing	5,000,000	12 months	5%
Total	100,000,000		100%

Note: The cost for Human Resources is based on AdalFi's internal cost averages for similar roles. We plan to hire 13 additional resources for this purpose. The breakdown of this cost is provided in the table below:

Type of Resource	Team	Amount	%
Data Science & Credit Modelling	3	26,640,000	33.3%
Analytical Architecture (AAA)	2	12,640,000	15.8%
Platform Engineering	3	19,000,000	23.8%
Digital Journeys & Product	3	13,720,000	17.1%
Quality Assurance	2	8,000,000	10.0%
Total	**13**	**80,000,000**	**100.0%**

The table below shows the distribution of the same PKR 100 million Product & Model Development allocation across delivery workstreams; it is an allocation of the same amount, not additional expenditure.

Strategic pillar	Allocation (PKR)	% of category
Advancing the AdalFi Analytical Architecture & model families	30,000,000	30%
Expanding the credit-product suite (consumer, SME, agriculture, cards)	25,000,000	25%
Islamic digital lending build-out	20,000,000	20%

Strategic pillar	Allocation (PKR)	% of category
Deepening the platform (portfolio monitoring and decisioning)	15,000,000	15%
Model compute, data & development tooling	10,000,000	10%
Total	100,000,000	100%

The 13 new positions comprise Data Science & Credit Modelling (3), Analytical Architecture (2), Platform Engineering (3), Digital Journeys & Product (3) and Quality Assurance (2). Aggregate team costs are shown above; individual position costs are not disclosed, as compensation is determined by market-based negotiation at the time of hiring.

4.4.2 SOLUTION DELIVERY & IMPLEMENTATION SCALE-UP

This allocation funds the expansion of AdalFi's professional-services and implementation capability so that additional partner banks can be onboarded in parallel and existing partners can add products faster. It directly supports the Company's plan to compress deployment timelines (currently approximately 12-13 weeks) and to accelerate the pipeline of live and integrating banks (including the UBL ramp-up and MCB integration).

Component	Amount (PKR)	%
Human resources — implementation, integration-engineering and customer-success positions	56,000,000	70%
Implementation tooling and test / integration environments	20,000,000	25%
Partner onboarding, enablement and training	4,000,000	5%
Total	80,000,000	100%

Note: The cost for Human Resources is based on AdalFi's internal cost averages for similar roles. We plan to hire 9 additional resources for this purpose. The breakdown of this cost is provided in the table below:

Type of Resource	Team	Amount	%
Implementation / Delivery Lead (Implementations)	1	8,880,000	15.9%
Implementation Engineers (Implementations)	4	25,333,333	45.2%
Integration Engineers (Implementations)	2	12,666,667	22.6%
Customer Success Specialists (Customer Success)	2	9,120,000	16.3%
Total	9	56,000,000	100%

The nine new positions span the Implementations and Customer Success teams: an Implementation / Delivery Lead (delivery oversight and partner-bank governance); Implementation Engineers (solution design, configuration and go-live); Integration Engineers (core-banking, card-management and digital-channel integration); and Customer Success Specialists (post-go-live adoption, product expansion and support). Aggregate team costs are shown above; individual position costs are determined by market-based negotiation at the time of hiring.

4.4.3 TECHNOLOGY INFRASTRUCTURE, CLOUD & INFORMATION SECURITY

This allocation funds the Company's own development, model training and analytics infrastructure (distinct from partner-bank environments, where customer data remains), and a programme of information-security enhancements and certifications required to maintain partner-bank confidence. Cloud, security tooling and certain licences are USD-denominated and estimated at PKR 280 per USD; procurement will be conducted competitively at the time of purchase.

Item	Estimated cost (PKR)	% of Total	FY27 (PKR)	FY28 (PKR)
Cloud compute & AI/ML infrastructure (training and inference capacity)	48,000,000	40%	15,000,000	33,000,000
Data platform & storage expansion	24,000,000	20%	7,500,000	16,500,000
Security tooling (SIEM / EDR, network security, monitoring)	20,400,000	17%	6,300,000	14,100,000
ISO 27001 / ISMS and SOC 2 certification and audits	15,600,000	13%	8,500,000	7,100,000
Disaster recovery & platform resilience	12,000,000	10%	2,700,000	9,300,000
Total	120,000,000	100%	40,000,000	80,000,000

Cloud compute & AI/ML infrastructure — PKR 48,000,000

Component	Amount (PKR)	% of head
GPU model-training cluster	19,192,320	40%
Real-time scoring & inference endpoints	8,241,408	17%
GenAI / LLM consumption	6,720,000	14%
Data-science and dev / test / CI compute	7,818,854	16%
Networking, container & model registry, observability	3,360,000	7%
Price / FX variance reserve	2,667,418	6%
Total	48,000,000	100%

Data platform & storage expansion — PKR 24,000,000

Component	Amount (PKR)	% of head
Data lake storage (hot, cool & archive tiers)	9,193,390	38%
Lakehouse / processing (managed Spark)	9,408,000	39%
Relational serving layer	3,360,000	14%
Orchestration & storage operations	1,411,200	6%
Price / FX variance reserve	627,410	3%
Total	24,000,000	100%

Security tooling (SIEM / EDR, network security, monitoring) — PKR 20,400,000

Component	Amount (PKR)	% of head
SIEM & log analytics	4,334,400	21%
Cloud workload protection	3,024,000	15%
Endpoint detection & response (EDR)	3,494,400	17%
Network security (firewall & WAF)	4,368,000	21%
Identity, access & key management	4,233,600	21%
Price / FX variance reserve	945,600	5%
Total	20,400,000	100%

ISO 27001 / ISMS and SOC 2 certification and audits — PKR 15,600,000

Component	Amount (PKR)	% of head
ISMS implementation & ISO 27001 certification	6,700,000	43%
SOC 2 Type I & Type II examinations	5,500,000	35%
Penetration testing, GRC automation & variance reserve	3,400,000	22%
Total	15,600,000	100%

Disaster recovery & platform resilience — PKR 12,000,000

Component	Amount (PKR)	% of head
Replication (site recovery)	4,200,000	35%
Backup & vault storage	3,360,000	28%
Warm standby (DR region)	2,060,352	17%
Cross-region replication, chaos & failover testing	1,960,000	16%
Price / FX variance reserve	419,648	4%
Total	12,000,000	100%

Pricing basis: Azure services are costed at public list prices (North / West Europe regions, pay-as-you-go), checked October 2026; ISO 27001 and SOC 2 fees reflect Pakistan-market quotations from accredited certification bodies and CPA firms. Figures are indicative.

Deployment and phasing: the PKR 120 million allocation is deployed over approximately 24 months from January 2027. FY27 (PKR 40 million) funds the ISMS and certification programme, the first training node, and initial data-lake and security onboarding; FY28 (PKR 80 million) funds the full inference tier, the data platform at load, SOC 2 Type II, and disaster-recovery replication across the estate.

Variance reserve and data residency: within each head a price / FX variance reserve is held unallocated and released at procurement if list prices or the USD-PKR rate move. Partner-bank customer data remains within each bank's own environment; this infrastructure hosts only the Company's own development, model-training, analytics and security tooling.

4.4.4 MARKETING & GROWTH

Consistent with its B2B model, AdalFi's marketing and growth spend targets senior decision-makers in partner institutions rather than mass-market consumer advertising. The allocation supports thought leadership, category education, and the sales and partnership capability required to convert the partner-bank pipeline and expand within existing partners.

Description	Amount (PKR)	% of Total
Thought leadership & category education (research, whitepapers, webinars)	20,000,000	16.7%
Industry events, conferences & executive roundtables	15,000,000	12.5%
Public relations & media relations	15,000,000	12.5%
Digital marketing (LinkedIn, search & content)	30,000,000	25%
Website, content production & creative	10,000,000	8.3%
Sales enablement & partnership capability (hires)	20,000,000	16.7%
Partner co-marketing & demand generation	10,000,000	8.3%
Total	120,000,000	100%

Digital advertising platforms bill in USD (estimated at PKR 280 per USD). Marketing is executed through a combination of in-house campaign management and an external media / PR agency; the Company may reallocate spend across the channels above as acquisition efficiency dictates, within the total allocation of PKR 120 million.

4.4.5 GENERAL CORPORATE & WORKING CAPITAL

The balance of the proceeds will be applied to general corporate purposes and working-capital requirements as the business scales, including the working capital associated with growth in trade receivables. Pending application, net proceeds will be held in bank deposits or other short-term instruments.

4.5 IMPLEMENTATION PLAN

The timelines below set out management's current delivery plan, anchored to an expected completion of the Offering in December 2026 and phased over approximately 18–24 months. Any material change will be disclosed in the Company's quarterly progress reports on utilisation of proceeds under Regulation 16 of the Public Offering Regulations and will not alter the purpose or total amount of any allocation. If the completion of the Offering shifts, the schedule will be adjusted accordingly.

Workstream	Category	Indicative timeline
Product & model development (Data Science, AAA, Engineering, QA)	Product	1Q27 – 3Q27
Pakistan-specific IP build-out (Islamic digital lending & SME models)	Product	1Q27 – 2Q28 (continuous)
Implementation & integration team scale-up	Delivery	1Q27 – 3Q27

Workstream	Category	Indicative timeline
Partner-bank onboarding (pipeline)	Delivery	1Q27 – 2Q28 (continuous)
Cloud, data-platform & infrastructure expansion	Technology	4Q26 – 3Q27
Security tooling, ISO 27001 / SOC 2 certification	Technology	1Q27 – 4Q27
Market development & partnerships	Marketing	1Q27 – 4Q28 (continuous)

4.6 UTILISATION OF EXCESS FUNDS (STRIKE PRICE ABOVE FLOOR)

If the Strike Price is set above the Floor Price, the additional fresh-issue proceeds would be applied pro-rata across the five investment categories, preserving each category's percentage of the total. The table below illustrates the effect at selected strike-price premia, based on estimated net proceeds of PKR 438.9 million at the floor.

Category	At Floor	+10%	+25%	+48.57%
Product & Model Development	100,000,000	110,000,000	125,000,000	148,571,429
Solution Delivery & Implementation	80,000,000	88,000,000	100,000,000	118,857,143
Infrastructure, Cloud & InfoSec	120,000,000	132,000,000	150,000,000	178,285,714
Marketing & Growth	120,000,000	132,000,000	150,000,000	178,285,714
General Corporate & Working Capital	18,900,026	20,790,029	23,625,033	28,080,039
Total net proceeds	438,900,026	482,790,029	548,625,033	652,080,039

4(i) POST ISSUE MATTERS (REPORTING AND EXIT OPPORTUNITY)

POST ISSUANCE REPORTING REQUIREMENTS AS PER REGULATION 16 OF THESE REGULATIONS

The Issuer, Adal Fintech Limited, upon completion of the public offer shall:

a) Report a detailed break-up of the utilisation of the proceeds of the issue in its post-issue quarterly / half-yearly and annual accounts, until the fulfilment of the commitments made in this Prospectus.
b) Submit to the securities exchange, until the fulfilment of the commitments made in this Prospectus: (a) a half-yearly progress report; and (b) an annual progress report reviewed by the auditor, stating the implementation status of the project / commitment made in the Prospectus and a detailed break-up of the utilisation of the proceeds raised from the issue.
c) Submit a final report reviewed by the auditor after the fulfilment of the commitments made in this Prospectus.

EXIT OPPORTUNITY MECHANISM AS PER REGULATION 16(A) OF THESE REGULATIONS

a) The Issuer shall not, at any time, change the principal purpose of the issue as disclosed in this Prospectus.
b) In exceptional circumstances, the Issuer may change the principal purpose of the issue subject to the passing of a special resolution and the offering of an exit opportunity to dissenting shareholders who have not voted in favour of the resolution, in accordance with Regulation 16(A) of the Public Offering Regulations, 2017.
c) The exit opportunity shall be offered at a price determined in accordance with the said Regulations and shall remain open for the period prescribed thereunder.
d) The mechanism for an exit offer opportunity shall be as under:
    i. EOGM notice in respect of any change in the principal purpose of the issue as disclosed in the prospectus shall be given along with draft special resolution as required under the provisions of the Companies Act, 2017.
    ii. Subject to approval of special resolution as defined in the Companies Act, 2017, the shareholders who have dissented against the special resolution and conveyed their dissent to the company secretary under intimation to PSX, shall be provided an opportunity to exit by offering a price per share, by the sponsors of the issuer that shall be highest of the following:
        1. Intrinsic value based on the latest available audited accounts;
        2. Weighted average closing price for last six preceding months;
        3. offer price at which the shares were subscribed through IPO.
e) The exit offer shall be executed by the sponsors with in a period of thirty days from the date of passing of special resolution.

4A. VALUATION SECTION

4A(i). JUSTIFICATIONS GIVEN BY THE CONSULTANT TO THE ISSUE, IF ANY OR THE ISSUER IN SUPPORT OF THE OFFER/FLOOR PRICE AND THE PRICE BAND.

Disclaimer:

The offer price/floor price and price band are set by the Offeror and Consultant to the Issue using appropriate valuation models, and that the Commission and the Securities Exchange have neither assessed nor validated the pricing or the underlying valuation model. The Commission and the Securities Exchange do not assess, validate or endorse the price of a transaction, as pricing is purely a function of market forces; whereby minimum price is determined by the Consultant to the Issue/ Offeror and final price is set by the investors.

Valuation – Free Cash Flow to Equity (FCFE):

Cost of Equity	CY2026F	CY2027F	CY2028F	CY2029F	CY2030F	CY2031F
Risk Free Rate[60]	12.80%	12.50%	12.00%	11.50%	11.00%	11.00%
Equity Beta[61]	1.00	1.00	1.00	1.00	1.00	1.00
Equity Risk Premium[62]	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Cost of Equity[63]	**18.80%**	**18.50%**	**18.00%**	**17.50%**	**17.00%**	**17.00%**
Terminal Value Assumptions						
Terminal Growth Rate						5.00%[64]
Tax Rate – Terminal Year						37.00%

PKR Mn	2H CY2026I	CY2027F	CY2028F	CY2029F	CY2030F	CY2031F
EBIT (1 – Tax)	208.94	424.20	853.16	1,228.33	1,634.88	1,670.82
Add: Non-Cash Expenses	43.47	134.66	103.25	105.13	118.88	146.57
Adj: Changes in Working Capital	(85.98)	(15.60)	(95.29)	(96.01)	(101.09)	(103.25)
Less: CapEx (incl. Intangibles)	(10.58)	(115.34)	(184.01)	(131.18)	(162.39)	(181.06)
Less: Lease Interest	(1.54)	(2.23)	(2.07)	(4.97)	(3.01)	(2.28)
Less: Lease Payments (Principal)	(7.37)	(17.08)	(19.17)	(18.39)	(22.69)	(25.48)
FCFE	**146.93**	**408.61**	**655.86**	**1,082.91**	**1,464.58**	**1,505.33**

[60] Risk-Free Rate: For CY26, risk-free rate of 12.80% has been used, representing the 10-year Pakistan Investment Bond (PIB) yield as of 16 October 2026. In subsequent years, the rate has been gradually reduced, reflecting the historical trend of long-term government bond yields converging towards 11.00%.

[61] Equity Beta: Given Adalfi Fintech's close integration with the banking sector, the market beta has been used as a proxy for its equity beta in the absence of a directly comparable listed fintech company.

[62] Equity Risk Premium (ERP): The ERP has been derived from historical implied equity returns over the past 10 years, which have averaged approximately 6.00% above the average long-term government bond yield.

[63] Formula: Cost of Equity = Risk-Free Rate + (Equity Beta × Equity Risk Premium)

[64] AdalFI is a growing company in the early stages of its growth trajectory, with a high projected growth rate. Based on the sustainable growth rate methodology (ROE × Retention Ratio), the estimated sustainable growth rate is 35.59%, calculated using an average ROE of 47.99% and an average retention ratio of 74.17% across the six forecast years (CY2026–CY2031). Given the Company's early stage of development and the inherent uncertainty associated with sustaining high growth rates over the long term, a conservative terminal growth rate of 5.00% has been adopted.

PKR Mn	2H CY2026I	CY2027F	CY2028F	CY2029F	CY2030F	CY2031F
Terminal Value[65]						9,432.00
Discounting						
Discount Period (Years)	0.50	1.50	2.50	3.50	4.50	5.50
Discount Factor	0.917	0.775	0.661	0.569	0.493	0.422
PV of FCFE	134.80	316.76	433.62	615.83	722.56	634.76
PV of Terminal Value						3,977.24

Equity Valuation	PKR Mn
Sum of PV of FCFE	2,858.33
PV of Terminal Value	3,977.24
Present Value of Equity Cash Flows	**6,835.57**
Add: Net IPO Proceeds	417.62
Add: Cash & Bank Balances (30 June 2026)	128.59
Equity Value	**7,381.78**
No. of Shares – Post-IPO (Mn)	501.60
Value per Share (PKR)	**14.72**
Floor Price (PKR)	8.75
Upside from Floor Price	68.2%
Cap Price (PKR)	13.00
Upside from Cap Price	13.2%

Valuation – Free Cash Flow to Equity (FCFE) after Dilutive Securities:

Diluted Equity Valuation	PKR Mn
Equity Value	**7,381.78**
Add: Exercise Proceeds from ESOS Options (weighted average PKR 3.45 per option)[66]	126.33
Equity Value – Diluted	**7,508.12**
No. of Shares – Post-IPO (Mn)	501.60
Add: Dilutive Shares under ESOS (Mn)	36.60
No. of Shares – Post-IPO, Fully Diluted (Mn)	538.20
Diluted Value per Share (PKR)	**13.95**
Floor Price (PKR)	8.75
Upside from Floor Price	59.4%
Cap Price (PKR)	13.00
Upside from Cap Price	7.3%

Dividend Discount Model ("DDM"):

The Dividend Discount Model ("DDM") is typically appropriate for companies with a stable and predictable dividend payout profile. Adal Fintech Limited has not made any dividend distributions

[65] The terminal value is calculated on CY2031F free cash flow to equity adjusted for a royalty of 7.5% of local services revenue, against 5.0% in CY2031F. Under the royalty slabs set out in Section 3.12, local services revenue growing at the terminal growth rate of 5.00% would exceed PKR 4 billion (7.5% slab) from around CY2036 and PKR 6 billion (10% slab) from around CY2044. A rate of 7.5% has therefore been used as the long-term royalty rate.

[66] Exercise proceeds of PKR 126.33 million comprise 28,342,340 options granted at an exercise price of PKR 3.00 per option (PKR 85.03 million) and the remaining 8,260,905 options in the Entitlement Pool, which have not yet been granted, at an assumed exercise price of PKR 5.00 per option (PKR 41.30 million). The exercise price of options granted in future will be set at the time of grant.

since incorporation in 2021. The Company recorded its first full year of profitability in CY2025, and until then had accumulated losses. As a relatively new and growth-oriented company, Adal Fintech Limited is focused on expanding its partner-bank network and product suite, and on reinvesting earnings and IPO proceeds in technology, product development and market expansion. While the Company expects to start distributions over the projection period, payout levels are expected to change as the business matures. Dividend payments are therefore not expected to follow a stable or predictable long-term pattern in the near term. Accordingly, the DDM may not reliably capture the Company's intrinsic value at this stage. A valuation approach based on Free Cash Flows to Equity ("FCFE") is therefore considered more appropriate, as it better reflects the Company's growth profile, reinvestment strategy and the cash flows available to its shareholders.

Justification for the Price Band: Cap Price of PKR 13.00 (48.57% above the Floor Price)

Based on the valuation assessment, the FCFE model yields a fair value of PKR 14.72 per share, reflecting a potential upside of 68.2% from the Floor Price of PKR 8.75 per share and 13.2% from the Cap Price of PKR 13.00 per share.

On a fully diluted basis, assuming all 36,603,245 options in the Entitlement Pool under the Employees' Stock Option Scheme are exercised, comprising 28,342,340 granted options at PKR 3.00 per option and the remaining 8,260,905 options at an assumed PKR 5.00 per option, the FCFE model yields a value of PKR 13.95 per share, an upside of 59.4% from the Floor Price and 7.3% from the Cap Price.
At the Floor Price, the Company is offered at a Price-to-Earnings ("P/E") multiple of 12.83x on projected CY2026F earnings per share of PKR 0.68 and 8.26x on projected CY2027F earnings per share of PKR 1.06. At the Cap Price, the corresponding multiples are 19.06x and 12.27x. CY2026F combines the audited results for 1H CY2026 with the projections for 2H CY2026 (Section 6.14). Earnings per share are calculated on the post-IPO paid-up capital of 501,600,033 shares.

On the CY2026 basis used in the peer comparison in Section 4A(xi), the Company's post-IPO P/E is 12.83x at the Floor Price and 19.06x at the Cap Price. TISL's post-IPO P/E is 35.35x on its CY2026F projections, at its last day closing price of PKR 4.59 on 22 October 2026. Even at the Cap Price, the Company's P/E is about 46% below TISL's. On a price-to-book basis, the Company is offered at 4.34x post-IPO book value at the Floor Price and 6.45x at the Cap Price, against 3.79x for TISL. This premium on book value reflects the Company's higher projected return on equity of 55.3% (TISL: 14.1%) and return on assets of 44.2% (TISL: 12.3%).

For reference, on a trailing basis (twelve months to 30 June 2026), the Floor Price implies a P/E of 24.73x on pre-IPO shares (27.48x post-IPO) and the Cap Price implies 36.75x (40.83x post-IPO). Accordingly, the Cap Price of PKR 13.00 is below the FCFE value per share on both a basic and a fully diluted basis, and below the CY2026 P/E of the listed peer. The price band is therefore considered justified.

4A (ii). SUCCESSFUL OPERATIONAL HISTORY

Adal Fintech Limited was incorporated in Lahore on June 22, 2021 as a private limited company and converted into a public unlisted company on January 22, 2026. The Company commenced commercial operations within weeks of incorporation, launching its Salary Advance product in July 2021 with The Bank of Punjab and Allied Bank Limited. Since then, the Company has operated continuously in live banking environments and has expanded from one product across two banks to nine active credit products across nine partner banks, including six of Pakistan's top ten banks.

The Company's engineering and financial-services heritage traces to Techlogix, a technology firm with more than 15 years of experience delivering core banking, digital banking and risk systems to more than 50 banks across Pakistan and the Middle East, including solutions based on Oracle FLEXCUBE and Oracle OBDX. This heritage has supported the Company's ability to integrate with complex banking systems and serve regulated financial institutions.

The Company has progressively expanded its product suite, partner bank network and lending use cases, commencing partnerships with Bank of Punjab and Allied Bank in July 2021, followed by Askari Bank in February 2022, United Bank Limited in December 2023, JS Bank in March 2024 and Faysal Bank during 2024–25. In 2026, the Company further expanded its live partner bank network, with Bank AL Habib going live in January, Bank of Khyber during 2026 and MCB Bank in August. The platform has diversified beyond salary advances into running finance, credit cards, personal loans, loan top-ups, term loans, vehicle finance, agriculture finance and SME finance, with monthly lending exceeding PKR 5 Bn in 2025. The Company recorded its first full year of profitability in 2025.

The platform has demonstrated significant operating scale. Annual Gross Lending Volume ("GLV") increased from approximately PKR 0.9 Bn in CY2022 to PKR 45.6 Bn in CY2025, representing a 238% CAGR between CY2023 and CY2025, with a further PKR 27.8 Bn enabled in 1H CY2026. As at June 30, 2026, the platform had enabled cumulative lending of more than PKR 90 Bn through over 750,000 loans to more than 130,000 unique borrowers, while maintaining a 90-day default rate of approximately 0.2%. At The Bank of Punjab, the platform has doubled monthly unsecured disbursements, reduced decision-to-disbursement time from approximately five days to 60 seconds, and reduced manual processing by approximately 80%.

4A (iii). FINANCIAL PERFORMANCE

The Company's financial record reflects the characteristics of a scaling technology product business, characterized by rapid revenue growth, a transition from losses to profitability and strong operating leverage.

- **Revenue Growth:** Revenue increased from PKR 151.27 Mn in CY2023 to PKR 241.15 Mn in CY2024 (+59%) and PKR 566.92 Mn in CY2025 (+135%), representing an increase of approximately 275% over two years. Revenue for 1H CY2026 was PKR 394.36 Mn, 39% higher than 6M CY2025.

- **Shift Towards Local Services**: Local services revenue, representing the Company's share of lending income earned from partner-bank programmes in Pakistan, increased from 19.8% of revenue in CY2023 to 72.2% in CY2025 and 71.3% in 1H CY2026, reflecting the increasing contribution of the Company's local lending ecosystem.

- **Transition to Profitability**: A gross loss of PKR 116.19 Mn in CY2023 turned into a gross profit of PKR 242.20 Mn in CY2025, with gross margin reaching 48% in 1H CY2026. The Company recorded its first full-year profit after tax of PKR 107.71 Mn in CY2025, while 1H CY2026 profit after tax of PKR 114.77 Mn already exceeds the full-year CY2025 result. ROE reached 63% in CY2025 and 81% on an annualised basis in 1H CY2026.

- **Operating Leverage:** Between CY2023 and CY2025, personnel costs, the Company's largest cost line, increased by only 55.5%, while revenue grew by approximately 275%, reducing personnel costs from 126.8% to 52.6% of revenue.

- **Cash Generation and Balance Sheet:** Net cash from operating activities turned positive at PKR 21.46 Mn in CY2025 and increased significantly to PKR 173.49 Mn in 1H CY2026. Net worth

increased to PKR 340.09 Mn as at June 30, 2026, entirely through retained profits, while the Company has no bank borrowings.

- **Tax Status:** As an enterprise licensed by the Special Technology Zones Authority, the Company is exempt from income tax until 30 June 2031, supporting its ability to retain and reinvest earnings during its growth phase.

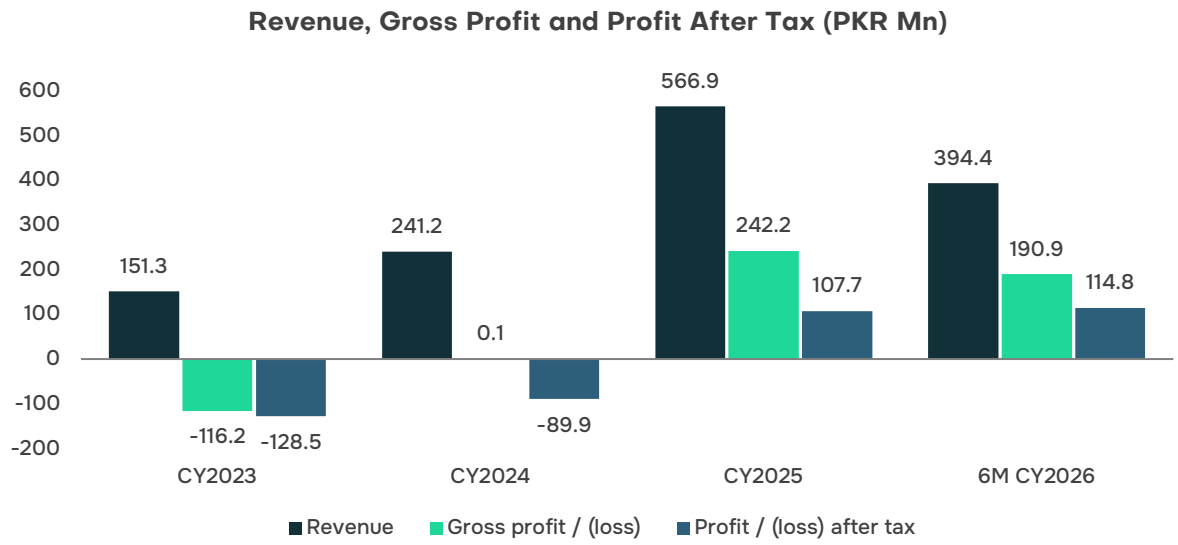

Figure 18: Revenue, Gross Profit and PAT. Source: the Company.

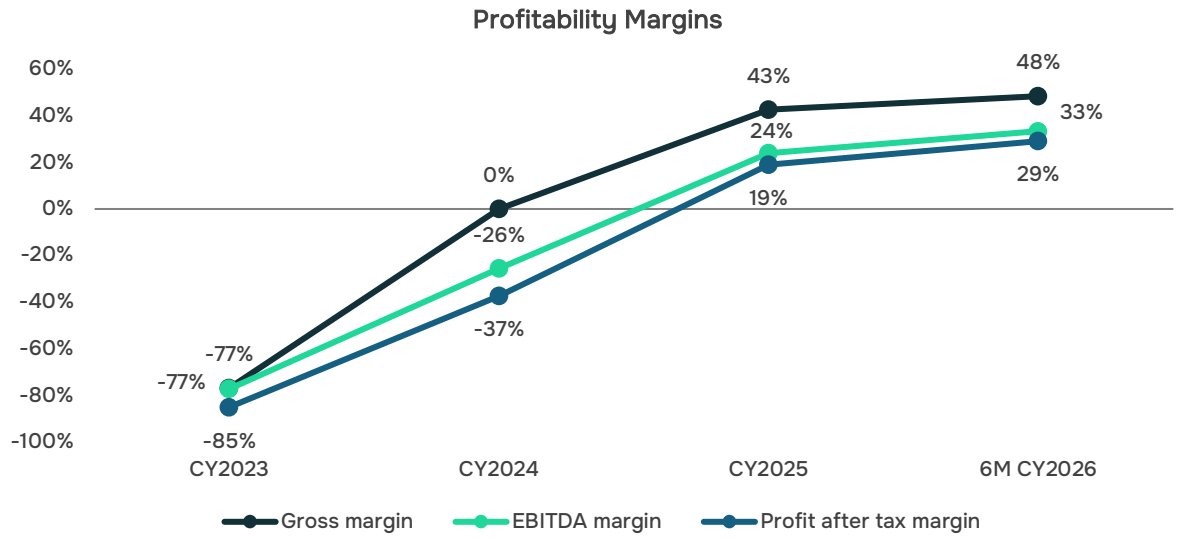

Figure 19: Profitability History. Source: the Company.

4A (iv). KEY CUSTOMERS

The Company's customers comprise banks and other regulated lenders, to which it provides its digital lending platform on a revenue-sharing basis. As at the date of this Prospectus, the platform is live in production across nine partner banks, including six of Pakistan's top ten banks. Partner-

bank agreements typically have an initial five-year term with automatic renewal, with the platform integrated into each institution's core banking, card management and digital channels.

Partner Bank	Initial Deployment	Products Deployed
The Bank of Punjab	July 2021	Anchor partner: Salary Advance, Running Finance, Credit Cards, Personal Loans, Top-ups, Vehicle Finance and Agriculture Finance
Allied Bank Limited	July 2021	Salary Advance through myABL, subsequently extended to SME lending
Askari Bank Limited	February 2022	Salary Advance, subsequently extended to SME loans
United Bank Limited	December 2023	Running Finance, Personal Loans and Salary Advance
JS Bank Limited	March 2024	Credit Cards, Personal Loans, Term Loans, Supply-Chain Finance and Salary Advance
Faysal Bank Limited	2024 – 2025	Supply-Chain and Term Loan deployments
Bank AL Habib Limited	January 2026	Live with salary advance financing.
The Bank of Khyber	2026	Live with salary advance financing
MCB Bank Limited	August 2026	Salary advance

In addition to local services revenue generated from partner-bank programmes, the Company earns export services revenue in foreign currency from platform development and implementation services provided to its Parent Company, Adal Financial Pte. Ltd. (Singapore), and its Saudi Arabian subsidiary. The Company's revenue mix has progressively shifted towards local services as its partner-bank network and lending activity have expanded.

Revenue by Key Customer (% of Total Revenue)	CY2023	CY2024	CY2025	1H CY2026
The Bank of Punjab	14.0%	36.0%	68.5%	67.3%
Other partner banks	5.8%	1.6%	3.6%	4.0%
Total Local Services Revenue	**19.8%**	**37.6%**	**72.2%**	**71.3%**
Adal Financial Pte. Ltd. (export services)	80.2%	62.4%	27.8%	28.7%
Total Revenue	**100%**	**100%**	**100%**	**100%**

The Bank of Punjab is the Company's anchor partner and largest customer, accounting for 68.5% of revenue in CY2025. The Company's other partner banks are at varying stages of product deployment and lending volume ramp-up. In 2026, the Company further expanded its live partner-bank network, with Bank AL Habib going live in January, The Bank of Khyber during 2026 and MCB Bank in August

4A (v). WIDE PRODUCT RANGE

From a single Salary Advance product at launch, the Company has progressively expanded its platform across consumer, SME and agriculture lending. The platform now supports nine active credit products, all built on a common technology infrastructure spanning transaction data, AI-based credit scoring, credit decisioning, customer activation, digital disbursement and portfolio monitoring. This common architecture enables the Company to extend existing capabilities across new products and partner banks with limited incremental infrastructure requirements. All products are fully configurable, white-labelled to the partner bank and digitally enabled from application through disbursement and collection.

Product	Segment	Initial Deployment	Description	Disbursed to Date (PKR Bn)
Salary Advance	Consumer	July 2021	Advances against verified salary streams with instant payout and payday auto-recovery	10.20
Personal Loans	Consumer	Dec 2023	Cash-flow-based unsecured instalment loans for salaried and non-salaried customers	23.50
Credit Cards	Consumer	Sep 2023	Pre-approval of bank-transaction data with risk-based limits and instant issuance	1.06
Vehicle Finance	Consumer	Sep 2024	Auto finance, extended to two- and three-wheelers and e-taxi in 2026	2.38
Running Finance	Consumer & SME	Dec 2022	Revolving, auto-replenishing credit lines set from live cash flows	23.56
Term Loans	Consumer & SME	Apr 2024	Fixed-term loans with risk-based amount, tenor and pricing for pre-qualified borrowers	10.91
Supply-Chain Finance	SME	2025	Buyer-approved limits and invoice discounting with ERP/API integration	–
Agriculture Finance	Agriculture	Jan 2025	Seasonal running finance and term loans for farmers and rural enterprises	20.19
Loan Top-ups	Consumer	Apr 2024	Repeat and incremental lending to existing borrowers	–
Total			762,674 Loans Enabled	91.81

Product breadth has translated into increasing lending volumes and revenue contribution. Term lending, the Company's largest revenue line, accounted for 54.9% of total revenue in 1H CY2026, while seven products generated revenue in CY2025 compared with four in CY2023. The Company is also developing Islamic digital lending products across consumer and SME segments, alongside

new SME products leveraging digitally verifiable data, including distributor sales, FBR digital invoicing and payment-processor data.

4A (vii). DISTRIBUTION NETWORK

As a business-to-business technology provider, the Company does not maintain a physical distribution network, branches or retail outlets. The Company's distribution model is primarily bank-led, with customer acquisition and lending journeys facilitated through the channels and existing customer relationships of its partner banks. The Company reaches the market through the following channels:

Channel	Description
Direct sales to banks	Senior management led enterprise sales targeting banks and other regulated lenders, supported by Techlogix's relationships with 35+ banks, industry events, executive roundtables and digital outreach.
Implementation and customer success	A 20 member Professional Services team deploys lending programmes through a standard 12-week methodology and provides ongoing optimization and support
Partner banks' digital channels	Lending journeys are embedded in partner banks' mobile and digital banking channels or delivered through white labelled AdalFi applications.
Pre-approved customer outreach	Activate module enables partner banks to deliver personalized pre-approved offers through SMS, email, WhatsApp, push notifications and in app messaging.
Branch and agent-assisted journeys	SME and agriculture products may also be delivered through branch or agent assisted digital journeys within partner banks.

The Company's bank-led distribution model provides access to each partner bank's existing customer base and established distribution network. This allows the Company to scale lending programmes without establishing physical infrastructure or a separate borrower acquisition network, supporting the scalability and operating efficiency of its business model.

4A (viii). GEOGRAPHIC PRESENCE

The Company operates from Pakistan, where it develops, implements and supports its digital lending platform. The platform is deployed within the operating environments of its nine partner banks, enabling the Company to serve borrowers across Pakistan through the existing customer and distribution networks of these institutions.

Particulars	Address	Type
Registered Office	39 Empress Road, Lahore, Pakistan	Registered office
Principal Place of Business	14th Floor, New State Life Tower, Jinnah Avenue, Blue Area, Islamabad, Pakistan	Head office (leased)
Place of Business	Office F-02, Colabs, NASTP, Old Airport Building, 69 Abid Majeed Road, Lahore Cantt, Lahore, Punjab	Rental office

Place of Business	Tower A, 11th Floor, Fortune Tower Block-6 PECHS, Shahrah-e-Faisal, Karachi, Pakistan.	Rental office
Adal Financial Pte. Ltd.	9 Raffles Place, #26-01, Republic Plaza, Singapore 048619	Sponsor / Parent Company

4A (ix). ACCREDITATION

The Company has received the following recognition for its work:

Certification Name	Awarding Body	Details
Winner, SME Credit Innovation Challenge	Karandaaz Pakistan	2023, in partnership with Allied Bank Limited.
Winner, SME Credit Development Grant	State Bank of Pakistan	2024, in partnership with United Bank Limited.
Winner, Agri Credit Innovation Challenge	Karandaaz Pakistan	2024, in partnership with The Bank of Punjab.
Cash award for export remittances	Pakistan Software Export Board (PSEB)	Cash award of PKR 1.5 million received in CY2024 in recognition of export remittances.

4A (x). DISCLOSURE OF POST OFFER FREE FLOAT

Post IPO, the share capital of AdalFi will increase from 451,440,030 Ordinary Shares to 501,600,033 Ordinary Shares. The free float status of AdalFi post IPO is provided hereunder:

Current Shareholder	No. of Shares	Shareholding	Free Float
		%	%
Sponsors, Associated Companies, Undertakings and Related Parties			
Adal Financial Pte. Ltd. (SG corp)	451,440,000	90.0%	-
Directors, Chief Executive Officer and Members of the Company			
Salman Akhtar – CEO, Director	10	0.00%	-
Kewan Qadre Khawaja – Director	10	0.00%	-
Rayomond Kotwal - Director	4	0.00%	-
Ayesha Aziz - Director	3	0.00%	-
Omer Saeed - Director	3	0.00%	-
Public Offering			
IPO – Fresh Issue	50,160,003	10.00%	10.00%
Total	501,600,033	100.00%	10.00%

4A (xi). PEER GROUP ANALYSIS

There are no directly comparable peers listed on the PSX. AdalFi provides an AI-based digital lending platform embedded within partner banks. It earns a share of the income generated on lending originated through its platform rather than a fixed licence fee. The Company is neither a

lender nor a credit bureau, and no company listed on the PSX operates a comparable bank-embedded, performance-linked digital lending model.

Accordingly, no listed company is considered directly comparable to AdalFi for valuation purposes. The table below presents Tasdeeq Information Services Limited ("TISL"), a credit bureau listed on the PSX. TISL may be compared to AdalFi only to the extent that both operate within the broader credit information and assessment ecosystem in which AdalFi's AI-based credit scoring and decisioning platform is deployed.

PKR Mn	AdalFi***	TISL****
Pricing Comparison		
Number of Shares (Mn)	451.44	-
Number of Shares (Mn) (post-IPO)	501.60	950.00
Share price	8.75*	4.59**
EPS[67]	0.76	-
EPS (post-IPO)	0.68	0.13
BVPS[68]	-	-
BVPS (post-IPO)	2.02	1.21
P/E[69]	11.55	-
P/E (Post-IPO)	12.83	35.35
P/B[70]	-	-
P/B (Post-IPO)	4.34	3.79
KSE-100 P/E	7.21	
KSE-100 P/B	1.35	
ROE[71]	55.3%	14.1%
ROA[72]	44.2%	12.3%
Free Float – No. of Shares (Mn)	50.16	332.50
Free Float (%)	10%	35%

**AdalFi at the floor price*
***LDCP as of October 22, 2026.*
****AdalFi Numbers are based on CY2026E*
*****TISL financial figures based on the post-IPO CY2026F projections disclosed in TISL's prospectus.*

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[67] *EPS = Total Earnings / Total No. of Shares*
[68] *BVPS = Total Equity / Total No. of Shares*
[69] *P/E = Share Price / Earnings Per Share*
[70] *P/B = Share Price / Book Value per Share*
[71] *ROE = Profit After tax / Average Equity*
[72] *ROA = Profit After tax / Average Assets*

5. RISK FACTORS

5.1 INTERNAL RISKS

5.1.1 BUSINESS RISK

The Company does not lend from its own balance sheet; its revenue is a performance-linked share of the net markup income earned by partner banks on lending originated, underwritten and serviced through the AdalFi platform. Its results therefore depend on continued credit origination by partner banks, the performance of those portfolios, and the Company's ability to retain existing partners, onboard new ones and launch additional products. As the Company shares credit risk pari passu, any deterioration in the credit quality of platform-enabled portfolios, including an increase in non-performing loans over the credit cycle, may reduce the net-income base on which the Company's revenue is calculated and adversely affect its financial performance.

The business also depends on the continued effectiveness and competitiveness of its AI-based credit models, the retention of specialist engineering and data-science personnel, and the licence to use the underlying platform intellectual property owned by its parent, Adal Financial Pte. Ltd. (Singapore).

The Company serves multiple partner banks through a diversified product suite, with underwriting quality supported by continuous portfolio monitoring and a monthly Credit Council. AdalFi-enabled portfolios have maintained an approximately 0.2% 90-day default rate over the past three years, while partner agreements are typically multi-year arrangements with automatic renewal provisions. Nevertheless, adverse developments in any of these areas could materially affect the Company's business, financial condition and results of operations.

5.1.2 CUSTOMER CONCENTRATION RISK

A substantial portion of the Company's revenue is currently derived from a single partner institution, The Bank of Punjab, which accounted for approximately 95.0% of Local Services Revenue and approximately 68.5% of total revenue in CY2025, and approximately 96% of gross lending volume enabled during the same period.

The loss of, a significant reduction in lending volumes by, or a change in commercial terms with, The Bank of Punjab could materially affect the Company's revenue and profitability. Customer concentration risk is expected to remain material in the near term.

The Company is actively diversifying its partner base, with nine partner banks living in production. The Bank of Punjab's share of platform lending volume is projected to decline to approximately 86% in CY2026 and below 60% as United Bank, JS Bank, Askari Bank, Allied Bank and other partners scale their operations. Furthermore, partner agreements are typically multi-year arrangements with automatic renewal provisions.

5.1.3 DEPENDENCE ON ASSOCIATED COMPANIES AND GROUP STRUCTURE RISK

The Company has significant commercial and operational relationships with entities within its wider group. Export services revenue is earned entirely from the Parent, Adal Financial Pte. Ltd., while certain local partner bank programmes are invoiced through Techlogix Pakistan (Private) Limited and Techlogix Mobility (Private) Limited. In addition, certain engineering and back-office services are provided by entities within the Techlogix Group.

Revenue from related parties amounted to PKR 552.65 million in CY2025 and PKR 384.25 million in 1H CY2026, representing approximately 97% of total revenue in each period. Accordingly, the Company remains dependent on the financial condition, commercial requirements and continued

cooperation of these associated companies. Invoices issued by Techlogix to The Bank of Punjab and Allied Bank under the pre-existing arrangements are raised on a no-profit, no-loss basis, as contractually agreed between the Company and Techlogix. The relevant contract has a ten-year term with automatic renewal and may be amended only with the consent of both parties. The platform intellectual property is owned by the Parent, while certain partner bank contracts are currently held or invoiced by associated companies. Any reduction in the Parent's demand for export services, delay in the remittance of amounts collected on the Company's behalf, disruption to group-provided services, or dispute between group entities could adversely affect the Company's revenue, cash flow and operations.

The Company's existing relationships with the Parent and other group entities support its export services, partner bank programmes and technology operations. However, continued reliance on these relationships, including access to the platform intellectual property and services provided by associated companies, exposes the Company to risks arising from any changes in group arrangements or disruptions in the provision of such services.

5.1.4 PRODUCT CONCENTRATION RISK

A significant portion of the Company's revenue is derived from term loan (Personal and for SMEs). Term Loans accounted for approximately 54.9% of total revenue in 1H CY2026. A reduction in demand for term lending, a change in partner banks' appetite for such products, deterioration in the performance of term loan portfolios, or regulatory changes affecting the product could adversely affect the Company's revenue and profitability.

The Company offers a diversified product suite across multiple partner banks, which may support the expansion of other lending products and reduce reliance on term loans over time. However, the extent to which such diversification can mitigate the impact of adverse developments in term lending remains uncertain.

5.1.5 HISTORY OF LOSSES AND NEGATIVE OPERATING CASH FLOWS

The Company incurred net losses in its earlier, investment-intensive years as it built the AdalFi Digital Lending Platform and onboarded its first partner banks, recording a loss after tax of PKR 128.5 million in CY2023 and PKR 89.9 million in CY2024. Although the Company recorded its first full-year net profit in CY2025, its profitable operating history is relatively short, and there can be no assurance that profitability will be sustained at historical rates as the business scales.

The Company's financial performance has improved, with a profit after tax of PKR 107.7 million in CY2025 and PKR 114.8 million in 1H CY2026, exceeding the full-year CY2025 result, alongside a return on equity of approximately 81%. The losses incurred in earlier years were funded through equity contributions from the Sponsors, including successive rights issues subscribed by the Parent, rather than borrowings. The Company therefore did not incur debt-servicing obligations during the loss-making period and maintained positive net worth throughout, increasing from PKR 207.5 million at CY2023 to PKR 340.1 million as at 30 June 2026.

Notwithstanding this improvement, the Company's ability to sustain profitability and maintain its financial position will depend on its future operating performance and business growth.

5.1.6 RECEIVABLES AND COLLECTION RISK

The Company's trade receivables are concentrated in amounts due from associated companies. As at June 30, 2026, trade debts amounted to PKR 101.38 million, of which PKR 83.25 million, or 82%, was receivable from related parties, principally Techlogix Pakistan (Private) Limited at PKR 70.90 million. As at December 31, 2025, trade debts amounted to PKR 173.14 million, of which PKR

152.34 million, or 88%, was receivable from related parties. Under the terms of the agreement between Techlogix Pakistan (Private) Limited and the Company, any payments received from banks by Techlogix must be passed through to AdalFi within two business days. Hence, the risk is primarily on delays in payment by the partner banks.

The Company primarily provides services to commercial banks and other regulated financial institutions, which are subject to prudential supervision. The Company also maintains no borrowings and does not hold material unsecured debt investments. Any contingent liabilities are disclosed in the audited financial statements referred to in Section 06. Nevertheless, delayed collections, counterparty risks or the crystallisation of contingent liabilities could adversely affect the Company's financial position.

Average receivable days increased from approximately 44 days in CY2024 to 68 days in CY2025, before declining to approximately 64 days on an annualized basis in 1H CY2026. Delays in collection, including delays in onward remittance of amounts collected from partner banks by associated companies, could adversely affect the Company's liquidity and working capital.

5.1.7 CUSTOMER RETENTION AND SUBSTITUTION RISK

The Company's revenue depends on retaining its partner banks and on their continued use of the AdalFi platform. Partner banks may develop proprietary credit-scoring models and digital-lending systems in-house or switch to alternative third-party providers. In addition, Pakistan's credit bureaus and other technology or analytics providers may expand into credit-scoring and decisioning, increasing competition. Larger institutions may have greater resources to develop proprietary capabilities over time.

A decision by one or more significant partners to insource these capabilities, switch providers or reduce reliance on the platform, or the emergence of credible substitutes, could reduce the Company's lending volumes, pricing and revenue, materially adversely affecting its business, financial condition and results of operations.

The Company's deployment across multiple banks enables it to build a broader data set and leverage its experience across partner institutions, while in-house development requires sustained investment in data science, systems integration, model governance and maintenance. The platform is integrated with partners' core banking, card management and digital channels and is generally provided under multi-year agreements with automatic renewal provisions. Furthermore, credit bureaus primarily provide credit information reports, whereas the Company offers predictive cashflow scoring and credit decisioning capabilities. Its performance-linked commercial model and historical portfolio performance may also support its competitive position, although these factors do not eliminate the risk of competition or partner attrition.

5.1.8 EMPLOYEE RETENTION AND KEY PERSON RISK

Approximately two-thirds of the workforce is engaged in platform development and data modelling, with certain specialist model-development knowledge concentrated among a relatively small group of individuals. The Company competes for talent with domestic technology firms and overseas employers recruiting remotely from Pakistan, which may increase compensation costs and employee attrition.

The loss of key personnel, an inability to recruit and retain sufficiently skilled staff, or the departure of individuals possessing critical model or system knowledge could disrupt platform development and client delivery, weaken the Company's competitive position and materially adversely affect

its business and results of operations. As personnel costs are largely fixed in the short term, they may not be readily reduced in response to a downturn in revenue.

The Company seeks to support employee retention through competitive compensation, career development opportunities, structured documentation and knowledge transfer to reduce reliance on individual employees, and access to the wider Techlogix Group's technical resources. In addition, key AdalFi personnel participate in the Company's ESOP plan, with multi-year vesting intended to align their long-term interests with those of the Company.

5.1.9 MODEL, ARTIFICIAL-INTELLIGENCE AND CYBERSECURITY RISK

The Company's core asset is a suite of artificial intelligence and machine-learning credit-scoring models, and its business depends on the continued accuracy, reliability and integrity of these models and the underlying platform. The models are trained on historical transactional and repayment data and may not perform as expected if borrower behaviour, macroeconomic conditions or credit cycles change materially. Model drift, miscalibration, data-quality issues or embedded bias could result in inaccurate credit decisions, higher-than-expected default rates, and reputational or regulatory consequences. The Company's observed default rate has been achieved over a relatively short operating history under specific market conditions, and past performance does not guarantee future outcomes.

The platform also processes and generates sensitive financial information and is deployed within and integrated with partner banks' environments. A cybersecurity breach, data-security incident, service disruption or systems failure could compromise data, interrupt lending programmes, expose the Company to liability and damage its reputation and relationships with partner institutions. Any of these events could materially adversely affect the Company's business, financial condition and results of operations.

Customer data remains within each partner bank's environment, and the Company does not access production customer data. Partner banks retain primary responsibility for perimeter cybersecurity within their environments, while the platform incorporates bank-grade security measures, including encryption in transit and at rest, least-privilege access controls, audited access paths and immutable decision logs. Model performance is also monitored through drift tracking, champion-challenger testing and governance dashboards, with oversight by a formal monthly Credit Council. However, these measures cannot eliminate the risk of model underperformance, cybersecurity incidents or system disruptions.

5.1.10 TECHNOLOGICAL CHANGE AND OBSOLESCENCE RISK

The Company operates in markets characterised by rapid technological development. Advances in artificial intelligence, open banking, alternative data, credit analytics and digital lending could reduce the competitiveness or relevance of elements of the Company's platform and models. Failure to adapt to technological developments in a timely manner could adversely affect the Company's ability to retain existing partner banks and compete for new engagements.

Continued development also requires investment in technology infrastructure, research and development and specialised personnel. There can be no assurance that such investments will generate the expected commercial benefits or that partner banks will adopt new capabilities.

5.1.11 PARENT INTELLECTUAL-PROPERTY DEPENDENCY

The Company's parent, Adal Financial Pte. Ltd. (Singapore), owns the intellectual property of the AdalFi platform, and the Company deploys it in Pakistan under exclusive, irrevocable licence from

the parent. The Company is dependent on the continuation of that licence. Any dispute over the licensing arrangement could impair the Company's ability to operate the platform and have a material adverse effect on its business.

The Company holds an exclusive and irrevocable licence for the commercialisation of the AdalFi Digital Lending Platform in Pakistan. The licence is irrevocable and survives a change of control of the parent (see Section 3.12), protecting the Company's continued access to the platform independently of the wider group relationship.

5.1.12 FOUNDER CONFLICT OF INTEREST

The Company's Founders, Mr. Salman Akhtar and Mr. Kewan Qadre Khawaja, are also the co-founders and co-Chief Executive Officers of Techlogix, a technology and IT-services group, and Techlogix is an associated undertaking of the Company. Investors may be concerned that the Founders' roles at Techlogix could give rise to a conflict of interest or to a divided allocation of the Founders' time and attention.

The Company and Techlogix operate in distinct business segments and do not compete directly. Techlogix provides consulting, systems implementation and managed services to clients, whereas the Company commercialises the AdalFi Digital Lending Platform and earns a performance-linked share of the lending facilitated through the platform. Techlogix's technology expertise and the Founders' experience in banking technology have also supported the Company's engagement and integration with partner banks. Nevertheless, the Founders' concurrent responsibilities may give rise to conflicts of interest in the allocation of their time and resources or in dealings between the two entities.

5.1.13 RELATED PARTY RISK WITH TECHLOGIX GROUP

The Company transacts with Techlogix Group (the largest shareholder in Adal Financial Pte. Ltd. (Singapore)) in the ordinary course of business. This includes subcontracted engineering capacity and certain back-office services (IT, Finance, HR, Office Administration) procured from Techlogix Pakistan (Private) Limited, an associated undertaking. Separately, invoicing for Bank of Punjab and Allied Bank is handled through Techlogix Pakistan (Private) Limited, as these agreements predate the Company's creation.

Related-party arrangements may give rise to conflicts of interest and to the risk that the terms may not be, or may not be perceived to be, wholly arm's length; changes in the availability, pricing or terms of these arrangements could affect the Company's costs, operations or margins. These are disclosed in the Company's financial statements.

Related-party transactions with Techlogix Group are conducted in accordance with the Company's transfer-pricing policy, which the Board of Directors reviews and approves, and are disclosed in the financial statements. Invoices issued by Techlogix to Bank of Punjab and Allied Bank (arrangements that preceded the formation of the Company) are issued on a no-profit, no-loss basis, as contractually agreed by the two parties. The contract has a ten-year term with auto-renewal and can be amended only with both parties' consent, providing strong protection for the Company. Over time, partner-bank contracts originally arranged through Techlogix are expected to be novated directly to the Company.

During 1H CY2026, the Company utilised an average of six full-time equivalent technical resources from the Techlogix Group, compared with an average workforce of 71 employees at AdalFi during the period (71 employees as at 30 June 2026). These resources provide supplementary technical capacity for short-term requirements and are engaged on an arm's-length basis in accordance

with the Techlogix Group's established transfer-pricing practices. Back-office services, including IT, Finance, HR and Office Administration, are provided to the Company on a cost basis, with costs allocated according to the technical headcount of Group companies.

5.1.14 LIQUIDITY RISK

Liquidity risk is the risk that the Company is unable to meet its financial obligations — such as payroll, vendor costs and other operating liabilities — as they fall due. Because the Company bills its partner banks in arrears, a mismatch between the timing of cash inflows and outflows, or a delay in collections, could place pressure on the Company's liquidity.

The Company's profitable operations, cash-generative business model and limited fixed capital expenditure requirements support its liquidity position. The Company has no material borrowings and, consequently, limited debt-servicing obligations. Its receivables are primarily due from regulated banking institutions, while its export-services revenue provides an additional source of foreign-currency cash inflows. The net proceeds of the Offer are expected to further strengthen liquidity and, pending utilisation, will be held in bank deposits or other short-term instruments. The Company also manages liquidity through routine cash-flow forecasting and treasury practices. However, delays in collections, unexpected operating outflows or other adverse developments could still affect its ability to meet financial obligations as they fall due.

5.1.15 CONTROLLING SHAREHOLDER AND CONFLICT OF INTEREST RISK

Following the Offer, the Parent, Adal Financial Pte. Ltd., is expected to retain a controlling interest of approximately 90% in the Company. The Parent will therefore be able to exercise significant influence over matters requiring shareholder approval, including the election of directors and certain major corporate transactions.

The Parent also owns the intellectual property underlying the AdalFi platform, while entities within the Techlogix Group provide certain services to the Company and are involved in certain legacy partner bank arrangements. The interests of the Parent or other group entities may differ from those of other shareholders, giving rise to potential conflicts of interest.

5.1.16 EXPANSION INTO NEW PRODUCTS AND SEGMENTS RISK

The Company's growth strategy includes the introduction of new products and expansion into additional lending segments, including two and three-wheeler financing, e taxi financing, Islamic digital lending and additional SME products. The Company is also focused on expanding its operations through existing partnerships and establishing lending arrangements with additional partner banks, including Bank AL Habib, The Bank of Khyber and MCB Bank.

Certain products and segments have limited operating history on the platform and may require additional investment, take longer than anticipated to achieve scale, or perform differently from management expectations. New products may also expose the Company to credit, operational and regulatory risks that differ from those associated with its existing products.

5.1.17 SEASONALITY RISK

Certain lending products are subject to seasonal demand patterns. Agriculture finance is influenced by the Rabi and Kharif crop cycles, while consumer lending demand may vary around salary cycles, festivals and other periods of increased expenditure. Such seasonality may result in fluctuations in lending volumes and revenue between periods, and interim financial results may not be indicative of full year performance. Agriculture finance accounted for approximately 22% of cumulative lending enabled, representing PKR 20.19 billion out of total lending of PKR 91.81 billion as at June 30, 2026.

5.1.18 INSURANCE RISK

The Company's operations are exposed to risks including cybersecurity incidents, professional liability claims, damage to office premises and equipment and business interruption. The Company currently maintains insurance coverage for all fixed assets through International General Insurance (IGI). Losses that are uninsured, underinsured or exceed the applicable policy limits could adversely affect the Company's financial condition and results of operations.

5.2 EXTERNAL RISKS

5.2.1 INDUSTRY AND MARKET CONDITIONS RISK

The Company's revenue is tied to the volume and quality of lending that partner banks originate through its platform. A contraction in bank lending appetite, a slowdown in the growth of digitally-originated consumer, SME and agriculture credit, higher interest rates, or a broader macroeconomic downturn that reduces borrowing could reduce platform volumes and, in turn, the Company's revenue. The business is therefore exposed to conditions in Pakistan's banking sector.

Pakistan's relatively low credit penetration, with consumer credit averaging approximately 1% of GDP compared with 15% to 50% in comparable economies, provides potential for long-term market growth. The Company's product offering spans personal loans, salary advances, cards, vehicle finance, SME lending and agriculture finance, while its expanding partner bank base provides exposure across multiple institutions and lending segments. Financial inclusion initiatives, including the target of 75% financial inclusion by 2028 and the development of digital financial infrastructure, may further support market growth. The Company's performance-linked, capital-light business model also allows revenue to vary with lending volumes, although adverse market conditions could still reduce revenue and profitability.

5.2.2 COMPETITION RISK

The credit-infrastructure and lending-technology landscape includes global scoring and decisioning providers, loan-origination and rules-engine vendors, core and digital banking software suppliers, embedded-finance fintechs, credit bureaus, and partner banks' own in-house technology teams. Existing or new competitors could develop comparable capabilities, compete on price, or seek to win or retain the partner banks AdalFi serves, which could compress the Company's margins, slow its growth or lead to the loss of partner banks.

The AdalFi platform integrates AI-based credit scoring, digital lending journeys, customer activation and portfolio monitoring within a single platform. Its performance-linked commercial model, under which the Company earns a share of net markup income from performing loans and shares credit risk, aligns its interests with those of partner banks.

The platform is integrated with partners' core banking, card management and digital channels under multi-year agreements with automatic renewal provisions, while its models draw on data and experience accumulated across partner banks. AdalFi-enabled portfolios have maintained an approximately 0.2% 90-day default rate, compared with an indicated market baseline of around 3.5%, and the Company benefits from the banking technology experience associated with the Techlogix Group. However, these factors may not prevent competitors from developing comparable offerings or limit the impact of increased competition on the Company's business and financial performance.

5.2.3 REGULATORY RISK

The Company operates as a technology provider to financial institutions regulated by the State Bank of Pakistan (SBP) and is not itself a regulated lender. However, its business is exposed to changes in the regulatory and policy environment governing digital financial services, including SBP frameworks for digital lending, consumer protection and fair lending requirements, pricing and mark-up guidance, data protection and privacy legislation, and rules governing access to credit bureau and identity data. As a listed company, the Company will also be subject to the requirements of the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX). Changes in these requirements could necessitate modifications to the platform, lending workflows or disclosures used by partner institutions, increase compliance costs or affect partner banks' ability or willingness to lend, thereby adversely affecting the Company's business and financial performance.

The Company currently benefits from a corporate income tax exemption as a registered Special Technology Zones Authority (STZA) Zone Enterprise, available until 30 June 2031. Any withdrawal, non-renewal or expiry of this exemption could increase the Company's effective tax rate and reduce its post-tax earnings.

The platform operates within each partner bank's regulated environment, with personally identifiable information remaining within the bank and the Company not holding production customer data. The platform incorporates ISO-aligned controls, explainable decision records and configurable data-residency arrangements to support regulatory compliance. The Company also engages with relevant policy bodies, including through the CEO's membership of the Government's Financial Data Exchange (FDX) sub-committee. However, these measures may not eliminate the impact of regulatory changes or the potential costs of complying with new or amended requirements.

5.2.4 MACROECONOMIC, INTEREST RATE AND BANKING SECTOR RISK

The Company's revenue is linked to the net markup income generated by partner banks from platform enabled lending. Its performance is therefore affected by the level of consumer, SME and agriculture credit in Pakistan and by conditions within the banking sector.

Changes in the State Bank of Pakistan policy rate may affect lending rates, partner bank margins, borrowers' demand for credit and repayment capacity. High inflation, slower economic growth, tighter credit conditions or deterioration in household and business finances could reduce lending volumes or increase credit losses. Changes in banks' capital, liquidity, strategic priorities or risk appetite could also affect demand for the Company's platform.

5.2.5 FOREIGN EXCHANGE RISK

The Company is exposed to fluctuations in the exchange rate between the Pakistan Rupee and the US Dollar. Certain operating costs, including cloud infrastructure, software licences and data subscriptions, are denominated in US Dollars, while the Company's principal local services revenue is earned in Pakistan Rupees. A depreciation of the Pakistan Rupee against the US Dollar could therefore increase the Rupee cost of these inputs and, to the extent such increases cannot be recovered, reduce the Company's margins.

The Company also earns export services revenue in US Dollars from overseas group entities. A depreciation of the Pakistan Rupee increases the Rupee value of such receipts and therefore provides a partial natural offset against US Dollar denominated costs.

5.2.6 LICENCE AND APPROVALS RISK

The Company's Zone Enterprise Licence from the Special Technology Zones Authority is valid until 30 June 2031, subject to the applicable terms and conditions. The income tax exemption associated with its STZA status is subject to its applicable legal and regulatory framework. Renewal or continuation of the licence and associated incentives cannot be assured.

The Offer and listing of the Company's shares are also subject to applicable approvals and regulatory requirements of the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange. Any delay in obtaining such approvals or satisfying applicable requirements could delay or prevent completion of the Offer or listing.

5.2.7 COUNTRY, POLITICAL AND LAW AND ORDER RISK

The Company's operations, customers and business prospects are entirely concentrated in Pakistan. Accordingly, the Company is exposed to country-specific risks, including macroeconomic instability, currency depreciation, external account and fiscal pressures, changes in government policy, regulation and taxation, political uncertainty, and adverse security or law-and-order conditions. Any deterioration in these conditions could disrupt the Company's operations, reduce lending activity by partner banks or otherwise adversely affect the Company's business and financial performance.

The Company operates a capital-light, technology-driven business with no manufacturing facilities or extensive physical infrastructure exposed to local disruptions. Its people and cloud-based operating model supports remote and distributed service delivery, while the platform can be deployed on-premises or in a private cloud to meet partner banks' resilience and data-security requirements. Digital financial inclusion also remains an area of policy focus in Pakistan. However, these factors may not fully mitigate the impact of adverse country conditions on the Company's operations or partner banks' lending activity. The Company's exposure to currency fluctuations is discussed separately under the Foreign Exchange Risk factor in Section 5.2.5.

5.2.8 CAPITAL MARKET AND SHARE PRICE RISK

There has been no prior public market for the Company's shares. Following listing, the market price of the shares may fluctuate as a result of factors including the Company's financial performance, market conditions, investor sentiment, liquidity and trading volumes on the Pakistan Stock Exchange.

The Company's shares may experience limited liquidity depending on the level of public shareholding and trading activity. Future issuances of shares, including shares issued pursuant to the Company's employee stock option scheme, may also result in dilution of existing shareholders.

NOTE: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

5.3 CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER

AdalFi

Dated: 29/10/2026

Subject: **Certificate by the Chief Executive Officer and Chief Financial Officer of the Issuer**

We being the Chief Executive Officer and Chief Financial Officer of Adal Fintech Limited (the "Issuer") accept absolute responsibility for the disclosures made in the Prospectus. We hereby certify that we have reviewed the Prospectus and that it contains all the necessary information with regard to the issue and constitutes full, true and plain disclosures of all material facts relating to the ordinary shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intends expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and on behalf of Adal Fintech Limited

Salman Akhtar
Chief Executive Officer

Waqar Safdar
Chief Financial Officer

AdalFi
ADAL FINTECH LIMITED
39 EMPRESS ROAD, LAHORE, PAKISTAN

Adal Fintech Limited
39 – Empress Road, Lahore, Pakistan

T : 111 859 859
W : adalfi.com

5.4 UNDERTAKING BY THE COMPANY AND ITS SPONSORS

E-STAMP
(GOVERNMENT OF PUNJAB)

PB-LHR-4D6FAAFBBA30B61D

PSID-40172609304898368

Rs 300/-

Three Hundred Rupees Only

Purpose	: AFFIDAVIT - 4
Applicant	: SALMAN AKHTAR [35202-1878172-1]
Representative From	: ADAL FINTECH LIMITED
Address	: 39 Empress Road Lahore
Issue Date	: 30-Sep-2026, 07:23:43 PM
Delisted On/Validity	: 7-Oct-2026
Paid Through Challan	: 20261234674F5616
Reason	: UNDERTAKING FOR PSX

ATTESTED
Saud-ul-Hassan Khan Sabri
ADVOCATE & NOTARY PUBLIC
LAHORE HIGH COURT LAHORE

نوٹ : یہ ٹرانزیکشن تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے۔ اسی اسٹامپ کی تصدیق بذریعہ ویب سائٹ بھی کرائی جا سکتی ہے۔

Please Write Below This Line

Date: 19/10/2026

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange road
Karachi – 74000, Pakistan

MUHAMMAD ZAFAR RAFIQUE BHATTI
OATH COMMISSIONER
HIGH COURT LAHORE

ATTESTED
MUHAMMAD ZAFAR RAFIQUE BHATTI
OATH COMMISSIONER
ADVOCATE HIGH COURT
Date: 01-01-26
Expiry Date: 01-01-29

UNDERTAKING BY THE COMPANY AND ITS SPONSORS

Adal Fintech Limited and its Sponsors undertake that

1) Neither the Company nor its directors, sponsors or substantial shareholders have been holding office of the directors, or have been sponsors or substantial shareholders in any Company:
   a. Which had been declared defaulter by the securities exchange or futures exchanges: or
   b. Whose TRE certificate has been cancelled or forfeited by the Exchange, PMEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 01/2016 dated January 11, 2016 issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
2) Which has been de-listed by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
3) None of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e. pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the country.

For and on behalf of **Adal Fintech Limited**

Salman Akhtar
Chief Executive Officer

Waqar Safdar
Chief Financial Officer

Page 1 of 2

For and on behalf of Sponsors of Adal Fintech Limited

[Name of Signatory]
Authorised representative &
Signatory of Adal Financial Pte. Ltd.

ATTESTED
Saud-ul-Hassan Khan Sabri
ADVOCATE & NOTARY PUBLIC
NOTARY PUBLIC
LAHORE HIGH COURT LAHORE

For on behalf of Directors of Adal Fintech Limited

Rayomond Kotwal
Chairman/Non-Executive Director

Salman Akhtar
CEO/Executive Director

Kewan Qadre Khawaja
Non-Executive Director

Ali Mukhtar
Non-Executive Director

Ahmad Hammoudi
Non-Executive Director

Omar Saeed
Independent Director

Ayesha Aziz
Independent Director

Waqar Safdar
Company Secretary
Adal Fintech Limited

ATTESTED
MUHAMMAD ZAFAR RAFIQUE BHATTI
OATH COMMISSIONER
ADVOCATE HIGH COURT
Date: 01-01-26
Expiry Date: 01-01-29

Page 2 of 2

5.5 STATEMENT BY THE ISSUER

AdalFi

Dated: 19/10/2026

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of Adal Fintech Limited (the "Company"), We hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of Adal Fintech Limited

Salman Akhtar
Chief Executive Officer

Waqar Safdar
Chief Financial Officer

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ADAL FINTECH LIMITED
39 EMPRESS ROAD, LAHORE, PAKISTAN

Adal Fintech Limited
39 – Empress Road, Lahore, Pakistan

T : 111 859 859
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5.6 STATEMENT BY THE CONSULTANT TO THE ISSUE AND/OR LEAD MANAGER

ARIF HABIB LIMITED

Date: 19/10/2026

The Chief Executive,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Being mandated as the Consultant to the Issue to this Initial Public Offering of Adal Fintech Limited through the Book Building mechanism, we hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Public Offering Regulations, 2017 has been disclosed in the Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

We have examined the business model and audited financial statements of the Issuer and based on the same, material Information including risks that would enable the investors to make an informed decision has been disclosed in the prospectus.

For and on behalf of **Arif Habib Limited**

ARIF HABIB LIMITED KARACHI

Farhan Rizvi
Managing Director, Investment Banking
Arif Habib Limited

Head Office / Corporate Office: Arif Habib Centre, 23 M.T. Khan Road, Karachi | UAN: +92 21 111 245 111 | Fax: +92 21 3242 8653
Karachi Gulshan-e-Iqbal Office: Shop No. 3, Ground Floor, Shazco Apartments, Sub-Plot # SB-7, Block 4, Gulshan-e-Iqbal, Karachi. | Tel: +92 21 38280254
Karachi Stock Exchange Office: Office No. 64, 1st Floor, Pakistan Stock Exchange Building, and Office No. 310, 3rd Floor, Pakistan Stock Exchange New Building, Stock Exchange Road, Karachi.
Karachi Sharfabad Office: Office No. 4, Ground Floor, Block No. 3, Zulekha Trade Centre, C.P & Berar Cooperative Housing Society Limited, Karachi. | Tel: +92 21 38280600
Lahore Office: Office number G-5 & G-6, Ground Floor, North Tower and Office No. 106, 1st Floor, South Tower, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore. | Tel: +92 42 3631 3700 - 11, 3631 3741 - 44
Islamabad Office: Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad | Tel: +92 51 289 4505 - 06
Peshawar Office: F16-F17, 1st Floor, The Mall Tower, Peshawar Cantt | Tel: +92 91 5253913
Faisalabad Office: Office No. 04, 3rd Floor, Legacy Tower, Kohinoor City, Faisalabad. | Tel +92 41 8531010-3
Multan Office: Office No. 05, 3rd Floor, The United Mall, Plot No. 74, Abdali Road, Multan. | Tel: +92 61 4514412
Bahawalpur Office: Office No 6, 2nd Floor, Orion Tower, Model Road, Model Town A, Bahawalpur | Tel.+92623096666
csonline@arifhabibltd.com | www.arifhabibltd.com | www.ahitrade.com
TREC Holder of the Pakistan Stock Exchange Ltd. | Branch Reg No. BOA-050 / 01

6 FINANCIAL INFORMATION

6.1 AUDITORS REPORTS AS CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Grant Thornton

Grant Thornton Anjum Rahman
135-Ferozepur Road,
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BAS-913-26

October 09, 2026

The Board of Directors
Adal Fintech Limited
39-Empress Road, Lahore

Dear Sirs

AUDITOR'S CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID UP CAPITAL AS AT OCTOBER 02, 2026, AS REQUIRED UNDER CLAUSE 14 (i) OF SECTION 1 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide with a certificate on issued, subscribed and paid-up capital of Adal Fintech Limited (the Company) on October 02, 2026 as required under Clause 14 (i) of Section 1 of the First Schedule of the Public Offering Regulations, 2017.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 14(i) of Section 1 of the First Schedule of the Public Offering Regulations, 2017.

Management Responsibility

It is management's responsibility to ensure compliance with Clause 14(i) of section 1 of the First Schedule of the Public Offering Regulation, 2017. Management's responsibility also includes maintenance of adequate accounting records and internal controls. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the issued, subscribed and paid-up capital of the Company as on October 02, 2026 in accordance with the "*Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountants Firms*" issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to following procedures :

a) traced the figures of issued, subscribed and paid-up capital from special purpose audited financial statements for six months ended June 30, 2026;
b) obtained and reviewed Form 7 dated September 01, 2026 to corroborate figures for issued, subscribed and paid up share capital after splitting of shares on August 31, 2026; and
c) traced the shares from corporate records of the company as on October 02, 2026.

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Certificate

Based on the procedures mentioned above, we certify that the issued, subscribed and paid-up capital of the Company as at October 02, 2026 is as follows:

Name of Shareholders	Number of Shares	Amount in Rupees
Adal Financial Pte Ltd.	451,440,000	451,440,000
Salman Akhtar	10	10
Kewan Qadre Khawaja	10	10
Rayomond H. Korwal	04	04
Ayesha Aziz	03	03
Omar Saeed	03	03
	451,440,030	**451,440,030**

Restriction on use and distribution

This certificate is being issued as per Clause 14 (i) of section 1 of the First Schedule to the Regulations and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and should not be construed as our opinion on the compliance with other requirements of the Regulations.

Yours truly,

Grant Thornton Anjum Rahman

Chartered Accountants
Lahore

GRANT THORNTON ANJUM RAHMAN Chartered Accountants

6.2 AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE AS AT JUNE 30, 2026

Grant Thornton

Grant Thornton Anjum Rahman
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F +92 42 37421241

BAS-912-26

October 09, 2026

The Chief Executive Officer
Adal Fintech Limited
39-Empress Road, Lahore

Dear Sir,

AUDITOR'S CERTIFICATE ON BREAK-UP VALUE PER SHARE AS REQUIRED UNDER CLAUSE 14(ii) OF SECTION 1 OF THE FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017

We have been requested to provide you with a certificate on the annexed Statement of Break-up Value per Share (the Statement) of Adal Fintech Limited (the Company) as at June 30, 2026, as required under clause 14(ii) of Section 1 of the First Schedule to the Public Offering Regulations, 2017 (the Regulations) issued by the Securities & Exchange Commission of Pakistan.

Scope of Certificate

We understand that the management intends to issue a prospectus for the proposed initial public offer of shares to be made by the Company in accordance with the aforementioned Regulations.

In connection with the above, clause 14(ii) of Section 1 of the First Schedule to the Regulations prescribes the format of the prospectus for public offering of securities to be made by a Company under which the management is required to include a certificate from the Company's auditor on the break-up value per share thereof to be included within the prospectus.

Accordingly, we have been requested by the management to provide them with a certificate on the annexed Statement, as at June 30, 2026, prepared by the management to be included in the prospectus for the proposed public offer which we have initialled for identification purposes.

Management Responsibilities

It is the management's responsibility to compute the break-up value per share of the Company as at June 30, 2026 in accordance with the provisions contained in Technical Release (TR)-22 issued by the Institute of Chartered Accountants of Pakistan (ICAP) and to prepare the aforementioned Statement. It is also the responsibility of the management to provide all the details and information to the external auditors for the purposes of this certificate.

Auditor's Responsibilities

Our responsibility is to provide the auditor's certificate on the accuracy of the break-up value per share of the Company as at June 30, 2026, in accordance with the Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms issued by the ICAP. Our verification was limited to following procedures:

1. Traced following from the special purpose audited financial statements of the Company for the six months ended June 30, 2026:

Chartered Accountants

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a. number of shares in issue as on June 30, 2026;
b. issued, subscribed and paid-up capital as on June 30, 2026; and
c. accumulated loss as on June 30, 2026.

2. Obtained and reviewed Form 7 dated September 01, 2026 to corroborate figures for issued, subscribed and paid up share capital after splitting of shares on August 31, 2026;
3. Checked mathematical accuracy of the break-up value per share of the Company as at June 30, 2026 (before splitting of shares on August 31, 2026 and after splitting of shares); and
4. Ensured that the computations was in accordance with TR-22 issued by ICAP.

Certificate

Based on the procedures mentioned above, we certify the accuracy of the break-up value per share of the Company as at June 30, 2026, computed in accordance with TR-22 issued by the ICAP, as also appearing in the annexed Statement.

Restriction on Use and Distribution

This certificate is being issued on the specific request of the management of the company for the purpose of inclusion in prospectus to be issued for Initial Public Offering and for onward submission to regulatory authorities for listing purpose only. This report is solely for the purpose set forth in the scope mentioned above and is not to be issued or distributed for any other purpose. This certificate is restricted to the facts stated herein.

Yours truly,

Grant Thornton Anjum Rahman

Chartered Accountants
Lahore

GRANT THORNTON ANJUM RAHMAN Chartered Accountants

AdalFi

Adal Fintech Limited
Statement of Breakup Value per Share
As At June 30, 2026

Description	Ref	Amount (Rupees)
Issued, subscribed and paid-up capital	A	451,440,030
Accumulated loss	B	(111,349,116)
Total Shareholders' equity	C=A+B	340,090,914
		Number of Shares
Number of ordinary shares issued	D	45,144,003
Break-up value per ordinary share of Rs 10/ - each - Rupees	E=C/D	7.53

AdalFi

Subsequent to June 30, 2026, the Company undertook a share split on August 31, 2026, reducing the par value of its ordinary shares from PKR 10 to PKR 1 per share bringing the total number of share of ordinary shares to 451,440,030. Based on the book value as of June 30, 2026, the updated break-up value per share is as follows:

Updated Break-up Value per Share:

Description	Ref	Amount (Rupees)
Issued, subscribed and paid-up capital	A	451,440,030
Accumulated loss	B	(111,349,116)
Total Shareholders' equity	C=A+B	**340,090,914**
		Number of Shares
Number of ordinary shares issued	D	**451,440,030**
Break-up value per ordinary share of Rs 1/ - each – Rupees	E=C/D	**0.75**

The revised break-up per share reflects the impact of the share split. This calculation is based on the book value as at June 30, 2026, adjusted for the updated share capital structure.

GRANT THORNTON ANJUM RAHMAN Chartered Accountants

Chief Financial Officer

Company Secretary

AdalFi
ADAL FINTECH LIMITED
39 EMPRESS ROAD, LAHORE, PAKISTAN

6.3 LATEST AUDITED ACCOUNTS AS AT DECEMBER 31, 2025

Grant Thornton

Grant Thornton Anjum Rahman
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INDEPENDENT AUDITOR'S REPORT

To the members of Adal Fintech (Private) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Adal Fintech (Private) Limited (the Company) which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (here-in after referred to as "the financial statements"), 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 information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the profit and other 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 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.

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

Management is responsible for the other information. The other information comprises the Director's Report for the year ended December 31, 2025, but does not include the financial statements and 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.

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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 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 are 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.

- 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

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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.

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 and other comprehensive income, the statement of changes in equity and the statement of cashflows 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) Zakat deductible at source has been deducted and deposited under the Zakat and Ushr Ordinance, 1980 (XVIII) of 1980.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Naeem Sarwar**.

Grant Thornton Anjum Rahman

Chartered Accountants
Lahore
Date: April 07, 2026

UDIN: AR2025109705CWuxBhK7

ADAL FINTECH (PRIVATE) LIMITED

Statement of Financial Position
As at December 31, 2025

	Note	2025 Rupees	2024 Rupees
Equity and liabilities			
Share capital and reserves			
Issued, subscribed and paid up share capital	5	**451,440,020**	451,440,020
Accumulated loss		**(226,121,604)**	(333,826,697)
Total Equity		**225,318,416**	117,613,323
Liabilities			
Non-current liabilities			
Lease liability	6	**32,043,697**	-
Long term advances from employees	7	**5,496,000**	1,374,991
Non-current liabilities		**37,539,697**	1,374,991
Current liabilities			
Current portion of lease liabilities	6	**13,713,192**	12,276,779
Current portion of long term advances from employees	7	**2,530,625**	5,603,055
Trade and other payables	8	**102,538,835**	63,835,371
Current liabilities		**118,782,652**	81,715,205
Total liabilities		**156,322,349**	83,090,196
Total equity and liabilities		**381,640,765**	200,703,519
Assets			
Non-current assets			
Property and equipment	9	**59,051,972**	55,426,197
Right of use assets	10	**46,541,713**	10,806,681
Long term deposits	11	**3,216,780**	3,216,780
Non-current assets		**108,810,465**	69,449,658
Current assets			
Trade debts	12	**173,143,440**	37,515,488
Advances, prepayments & other receivables	13	**4,275,580**	5,441,602
Short term investments	14	**69,208,904**	45,495,294
Income tax refundable - net		**22,279,985**	8,881,210
Cash and bank balances	15	**3,922,391**	33,920,267
Current assets		**272,830,300**	131,253,861
Total assets		**381,640,765**	200,703,519
Contingencies and Commitments	16		

The annexed notes 1 to 29 form an integral part of these financial statements.

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Chief Executive Officer

Director

ADAL FINTECH (PRIVATE) LIMITED

Statement of Profit or Loss and Other Comprehensive Income
For the year ended December 31, 2025

	Note	2025 Rupees	2024 Rupees
Revenue	17	566,915,021	241,145,168
Cost of revenue	18	(324,710,151)	(241,024,064)
Gross Profit		242,204,870	121,104
Administrative expenses	19	(98,040,510)	(85,235,025)
Selling & marketing expenses	20	(40,012,967)	(12,823,237)
Other expenses		-	(213,069)
Finance cost	21	(1,755,017)	(2,927,593)
Other income	22	5,308,717	11,184,625
Profit/ (Loss) before income tax and final tax		107,705,093	(89,893,195)
Taxation - final tax	23	-	-
Profit/ (Loss) before income tax		107,705,093	(89,893,195)
Taxation - income tax	23	-	-
Profit/ (Loss) after taxation		107,705,093	(89,893,195)
Other comprehensive income for the year			
Items that may be reclassified to profit or loss account		-	-
Items that will not be reclassified to profit or loss account subsequently		-	-
Total comprehensive income/ (loss) for the year		107,705,093	(89,893,195)

The annexed notes 1 to 29 form an integral part of these financial statements.

Chief Executive Officer

Director

ADAL FINTECH (PRIVATE) LIMITED

Statement of Changes in Equity
For the year ended December 31, 2025

	Issued, subscribed and paid up Capital	Accumulated Loss	Total
	---------- Rupees ----------		
Balance as at January 01, 2024	451,440,020	(243,933,502)	207,506,518
Total comprehensive loss for the year	-	(89,893,195)	(89,893,195)
Balance as at December 31, 2024	**451,440,020**	**(333,826,697)**	**117,613,323**
Total comprehensive income for the year	-	107,705,093	**107,705,093**
Balance as at December 31, 2025	**451,440,020**	**(226,121,604)**	**225,318,416**

The annexed notes 1 to 29 form an integral part of these financial statements.

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Chief Executive Officer

Director

ADAL FINTECH (PRIVATE) LIMITED

Statement of Cash Flows
For the year ended December 31, 2025

	Note	2025 Rupees	2024 Rupees
Cash flows from operating activities			
Profit/ (Loss) before income tax and final tax		**107,705,093**	(89,893,195)
Adjustment for:			
Depreciation on operating fixed assets	9	**12,744,926**	12,227,247
Depreciation on right of use assets	10	**13,544,429**	13,208,165
Finance cost	21	**1,755,017**	2,927,593
Gain on disposal of fixed assets		**(1,455,636)**	-
Income on bank balances & investments		**(2,967,485)**	(9,189,365)
Profit/ (Loss) before working capital changes		**131,326,344**	(70,719,555)
Long term advances from employees	7	**1,048,579**	1,859,984
Decrease/ (Increase) in current assets			
Trade debts		**(135,627,952)**	(17,158,597)
Advances, prepayments & other receivables		**1,166,022**	(221,342)
Increase in current liabilities			
Trade and other payables		**38,703,464**	31,115,830
Net changes in working capital		**(95,758,466)**	13,735,891
Cash from/ (used in) operations		**35,567,878**	(56,983,664)
Finance cost paid	21	**(1,755,017)**	(2,927,593)
Advance income tax paid		**(13,398,775)**	(5,074,735)
Net cash from/ (used in) operating activities		**21,462,665**	(63,126,008)
Cash flows from investing activities			
Investments (made)/ redeemed during the year		**(23,713,610)**	99,157,061
Capital expenditure incurred during the year		**(18,119,240)**	(9,671,723)
Proceeds from sale of property and equipment		**3,204,175**	-
Income on bank balances & investments		**2,967,485**	9,189,365
Net cash (used in)/ from investing activities		**(35,661,190)**	98,674,703
Cash flows from financing activities			
Lease re-payments made during the year		**(15,799,351)**	(11,738,067)
Net cash used in financing activities		**(15,799,351)**	**(11,738,067)**
Net (decrease)/ increase in cash and cash equivalents		**(29,997,876)**	23,810,628
Cash and cash equivalents at the beginning of the year		**33,920,267**	10,109,639
Cash and cash equivalents at the end of the year	15	**3,922,391**	33,920,267

The annexed notes 1 to 29 form an integral part of these financial statements.

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Chief Executive Officer

Director

ADAL FINTECH (PRIVATE) LIMITED

Notes to the financial statements
For the year ended December 31, 2025

1 STATUS AND OPERATION

Adal Fintech (Private) Limited (the Company) was incorporated in Pakistan on June 22, 2021 as a private limited Company under the Section 16 of the Companies Act, 2017 (XIX of 2017). The Company is wholly owned subsidiary of Adal Financial Pte Ltd. a company incorporated in Singapore having registered office at 9 Raffles Place #26-01, Republic Plaza, Singapore (048619). The registered office of the Company is situated at 39 Empress Road, Lahore. The Company is principally engaged in the business of providing technology platforms, models and other solutions to banks and other businesses to enable banks to lend to individuals and small & medium sized businesses.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017 and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.2 Application of new standards, amendments and interpretations to published accounting and reporting standards as applicable in Pakistan.

Company has adopted following amendments to published standards which became effective during the current year.

- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current.
- Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants.
- Amendments to IAS 7 'Statement of Cashfows' and IFRS 7 'Financial Instruments: Disclosure' - supplier finance arrangements.
- Amendments to IFRS 16 'Leases' - Lease liability in Sale and Leaseback.

The above mentioned amendments to approved accounting standards did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.3 Standards, amendments and interpretations to the published standards that are not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 1, 2026

ADAL FINTECH (PRIVATE) LIMITED

Notes to the financial statements
For the year ended December 31, 2025

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability Disclosures	January 1, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as Power Purchase Agreements.	January 1, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding classification and measurement of financial instrunments	January 1, 2026

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

2.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

IFRS 18 - Presentation and Disclosures in Financial Statements

IFRS 19 - Subsidiaries without Public Accountability: Disclosures

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except as stated otherwise in accounting policies.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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 historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are discussed below:

-recoverable amount, residual values and useful lives of property and equipment;
-fair value of investments;
-provision for income tax;
-right of use asset & corresponding lease liability; and
-impairment of financial Assets
-revenue recognition

4 MATERIAL ACCOUNTING POLICIES

4.1 Property and equipment

Owned

An item of operating fixed assets is initially recognized at acquisition cost, including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

ADAL FINTECH (PRIVATE) LIMITED

Notes to the financial statements
For the year ended December 31, 2025

Subsequently, operating fixed assets are measured using cost model at cost less subsequent accumulated depreciation and impairment, if any. Depreciation is charged to statement of profit or loss on reducing balance method so as to write off the depreciable amount of operating fixed assets over their estimated useful lives.

Depreciation on addition is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Gain/loss on disposal of operating fixed assets is reflected in the profit or loss during the year in which they are disposed off. Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements are capitalized.

The Company reviews the useful lives, residual values, and depreciation methods of property, plant and equipment at each reporting date and adjusts them prospectively, where appropriate. The Company also assesses at each reporting date whether there is any indication that an asset may be impaired and, if such indication exists, estimates the recoverable amount in accordance with applicable accounting standards.

Capital work in progress

Capital work in progress is stated at cost, less impairment. Capital work in progress represents expenditure on property and equipment in the course of construction and installation. Transfers are made to relevant category of property and equipment as and when assets are available for intended use.

4.2 Leases

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include 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.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, change in the lease term, a change in fixed lease payments or a change in the assessment to purchase the underlying asset.

4.3 Revenue recognition

Revenue is recognized when the Company satisfies its performance obligation in accordance with the specific terms agreed with the customers while using platform, models and other solutions of the Company.

ADAL FINTECH (PRIVATE) LIMITED

Notes to the financial statements
For the year ended December 31, 2025

For contracts that involve both software usage and its implementation, the Company makes judgments in determining whether the software implementation and software usage are distinct and thus separate performance obligations or part of the bundle and thus a single performance obligation depending upon the level of customization involved and other key factors surrounding each contract. Where software usage and implementation are considered a single performance obligation, the revenue relating to both usage and implementation is recorded over time during the implementation period. Implementation generally comprises of customization of existing technology, development and integration of tech platforms and enabling digital transformation of companies through specific technologies.

Revenue from software development services and consulting services are recognized over the period of time as the services are performed for time-and-materials contracts.

4.4 Intangible assets

Intangible assets with finite lives are amortized over the estimated useful life and are evaluated for impairment at least on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The Company assesses recoverability by determining whether the carrying value of such assets will be recovered through the discounted expected future cash flows. If the future discounted cash flows are less than the carrying amount of these assets, the Company recognizes an impairment based on the excess of the carrying amount over the fair values of the assets.

Currently, product licenses are recognized in financial statements of the Parent Company and the Parent Company is providing such intangibles free of cost to the Company.

4.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4.6 Investments

At amortized Cost

Investments with fixed or determinable payments and fixed maturity, which the Company has the positive intent and ability to hold to maturity, are carried at amortized cost, using the effective interest rate method less impairment, if so determined.

At fair value

Investments at fair value through profit and loss are those which are acquired for generating a profit from short term fluctuation in prices. All investments are initially recognized at the fair value of the consideration given. Subsequent to initial recognition, theses investments are measured at fair value (quoted market price). Any gain or loss from a change in the fair value is recognized as income in profit or loss account.

4.7 Income taxes

Levy

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, other than those levies within the scope of other standards e.g., Income taxes and fines or penalties imposed for breaches of legislation. A liability to pay levies is recognized when an obligating event takes place, such as the generation of revenue in the current period.

In these financial statements, levies include final taxes and super taxes, which are based on sales of the Company. Final taxes include taxes charged, withheld, or paid under various provisions of the Income Tax Ordinance, 2001 (the Ordinance). These taxes are computed under the Ordinance without reference to income taxable at the general rate, and the final tax charged, withheld, or paid for a tax year is deemed the final tax liability under the Ordinance. The payment of final tax is considered a full and final discharge of the Company's tax liability for that tax year.

Current

Provision for current taxation is based on taxable income at enacted rates of taxation after taking into account available tax credits and rebates, if any.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the date of statement of financial position between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses/credits can be utilized. Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the date of statement of financial position. Deferred tax is charged or credited to statement of profit or loss and other comprehensive income, except in the case of items credited or charged to equity in which case it is included in equity.

4.8 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value of the consideration paid or payable in future for goods and services. Subsequently, these are measured at amortized cost.

4.9 Trade debts and other receivables

Trade and other receivables are measured at fair value of consideration received or receivable less an estimate made for doubtful receivables, if any, based on a review of all outstanding amounts at the year end. Bad debts are written off as and when identified.

Trade and other receivables are assessed for indicators of impairment at each date of statement of financial position. Trade and other receivables are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the asset have been affected.

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost at an amount equal to life time ECLs. Expected credit losses are calculated as a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Company in accordance with the contract and cash flows that the Company expects to receive).

4.10 Provisions

A provision is recognized in the financial statements when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of amount of obligation can be made.

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4.11 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency. Figures in these financial statements have been rounded off to the nearest rupee.

Foreign currency monetary items are reported at the date of statement of financial position by using the closing rate. Non-monetary items that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items that are carried at fair values denominated in a foreign currency are reported using the exchange rate at the date when the fair values are determined.

4.12 Foreign currency transactions

Transactions in currencies other than Pak Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date and exchange gain/loss is charged to profit or loss.

4.13 Financial instruments

a) Financial assets

Financial assets are recognized when the Company becomes a party to contractual provisions of the financial instruments. Financial assets are initially measured at fair value of the consideration given and received respectively. These financial assets and are subsequently remeasured to fair value, amortized cost or cost as the case may be.

For purpose of subsequent measurement, financial assets of the Company are classified into followings:

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instruments are measured at fair values subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following derecognition of investments.

Any gain or loss on recognition and de-recognition of the financial assets is included in the profit or loss for the period in which it arises.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset.

Assets that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not financial assets of the Company.

b) Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed out.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender at substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

Any gain or loss on recognition or derecognition of financial liability is included in profit or loss for the period in which it arises.

c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts and other financial assets. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust loss allowance at each reporting date.

d) Offsetting of financial assets and financial liabilities

A financial asset and 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 set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.14 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment, if any. An impairment is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

4.15 Employee benefits

The Company operates unapproved contributory provident fund Scheme for all its employees who have completed minimum qualifying period of service as defined under the respective scheme. Equal monthly contributions are made both by the Company and the employees at the rate of 5.8667% of basic salary.

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		Note	2025 Rupees	2024 Rupees
5	**SHARE CAPITAL AND RESERVES**			
	5.1 Authorized capital			
	70,000,000 (2024: 70,000,000) ordinary shares of Rs. 10/- each		**700,000,000**	700,000,000
	Total		**700,000,000**	700,000,000
	5.2 Issued, subscribed and paid up share capital			
	45,144,002 (2024: 45,144,002) ordinary shares of Rs. 10/- each		**451,440,020**	451,440,020
	Total		**451,440,020**	451,440,020
6	**LEASE LIABILITY**			
	Lease liability		**45,756,889**	12,276,779
	Less: Current portion of lease liability	6.1	**(13,713,192)**	(12,276,779)
	Non current portion of lease liability		**32,043,697**	-
	6.1 Maturity analysis - contractual undiscounted cash flows:			
	Less than one year		**17,554,302**	12,974,350
	More than one year and less than five years		**34,851,715**	-
	Total undiscounted lease		**52,406,017**	12,974,350
	Future finance charges		**(6,649,128)**	(697,571)
	Present value of lease liability		**45,756,889**	12,276,779
	6.2 Charged to statement of profit/loss:			
	Finance cost on lease liability		**1,456,536**	2,651,663
7	**ADVANCES FROM EMPLOYEES**			
	Advances from employees		**8,026,625**	6,978,046
	Less: Current portion of advances from employees		**2,530,625**	5,603,055
	Non current portion of advances from employees		**5,496,000**	1,374,991
8	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**1,960,678**	2,044,856
	Accrued liabilities		**1,955,408**	1,431,571
	Provident fund payable	8.1	**65,232,623**	47,150,282
	Withholding tax payable		**182,701**	4,968,222
	Sales tax payable		**1,012,439**	997,150
	Contract liability	8.2	**32,194,986**	7,243,290
	Total		**102,538,835**	63,835,371

8.1 This represents the accumulated contributions of both employees and the employer under the Provident Fund scheme, which are maintained and invested in a separately designated bank and investment account in accordance with the applicable Provident Fund rules and regulations.

8.2 This represents advance received from Parent Company, Adal Financial Pte. Ltd, Singapore. During the year revenue amouting to Rs. 7.243 million (2024:Rs. Nil) has been recognised against such advances.

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		Note	2025 Rupees	2024 Rupees
9	PROPERTY AND EQUIPMENT			
	Operating fixed assets-owned assets	9.1	59,051,972	55,426,197
	Total		59,051,972	55,426,197

9.1

2025										
DESCRIPTION	Cost				Rate %	Depreciation				Net book value 2025
	As at January 01, 2025	Additions during the year	Disposals during the year	As at December 31, 2025		As at January 01, 2025	Depreciation for the year	Depreciation on Disposals	As at December 31, 2025	
	Rupees					Rupees				
Computers	16,990,855	9,982,640	226,698	26,746,797	30%	7,103,888	4,915,047	146,511	11,872,424	14,874,373
Office Equipment	11,073,460	-	-	11,073,460	10%	2,089,521	898,394	-	2,987,915	8,085,545
Furniture and Fixtures	33,522,979	-	-	33,522,979	10-25%	11,251,786	3,486,885	-	14,738,671	18,784,308
Vehicles	21,237,000	8,014,000	3,420,000	25,831,000	20%	7,025,480	3,412,823	1,751,648	8,686,655	17,144,345
Networking Equipment	82,010	-	-	82,010	10%	9,432	7,257	-	16,689	65,321
Leasehold Improvements	-	122,600	-	122,600	20%	-	24,520	-	24,520	98,080
Total	82,906,304	18,119,240	3,646,698	97,256,246		27,480,107	12,744,926	1,898,159	38,326,874	59,051,972

2024										
DESCRIPTION	Cost				Rate %	Depreciation				Net book value 2024
	As at January 01, 2024	Additions during the year	Disposals during the year	As at December 31, 2024		As at January 01, 2024	Depreciation for the year	Depreciation on Disposals	As at December 31, 2024	
	Rupees					Rupees				
Computers	13,090,972	3,899,883	-	16,990,855	30%	3,768,481	3,335,407	-	7,103,888	9,886,967
Office Equipment	11,073,460	-	-	11,073,460	10%	1,091,306	998,215	-	2,089,521	8,983,939
Furniture and Fixtures	33,301,139	221,840	-	33,522,979	10-25%	6,919,106	4,332,680	-	11,251,786	22,271,193
Vehicles	15,687,000	5,550,000	-	21,237,000	20%	3,472,600	3,552,880	-	7,025,480	14,211,520
Networking Equipment	82,010	-	-	82,010	10%	1,367	8,065	-	9,432	72,578
Total	73,234,581	9,671,723	-	82,906,304		15,252,860	12,227,247	-	27,480,107	55,426,197

9.2 Disposal made during the year amountes to Rs. 3.647 million (2024: Nil).

Particular	Cost (Rs.)	Accumulated Depreciation (Rs.)	Book Value (Rs.)	Sale Proceeds (Rs.)	Gain / (Loss) (Rs.)	Mode of Disposal	Relationship	Party Name
Suzuki Swift BAH-523	3,420,000	1,751,648	1,668,352	3,147,500	1,479,148	Through Buy Back	Employee	Nayyar Iqbal

		Note	2025 Rupees	2024 Rupees
10	Right of use asset			
	Leasehold building	10.1	46,541,713	10,806,681
	Total		46,541,713	10,806,681

10.1

2025									
DESCRIPTION	Cost			Rate %	Depreciation			Net book value 2025
	As at January 01, 2025	Additions during the year	As at December 31, 2025		As at January 01, 2025	Depreciation for the year	As at December 31, 2025	
	Rupees				Rupees			
Leasehold building	24,014,846	49,279,461	73,294,307	33%	13,208,165	13,544,429	26,752,594	46,541,713
Total	24,014,846	49,279,461	73,294,307		13,208,165	13,544,429	26,752,594	46,541,713

2024								
DESCRIPTION	Cost			Rate %	Depreciation			Net book value 2024
	As at January 01, 2024	Additions during the year	As at December 31, 2024		As at January 01, 2024	Depreciation for the year	As at December 31, 2024	
	Rupees				Rupees			
Leasehold building	24,014,846	-	24,014,846	55%	-	13,208,165	13,208,165	10,806,681
Total	24,014,846	-	24,014,846		-	13,208,165	13,208,165	10,806,681

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Notes to the financial statements
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	Note	2025 Rupees	2024 Rupees
11 LONG TERM DEPOSITS			
Against leasehold building		3,216,780	3,216,780
Total		3,216,780	3,216,780

	Note	2025 Rupees	2024 Rupees
12 TRADE DEBTS - UNSECURED & CONSIDERED GOOD			
- Related parties	12.1 & 12.2	152,343,578	28,482,988
- Others		20,799,862	9,032,500
Total		173,143,440	37,515,488

12.1 Maximum aggregate amount due (at end of any month) from Techlogix Pakistan (Private) Limited and Techlogix Mobility (Private) Limited was Rs. 150,535,641 (2024: Rs. 28,614,965) and Rs. 1,807,937 (2024: Rs. 679,293) respectively.

12.2 Aging of receivables due from Techlogix Pakistan (Pvt) Ltd. & Techlogix Mobility (Pvt) Ltd. is as follows:

Past due but not impaired	2025 Techlogix Pakistan (Pvt) Ltd	2025 Techlogix Mobility (Pvt) Ltd	2025 Total	2024 Rupees
		Rupees		
1 to 30 days	-	-	-	
30 to 90 days	-	508,859	508,859	-
90 to 180 days	-	-	-	-
180 to 365 days	-	-	-	-
past due 365 days	-	648,723	648,723	36,223
	-	1,157,582	1,157,582	36,223
Not yet due	150,535,641	650,355	151,185,996	28,446,765
Total	150,535,641	1,807,937	152,343,578	28,482,988

12.3 Revenue from services is recognized when performance obligation is satisfied, while payment is generally due after 30 days.

	Note	2025 Rupees	2024 Rupees
13 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to suppliers - considered good - unsecured		130,877	103,936
Advances to employees - considered good - secured		49,125	267,018
Prepayments		851,824	1,977,798
Security deposit		3,092,850	3,092,850
Accrued interest on TDRs		150,904	-
Total		4,275,580	5,441,602

	Note	2025 Rupees	2024 Rupees
14 SHORT TERM INVESTMENTS			
At Amortised Cost			
Investment in TDR	14.1	7,200,000	-
At FVTPL			
Investment in Mutual Funds - others	14.2	28,128	24,830
Investment in Mutual Funds - Staff Provident Fund	14.2 & 14.3	61,980,776	45,470,464
Total		69,208,904	45,495,294

14.1 The effective rate of return in respect of TDRs is 8.50% (2024: Nil).

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14.2

Particulars	Number of Units					As at 31 December 2025		
	As at 01 Jan 2025	Investments made during the year	Dividend reinvested during the year	Redeemed during the year	As at 31 Dec 2025	Carrying value	Market value	Unrealized gain /(loss) on re-measurement
	Shares					Rupees		
Meezan Daily Income Fund	909,400	269,865	65,315	(20,000)	1,224,589	61,229,427	61,229,427	-
Meezan Sovereign Fund	-	12,342	1,441	-	13,783	751,549	751,549	-
Faysal Islamic Cash Fund	2	-	1	-	3	253	274	21
UBL Al-Ameen Islamic Cash Plan-I	-	1,075,854	-	(1,075,854)	-	-	-	-
HBL Money Market Fund	219	-	23	-	242	24,577	26,247	1,670
HBL Financial Sector Income Fund Plan-I	-	-	15	-	15	-	1,607	1,607
Total	909,620	1,358,061	66,795	(1,095,854)	1,238,632	62,005,606	62,008,904	3,298

14.3 Units are held for staff provident fund. Realized/ unrealized gain/ (loss) on mutual funds are credited/ charged to provident fund payable account.

	Note	2025 Rupees	2024 Rupees
15 CASH AND BANK BALANCES			
Cash in hand		64,743	54,320
Cash at bank			
- current accounts		234,812	965,671
- saving accounts	15.1	3,622,836	32,900,276
		3,857,648	33,865,947
Total		3,922,391	33,920,267

15.1 The effective rate of return in respect of saving accounts is 9.50% (2024: 13.50%).

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There are no contingencies at the reporting date (2024: Rs. Nil).

16.2 Commitments

The Company has executed multiple contracts for services with various customers against which the Company will render services in future.

	Note	2025 Rupees	2024 Rupees
17 REVENUE			
Local services		410,389,028	94,848,809
Exports services		157,741,232	150,437,262
		568,130,260	245,286,071
Less: Sales tax		(1,215,239)	(4,140,903)
Total		566,915,021	241,145,168
18 COST OF REVENUE			
Salaries and wages	18.1	245,277,709	193,990,234
Traveling and conveyance		7,259,517	5,433,087
Insurance		92,345	184,440
Communications		489,889	534,747
Fee and subscription		7,550,040	9,497,479
Depreciation on operating assets	9	8,327,870	6,888,287
Sub - contracting cost		54,861,647	23,323,077
Cost of external hardware		-	727,513
Entertainment		849,600	415,200
Miscellaneous		1,534	30,000
Total		324,710,151	241,024,064

18.1 This includes provident fund contribution amounting to Rs. 9,657,547 (2024: Rs. 7,852,065).

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Notes to the financial statements
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		Note	2025 Rupees	2024 Rupees
19	**ADMINISTRATIVE EXPENSES**			
	Salaries and wages	19.1	41,222,504	36,321,823
	Traveling and conveyance		1,969,645	640,873
	Rent		17,873,234	15,906,403
	Utilities		5,615,780	7,325,468
	Repair and maintenance		513,900	227,300
	Insurance		104,400	2,628
	Communications		1,537,204	1,512,754
	Fee and subscription		558,331	31,360
	Depreciation on operating assets	9	4,417,056	5,338,960
	Depreciation on right of use assets	10	13,544,429	13,208,165
	Sub - contracting cost		7,505,205	1,694,243
	Donations		750,000	750,000
	Entertainment		582,308	406,518
	Legal and professional		1,117,462	1,254,200
	Auditor's remuneration	19.2	625,000	595,000
	Miscellaneous		104,052	19,330
	Total		98,040,510	85,235,025

19.1 This includes provident fund contribution amounting to Rs. 1,338,861 (2024: Rs. 1,612,573).

19.2	**Auditor's remuneration**		
	Audit fee	525,000	500,000
	Tax services	75,000	70,000
	Out of pocket	25,000	25,000
	Total	625,000	595,000

20	**SELLING & MARKETING EXPENSES**			
	Salaries and wages	20.1	11,814,314	5,619,589
	Traveling and conveyance		8,513,374	3,022,540
	Fee and subscription		1,546,507	-
	Entertainment		313,202	160,800
	Miscellaneous		579,781	-
	Other selling & marketing expenses		17,245,789	4,020,308
	Total		40,012,967	12,823,237

20.1 This includes provident fund contribution amounting to Rs. 101,223 (2024: NIL).

21	**FINANCE COST**		
	Bank charges	298,481	275,930
	Lease finance charges	1,456,536	2,651,663
	Total	1,755,017	2,927,593
22	**OTHER INCOME**		
	Profit on bank deposits	2,378,096	2,456,966
	Income on investments	589,389	6,732,399
	Gain on disposal of assets	1,455,636	-
	Exchange gain - net	112,304	-
	Others	773,292	1,995,260
	Total	5,308,717	11,184,625

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23 TAXATION

Final tax		-	-
Income tax			
Current	23.1	-	-
Deferred	23.2	-	-
Total		-	-

23.1 Provision for income tax has not been recognized in these financial statements, as the Company qualifies for a 100% tax credit under Section 21 of the Special Technology Zone Authority Act, 2021. This exemption is based on the Company's status as a Zone Enterprise, holding a license issued under Section 5(1)(u) of the Special Technology Zone Authority Act, 2021.

23.2 Deferred tax has not been recognized as the Company expects no tax credit in future years as well.

24 RELATED PARTY TRANSACTIONS

Related parties comprise of Parent Company, Associated Companies where directors hold interest, Provident Fund, directors and key management personnel. Balances and transactions with related parties are as follows:

Particulars	Nature of Relationship	2025 Rupees	2024 Rupees
Amount due from related parties			
Receivable from Techlogix Pakistan (Private) Ltd.	Associated company	**150,535,641**	27,798,042
Receivable from Techlogix Mobility (Private) Ltd.	Associated company	**1,807,937**	648,723
Payable to related parties			
Advance from Adal Financial Pte. Ltd (Singapore)	Parent company	**32,194,986**	7,243,290
Transactions with related Parties			
Revenue from Adal Financial Pte. Ltd. (Singapore)	Parent Company	**157,741,232**	150,437,262
Revenue from Techlogix Pakistan (Private) Ltd.	Associated company	**393,751,877**	90,124,573
Revenue from Techlogix Mobility (Private) Ltd.	Associated company	**1,159,214**	583,333
Subcontracting cost charged by Techlogix Pakistan (Private) Ltd.	Associated company	**51,862,088**	16,553,176

25 REMUNERATION OF EXECUTIVES, CEO AND DIRECTORS

Description	2025				2024			
	Chief Executive Officer	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
	----------Rupees----------				----------Rupees----------			
Managerial Remuneration	30,358,537	-	250,661,779	281,020,316	26,583,955	-	185,529,699	212,113,654
Provident Fund	1,599,996	-	10,038,320	11,638,316	1,407,996	-	7,835,464	9,243,460
Total	31,958,533	-	260,700,099	292,658,632	27,991,951	-	193,365,163	221,357,114
No. of persons	1	2	67	70	1	2	45	48

25.1 The Directors are not receiving any remuneration or benefits from the Company.

24.2 The CEO and certain executives are entitled with Company maintained vehicles.

26 NUMBER OF EMPLOYEES

	2025 Nos	2024 Nos
Total number of employees as at year end	74	54
Average number of employees during the year	72	50

ADAL FINTECH (PRIVATE) LIMITED

Notes to the financial statements
For the year ended December 31, 2025

27 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and review of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk

27.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the date of statement of financial position if counter parties failed completely to perform as contracted. The Company's credit risk is primarily attributable to its trade debts, bank balances and investments.

27.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the statement of financial position date was:

	2025 Rupees	2024 Rupees
Long term deposits	3,216,780	3,216,780
Trade debts	173,143,440	37,515,488
Bank balances	3,857,648	33,865,947
Advances, prepayments & other receivables	3,292,879	3,359,868
Short term investments	69,208,904	45,495,294
Total	**252,719,651**	123,453,377

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows bank balances and investment held with some major counterparties at the reporting date:

Bank	Credit Ratings		Agency	2025	2024
	Short term	Long term		Rupees	Rupees
Askari Bank Limited	A1+	AA+	PACRA	3,242,008	32,593,689
Habib Bank Limited	A1+	AAA	VIS	74,727	58,937
Meezan Bank Limited	A1+	AAA	VIS	128,400	864,259
Samba Bank Limited	A1	AA	PACRA	106,412	101,412
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	81,022	65,562
The Bank of Punjab	A1+	AA+	PACRA	52,617	43,520
Khushhali Bank Limited	A2	A-	PACRA	50,985	41,291
Mobilink Microfinance Bank Limited	A1	A	PACRA	50,107	41,246
JS Bank Limited	A1	AA+	PACRA	70,026	54,766
MCB Islamic Bank Limited	A1	A+	PACRA	1,342	1,265
Mutual Funds					
Al Meezan Investment Management Ltd	-	AM1	PACRA	61,980,776	45,470,464
Faysal Asset Management Limited	-	AA(f)	PACRA	274	253
HBL Asset Management Limited	-	AM1	VIS	27,854	24,577
Meezan Sovereign Fund		AA(f)	VIS	751,349	-

ADAL FINTECH (PRIVATE) LIMITED

Notes to the financial statements
For the year ended December 31, 2025

27.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

2025	Carrying amount	Contractual Cash Flows	Less than one year	One to five years	More than five years
	----------	----------	Rupees	----------	----------
Lease liability	45,756,889	52,406,017	17,554,302	34,851,715	-
Trade and other payables	70,343,849	70,343,849	70,343,849	-	-
	116,100,738	122,749,866	87,898,151	34,851,715	-

2024	Carrying amount	Contractual Cash Flows	Less than one year	One to five years	More than five years
	----------	----------	Rupees	----------	----------
Lease liability	12,276,779	12,974,350	12,974,350	-	-
Trade and other payables	56,592,081	56,592,081	56,592,081	-	-

27.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest / markup rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments.

27.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currency.

The Company is exposed to currency risk due to rendering / obtaining of local and export services in US Dollars. The Company's exposure to foreign currency risk for US Dollars (USD) is as follows :

	2025	2024
Foreign payables-USD	115,042	28,484
Total	115,042	28,484

The following significant exchange rates have been applied:

Rupees per USD

Average rate	280.94	278.36
Reporting date rate	279.85	278.35

As at year end, had exchange of USD depreciated or appreciated against the currency with all other variables held constant, the change in post tax profit / (loss), mainly as a result of foreign exchange difference on translation of foreign currency denominated receivables/ payables, would have been as follows:

	% change	2025	2024
Payables US $	10	11,504	2,848

ADAL FINTECH (PRIVATE) LIMITED

Notes to the financial statements
For the year ended December 31, 2025

27.3.2 Interest/ markup rate risk

Interest/ markup rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest/ markup rates.

At the reporting date, the variable interest/ markup rate profile of the Company's significant interest/ markup bearing financial instruments was as follows:

Variable rate instruments	2025	2024	2025	2024
	Effective markup rate %		Carrying value in Rupees	
Financial assets				
Cash at bank - savings accounts	9.50%	13.50%	3,622,836	32,900,276
Total			3,622,836	32,900,276

At reporting date, fixed markup rate profile of the Company's significant interest / markup bearing financial instruments was as follows:

Fixed rate instruments	2025	2024	2025	2024
	Effective markup rate %		Carrying value in Rupees	
Financial liabilities				
Lease liability	10.50%	15%	45,756,889	12,276,779
Financial assets				
Investment in TDR	8.50%	0%	7,200,000	-
Total			45,756,889	12,276,779

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2025.

	Profit and loss 100 bp	
	Decrease	Increase
As at December 31, 2025		
Cash flows sensitivity -variable rate financial instruments	**(36,228)**	**36,228**
As at December 31, 2024		
Cash flows sensitivity -variable rate financial instruments	(329,003)	329,003

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

27.3.3 Price risk

Price risk is 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). The Company has exposure to equity price risk as it has investment in Mutual Funds (Refer Note 14).

Financial Instrunment sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2025.

ADAL FINTECH (PRIVATE) LIMITED

Notes to the financial statements
For the year ended December 31, 2025

	Profit and loss 100 bp	
	Decrease	Increase
As at December 31, 2025		
Financial Instrument sensitivity -variable rate financial instruments	(7,795)	7,795
As at December 31, 2024		
Financial Instrument sensitivity -variable rate financial instruments	(248)	248

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

27.4 Financial instruments by categories

2025	Amortised cost	FVTOCI	FVTP&L	Total
	----------Rupees----------			
Financial assets				
Long term deposits	3,216,780	-	-	3,216,780
Trade debts	173,143,440	-	-	173,143,440
Short term investments	7,200,000	-	62,008,904	69,208,904
Advances, prepayments and other receivables	3,141,975	-	-	3,141,975
Cash and bank balances	3,922,391	-	-	3,922,391
Total	190,624,586	-	62,008,904	252,633,490

2024	Amortised cost	FVTOCI	FVTP&L	Total
	----------Rupees----------			
Financial assets				
Long term deposits	3,216,780	-	-	3,216,780
Trade debts	37,515,488	-	-	37,515,488
Short term investments	-	-	45,495,294	45,495,294
Advances, prepayments and other receivables	3,359,868	-	-	3,359,868
Cash and bank balances	33,920,267	-	-	33,920,267
Total	78,012,403	-	45,495,294	123,507,697

	Amortised cost	
	2025	2024
	Rupees	
Financial liabilities		
Lease liability	45,756,889	12,276,779
Trade and other payables	70,343,849	56,592,081
Total	116,100,738	56,592,081

27.5 Fair values of financial assets and liabilities

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13, 'Fair value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

27.5.1 The following table show the categories as well as carrying amounts and fair values of financial assets according to their respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is in reasonable approximation of fair value.

ADAL FINTECH (PRIVATE) LIMITED

Notes to the financial statements
For the year ended December 31, 2025

Particulars	Carrying amount				Fair Value			
	Amortised cost	FVTOCI	FVTPL	Total	Level 1	Level 2	Level 3	Total
December 31, 2025	----------Rupees----------				----------Rupees----------			
Financial assets measured at fair value								
Short term investments	-	-	62,008,504	62,008,904	62,008,904	-	-	62,008,904
Financial assets not measured at fair value								
Short term investments	7,200,000			7,200,000				
Long term deposits	3,216,780	-	-	3,216,780	-	-	-	-
Trade debts	173,143,440	-	-	173,143,440	-	-	-	-
Advances & other receivables	49,125	-	-	49,125	-	-	-	-
Cash and bank balances	3,922,391	-	-	3,922,391	-	-	-	-
	187,531,736	-	62,008,504	249,540,640	62,008,904	-	-	62,008,904

Particulars	Carrying amount				Fair Value			
	Amortised cost	FVTOCI	FVTPL	Total	Level 1	Level 2	Level 3	Total
December 31, 2024	----------Rupees----------				----------Rupees----------			
Financial assets measured at fair value								
Short term investments	-	-	45,495,294	45,495,294	45,495,294	-	-	45,495,294
Financial assets not measured at fair value								
Long term deposits	3,216,780	-	-	3,216,780	-	-	-	-
Trade debts	37,515,488	-	-	37,515,488	-	-	-	-
Advances & other receivables	267,018	-	-	267,018	-	-	-	-
Cash and bank balances	33,920,267	-	-	33,920,267	-	-	-	-
	74,919,553	-	45,495,294	120,414,847	45,495,294	-	-	45,495,294

27.5.2 The Company does not hold any financial liability at fair value.

28 GENERAL

Figures have been rounded off to the nearest rupee. Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. However, except for the following items, no significant re-arrangments have been made in the financial statements:

2024		
Reclassification		Rupees
From	To	
Cost of revenue	Administrative expenses	83,354,465
Cost of revenue	Selling & marketing expenses	8,802,929
Administrative expenses	Cost of revenue	9,497,479

29 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors on MARCH 26, 2026.

STAMP

Chief Executive Officer

Director

6.4 LATEST SPECIAL PURPOSE AUDITED ACCOUNTS AS AT JUNE 30, 2026

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Adal Fintech Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the annexed special purpose financial statements of Adal Fintech Limited (the Company) which comprise the statement of financial position as at June 30, 2026, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the six months then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (here-in after referred to as "the special purpose financial statements"), 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 information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 June 30, 2026 and of the profit and other comprehensive income, the changes in equity and its cash flows for the six months then ended.

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 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention towards Note 2.1 to the annexed special purpose financial statements, which states that these special purpose financial statements of the Company have been prepared for the purpose of proposed listing of the Company on the Pakistan Stock Exchange. As a result, these special purpose financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Grant Thornton

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 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 are 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.

- 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.

GTM

Grant Thornton

- 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.

Grant Thornton Anjum Rahman

Chartered Accountants
Lahore
Engagement Partner: Muhammad Naeem Sarwar

Date: 30 July 2026.

ADAL FINTECH LIMITED

Statement of Financial Position
As at June 30, 2026

	Note	June 30, 2026 Rupees	December 31, 2025 Rupees
Equity and liabilities			
Share capital and reserves			
Issued, subscribed and paid up share capital	5	**451,440,030**	451,440,020
Accumulated loss		**(111,349,116)**	(226,121,604)
Total Equity		**340,090,914**	225,318,416
Liabilities			
Non-current liabilities			
Lease liability	6	**23,986,198**	32,043,697
Advances from employees	7	**12,076,500**	5,496,000
Non-current liabilities		**36,062,698**	37,539,697
Current liabilities			
Current portion of lease liabilities	6	**15,297,623**	13,713,192
Current portion of advances from employees	7	**3,850,000**	2,530,625
Trade and other payables	8	**83,018,824**	102,538,835
Current liabilities		**102,166,447**	118,782,652
Total liabilities		**138,229,145**	156,322,349
Total equity and liabilities		**478,320,059**	381,640,765
Assets			
Non-current assets			
Property and equipment	9	**74,412,784**	59,051,972
Right of use assets	10	**38,327,398**	46,541,713
Long term deposits	11	**3,216,780**	3,216,780
Non-current assets		**115,956,962**	108,810,465
Current assets			
Trade debts	12	**101,380,356**	173,143,440
Advances, prepayments & other receivables	13	**6,509,752**	4,275,580
Short term investments	14	**94,367,333**	69,208,904
Income tax refundable - net		**31,515,027**	22,279,985
Cash and bank balances	15	**128,590,629**	3,922,391
Current assets		**362,363,097**	272,830,300
Total assets		**478,320,059**	381,640,765
Contingencies and Commitments	16		

The annexed notes 1 to 29 form an integral part of these financial statements.

Chief Executive Officer

Director

ADAL FINTECH LIMITED

Statement of Profit or Loss and Other Comprehensive Income
For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 Rupees	Year ended December 31, 2025 Rupees
Revenue	17	**394,356,186**	566,915,021
Cost of revenue	18	**(203,452,868)**	(324,710,151)
Gross Profit		**190,903,318**	242,204,870
Administrative expenses	19	**(56,918,206)**	(98,040,510)
Selling & marketing expenses	20	**(22,240,040)**	(40,012,967)
Finance cost	21	**(2,170,674)**	(1,755,017)
Other income	22	**5,198,090**	5,308,717
Profit before income tax and final tax		**114,772,488**	107,705,093
Taxation - final tax	23	**-**	-
Profit before income tax		**114,772,488**	107,705,093
Taxation - income tax	23	**-**	-
Profit after taxation		**114,772,488**	107,705,093
Other comprehensive income for the period/ year			
Items that may be reclassified to profit or loss account		**-**	-
Items that will not be reclassified to profit or loss account subsequently		**-**	-
Total comprehensive income for the period/ year		**114,772,488**	107,705,093

The annexed notes 1 to 29 form an integral part of these financial statements.

Chief Executive Officer **Director**

ADAL FINTECH LIMITED

Statement of Changes in Equity
For the six months ended June 30, 2026

	Issued, subscribed and paid up share Capital	Accumulated (Loss)	Total
	---------- Rupees- ----------		
Balance as at January 01, 2025	451,440,020	(333,826,697)	117,613,323
Total comprehensive income for the year	-	107,705,093	107,705,093
Balance as at December 31, 2025	**451,440,020**	**(226,121,604)**	**225,318,416**
Shares issued during the period	10	-	**10**
Total comprehensive income for the period	-	114,772,488	**114,772,488**
Balance as at June 30, 2026	**451,440,030**	**(111,349,116)**	**340,090,914**

The annexed notes 1 to 29 form an integral part of these financial statements.

Chief Executive Officer **Director**

ADAL FINTECH LIMITED

Statement of Cash Flows
For the six months ended June 30, 2026

	Note	Six months ended June 30, 2026 Rupees	Year ended December 31, 2025 Rupees
Cash flows from operating activities			
Profit before income tax and final tax		**114,772,488**	107,705,093
Adjustment for:			
Depreciation on operating fixed assets	**9**	**6,416,757**	12,744,926
Depreciation on right of use assets	**10**	**8,214,315**	13,544,429
Finance cost	**21**	**2,170,674**	1,755,017
Gain on disposal of fixed assets		**(2,708,255)**	(1,455,636)
Income on bank balances & investments		**(1,878,314)**	(2,967,485)
Profit/ (Loss) before working capital changes		**126,987,665**	131,326,344
Advances from employees		**7,899,875**	1,048,579
Decrease/ (Increase) in current assets			
Trade debts		**71,763,084**	(135,627,952)
Advances, prepayments & other receivables		**(2,234,172)**	1,166,022
(Decrease)/ increase in current liabilities			
Trade and other payables		**(19,520,011)**	38,703,464
Net changes in working capital		**50,008,901**	(95,758,466)
Cash from operations		**176,996,566**	35,567,878
Finance cost paid	**21**	**(2,170,674)**	(1,755,017)
Advance income tax paid		**(9,235,042)**	(13,398,775)
Net cash from operating activities		**173,490,725**	21,462,665
Cash flows from investing activities			
Investments made during the period/ year		**(25,158,429)**	(23,713,610)
Capital expenditure incurred during the period/ year		**(24,413,814)**	(18,119,240)
Proceeds from sale of property and equipment		**5,344,500**	3,204,175
Income received on bank balances & investments		**1,878,314**	2,967,485
Net cash used in investing activities		**(42,349,429)**	(35,661,190)
Cash flows from financing activities			
Changes in issued, subscribed and paid-up capital		**10**	-
Lease re-payments made during the period/ year		**(6,473,068)**	(15,799,351)
Net cash used in financing activities		**(6,473,058)**	(15,799,351)
Net increase/ (decrease) in cash and cash equivalents		**124,668,238**	(29,997,876)
Cash and cash equivalents at the beginning of the year		**3,922,391**	33,920,267
Cash and cash equivalents at the end of the period	**15**	**128,590,629**	3,922,391

The annexed notes 1 to 29 form an integral part of these financial statements.

Chief Executive Officer

Director

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the period ended June 30, 2026

1 STATUS AND OPERATION

1.1 Adal Fintech Limited (the Company) was incorporated in Pakistan on June 22, 2021 as a private limited company under the Companies Act, 2017 (XIX of 2017). Effective January 22, 2026, the status of the Company was changed from "Adal Fintech (Private) Limited", a private limited company, to "Adal Fintech Limited", a public unlisted company having share capital, pursuant to the requirements of the Companies Act, 2017.

1.2 The Company is a wholly owned subsidiary of Adal Financial Pte. Ltd. (the Parent Company / Holding Company), a company incorporated in Singapore having its registered office at 9 Raffles Place, #26-01, Republic Plaza, Singapore (048619), which is also the ultimate parent company.

1.3 The principal activity of the Company is to provide technology platforms, models and other digital solutions to banks and other businesses to enable lending to individuals and small and medium-sized enterprises (SMEs).

1.4 The geographical location and address of the Company's registered office, which is also its principal place of business, is 39 Empress Road, Lahore, Pakistan.

2 BASIS OF PREPARATION

2.1 These special purpose financial statements have been prepared for the purpose of listing on Pakistan Stock Exchange. Corresponding figures of Statement of financial position and Statement of profit or loss have been extracted from the audited financial statements of the company for the year ended 31 December 2025.

2.2 **Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017 and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

2.3 **Application of new standards, amendments and interpretations to published accounting and reporting standards as applicable in Pakistan.**

Company has adopted following amendments to published standards which became effective during the current year.

- 'Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability Disclosures.

-'IFRS 17 - Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)

-'Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments

-'Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as Power Purchase Agreements.

-'Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding classification and measurement of financial instruments

The above-mentioned amendments to approved accounting standards did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.4 **Standards, amendments and interpretations to the published standards that are not yet effective and not early adopted by the Company**

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 18 - Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 1, 2027

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except as stated otherwise in accounting policies.

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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 historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are discussed below:

-recoverable amount, residual values and useful lives of property and equipment;
-fair value of investments;
-provision for income tax;
-right of use asset & corresponding lease liability; and
-impairment of financial Assets
-revenue recognition

4 MATERIAL ACCOUNTING POLICIES

4.1 Property and equipment

Owned

An item of operating fixed assets is initially recognized at acquisition cost, including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Subsequently, operating fixed assets are measured using cost model at cost less subsequent accumulated depreciation and impairment, if any. Depreciation is charged to statement of profit or loss on reducing balance method so as to write off the depreciable amount of operating fixed assets over their estimated useful lives.

Depreciation on addition is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Gain/loss on disposal of operating fixed assets is reflected in the profit or loss during the year in which they are disposed off. Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements are capitalized.

The Company reviews the useful lives, residual values, and depreciation methods of property, plant and equipment at each reporting date and adjusts them prospectively, where appropriate. The Company also assesses at each reporting date whether there is any indication that an asset may be impaired and, if such indication exists, estimates the recoverable amount in accordance with applicable accounting standards.

Capital work in progress

Capital work in progress is stated at cost, less impairment. Capital work in progress represents expenditure on property and equipment in the course of construction and installation. Transfers are made to relevant category of property and equipment as and when assets are available for intended use.

4.2 Leases

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include 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.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, change in the lease term, a change in fixed lease payments or a change in the assessment to purchase the underlying asset.

4.3 Revenue recognition

Revenue is recognized when the Company satisfies its performance obligation in accordance with the specific terms agreed with the customers while using platform, models and other solutions of the Company.

For contracts that involve both software usage and its implementation, the Company makes judgments in determining whether the software implementation and software usage are distinct and thus separate performance obligations or part of the bundle and thus a single performance obligation depending upon the level of customization involved and other key factors surrounding each contract. Where software usage and implementation are considered a single performance obligation, the revenue relating to both usage and implementation is recorded over time during the implementation period. Implementation generally comprises of customization of existing technology, development and integration of tech platforms and enabling digital transformation of companies through specific technologies.

Revenue from software development services and consulting services are recognized over the period of time as the services are performed for time-and-materials contracts.

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

4.4 Intangible assets

Intangible assets with finite lives are amortized over the estimated useful life and are evaluated for impairment at least on an annual basis and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The Company assesses recoverability by determining whether the carrying value of such assets will be recovered through the discounted expected future cash flows. If the future discounted cash flows are less than the carrying amount of these assets, the Company recognizes an impairment based on the excess of the carrying amount over the fair values of the assets.

Currently, product licenses are recognized in financial statements of the Parent Company and the Parent Company is providing such intangibles free of cost to the Company.

4.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4.6 Investments

At amortized Cost

Investments with fixed or determinable payments and fixed maturity, which the Company has the positive intent and ability to hold to maturity, are carried at amortized cost, using the effective interest rate method less impairment, if so determined.

At fair value

Investments at fair value through profit and loss are those which are acquired for generating a profit from short term fluctuation in prices. All investments are initially recognized at the fair value of the consideration given. Subsequent to initial recognition, theses investments are measured at fair value (quoted market price). Any gain or loss from a change in the fair value is recognized as income in profit or loss account.

4.7 Income taxes

Levy

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, other than those levies within the scope of other standards e.g., Income taxes and fines or penalties imposed for breaches of legislation. A liability to pay levies is recognized when an obligating event takes place, such as the generation of revenue in the current period.

In these financial statements, levies include final taxes and super taxes, which are based on sales of the Company. Final taxes include taxes charged, withheld, or paid under various provisions of the Income Tax Ordinance, 2001 (the Ordinance). These taxes are computed under the Ordinance without reference to income taxable at the general rate, and the final tax charged, withheld, or paid for a tax year is deemed the final tax liability under the Ordinance. The payment of final tax is considered a full and final discharge of the Company's tax liability for that tax year.

Current

Provision for current taxation is based on taxable income at enacted rates of taxation after taking into account available tax credits and rebates, if any.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the date of statement of financial position between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses/credits can be utilized. Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the date of statement of financial position. Deferred tax is charged or credited to statement of profit or loss and other comprehensive income, except in the case of items credited or charged to equity in which case it is included in equity.

4.8 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value of the consideration paid or payable in future for goods and services. Subsequently, these are measured at amortized cost.

4.9 Trade debts and other receivables

Trade and other receivables are measured at fair value of consideration received or receivable less an estimate made for doubtful receivables, if any, based on a review of all outstanding amounts at the year end. Bad debts are written off as and when identified.

Trade and other receivables are assessed for indicators of impairment at each date of statement of financial position. Trade and other receivables are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the asset have been affected.

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost at an amount equal to life time ECLs. Expected credit losses are calculated as a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the Company in accordance with the contract and cash flows that the Company expects to receive).

4.10 Provisions

A provision is recognized in the financial statements when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of amount of obligation can be made.

4.11 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the Company's functional and presentation currency. Figures in these financial statements have been rounded off to the nearest rupee.

Foreign currency monetary items are reported at the date of statement of financial position by using the closing rate. Non-monetary items that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items that are carried at fair values denominated in a foreign currency are reported using the exchange rate at the date when the fair values are determined.

4.12 Foreign currency transactions

Transactions in currencies other than Pak Rupees are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date and exchange gain/loss is charged to profit or loss.

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Notes to the special purpose financial statements
For the six months ended June 30, 2026

4.13 Financial instruments

a) Financial assets

Financial assets are recognized when the Company becomes a party to contractual provisions of the financial instruments. Financial assets are initially measured at fair value of the consideration given and received respectively. These financial assets and are subsequently remeasured to fair value, amortized cost or cost as the case may be.

For purpose of subsequent measurement, financial assets of the Company are classified into followings:

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instruments are measured at fair values subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following derecognition of investments.

Any gain or loss on recognition and de-recognition of the financial assets is included in the profit or loss for the period in which it arises.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset.

Assets that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not financial assets of the Company.

b) Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed out.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender at substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

Any gain or loss on recognition or derecognition of financial liability is included in profit or loss for the period in which it arises.

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
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c) **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts and other financial assets. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust loss allowance at each reporting date.

d) **Offsetting of financial assets and financial liabilities**

A financial asset and 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 set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.14 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment, if any. An impairment is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

4.15 Employee benefits

The Company operates unapproved contributory provident fund Scheme for all its employees who have completed minimum qualifying period of service as defined under the respective scheme. Equal monthly contributions are made both by the Company and the employees at the rate of 5.86667% of basic salary.

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Notes to the special purpose financial statements
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		Note	30 June 2026 Rupees	31 December 2025 Rupees
5	**SHARE CAPITAL AND RESERVES**			
	5.1 Authorized capital			
	90,000,000 (2025: 70,000,000) ordinary shares of Rs. 10/- each		**700,000,000**	700,000,000
	Increase in authorized capital (20,000,000 ordinary shares of Rs. 10/- each)		**200,000,000**	-
	Total		**900,000,000**	700,000,000
	5.2 Issued, subscribed and paid up share capital			
	45,144,003 (2025: 45,144,002) ordinary shares of Rs. 10/- each		**451,440,020**	451,440,020
	Increase in paid up share capital (1 ordinary share of Rs. 10/- each)		**10**	-
	Total		**451,440,030**	451,440,020
6	**LEASE LIABILITY**			
	Lease liability		**39,283,821**	45,756,889
	Less: Current portion of lease liability	6.1	**(15,297,623)**	(13,713,192)
	Non current portion of lease liability		**23,986,198**	32,043,697
	6.1 Maturity analysis - contractual undiscounted cash flows:			
	Less than one year		**18,410,610**	17,554,302
	More than one year and less than five years		**25,432,333**	34,851,715
	Total undiscounted lease		**43,842,943**	52,406,017
	Future finance charges		**(4,559,122)**	(6,649,128)
	Present value of lease liability		**39,283,821**	45,756,889
	6.2 Charged to statement of profit/loss:			
	Finance cost on lease liability		**2,090,001**	1,456,536
7	**ADVANCES FROM EMPLOYEES**			
	Advances from employees		**15,926,500**	8,026,625
	Less: Current portion of advances from employees		**3,850,000**	2,530,625
	Non current portion of advances from employees		**12,076,500**	5,496,000
8	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**3,400,105**	1,960,678
	Accrued liabilities		**8,055,256**	1,955,408
	Provident fund payable	8.1	**65,491,493**	65,232,623
	Withholding tax payable		**6,071,970**	182,701
	Sales tax payable - net		**-**	1,012,439
	Contract liability	8.2	**-**	32,194,986
	Total		**83,018,824**	102,538,835

8.1 This represents the accumulated contributions of both employees and the employer under the Provident Fund scheme, which are maintained and invested in a separately designated bank and investment account in accordance with the applicable Provident Fund rules and regulations.

8.2 This represents advances received from Parent Company, Adal Financial Pte. Ltd, Singapore. During the period revenue amouting to Rs. 32.195 million (2025:Rs. 7.243 million) has been recognised against such advances.

ADAL FINTECH LIMITED

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		Note	30 June 2026 Rupees	31 December 2025 Rupees
9	**PROPERTY AND EQUIPMENT**			
	Operating fixed assets-owned assets	9.1	66,503,704	59,051,972
	Capital work in progress	9.4	7,909,080	-
	Total		74,412,784	59,051,972

9.1

June 2026

DESCRIPTION	Cost				Rate %	Depreciation				Net book value June 2026
	As at January 01, 2026	Additions during the period	Disposals during the period	As at June 30, 2026		As at January 01, 2026	Depreciation for the period	Depreciation on Disposals	As at June 30, 2026	
	Rupees					Rupees				
Computers	26,746,797	648,234	-	27,395,031	30%	11,872,424	2,263,568	-	14,135,992	13,259,039
Office Equipment	11,073,460	-	-	11,073,460	10%	2,987,915	404,277	-	3,392,192	7,681,268
Furniture and Fixtures	33,522,979	-	-	33,522,979	10-25%	14,738,671	1,411,628	-	16,150,299	17,372,680
Vehicles	25,831,000	15,856,500	5,617,000	36,070,500	20%	8,686,655	2,324,210	2,980,755	8,030,110	28,040,390
Networking Equipment	82,010	-	-	82,010	10%	16,689	3,266	-	19,955	62,055
Leasehold Improvements	122,600	-	-	122,600	20%	24,520	9,808	-	34,328	88,272
Total	97,378,846	16,504,734	5,617,000	108,266,580		38,326,874	6,416,757	2,980,755	41,752,876	66,503,704

December 2025

DESCRIPTION	Cost				Rate %	Depreciation				Net book value 2025
	As at January 01, 2025	Additions during the year	Disposals during the year	As at December 31, 2025		As at January 01, 2025	Depreciation for the year	Depreciation on Disposals	As at December 31, 2025	
	Rupees					Rupees				
Computers	16,990,855	9,982,640	226,698	26,746,797	30%	7,103,888	4,915,047	146,511	11,872,424	14,874,373
Office Equipment	11,073,460	-	-	11,073,460	10%	2,089,521	898,394	-	2,987,915	8,085,545
Furniture and Fixtures	33,522,979	-	-	33,522,979	10-25%	11,251,786	3,486,885	-	14,738,671	18,784,308
Vehicles	21,237,000	8,014,000	3,420,000	25,831,000	20%	7,025,480	3,412,823	1,751,648	8,686,655	17,144,345
Networking Equipment	82,010	-	-	82,010	10%	9,432	7,257	-	16,689	65,321
Leasehold Improvements	-	122,600	-	122,600	20%	-	24,520	-	24,520	98,080
Total	82,906,304	18,119,240	3,646,698	97,378,846		27,480,107	12,744,926	1,898,159	38,326,874	59,051,972

9.2 Disposal made during the period amountes to Rs. 5.617 million (2025: 3.647 million).

Particular	Cost (Rs.)	Accumulated Depreciation (Rs.)	Book Value (Rs.)	Sale Proceeds (Rs.)	Gain / (Loss) (Rs.)	Mode of Disposal	Relationship	Party Name
Hyundai Elantra	5,617,000	2,980,755	2,636,245	5,344,500	2,708,255	Through Buy Back	Employee	Wahab Amjad

		Note	30 June 2026 Rupees	31 December 2025 Rupees
9.3	**Depreciation for the year has been allocated as under:**			
	Cost of revenue		4,233,111	8,327,870
	Administrative expenses		2,183,646	4,417,056
	Total		6,416,757	12,744,926
9.4	**Capital work in progress**			
	Opening balance		-	-
	Addition - advance against vehicle		7,909,080	-
	Transfer to fixed assets		-	-
	Total		7,909,080	-
10	**Right of use asset**			
	Leasehold buildings	10.1	38,327,398	46,541,713
	Total		38,327,398	46,541,713

10.1

June 2026

DESCRIPTION	Cost			Rate %	Depreciation			Net book value June 2026
	As at January 01, 2026	Additions during the period	As at June 30, 2026		As at January 01, 2026	Depreciation for the period	As at June 30, 2026	
	Rupees				Rupees			
Leasehold buildings	73,294,307	-	73,294,307	33%	26,752,594	8,214,315	34,966,909	38,327,398
Total	73,294,307	-	73,294,307		26,752,594	8,214,315	34,966,909	38,327,398

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Notes to the special purpose financial statements
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December 2025								
DESCRIPTION	Cost			Rate %	Depreciation			Net book value 2025
	As at January 01, 2025	Additions during the year	As at December 31, 2025		As at January 01, 2025	Depreciation for the year	As at December 31, 2025	
	Rupees				Rupees			
Leasehold buildings	24,014,846	49,279,461	73,294,307	33%	13,208,165	13,544,429	26,752,594	46,541,713
Total	24,014,846	49,279,461	73,294,307		13,208,165	13,544,429	26,752,594	46,541,713

	Note	30 June 2026 Rupees	31 December 2025 Rupees
11 LONG TERM DEPOSITS			
Against leasehold building		3,216,780	3,216,780
Total		3,216,780	3,216,780
12 TRADE DEBTS - UNSECURED & CONSIDERED GOOD			
- Related parties	12.1	83,246,426	152,343,578
- Others		18,133,930	20,799,862
Total		101,380,356	173,143,440

12.1 Aging of receivables due from Techlogix Pakistan (Pvt) Ltd., Techlogix Mobility (Pvt) Ltd. & Adal Financial Pte Ltd is as follows:

Past due but not impaired	June-2026				December-2025
	Techlogix Pakistan (Pvt) Ltd	Techlogix Mobility (Pvt) Ltd	Adal Financial Pte Ltd	Total	Rupees
	Rupees				
1 to 30 days	-	-	-	-	-
30 to 90 days	-	-	-	-	508,889
90 to 180 days	-	-	-	-	-
180 to 365 days	-	-	-	-	-
past due 365 days	-	-	-	-	648,723
	-	-	-	-	1,157,582
Not yet due	70,899,926	970,817	11,375,683	83,246,426	151,185,996
Total	70,899,926	970,817	11,375,683	83,246,426	152,343,578

12.2 Maximum aggregate amount due (at end of any month) from Techlogix Pakistan (Private) Limited, Techlogix Mobility (Private) Limited and Adal Financial Pte. Ltd, Singapore was Rs. 186,836,182 (2025: Rs. 150,535,641), Rs. 5,072,496 (2025: Rs. 1,807,937) and Rs. 11,375,683 (2025: Nil) respectively.

12.3 Revenue from services is recognized when performance obligation is satisfied, while payment is generally due after 30 days.

	Note	30 June 2026 Rupees	31 December 2025 Rupees
13 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances to suppliers - considered good - unsecured		130,877	130,877
Advances to employees - considered good - secured		-	49,125
Prepayments		2,573,916	851,824
Sales tax receivable- net		257,720	-
Security deposit		3,092,850	3,092,850
Accrued interest on TDRs		454,389	150,904
Total		6,509,752	4,275,580
14 SHORT TERM INVESTMENTS			
At Amortised Cost			
Investment in TDRs	14.1	7,200,000	7,200,000
At FVTPL			
Investment in Mutual Funds - others	14.2	25,044,863	28,128
Investment in Mutual Funds - Staff Provident Fund	14.2 & 14.3	62,122,470	61,980,776
Total		94,367,333	69,208,904

14.1 The effective rate of return in respect of TDRs is 8.50% (2025: 8.50%).

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

14.2

Particulars	Number of Units					As at 30 June 2026		
	As at Jan 01, 2026	Investments made during the period	Dividend/ units reinvested during the period	Redeemed during the period	As at Jun 30, 2026	Carrying value	Market value	Unrealized gain on re-measurement of units
	---------- Shares ----------					---------- Rupees ----------		
Meezan Daily Income Fund	1,224,589	110,000	36,567	(144,000)	1,227,156	61,357,807	61,357,807	-
Meezan Sovereign Fund	13,783	-	763	-	14,546	764,663	764,663	-
Faysal Islamic Cash Fund	3	-	1	-	4	274	281	7
Faysal Islamic Mehdood Muddat Plan-XXIV	-	250,000	-	-	250,000	25,000,000	25,016,175	16,175
UBL Al-Ameen Islamic Cash Plan-I	-	278,242	-	(278,242)	-	-	-	-
HBL Money Market Fund	242	-	16	-	258	26,247	26,769	522
HBL Financial Sector Income Fund Plan-I	15	-	1	-	16	1,607	1,638	31
Total	1,238,632	638,242	37,348	(422,242)	1,491,983	87,150,598	87,167,333	16,735

14.3 Units are held for staff provident fund. Realized/ unrealized gain/ (loss) on mutual funds are credited/ charged to provident fund payable account.

		Note	30 June 2026 Rupees	31 December 2025 Rupees
15	**CASH AND BANK BALANCES**			
	Cash in hand		28,910	64,743
	Cash at bank			
	- current accounts		3,192,786	234,812
	- saving accounts	15.1	125,368,933	3,622,836
			128,561,719	3,857,648
	Total		**128,590,629**	3,922,391

15.1 The effective rate of return in respect of saving accounts is 9.00% (2025: 9.50%).

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There are no contingencies at the reporting date (2025: Rs. Nil).

16.2 Commitments

The Company has executed multiple contracts for services with various customers including related parties against which the Company will render services in future.

		Note	30 June 2026 Rupees	31 December 2025 Rupees
17	**REVENUE**			
	Local services		281,747,570	410,389,028
	Exports services		113,068,832	157,741,232
			394,816,402	568,130,260
	Less: Sales tax		(460,216)	(1,215,239)
	Total		**394,356,186**	566,915,021
18	**COST OF REVENUE**			
	Salaries and wages	18.1	146,594,116	245,277,709
	Traveling and conveyance		7,357,986	7,259,517
	Insurance		115,872	92,345
	Communications		379,297	489,889
	Fee and subscription		23,020,509	7,550,040
	Depreciation on operating assets	9.3	4,233,111	8,327,870
	Sub - contracting cost		20,128,745	54,861,647
	Entertainment		864,170	849,600
	Training and education		669,891	-
	Miscellaneous		89,172	1,534
	Total		**203,452,868**	324,710,151

18.1 This includes provident fund contribution amounting to Rs. 5,597,485 (2025: Rs. 9,657,547).

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

	Note	30 June 2026 Rupees	31 December 2025 Rupees
19 ADMINISTRATIVE EXPENSES			
Salaries and wages	19.1	21,516,759	41,222,504
Traveling and conveyance		738,739	1,969,645
Rent		9,765,227	17,873,234
Utilities		2,678,570	5,615,780
Repair and maintenance		685,346	513,900
Insurance		51,348	104,400
Communications		771,503	1,537,204
Fee and subscription		1,870,048	558,331
Depreciation on operating assets	9.3	2,183,646	4,417,056
Depreciation on right of use assets	10	8,214,315	13,544,429
Sub - contracting cost		6,843,593	7,505,205
Donations		-	750,000
Entertainment		120,072	582,308
Legal and professional		491,250	1,117,462
Auditor's remuneration	19.2	462,500	625,000
Miscellaneous		525,290	104,052
Total		56,918,206	98,040,510

19.1 This includes provident fund contribution amounting to Rs. 719,738 (2025: Rs. 1,338,861).

19.2 Auditor's remuneration	Note	30 June 2026 Rupees	31 December 2025 Rupees
Audit fee		400,000	525,000
Tax services		37,500	75,000
Out of pocket		25,000	25,000
Total		462,500	625,000

20 SELLING & MARKETING EXPENSES			
Salaries and wages	20.1	12,230,100	11,814,314
Traveling and conveyance		3,656,270	8,513,374
Fee and subscription		-	1,546,507
Entertainment		155,984	313,202
Miscellaneous		92,720	579,781
Other selling & marketing expenses		6,104,966	17,245,789
Total		22,240,040	40,012,967

20.1 This includes provident fund contribution amounting to Rs. 207,041 (2025: 101,223).

	Note	30 June 2026 Rupees	31 December 2025 Rupees
21 FINANCE COST			
Bank charges		80,673	298,481
Lease finance charges		2,090,001	1,456,536
Total		2,170,674	1,755,017
22 OTHER INCOME			
Profit on bank deposits		672,110	2,378,096
Income on investments		1,206,204	589,389
Gain on disposal of assets		2,708,255	1,455,636
Exchange gain - net		347,484	112,304
Others		264,037	773,292
Total		5,198,090	5,308,717

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

23 TAXATION	Note	Period ended 30 June 2026 Rupees	Year ended 31 December 2025 Rupees
Final tax		-	-
Income tax			
Current	23.1	-	-
Deferred	23.2	-	-
Total		-	-

23.1 Provision for income tax has not been recognized in these financial statements, as the Company qualifies for a 100% tax credit under Section 21 of the Special Technology Zone Authority Act, 2021. This exemption is based on the Company's status as a Zone Enterprise, holding a license issued under Section 5(1)(u) of the Special Technology Zone Authority Act, 2021.

23.2 Deferred tax has not been recognized as the Company expects no tax credit in future years as well.

24 RELATED PARTY TRANSACTIONS

Related parties comprise of Parent Company, Associated Companies where directors hold interest, Provident Fund, directors and key management personnel. Balances and transactions with related parties are as follows:

Particulars	Nature of Relationship	30 June 2026 Rupees	31 December 2025 Rupees
Amount due from related parties			
Receivable from Techlogix Pakistan (Private) Ltd.	Associated Company	**70,899,926**	150,535,641
Receivable from Techlogix Mobility (Private) Ltd.	Associated Company	**970,817**	1,807,937
Receivable from Adal Financial Pte. Ltd (Singapore)	Parent Company	**11,375,683**	-
Payable to related parties			
Advance from Adal Financial Pte. Ltd (Singapore)	Parent Company	-	32,194,986
Transactions with related Parties			
Revenue from Adal Financial Pte. Ltd. (Singapore)	Parent Company	**113,068,832**	157,741,232
Revenue from Techlogix Pakistan (Private) Ltd.	Associated Company	**266,944,170**	393,751,877
Revenue from Techlogix Mobility (Private) Ltd.	Associated Company	**4,235,376**	1,159,214
Subcontracting costs charged by Techlogix Pakistan (Private) Ltd.	Associated Company	**22,652,338**	51,862,088

25 REMUNERATION OF EXECUTIVES, CEO AND DIRECTORS

Description	June 2026				December 2025			
	Chief Executive Officer	Directors	Executives	Total	Chief Executive Officer	Directors	Executives	Total
	----------Rupees----------				----------Rupees----------			
Managerial Remuneration	16,409,959	-	154,930,485	171,340,444	30,358,537	-	250,661,779	281,020,316
Provident Fund	864,000	-	5,967,726	6,831,726	1,599,996	-	10,038,320	11,638,316
Total	17,273,959	-	160,898,211	178,172,170	31,958,533	-	260,700,099	292,658,632
No. of persons	1	2	68	71	1	1	67	69

25.1 The Directors are not receiving any remuneration or benefits from the Company.

24.2 The CEO and certain executives are entitled with Company maintained vehicles.

26 NUMBER OF EMPLOYEES	30 June 2026 Nos	31 December 2025 Nos
Total number of employees as at period/ year end	**71**	69
Average number of employees during the period/ year end	**74**	72

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

27 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and review of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

27.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the date of statement of financial position if counter parties failed completely to perform as contracted. The Company's credit risk is primarily attributable to its trade debts, bank balances and investments.

27.1.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the statement of financial position date was:

	30 June 2026 Rupees	31 December 2025 Rupees
Long term deposits	3,216,780	3,216,780
Trade debts	101,380,356	173,143,440
Bank balances	128,561,719	3,857,648
Advances & other receivables	3,547,239	3,292,879
Short term investments	94,367,333	69,208,904
Total	331,073,427	252,719,651

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows bank balances and investment held with some major counterparties at the reporting date:

Bank	Credit Ratings		Agency	June 2026 Rupees	2025 Rupees
	Short term	Long term			
Askari Bank Limited	A1+	AAA	PACRA	124,500,612	3,242,008
Habib Bank Limited	A1+	AAA	VIS	305,053	74,727
Meezan Bank Limited	A1+	AAA	VIS	3,086,374	128,400
Samba Bank Limited	A1+	AA	PACRA	106,412	106,412
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	134,611	81,022
The Bank of Punjab	A1+	AAA	VIS	106,222	52,617
Khushhali Bank Limited	A2	A-	PACRA	53,176	50,985
Mobilink Microfinance Bank Limited	A1	A	PACRA	103,538	50,107
JS Bank Limited	A1+	AA	PACRA	124,225	70,026
MCB Islamic Bank Limited	A1	A+	PACRA	41,495	1,342
Mutual Funds					
Al Meezan Investment Management Ltd	-	AM1	PACRA	61,357,807	61,229,427
Faysal Asset Management Limited	-	AM1	VIS	25,016,456	274
HBL Asset Management Limited	-	AM1	VIS	28,407	27,854
Meezan Sovereign Fund		AA(f)	VIS	763,663	751,349

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

27.2 **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

June 2026	Carrying amount	Contractual Cash Flows	Less than one year	One to five years	More than five years
	----------	----------	Rupees ----------	----------	----------
Lease liabilities	39,283,821	43,842,943	18,410,610	25,432,333	-
Trade and other payables	83,018,824	83,018,824	83,018,824	-	-
	122,302,645	126,861,767	101,429,434	25,432,333	-

2025	Carrying amount	Contractual Cash Flows	Less than one year	One to five years	More than five years
	----------	----------	Rupees ----------	----------	----------
Lease liabilities	45,756,889	52,406,017	17,554,302	34,851,715	-
Trade and other payables	70,343,849	70,343,849	70,343,849	-	-

27.3 **Market risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, interest / markup rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments.

27.3.1 **Currency risk**

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currency.

The Company is exposed to currency risk due to rendering / obtaining of local and export services in US Dollars. The Company's exposure to foreign currency risk for US Dollars (USD) is as follows :

	30 June 2026	31 December 2025
Foreign payables-USD	-	115,042
Foreign receivables-USD	40,937	
Total	40,937	115,042

The following significant exchange rates have been applied:

Rupees per USD		
Average rate	**278.86**	280.94
Reporting date rate	**277.88**	279.85

As at period end, had exchange of USD depreciated or appreciated against the currency with all other variables held constant, the change in post tax profit / (loss), mainly as a result of foreign exchange difference on translation of foreign currency denominated receivables/ payables, would have been as follows:

	% change	30 June 2026	31 December 2025
Payables US $	10	-	11,504
Receivables US $	10	4,094	-

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

27.3.2 Interest/ markup rate risk

Interest/ markup rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest/ markup rates.

At the reporting date, the variable interest/ markup rate profile of the Company's significant interest/ markup bearing financial instruments was as follows:

Variable rate instruments	June 2026	December 2025	June 2026	December 2025
	Effective markup rate %		Carrying value in Rupees	
Financial assets				
Cash at bank - savings accounts	9.00%	9.50%	125,368,933	3,622,836
Total			125,368,933	3,622,836

At reporting date, fixed markup rate profile of the Company's significant interest / markup bearing financial instruments was as follows:

Fixed rate instruments	June 2026	December 2025	June 2026	December 2025
	Effective markup rate %		Carrying value in Rupees	
Financial liabilities				
Lease liability	10.50%	10.50%	39,283,821	45,756,889
Financial assets				
Investment in TDRs	8.50%	8.50%	7,200,000	7,200,000
Total			46,483,821	52,956,889

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the period by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the period 2026.

	Profit and loss 100 bp	
	Decrease	Increase
As at June 30, 2026		
Cash flows sensitivity -variable rate financial instruments	**(1,253,689)**	**1,253,689**
As at December 31, 2025		
Cash flows sensitivity -variable rate financial instruments	(36,228)	36,228

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the period and assets / liabilities of the Company.

27.3.3 Price risk

Price risk is 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). The Company has exposure to equity price risk as it has investment in Mutual Funds (Refer Note 14).

Financial Instrument sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the period by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the period of 2026.

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

	Profit and loss 100 bp	
	Decrease	Increase
As at June 30, 2026		
Financial Instrument sensitivity -variable rate financial instruments	**(258,095)**	**258,095**
As at December 31, 2025		
Financial Instrument sensitivity -variable rate financial instruments	(7,795)	7,795

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the period and assets / liabilities of the Company.

27.4 Financial instruments by categories

June 2026	Amortised cost	FVTOCI	FVTP&L	Total
	---Rupees---			
Financial assets				
Long term deposits	**3,216,780**	-	-	**3,216,780**
Trade debts	**101,380,356**	-	-	**101,380,356**
Short term investments	**7,200,000**	-	**87,167,333**	**94,367,333**
Advances & other receivables	**3,547,239**	-	-	**3,547,239**
Cash and bank balances	**128,590,629**	-	-	**128,590,629**
Total	**243,935,004**	-	**87,167,333**	**331,102,337**

Dec-25	Amortised cost	FVTOCI	FVTP&L	Total
	---Rupees---			
Financial assets				
Long term deposits	3,216,780	-	-	3,216,780
Trade debts	173,143,440	-	-	173,143,440
Short term investments	7,200,000	-	62,008,904	69,208,904
Advances & other receivables	3,141,975	-	-	3,141,975
Cash and bank balances	3,922,391	-	-	3,922,391
Total	190,624,586	-	62,008,904	252,633,490

	Amortised cost	
	June 2026	45992
	Rupees	
Financial liabilities		
Lease liability	**39,283,821**	45,756,889
Trade and other payables	**83,018,824**	70,343,849
Total	**122,302,645**	116,100,738

27.5 Fair values of financial assets and liabilities

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13, 'Fair value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

27.5.1 The following table show the categories as well as carrying amounts and fair values of financial assets according to their respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is in reasonable approximation of fair value.

ADAL FINTECH LIMITED

Notes to the special purpose financial statements
For the six months ended June 30, 2026

Particulars	Carrying amount				Fair Value			
	Amortised cost	FVTOCI	FVTPL	Total	Level 1	Level 2	Level 3	Total
June 30, 2026	Rupees				Rupees			
Financial assets measured at fair value								
Short term investments	-	-	87,167,333	87,167,333	87,167,333	-	-	87,167,333
Financial assets not measured at fair value								
Short term investments	7,200,000			7,200,000				
Long term deposits	3,216,780	-	-	3,216,780	-	-	-	-
Trade debts	101,380,356	-	-	101,380,356	-	-	-	-
Advances & other receivables	3,547,239	-	-	3,547,239	-	-	-	-
Cash and bank balances	128,590,629	-	-	128,590,629	-	-	-	-
	243,935,004	-	87,167,333	331,102,337	87,167,333	-	-	87,167,333

Particulars	Carrying amount				Fair Value			
	Amortised cost	FVTOCI	FVTPL	Total	Level 1	Level 2	Level 3	Total
December 31, 2025	Rupees				Rupees			
Financial assets measured at fair value								
Short term investments	-	-	54,808,904	54,808,904	54,808,904	-	-	54,808,904
Financial assets not measured at fair value								
Short term investments	7,200,000			7,200,000				
Long term deposits	3,216,780	-	-	3,216,780	-	-	-	-
Trade debts	173,143,440	-	-	173,143,440	-	-	-	-
Advances & other receivables	3,141,975	-	-	3,141,975	-	-	-	-
Cash and bank balances	3,922,391	-	-	3,922,391	-	-	-	-
	190,624,586	-	54,808,904	245,433,490	54,808,904	-	-	54,808,904

27.5.2 The Company does not hold any financial liability at fair value.

28 GENERAL

Figures have been rounded off to the nearest rupee. Corresponding figures profit or loss and cash flow statement are not comparable as these are of 12 months ended 31 December 2025.

29 DATE OF AUTHORIZATION

These special purpose financial statements were authorized for issue by the Board of Directors on July 28, 2026

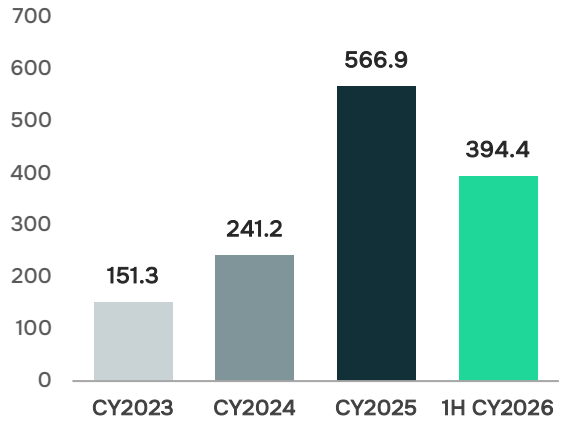
GTAR

Chief Executive Officer

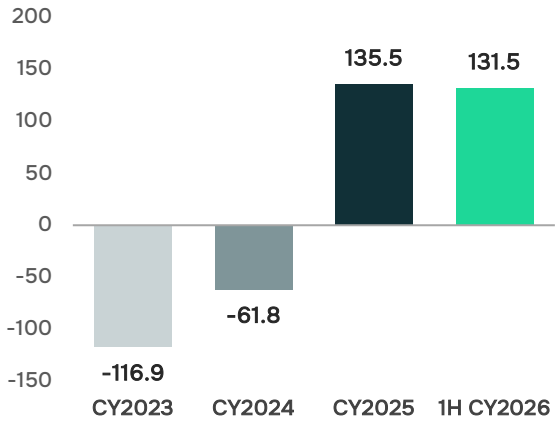
Director

6.5 SUMMARY OF FINANCIAL HIGHLIGHTS

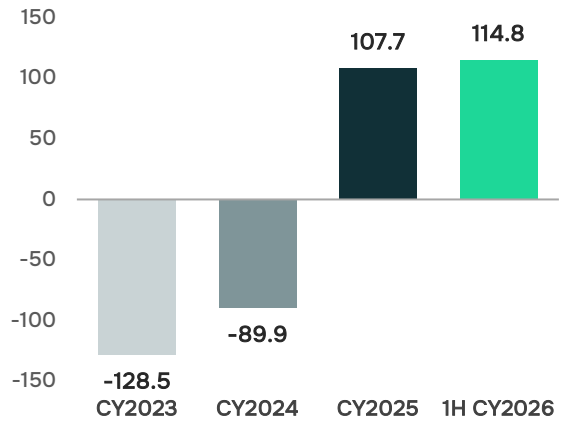
Revenue (PKR Mn)
1H CY2026 annualised growth: +39%



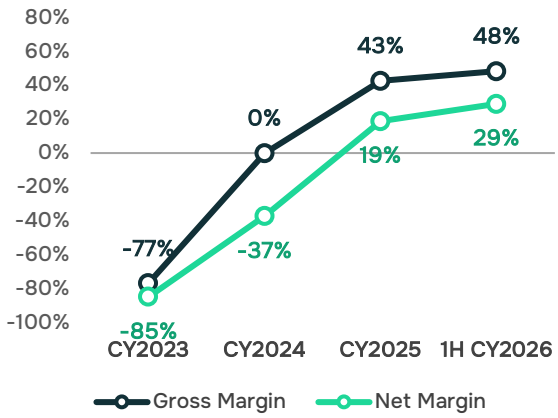
EBITDA (PKR Mn)
1H CY2026 margin: 33%



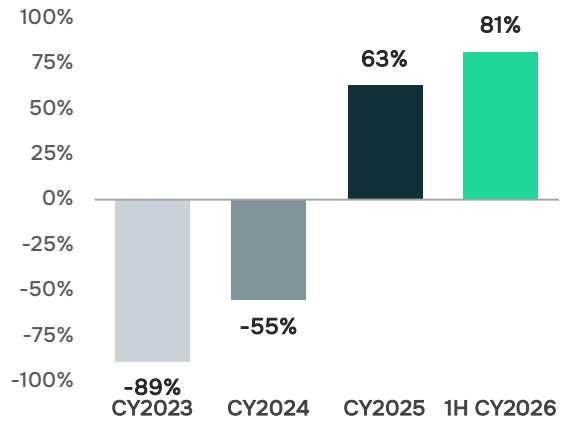
Profit After Tax (PKR Mn)
1H CY2026 already 107% of CY2025



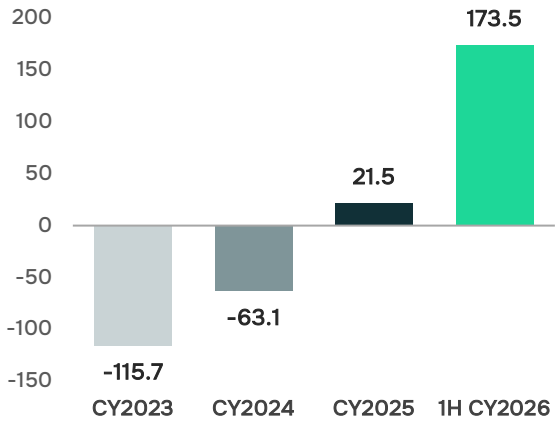
Profitability Margins (%)
Net margin positive since CY2025



Return on Equity (%)
1H CY2026 annualised: 81%



Net Cash from Operations (PKR Mn)
1H CY2026 covered capex 7.1x



Source: Audited financial statements of the Company. 1H CY2026 Return on Equity is annualised.

The tables below present a summarized overview of Adal Fintech Limited's audited financial statements, encompassing the Statement of Profit or Loss, Statement of Financial Position and Statement of Cash Flows, highlighting the Company's operational performance, financial position and growth trajectory.

Statement of Profit or Loss	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Revenue	**151.27**	**241.15**	**566.92**[73]	**394.36**[74]
Cost of Revenue	(267.46)	(241.02)	(324.71)	(203.45)
Gross Profit / (Loss)	**(116.19)**	**0.12**	**242.20**[75]	**190.90**
Selling & Marketing Expenses	(1.14)	(12.82)	(40.01)[76]	(22.24)
Administrative Expenses	(14.80)	(85.24)	(98.04)[77]	(56.92)
Other Expenses	(2.55)	(0.21)	-	-
Operating Profit / (Loss)	**(134.68)**	**(98.15)**	**104.15**	**111.75**
Finance Cost	(0.17)	(2.93)[78]	(1.76)	(2.17)
Other Income	6.33	11.18	5.31	5.20[79]
Profit / (Loss) Before Taxation	**(128.52)**	**(89.89)**	**107.71**	**114.77**
Taxation[80]	-	-	-	-
Profit / (Loss) After Taxation	**(128.52)**	**(89.89)**	**107.71**	**114.77**
Earnings / (Loss) Per Share - Basic (PKR)	(2.85)	(1.99)	2.39	2.54
EBIT[81]	(128.52)	(87.24)	109.16	116.86
EBITDA	(116.93)	(61.81)	135.45	131.49
Depreciation	11.59	25.44	26.29	14.63

[73] *Revenue increased by 135% in CY2025, almost entirely from local services, which rose from PKR 94.85 Mn to PKR 410.39 Mn as lending volumes on partner-bank programmes expanded. Local services made up 72% of revenue in CY2025, against 39% in CY2024. Export services revenue was broadly flat at PKR 157.74 Mn.*

[74] *Revenue for 1H CY2026 comprises local services of PKR 281.75 Mn and export services of PKR 113.07 Mn. Local services revenue for the six months was 37% higher than half of the CY2025 figure.*

[75] *Gross margin improved from nil in CY2024 to 43% in CY2025 because revenue grew much faster than the delivery cost base, which is mostly staff cost.*

[76] *Selling and marketing expenses rose from PKR 12.82 Mn to PKR 40.01 Mn as the Company expanded its partner-bank network. The main increases were in other selling and marketing expenses (PKR 17.25 Mn against PKR 4.02 Mn), sales staff salaries (PKR 11.81 Mn against PKR 5.62 Mn) and travel (PKR 8.51 Mn against PKR 3.02 Mn).*

[77] *Administrative expenses rose 15% in CY2025, mainly from salaries (PKR 41.22 Mn against PKR 36.32 Mn), sub-contracted back-office services (PKR 7.51 Mn against PKR 1.69 Mn) and rent (PKR 17.87 Mn against PKR 15.91 Mn).*

[78] *Finance cost comprises bank charges and, from CY2024, interest on lease liability. The Company adopted IFRS 16 on 1 January 2024 for its leased office premises. Lease finance charges were PKR 2.65 Mn in CY2024, PKR 1.46 Mn in CY2025 and PKR 2.09 Mn in 1H CY2026. The Company has no borrowings.*

[79] *Includes a gain of PKR 2.71 Mn on the disposal of a vehicle (CY2025: PKR 1.46 Mn).*

[80] *No provision for income tax has been made, as the Company qualifies for a 100% tax credit under Section 21 of the Special Technology Zones Authority Act, 2021 as a Zone Enterprise licensed under Section 5(1)(u) of the Act. The licence is valid until 30 June 2031.*

[81] *EBIT = Profit / (Loss) Before Taxation + Lease Finance Charges*

Statement of Financial Position	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Assets				
Property and Equipment	57.98	55.43	59.05	74.41[82]
Right of Use Assets	-	10.81	46.54	38.33
Long Term Deposits	6.31[83]	3.22	3.22	3.22
Non - Current Assets	**64.29**	**69.45**	**108.81**	**115.96**
Trade Debts	20.36	37.52	173.14[84]	101.38
Advances, Prepayments and Other Receivables	2.13	5.44	4.28	6.51
Short Term Investments	144.65	45.50	69.21	94.37
Income-Tax Refundable	3.81	8.88	22.28	31.52
Cash and Bank Balances	10.11	33.92	3.92	128.59
Current Assets	**181.05**	**131.25**	**272.83**	**362.36**
Total Assets	245.34	200.70	381.64	478.32
Equities and Liabilities				
Authorize Share Capital	700.00	700.00	700.00	900.00[85]
Issued, Subscribed and Paid-up Share Capital[86]	451.44	451.44	451.44	451.44
Accumulated Loss	(243.93)	(333.83)	(226.12)	(111.35)
Total Equity	207.51	117.61	225.32	340.09
Lease Liability	-	-	32.04	23.99
Long Term Advances from Employees	-	1.37	5.50	12.08
Non - Current Liabilities	**-**	**1.37**	**37.54**	**36.06**
Current Portion of Lease Liabilities	-	12.28	13.71	15.30
Current Portion of Advances from Employees	-	5.60	2.53	3.85
Trade and Other Payables	37.84	63.84	102.54	83.02
Current Liabilities	**37.84**	**81.72**	**118.78**	**102.17**
Total Liabilities	37.84	83.09	156.32	138.23
Total Equity & Liabilities	245.34	200.70	381.64	478.32

[82] Additions of PKR 16.50 Mn in 1H CY2026 were mainly vehicles (PKR 15.86 Mn). The balance also includes capital work in progress of PKR 7.91 Mn, being an advance paid against a vehicle.

[83] CY2023 includes other security deposits of PKR 3.09 Mn which, from CY2024 (as presented in the CY2025 audited financial statements), are shown under advances, prepayments and other receivables. The remaining PKR 3.22 Mn is the security deposit against the leased building.

[84] Trade debts rose from PKR 37.52 Mn to PKR 173.14 Mn in line with the growth in local services revenue in CY2025. Most of the balance was not yet due at year end and was largely collected in 1H CY2026. Payment is generally due 30 days after invoicing.

[85] Authorised capital was increased by PKR 200 Mn (20,000,000 ordinary shares of PKR 10 each) during 1H CY2026.

[86] Paid-up capital comprised 45,144,002 ordinary shares of PKR 10 each from CY2023, after the issue of right shares of PKR 254.64 Mn during that year. One further share of PKR 10 was issued in 1H CY2026, taking the total to 45,144,003 shares. On 31 August 2026, the shareholders approved a stock split, reducing the par value from PKR 10 to PKR 1, which increased the number of shares tenfold to 451,440,030 without changing paid-up capital.

Statement of Cash Flow	CY2023	CY2024	CY2025	1H CY2026
PKR Mn	*Audited*	*Audited*	*Audited*	*Audited*
Cash Generated from / (Used in) Operations	(113.10)	(56.98)	35.57	177.00
Advances from Employees	-	1.86	1.05	7.90
Finance Cost Paid	(0.17)	(2.93)	(1.76)	(2.17)
Advance Income Tax Paid	(2.40)	(5.07)	(13.40)	(9.24)
Net Cash from / (Used in) Operating Activities	**(115.68)**	**(63.13)**	**21.46**	**173.49**
Investments (Made) / Redeemed During the Period	(133.58)	99.16	(23.71)	(25.16)
Capital Expenditure Incurred During the Period	(22.18)	(9.67)	(18.12)	(24.41)
Proceeds from Sale of Property and Equipment	-	-	3.20	5.34
Income on Bank Balances & Investments	6.13	9.19	2.97	1.88
Net Cash from / (Used in) Investing Activities	**(149.62)**	**98.67**	**(35.66)**	**(42.35)**
Changes in Issued, Subscribed and Paid-up Capital	-	-	-	-
Proceeds from Issuance of Shares	254.64	-	-	-
Lease Repayments Made During the Period	-	(11.74)	(15.80)	(6.47)
Net Cash from / (Used in) Financing Activities	**254.64**	**(11.74)**	**(15.80)**	**(6.47)**
Net Increase / (Decrease) in Cash & Cash Equivalents	**(10.66)**	**23.81**	**(30.00)**	**124.67**
Cash and Cash Equivalents at the Beginning of the Period	20.77	10.11	33.92	3.92
Cash and Cash Equivalents at the End of the Period	10.11	33.92	3.92	128.59

	CY2023	CY2024	CY2025	1H CY2026
	Audited	*Audited*	*Audited*	*Audited*
Growth Margins				
Sales Growth (%)	85%	59%	135%	39%
Profit After Tax Growth (%)	nm	nm	nm	113%
EBITDA Growth (%)	nm	nm	nm	94%
Profit Margins				
Gross Profit Margin (%)	(77%)	0%	43%	48%
Operating Margin (%)	(89%)	(41%)	18%	28%
EBITDA Margin (%)	(77%)	(26%)	24%	33%
Profit Before Tax Margin (%)	(85%)	(37%)	19%	29%
Net Profit Margin (%)	(85%)	(37%)	19%	29%

	CY2023	CY2024	CY2025	1H CY2026
	Audited	*Audited*	*Audited*	*Audited*
Profitability Ratios				
Earnings Per Share – Basic (PKR) – Pre Split	(2.85)	(1.99)	2.39	2.54
Earnings Per Share – Basic (PKR) – Post Split	(0.28)	(0.20)	0.24	0.25
Breakup Value Per Share (BVPS) (PKR) – Pre Split	4.60	2.61	4.99	7.53
Breakup Value Per Share (BVPS) (PKR) – Post Split	0.46	0.26	0.50	0.75
Return on Equity (%)	(89%)	(55%)	63%	81%
Return on Assets (%)	(73%)	(40%)	37%	53%
Outstanding Shares (Mn) – Pre Split	45.14	45.14	45.14	45.14
Outstanding Shares (Mn) – Post Split	451.44	451.44	451.44	451.44
Balance Sheet Ratios				
Fixed Asset Turnover	2.71	3.88	6.60	7.22
Asset Turnover	0.86	1.08	1.95	1.83
Current Ratio	4.79	1.61	2.30	3.55
Receivable Turnover (days)	43.73	43.80	67.81	63.52
Payable Turnover (days)	34.60	54.72	65.61	59.91
Net Working Capital (days)	9.13	(10.92)	2.20	3.61

COMMENTARY ON SELECTED RATIOS

The following section analyses key financial ratios over the review period, highlighting trends in profitability, operational efficiency, liquidity, and capital structure. The trends in these ratios reflect the continued scaling of operations, improving earnings capacity, stronger cash generation, and a strengthening financial position over the review period.

A. Profitability and Earnings Growth

The Company recorded strong sales growth throughout the review period, with increases of **85% in CY2023**, **59% in CY2024** and **135% in CY2025**. Revenue for 1H CY2026 was a further **39%** higher than half of CY2025 revenue. This sustained growth reflects the continued expansion of the Company's operations and the growing scale of its digital lending platform.

Profitability indicators show a significant turnaround over the review period. While earnings remained under pressure in CY2023 and CY2024, the Company achieved strong profitability in CY2025, with Return on Equity ("ROE") improving from **negative 89% in CY2023** and **negative 55% in CY2024** to **63% in CY2025** and further to **81% (annualised) in 1H CY2026**. Similarly, Return on Assets ("ROA") improved from **negative 73% in CY2023** and **negative 40% in CY2024** to **37% in CY2025** and to **53% (annualized) in 1H CY2026**, reflecting a substantial improvement in the Company's ability to generate returns on its capital and asset base.

Earnings also improved. The loss after tax increased from **PKR 99.15 Mn in CY2022** to **PKR 128.52 Mn in CY2023**, before narrowing to **PKR 89.89 Mn in CY2024** and turning into a profit of **PKR**

107.71 Mn in CY2025, (reflecting the move from a loss to a profit). For 1H CY2026, EBITDA and PAT exceeded half of the CY2025 levels by **94%** and **113%**, respectively. The concurrent improvement in sales, EBITDA and PAT indicates strengthening operating leverage and earnings conversion as the business continues to scale.

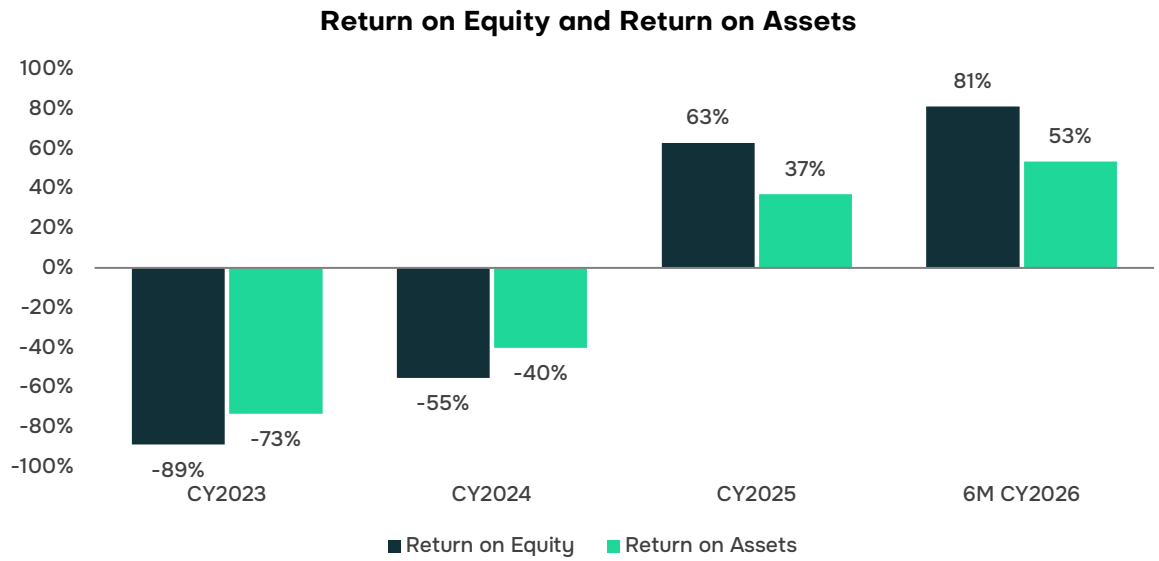


Figure 20: ROE and ROA History. Source: the Company.

B. Revenue and Growth Dynamics

Revenue increased from **PKR 151.27 Mn in CY2023** to **PKR 241.15 Mn in CY2024**, representing growth of 59%, before rising significantly to **PKR 566.92 Mn in CY2025**, reflecting growth of 135%. Revenue for 1H CY2026 stood at **PKR 394.36 Mn**, 39% higher than half of CY2025 revenue. The sustained increase in revenue reflects the continued scaling of the business and the expansion of the underlying lending activity.

The improvement in revenue was accompanied by a significant improvement in gross profitability. The Company reported a **gross loss of PKR 116.19 Mn in CY2023**, and a marginal gross profit of **PKR 0.12 Mn in CY2024** (as reclassified in the CY2025 audited financial statements), which increased to **PKR 242.20 Mn in CY2025**. During 1H CY2026, gross profit stood at **PKR 190.90 Mn**, further demonstrating the continued improvement in revenue conversion and operating economics.

As CY2024 costs were reclassified between cost of revenue and operating expenses while CY2023 was not, the Company's cost discipline is best assessed on total costs. Total costs (cost of revenue, administrative, selling & marketing and other expenses) rose from **PKR 285.94 Mn in CY2023** to **PKR 339.30 Mn in CY2024**, an increase of 19% against revenue growth of 59%, and to **PKR 462.76 Mn in CY2025**, an increase of 36% against revenue growth of 135%. During 1H CY2026, cost of revenue stood at **PKR 203.45 Mn** against revenue of **PKR 394.36 Mn**, resulting in a gross profit margin of approximately **48%**.

Overall, the revenue trajectory and the corresponding improvement in gross profitability indicate increasing operating leverage as the business scales, with a greater share of incremental revenue translating into gross profit.

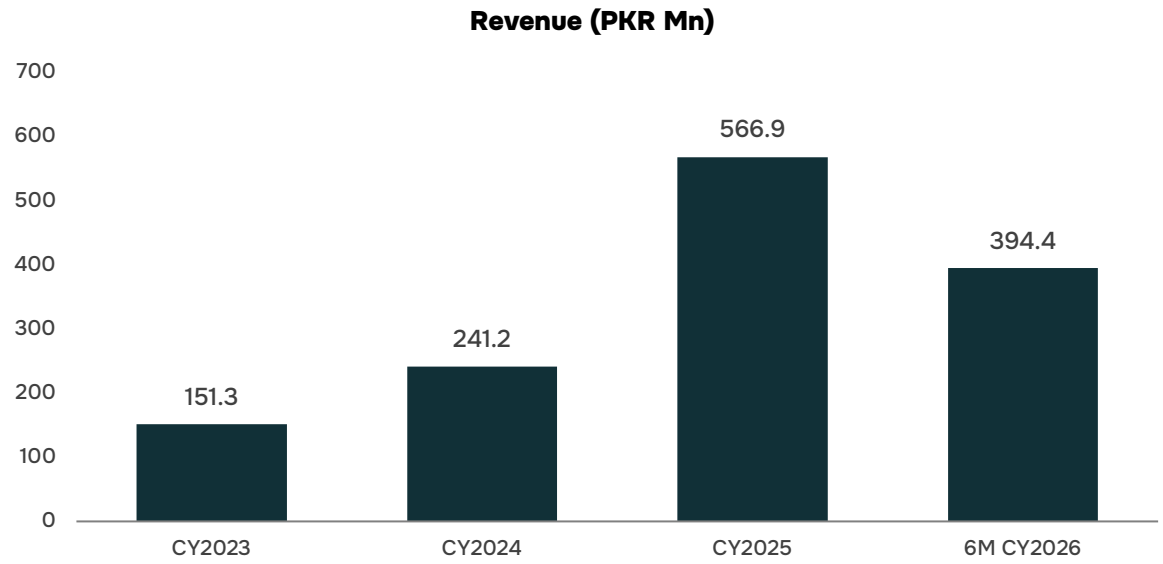


Figure 21: Revenue History. Source: the Company.

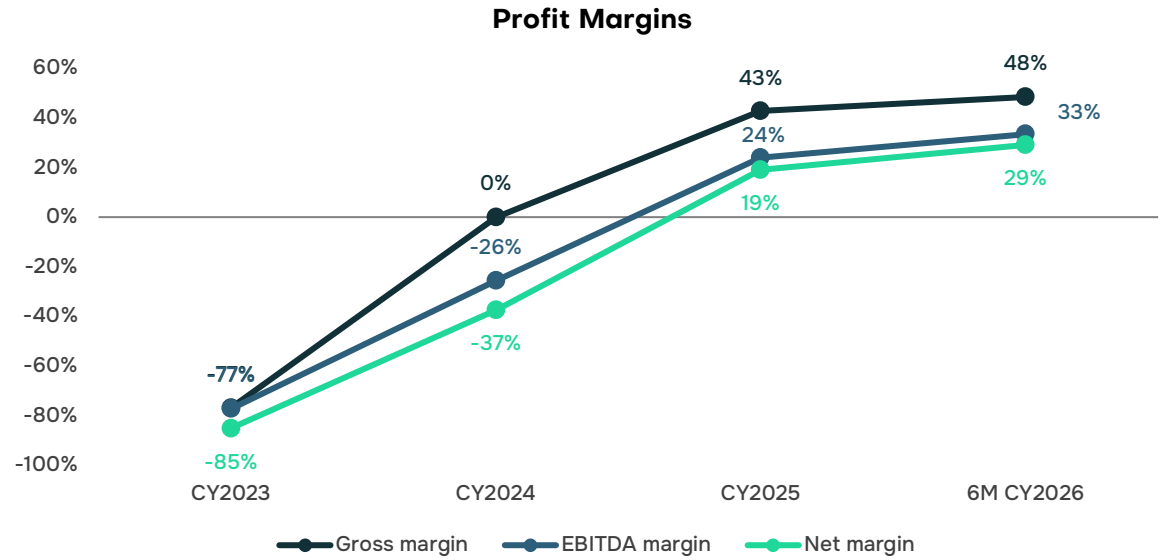


Figure 22: Profit Margin History. Source: the Company.

C. Operating Leverage

A defining feature of the Company's cost structure is its **scalable technology platform**, which is developed once and deployed repeatedly across multiple partner institutions. As a result, **revenue has grown significantly faster than the Company's cost base**. Between CY2023 and CY2025, **revenue increased by approximately 275%**, while **personnel costs**, comprising salaries and wages across cost of revenue, administrative, and selling & marketing expenses, increased by only **55.5% from PKR 191.79 Mn to PKR 298.31 Mn**. Consequently, **personnel costs declined from 126.8% of revenue in CY2023 to 52.6% in CY2025**. This **operating leverage** has supported the improvement in **gross and EBITDA margins** and is expected to strengthen further as the Company **adds new banking partners and expands its product offering** on the existing platform.

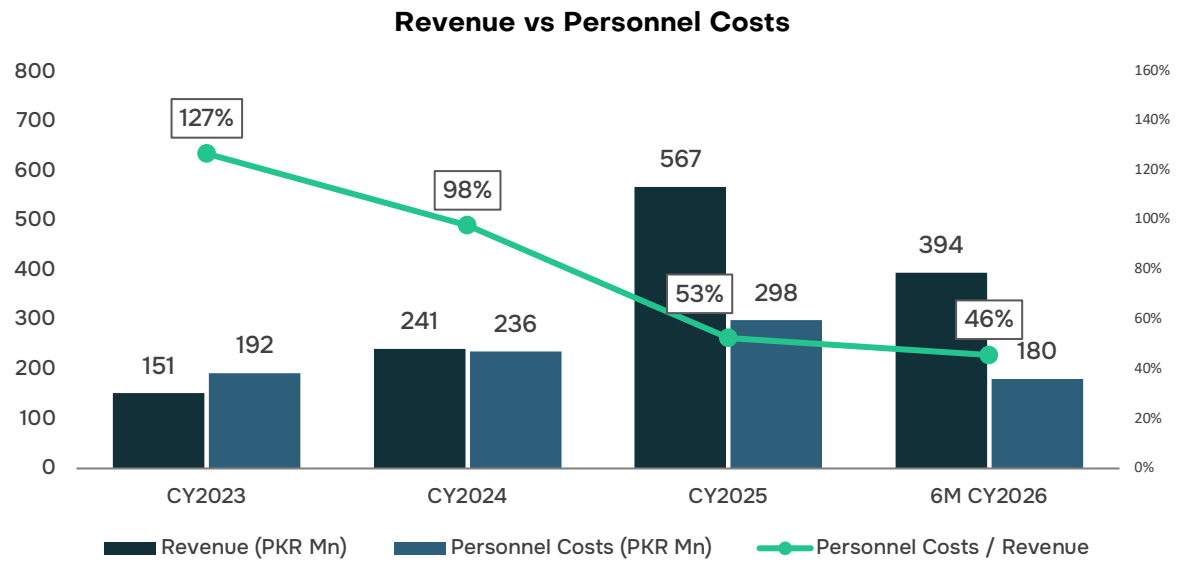


Figure 23: Revenue and Personnel Cost History. Source: the Company.

D. Cash Flow and Operational Efficiency

The Company's cash flow profile improved materially over the review period, reflecting stronger underlying operating performance. Net cash outflow from operating activities declined from **PKR 115.68 Mn in CY2023** to **PKR 63.13 Mn in CY2024**, before turning positive at **PKR 21.46 Mn in CY2025** and increasing significantly to **PKR 173.49 Mn in 1H CY2026**. This improvement demonstrates the business's growing ability to convert operating activities into cash as operations scale.

The improvement in cash generation was accompanied by a significant expansion in operating profitability. EBITDA margin improved from **negative 77% in CY2023** to **negative 26% in CY2024**, before turning positive at **24% in CY2025** and further increasing to **33% in 1H CY2026**. This progression indicates improving operating leverage and greater efficiency in absorbing the Company's operating cost base as revenue expands.

Overall, the improvement in **operating cash flows and EBITDA margin** demonstrates a meaningful improvement in **operational efficiency and cash generation capacity** over the review period. **Working capital and asset utilization trends** are discussed under Operational Efficiency and Asset Utilization below.

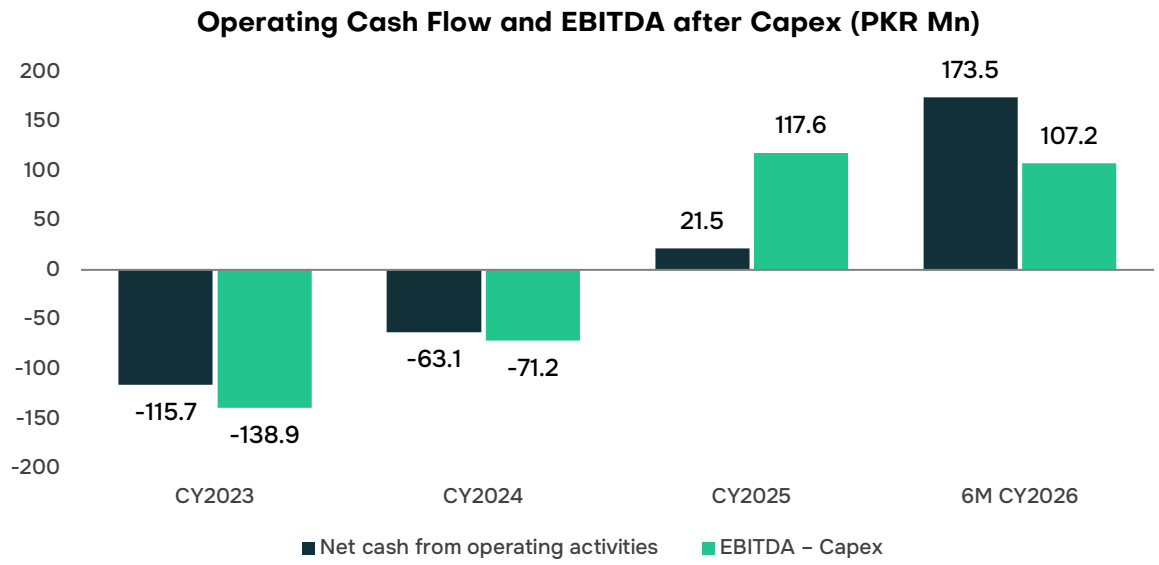


Figure 24: Operating Cash Flow and EBIDTA History. Source: the Company.

E. OPERATIONAL EFFICIENCY AND ASSET UTILISATION

The Company demonstrated **improving asset utilisation** over the review period, supported by continued revenue growth and expansion of its operating platform. Fixed asset turnover improved from **2.71x in CY2023** and **3.88x in CY2024** to **6.60x in CY2025** and further to **7.22x on an annualised basis in 1H CY2026**, indicating a significant increase in revenue generated relative to the Company's fixed asset base. Overall asset turnover likewise increased from **0.86x in CY2023** and **1.08x in CY2024** to **1.95x in CY2025**, before moderating to **1.83x on an annualised basis in 1H CY2026**, while remaining substantially above CY2023 and CY2024 levels.

Receivable turnover days remained broadly stable at **43.73 days in CY2023** and **43.80 days in CY2024**, before increasing to **67.81 days in CY2025** and improving to **63.52 days in 1H CY2026**. The increase in CY2025 primarily reflects the **build-up of trade debts from associated company Techlogix Pakistan (Private) Limited**, which stood at **PKR 150.54 Mn at the end of CY2025** and declined to **PKR 70.90 Mn by the end of 1H CY2026**.

Payable turnover days increased from **34.60 days in CY2023** to **54.72 days in CY2024** and **65.61 days in CY2025**, before declining to **59.91 days in 1H CY2026**. Trade and other payables mainly comprise **provident fund payable** and, at the end of CY2025, **contract liabilities representing advances received from the Parent Company**, rather than amounts due to suppliers.

Net working capital days moved from **positive 9.13 days in CY2023** to **negative 10.92 days in CY2024**, before returning to a marginally positive **2.20 days in CY2025** and a still modest **3.61 days in 1H CY2026**. The move back to a positive cycle from CY2024 reflects the increase in receivable days; however, with payable days broadly in line with receivable days, the Company continues to benefit from **payables funding the majority of its operating working capital requirements**.

Overall, the **improvement in fixed asset turnover** and the **near-neutral working capital cycle** demonstrate enhanced utilization of the Company's asset base and continued efficiency in managing operating working capital as business scales.

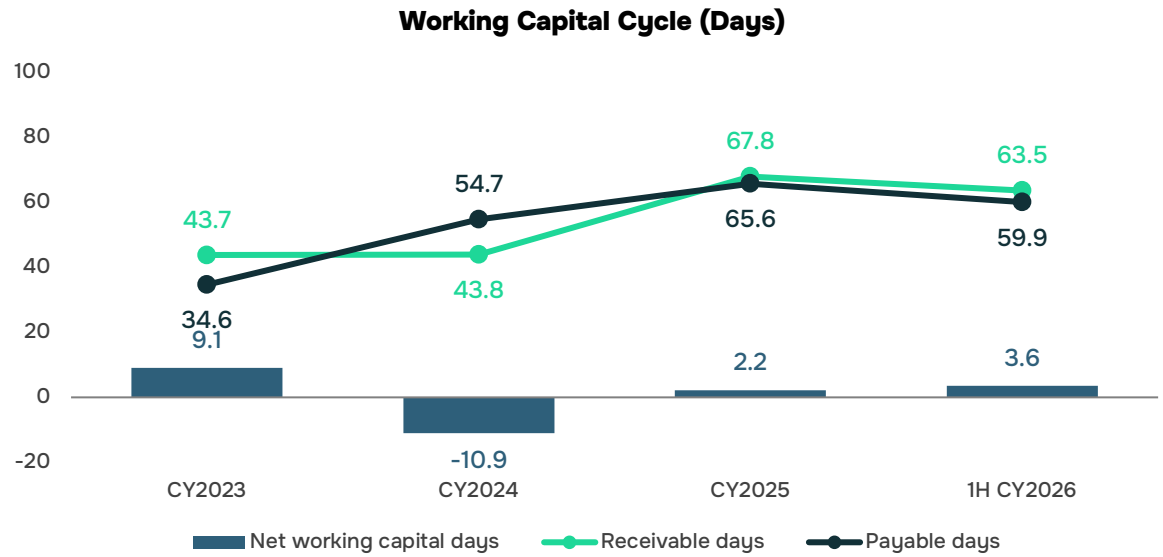


Figure 25: Working Capital Cycle History. Source: the Company.

F. SHAREHOLDER VALUE CREATION

The Company has demonstrated a **significant improvement in shareholder value creation** over the review period, reflected in stronger returns on equity and higher per-share earnings. Return on Equity ("ROE") improved from **negative 89% in CY2023** and **negative 55% in CY2024** to **63% in CY2025**, and further to **81% on an annualised basis in 1H CY2026**. This improvement reflects the Company's **transition to sustained profitability** and its growing ability to generate returns on its equity base.

The improvement in earnings is also reflected in the Company's **post-split Basic Earnings Per Share ("EPS")**, which improved from a loss of **PKR 0.28 per share in CY2023** to a loss of **PKR 0.20 per share in CY2024**, before turning positive at **PKR 0.24 per share in CY2025**. EPS for **1H CY2026 was PKR 0.25 per share**, already exceeding the full-year CY2025 level. The positive EPS reflects the Company's **transition from losses to profitability** and stronger earnings available to shareholders.

The Company's **post-split Breakup Value Per Share** declined from **PKR 0.46 in CY2023** to **PKR 0.26 in CY2024** owing to the loss incurred during the year, before strengthening materially to **PKR 0.50 in CY2025** and further to **PKR 0.75 in 1H CY2026**. This increase reflects the Company's **stronger net asset position and growing equity base**, with total equity increasing from **PKR 117.61 Mn in CY2024 to PKR 340.09 Mn in 1H CY2026**.

Overall, the **transition to positive EPS, substantial improvement in ROE and continued growth in BVPS** demonstrate a meaningful strengthening of shareholder returns and underlying equity value. These improvements reflect the Company's **growing earnings capacity and strengthening financial position** as it continues to scale its operations.

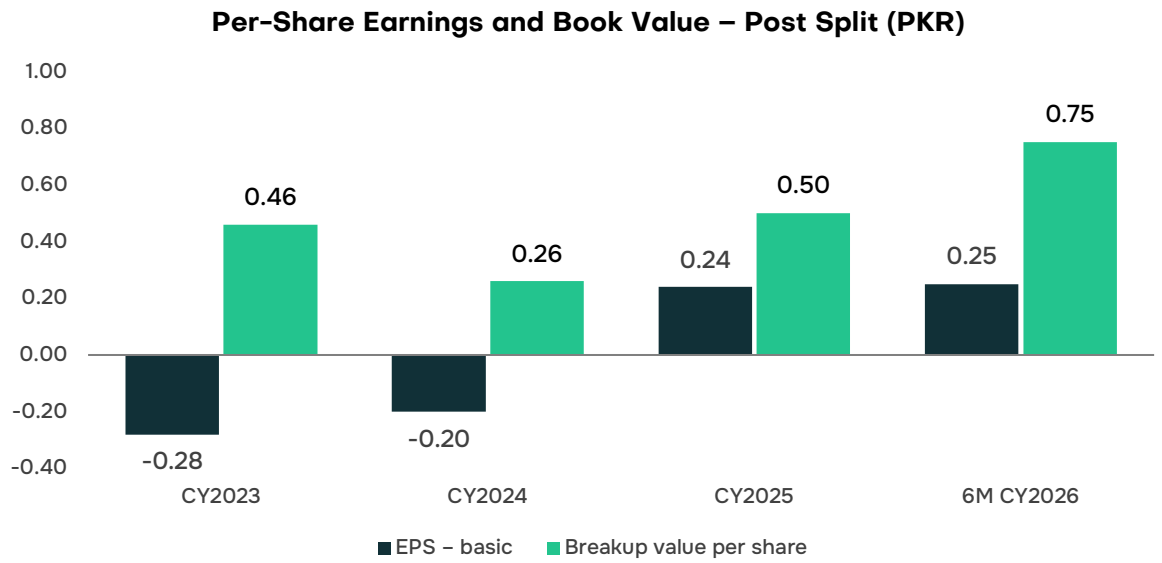


Figure 26: Per-Share Earnings and Book Value History. Source: the Company.

6.6 SUMMARY OF REVENUE BREAKUP

Revenue by Product

Product Description (PKR Mn)	CY2023	CY2024	CY2025	1H CY2026
Smart Advance	2.96	8.28	17.53	8.06
Running Finance	14.97	12.41	15.77	14.37
SME-Term Loan	-	-	15.22	21.79
Term Loan	7.36	43.60	314.87	216.37
Credit Card	4.70	9.27	8.32	2.46
Agricultural loan	-	17.14	28.40	16.38
Vehicle Finance	-	-	9.06	1.86
Export Revenue	121.28	150.44	157.74	113.07
Revenue	151.27	241.15	566.92	394.36

Revenue by Bank

Customer Name (PKR Mn)	CY2023	CY2024	CY2025	1H CY2026
Askari Bank	0.30	0.58	1.16	4.24
Allied Bank Limited	1.10	3.32	5.19	1.51
Bank Al-Habib Ltd.	-	-	6.16	-
The Bank of Khyber	-	-	0.00	-
The Bank of Punjab	21.23	86.80	388.56	265.43
Faysal Bank	-	-	0.01	-

Customer Name (PKR Mn)	CY2023	CY2024	CY2025	1H CY2026
JS Bank Limited	2.63	-	7.92	3.79
United Bank Limited	4.73	-	0.17	6.32
Export Revenue	121.28	150.44	157.74	113.07
Revenue	151.27	241.15	566.92	394.36

6.7. IF A MATERIAL PART OF THE REVENUE i.e., 50% OR MORE, IS DERIVED FROM A SINGLE CUSTOMER OR A SMALL NUMBER OF MAJOR CUSTOMERS, THE SAME SHALL BE DISCLOSED

The Company derives a significant portion of its revenue from a single customer, The Bank of Punjab, which accounted for approximately 68.5% of total revenue and 95.0% of Local Services Revenue in CY2025. Accordingly, the Company is exposed to customer concentration risk. The Company is actively diversifying its partner base, with nine partner banks live in production, and expects the Bank of Punjab's share of platform lending volume to decline as other partner banks scale their operations.

6.8. SUMMARY OF EXPENDITURE BREAKUP

Particulars (PKR Mn)	CY2023	CY2024	CY2025	1H CY2026
Salaries and wages	191.79	235.93	298.31	180.34
Traveling and conveyance	7.64	9.10	17.74	11.75
Rent	27.51	15.91	17.87	9.77
Utilities	4.92	7.33	5.62	2.68
Repair and maintenance	0.43	0.23	0.51	0.69
Insurance	0.21	0.19	0.20	0.17
Communications	2.56	2.05	2.03	1.15
Fee and subscription	11.26	9.53	9.65	24.89
Depreciation on operating assets	11.59	12.23	12.74	6.42
Depreciation on right of use assets	-	13.21	13.54	8.21
Sub - contracting cost	18.70	25.02	62.37	26.97
Cost of external hardware	-	0.73	-	-
Donations	0.85	0.75	0.75	-
Entertainment	1.05	0.98	1.75	1.14
Training and education	0.03	0.03		0.67
Legal and professional	3.14	1.25	1.12	0.49
Auditor's remuneration	0.41	0.59	0.62	0.46
Bank charges	0.17	0.28	0.30	0.08
Lease finance charges	-	2.65	1.46	2.09
Exchange loss - net	2.55	0.21	-	-
Other selling & marketing expenses	1.14	4.02	17.25	6.10
Miscellaneous	0.18	0.02	0.69	0.71
Total Operating Expenses	286.12	342.22	464.52	284.78

6.9 IN CASE OTHER INCOME CONSTITUTE MORE THAN 25% OF THE OPERATING INCOME OR 10% OF THE REVENUE, THE BREAKUP OF THE SAME ALONG WITH THE NATURE OF THE INCOME

No

6.10 SUMMARY OF MATERIAL PURCHASES

Particulars (PKR Mn)	Nature	CY2023	CY2024	CY2025	1H CY2026
Dues and Subscriptions	Cloud hosting and other	10.96	9.42	8.90	22.60
Sub-contracting cost	Technical Resources	12.10	16.55	51.86	22.65
Rent	Office Premises Rental	27.51	15.91	17.87	9.77
Selling & marketing expenses	Sales & marketing	1.14	4.02	17.25	6.10
Total		51.71	45.90	95.88	61.12

6.11 BIFURCATION OF REVENUE

Revenue Category (PKR Mn)	CY2023	CY2024	CY2025	1H CY2026
Local Revenue	29.99	90.71	409.17	281.29
Export Revenue	121.28	150.44	157.74	113.07
Total	151.27	241.15	566.92	394.36

6.12 CONTINGENCIES AND COMMITMENTS

Not applicable.

6.13 COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

There are no directly comparable peers listed on the PSX. AdalFi provides an AI-based digital lending platform embedded within partner banks. It earns a share of the income generated on lending originated through its platform rather than a fixed licence fee. The Company is neither a lender nor a credit bureau, and no company listed on the PSX operates a comparable bank-embedded, performance-linked digital lending model.

Accordingly, no listed company is considered directly comparable to AdalFi for valuation purposes. The table below presents Tasdeeq Information Services Limited ("TISL"), a credit bureau listed on the PSX. TISL may be compared to AdalFi only to the extent that both operate within the broader credit information and assessment ecosystem in which AdalFi's AI-based credit scoring and decisioning platform is deployed.

PKR Mn	AdalFi***	TISL****
Pricing Comparison		
Number of Shares (Mn)	451.44	-
Number of Shares (Mn) (post-IPO)	501.60	950.00
Share price	8.75*	4.59**
EPS[87]	0.76	-
EPS (post-IPO)	0.68	0.13
BVPS[88]	-	-
BVPS (post-IPO)	2.02	1.21
P/E[89]	11.55	-
P/E (Post-IPO)	12.83	35.35
P/B[90]	-	-
P/B (Post-IPO)	4.34	3.79
KSE-100 P/E	7.21	
KSE-100 P/B	1.35	
ROE[91]	55.3%	14.1%
ROA[92]	44.2%	12.3%
Free Float – No. of Shares (Mn)	50.16	332.50
Free Float (%)	10%	35%

**AdalFi at the floor price*
***LDCP as of October 22, 2026.*
****AdalFi Numbers are based on CY2026E*
*****TISL financial figures based on the post-IPO CY2026F projections disclosed in TISL's prospectus.*

[87] *EPS = Total Earnings / Total No. of Shares*
[88] *BVPS = Total Equity / Total No. of Shares*
[89] *P/E = Share Price / Earnings Per Share*
[90] *P/B = Share Price / Book Value per Share*
[91] *ROE = Profit After tax / Average Equity*
[92] *ROA = Profit After tax / Average Assets*

6.14 SUMMARY OF FINANCIAL PROJECTIONS FOR FIVE YEARS

6.14.1 STATEMENT OF PROFIT & LOSS

Statement of Profit or Loss	CY2026F	CY2027F	CY2028F	CY2029F	CY2030F	CY2031F
PKR Mn	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Local Revenue	724.12	1,151.32	1,711.16	2,297.30	2,909.87	3,533.06
Export Revenue	263.73	279.16	313.45	361.08	408.67	459.75
Revenue	**987.85**	**1,430.48**	**2,024.60**	**2,658.37**	**3,318.53**	**3,992.81**
Cost of Revenue	(477.55)	(653.75)	(823.89)	(941.06)	(1,115.92)	(1,288.71)
Gross Profit	**510.30**	**776.74**	**1,200.71**	**1,717.31**	**2,202.62**	**2,704.10**
Gross Margin	*51.7%*	*54.3%*	*59.3%*	*64.6%*	*66.4%*	*67.7%*
Administrative Expenses	(147.90)	(239.83)	(209.26)	(214.01)	(237.17)	(267.12)
Selling & Marketing Expenses	(41.73)	(112.71)	(138.29)	(166.49)	(196.21)	(226.91)
Other Expenses (Royalty)	-	-	-	(108.48)	(134.36)	(159.99)
Operating Profit	**320.68**	**424.20**	**853.16**	**1,228.33**	**1,634.88**	**2,050.09**
Operating Margin	*32.5%*	*29.7%*	*42.1%*	*46.2%*	*49.3%*	*51.3%*
Other Income	25.17	109.29	140.48	196.16	266.87	355.20
Finance Cost	(3.71)	(2.23)	(2.07)	(4.97)	(3.01)	(2.79)
Profit Before Taxation	**342.14**	**531.26**	**991.57**	**1,419.52**	**1,898.74**	**2,402.50**
Taxation	-	-	-	-	-	(444.46)
Profit After Taxation	**342.14**	**531.26**	**991.57**	**1,419.52**	**1,898.74**	**1,958.03**
Net Margin	*34.6%*	*37.1%*	*49.0%*	*53.4%*	*57.2%*	*49.0%*

6.15 STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	CY2026F	CY2027F	CY2028F	CY2029F	CY2030F	CY2031F
PKR Mn	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Assets						
Property and Equipment	73.05	92.71	114.26	137.64	162.92	187.69
Right of Use Assets	30.12	13.69	61.95	40.08	18.22	82.45
Intangible Assets	-	71.19	184.12	216.77	256.86	289.66
Long Term Deposits	3.22	3.22	3.22	3.22	3.22	3.22
Non - Current Assets	**106.38**	**180.80**	**363.55**	**397.71**	**441.22**	**563.02**
Trade Debts	202.98	235.15	332.81	436.99	545.51	656.35
Advances, Prepayments and Other Receivables	14.87	21.53	30.48	40.02	49.96	60.11
Short Term Investments	69.21	69.21	69.21	69.21	69.21	69.21
Income-Tax Refundable	22.28	22.28	22.28	22.28	22.28	22.28
Cash and Bank Balances	750.22	1,135.30	1,683.75	2,536.97	3,603.86	4,615.47
Current Assets	**1,059.56**	**1,483.48**	**2,138.53**	**3,105.47**	**4,290.82**	**5,423.41**
Total Assets	**1,165.94**	**1,664.28**	**2,502.08**	**3,503.18**	**4,732.04**	**5,986.43**
Equity and Liabilities						
Issued, Subscribed and Paid-up Capital	501.60	501.60	501.60	501.60	501.60	501.60
Share Premium (net of IPO expenses)	367.46	367.46	367.46	367.46	367.46	367.46
Unappropriated Profit	116.02	514.47	1,258.14	2,251.81	3,485.99	4,660.81
Employee Share-Based Compensation Reserve	26.01	119.76	156.15	164.27	164.27	164.27
Total Equity	**1,011.09**	**1,503.28**	**2,283.36**	**3,285.14**	**4,519.32**	**5,694.14**
Lease Liability	14.83	-	42.86	20.17	-	57.56
Long Term Advances from Employees	5.50	5.50	5.50	5.50	5.50	5.50
Non - Current Liabilities	**20.33**	**5.50**	**48.35**	**25.66**	**5.50**	**63.05**
Current Portion of Lease Liability	17.08	14.83	18.39	22.69	20.17	24.43
Current Portion of Advances from Employees	2.53	2.53	2.53	2.53	2.53	2.53
Trade and Other Payables	114.91	138.13	149.45	167.16	184.53	202.27
Current Liabilities	**134.51**	**155.50**	**170.37**	**192.38**	**207.23**	**229.24**
Total Liabilities	**154.84**	**160.99**	**218.72**	**218.04**	**212.72**	**292.29**
Total Equity and Liabilities	**1,165.94**	**1,664.28**	**2,502.08**	**3,503.18**	**4,732.04**	**5,986.43**

6.16 STATEMENT OF CASH FLOWS

Statement of Cash Flows	CY2026F	CY2027F	CY2028F	CY2029F	CY2030F	CY2031F
PKR Mn	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Operating Activities						
Profit Before Taxation	342.14	531.26	991.57	1,419.52	1,898.74	2,402.50
Add: Depreciation & Amortization	32.08	40.91	66.85	97.01	118.88	146.57
Add: Finance Cost	3.71	2.23	2.07	4.97	3.01	2.79
Add: Non-Cash Employee Compensation	26.01	93.74	36.40	8.12		
Operating Cash Flow Before Working Capital Changes	**403.95**	**668.15**	**1,096.88**	**1,529.62**	**2,020.63**	**2,551.86**
Working Capital Changes	(28.07)	(15.60)	(95.29)	(96.01)	(101.09)	(103.25)
Cash Generated from Operations	**375.88**	**652.55**	**1,001.59**	**1,433.61**	**1,919.54**	**2,448.62**
Finance Cost Paid	(3.71)	(2.23)	(2.07)	(4.97)	(3.01)	(2.79)
Income Tax Paid	-	-	-	-	-	(444.46)
Net Cash from Operating Activities	**372.17**	**650.32**	**999.52**	**1,428.64**	**1,916.53**	**2,001.36**
Investing Activities						
Capital Expenditure	(29.65)	(40.15)	(48.03)	(56.30)	(65.09)	(71.60)
Intangible Asset Additions	-	(75.19)	(135.97)	(74.88)	(97.30)	(109.46)
Net Cash used in Investing Activities	**(29.65)**	**(115.34)**	**(184.01)**	**(131.18)**	**(162.39)**	**(181.06)**
Financing Activities						
Proceeds from Issue of Shares (net of IPO expenses)	417.62	-	-	-	-	-
Lease Repayments (Principal)	(13.85)	(17.08)	(19.17)	(18.39)	(22.69)	(25.48)
Dividend Paid	-	(132.82)	(247.89)	(425.86)	(664.56)	(783.21)
Net Cash from / (used in) Financing Activities	**403.78**	**(149.89)**	**(267.07)**	**(444.25)**	**(687.25)**	**(808.69)**
Net Increase / (Decrease) in Cash	**746.29**	**385.09**	**548.45**	**853.22**	**1,066.89**	**1,011.61**
Cash at the Beginning of the Year	3.92	750.22	1,135.30	1,683.75	2,536.97	3,603.86
Cash at the End of the Year	**750.22**	**1,135.30**	**1,683.75**	**2,536.97**	**3,603.86**	**4,615.47**

6.17 MACROECONOMIC ASSUMPTIONS

Macro Economic Assumptions	CY2026F	CY2027F	CY2028F	CY2029F	CY2030F	CY2031F
Inflation	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
KIBOR	11.6%	11.8%	11.5%	11.0%	10.5%	10.5%
3 Month KIBOR	11.6%	11.8%	11.5%	11.0%	10.5%	10.5%
USD / PKR Exchange Rate	280.00	289.80	299.94	310.44	321.31	332.55
PKR Depreciation	-	3.5%	3.5%	3.5%	3.5%	3.5%

6.18 INDUSTRY GROWTH ASSUMPTIONS

Industry Growth (YoY)	CY2026F	CY2027F	CY2028F	CY2029F	CY2030F	CY2031F
YoY Growth (%)	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Personal Loans (Outstanding)	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Credit Cards (New Cards Issued)	15.0%	14.0%	13.0%	12.0%	11.0%	10.0%
SME Working Capital (Outstanding)	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
SME Fixed Investment (Outstanding)	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Auto Loans (Outstanding)	20.0%	15.0%	12.5%	10.0%	10.0%	10.0%
Agriculture Finance (Outstanding)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Nano Loans (Outstanding)	14.5%	13.7%	13.0%	12.2%	11.5%	10.7%
SME Exporter Finance (Outstanding)	10.0%	7.5%	7.5%	7.5%	7.5%	7.5%

Note: The industry growth rates above are based on AHL's assumptions. Growth for Credit Cards is the number of new cards issued in the year as a percentage of cards in issue at the start of the year; growth for all other segments is the year-on-year growth in industry outstanding loans.

6.19 OPERATING ASSUMPTIONS

	CY2026F	CY2027F	CY2028F	CY2029F	CY2030F	CY2031F
Calculated as a % of Revenue	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*	*Projected*
Cost of Revenue	(48.3%)	(45.7%)	(40.7%)	(35.4%)	(33.6%)	(32.3%)
Gross Margin	51.7%	54.3%	59.3%	64.6%	66.4%	67.7%
Administrative Expenses	(15.0%)	(16.8%)	(10.3%)	(8.1%)	(7.1%)	(6.7%)
Selling & Marketing Expenses	(4.2%)	(7.9%)	(6.8%)	(6.3%)	(5.9%)	(5.7%)
Other Expenses (Royalty)	-	-	-	(4.1%)	(4.0%)	(4.0%)
Operating Margin	**32.5%**	**29.7%**	**42.1%**	**46.2%**	**49.3%**	**51.3%**
Other Income	2.5%	7.6%	6.9%	7.4%	8.0%	8.9%
Effective Tax Rate*	0.0%	0.0%	0.0%	0.0%	0.0%	18.5%
Net Margin	**34.6%**	**37.1%**	**49.0%**	**53.4%**	**57.2%**	**49.0%**

6.20 CERTIFICATE OF REASONABLENESS OF FINANCIAL PROJECTIONS

ARIF HABIB LIMITED

Date: October 19, 2026

The Chief Executive,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Certification of Reasonableness of Financial Projections as per Schedule 1 14(vii):(xiii) of the Public Offering Regulations, 2017

Dear Sir(s),

We, **Arif Habib Limited**, acting as the Lead Consultant to the Issue in connection with the proposed Initial Public Offering of Adal Fintech Limited, hereby confirm that we have reviewed the financial projections for the five-year period ending CY2031 included in the draft Prospectus and submitted to the Exchange.

Based on our sector's expertise, market research and discussions with the Company's management regarding the underlying assumptions, we certify that the financial projections have been prepared on reasonable grounds and assumptions. The key assumptions cover, inter alia, sales volume growth, expansion plans, effective tax rate, and relevant macroeconomic factors, and are considered reasonable in light of the Company's historical performance, industry outlook, and the prevailing economic environment.

This certification is being provided in accordance with the Public Offering Regulation issued by the Securities and Exchange Commission of Pakistan (SECP).

Disclaimer:

The financial projections are subject to inherent uncertainties and are based on assumptions regarding future events and circumstances which may not occur as expected. Actual results may differ from those projected. This certification should not be construed as a guarantee of the attainment of the projected results. Please read the offering document/prospectus to understand the investment policies, risks and tax implications involved.

For and on Behalf of **Arif Habib Limited**

ARIF HABIB LIMITED KARACHI

Farhan Rizvi
Managing Director, Investment Banking
Arif Habib Limited

6(A) REVALUATION OF ASSETS

The Company has not undertaken any revaluation of its assets. Accordingly, this section is not applicable.

6(B) DIVIDEND POLICY

The Company intends to follow a profit distribution policy for its shareholders following its listing on the Pakistan Stock Exchange Limited, with future dividend payments being influenced by factors including profitability, future expansion and capital expenditure requirements, availability of adequate cash flows, working capital requirements, the Board's recommendation and shareholders' approval, where required.

The rights in respect of bonus issues and dividends attached to each ordinary share are and will be the same.

The Company may declare dividends in its general meeting, provided that no dividend shall exceed the amount recommended by the Directors. Any dividend declared shall be paid in accordance with the provisions of the Companies Act, 2017.

The Board of Directors may, from time to time, declare interim dividends as appear to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits, in accordance with the Companies Act.

No unpaid dividend shall bear interest or mark-up against the Company. Dividends shall be paid within the period prescribed under the Companies Act.

Under Section 242 of the Companies Act, any dividend payable in cash by a listed company shall be paid through electronic mode directly into the bank account designated by the entitled shareholder. Accordingly, applicants shall be required to provide the relevant dividend mandate and bank account details in accordance with the applicable requirements.

The Company has not declared nor paid any dividend, nor issued any bonus shares, since its incorporation in June 2021.

The Company intends to maintain an indicative, non-binding dividend payout ratio in the range of 20% to 40% of annual net profit after tax, subject to its financial performance, cash flow position, capital expenditure and expansion plans, working capital requirements and other strategic priorities. The actual dividend payout, if any, shall be determined based on the Company's financial position and future requirements, the Board's recommendation and applicable approvals. No assurance can be given that any dividend will be declared or paid in any particular year or that the payout ratio will fall within the indicative range.

Covenants / Restriction on Payment of Dividends
Based on the information available to the Company, it is not subject to any restrictions under financing agreements on the distribution of profits, subject to applicable laws and regulations and its financial position.

Eligibility for Dividend
The ordinary shares issued under the Offer shall rank pari passu with the existing ordinary shares of the Company in all respects, including entitlement to bonus or right issues and dividends as

may be declared by the Company subsequent to the date of issue of such shares, in accordance with applicable laws and regulations.

6(B)(i) DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES OVER WHICH THE ISSUER HAS CONTROL

The Company does not have any listed associated company over which it exercises control. Accordingly, there is no dividend payout history of such associated companies to disclose.

7 BOARD AND MANAGEMENT OF THE COMPANY

7.1 BOARD OF DIRECTORS

No.	Name	Designation	Address	CNIC / Passport No.	Period of Directorship	Directorship in Other Companies
1	Rayomond Kotwal	Chairman/ Independent Director	L61, Cyrus Colony, Mehmoodabad Road, Karachi	42301-3882511-9	October 17, 2026	None
2	Salman Akhtar	CEO/ Executive Director	House # 86, Block D-1, Gulberg III, Lahore	35202-1878172-1	October 17, 2026	• Techlogix Pakistan (Pvt) Limited • Techlogix Mobility (Pvt) Limited • AlmusNet (Pvt) Limited • Vicenna (Pvt) Limited • Transcend Health (Pvt) Limited • Orion Technology Pakistan (Pvt) Limited • Progressive Education Network • Adal Financial Pte. Ltd. • AdalFi Company (Single-Member LLC) • Techlogix International Limited • Techlogix, Inc. • Techlogix FZ-LLC • Techlogix for Information Technology (Single Person) LLC • TLX Mobility Inc. • AlmusNet Inc. • Vicenna, Inc.
3	Kewan Qadre Khawaja	Non-Executive Director	503-CC, DHA Phase IV, Lahore	35201-2252225-5	October 17, 2026	• Techlogix Pakistan (Pvt) Limited • Techlogix Mobility (Pvt) Limited • AlmusNet (Pvt) Limited • Vicenna (Pvt) Limited • Orion Technology Pakistan (Pvt) Limited • Techlogix International Limited • Techlogix, Inc. • Techlogix FZ-LLC • TLX Mobility Inc. • AlmusNet Inc. • Vicenna, Inc. • Adal Financial Pte. Ltd.

4	Ali Mukhtar	Non - Executive Director	74-M, DHA Phase 1, Lahore	36302-3592104-1	October 17, 2026	• Adal Financial Pte. Ltd. • Fatima Ventures (Pvt.) Limited • Pakarab Energy Limited • Pakistan Energy Gateway Limited • Fatima Petroleum Company Limited • SANIFA Agri Services Limited • Agro Digital (Private) Limited • SmartTech Semiconductors (Private) Limited • Fatima Trading Company (Pvt.) Limited • Herbeauty (Private) Limited • Fatima Fertilizer Company Limited • Grand Exploration & Mining Company (Private) Limited • High-Impact Entrepreneurs Foundation • Fatima Mining Limited • Globacore Minerals Limited • Mangobaaz (Pvt.) Limited • Buraq Bank Pakistan Limited
5	Ahmad Hammoudi	Non-Executive Director	Bl Villa No-10 (Plot No.P-2321) 333-79 Street Jumeirah	LR3015543	October 17, 2026	• Adal Financial Pte Ltd.
6	Omer Saeed	Independent Director	House # 10, Gulberg V, Lahore	35202-3786183-5	October 17, 2026	• Service Industries Limited • Service Long March Tyres Limited • Servis Foundation • Service Global Footwear Limited • Service Industries Capital (Private) Limited • Nestle Pakistan Limited • Systems Limited • Service Tyres (Private) Limited

						• Service Retail (Private) Limited • Service Tyres International (Private) Limited
7	Ayesha Aziz	Independent Director	87/1 Main Khayabane Rahat, DHA Phase 6, Karachi	42301-6741819-6	October 17, 2026	• Engro Polymer & Chemicals Limited • Haleon Pakistan Limited • KSB Pumps Company Limited • Alfalah Asset Management Limited • EXIM Bank of Pakistan • E-Processing Systems (Private) Limited • Pakistan Corporate Restructuring Company Limited (PCRC) • White Clover Consulting (Private) Limited • Clovertek (Private) Limited • Privatisation Commission of Pakistan

7.2 NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board of Directors consists of 7 directors, including the Chief Executive Officer.

7.3 PROFILE OF DIRECTORS

Rayomond Kotwal - Chairman of the Board
Rayomond Kotwal is the Chairman of AdalFi's Board of Directors. He is one of Pakistan's most senior banking-finance executives, having served as Group Chief Financial Officer of Habib Bank Limited (HBL), the country's largest bank, from 2015 until his retirement in August 2026. Earlier in his career he was Chief Financial Officer of United Bank Limited (UBL) and, from 1997 to 2008, Chief Financial Officer of Citibank in Pakistan, giving him close to three decades of experience in financial control, treasury, risk and strategy across leading domestic and international banks.

He was educated at Karachi Grammar School. He holds BS and MS degrees in Electrical Engineering from the Massachusetts Institute of Technology (MIT) and an MBA from IBA, Karachi. As Chairman, he brings deep banking-sector credibility and financial-governance experience to AdalFi as it transitions to a listed company.

Salman Akhtar - Founder & Chief Executive Officer (Executive Director)
Salman Akhtar is the Founder and Chief Executive Officer of AdalFi and sits on the Board as an executive director. He holds two engineering degrees from the Massachusetts Institute of Technology (MIT) and has more than 25 years' experience building enterprise technology for the

financial-services sector. In 1996 he co-founded Techlogix, a global consulting and IT-services firm with operations in the United States, Pakistan and the Middle East, where he serves as co-Chief Executive Officer and leads its Financial Services practice.

In 2021 he founded AdalFi, together with Kewan Qadre Khawaja, to bring AI-based, cash-flow credit scoring to banks, and is responsible for the Company's overall strategy, key partnerships and product direction.

Kewan Qadre Khawaja - Co-Founder & Director
Kewan Qadre Khawaja is a co-founder of AdalFi and serves on its Board. He is also co-founder and co-Chief Executive Officer of Techlogix, which he established in 1996 and has led for close to three decades, building it into a technology and financial-services firm operating across the United States, Pakistan and the Middle East. He began his career as a software engineer at Cambridge Technology Group in the Greater Boston area.

He holds a Master of Science in Geographic Information Systems from the Massachusetts Institute of Technology (MIT) and a Bachelor of Science in Civil Engineering from the University of Engineering & Technology (UET), Lahore. Based in Massachusetts, he brings deep technology and entrepreneurial experience to the Board.

Ali Mukhtar - Director
Ali Mukhtar serves on AdalFi's Board as a director. He is a Director of the Fatima Group, one of Pakistan's leading agri-industrial conglomerates, where he helps oversee group strategy and a portfolio spanning fertilisers, mining and minerals, energy and other priority sectors, and is Chief Executive Officer of Fatima Petroleum. He is also the Founder and General Partner of Fatima Gobi Ventures, a venture-capital firm backing high-growth Pakistani technology start-ups, and a Founding Board Member of Endeavor Pakistan.

He was educated at the University of Pennsylvania and has completed executive programmes through the Young Presidents' Organization (YPO). He brings capital-markets, venture and industrial-strategy experience to the Board.

Ahmad Hammoudi - Director
Ahmad Hammoudi serves on AdalFi's Board as a director. He is a Partner at COTU Ventures, a Dubai-based early-stage venture-capital firm investing in founders across the Middle East and North Africa. Earlier he was Chief Operating Officer of COTU Ventures and, before that, Chief Operating Officer of Stake, a Dubai-based real-estate investment platform. He also held engagement-management roles at ConsenSys and at Strategy& (formerly Booz & Company).

He holds a Master of Business Administration from Columbia Business School and a Master of Science in Electrical & Computer Engineering from Rice University. He brings regional venture-capital, fintech and operating experience to the Board.

Ayesha Aziz - Director
Ayesha Aziz has 30 years of financial sector experience in leadership positions and is a qualified Chartered Financial Analyst (CFA). Her area of expertise is strategy and financial engineering and her functional roles have been in Investment Banking, Treasury, Credit and Planning. As founding Managing Director of Pak Brunei Investment Company, Ms. Aziz helped position the company as a leading investment bank with a focus on project finance, SME and distress asset financing. Over the course of her career, she oversaw the establishment of two new DFIs as well as non-banking finance companies for microfinance, asset management, Islamic finance, and SME leasing.

Ms. Aziz also serves on the Board of Engro Polymer and Chemicals Limited, Haleon Pakistan (formerly GSK Consumer Healthcare), KSB Pumps Company Limited and Alfalah Asset Management Ltd. She is the Managing Partner in White Clover Consulting which was established to develop and monetise green projects, apart from providing financial advisory services.

Omer Saeed - Director
Omer Saeed serves on AdalFi's Board as a director. He is the Chief Executive Officer of Service Long March Tyres (Private) Limited and of the Servis Foundation, and sits on the boards of several leading listed companies, including Nestlé Pakistan Limited, Systems Limited, Service Industries Limited, Service Global Footwear Limited and The Hunar Foundation. He previously served as Chief Executive Officer of Service Industries Limited from 2011 to 2018, during which the company won the Pakistan Stock Exchange Top-25 Companies Award in 2011, 2013, 2014 and 2015, and earlier built Servis into one of Pakistan's largest footwear retailers with some 500 stores nationwide. In 2004 he founded Ovex Technologies, which became one of Pakistan's leading call-centre companies before its sale in 2011.

He graduated with high honours from Brown University and holds a Master of Business Administration from Harvard Business School.

7.4 PROFILE OF SENIOR MANAGEMENT

Salman Akhtar - Founder & Chief Executive Officer
Salman Akhtar is the Founder and Chief Executive Officer of AdalFi. He holds two engineering degrees from the Massachusetts Institute of Technology (MIT) and has more than 25 years' experience building enterprise technology for the financial-services sector. In 1996 he co-founded Techlogix, a global consulting and IT-services firm with operations in the United States, Pakistan and the Middle East, where he serves as co-Chief Executive Officer and leads its Financial Services practice — a business that maintains 35-plus active relationships with banks across Pakistan, the Middle East and Africa.

In 2021 he founded AdalFi, together with Kewan Qadre Khawaja, to bring AI-based, cash-flow credit scoring to banks, and is responsible for the Company's overall strategy, key partnerships and product direction.

Arsalan Ahmed - Chief Technology Officer
Arsalan Ahmed is the Chief Technology Officer of AdalFi, a role he has held since 2021, and leads the development, architecture and operation of the AdalFi Digital Lending Platform and the AdalFi Analytical Architecture, together with the Company's engineering, data-engineering and quality-assurance functions and the platform's real-time integrations with partner banks' core-banking, card-management and digital-channel systems. He holds a Bachelor of Engineering in Computer & Information Systems from NED University of Engineering & Technology and a Master of Science in Software Project Management from the National University of Computer & Emerging Sciences (FAST-NUCES).

He built his career over more than a decade at Techlogix, joining as a software engineer and rising through senior engineering, offshore project-management and middleware lead-architect roles (spanning BPM, BAM, SOA and business-intelligence delivery for international clients) to Director of Professional Services and, latterly, Chief Technology Officer. Earlier he served as a project manager at TenPearls, delivering iOS applications.

Waqar Safdar - Chief Financial Officer

Waqar Safdar is the Chief Financial Officer of AdalFi, responsible for the Company's financial management and reporting, internal controls, treasury, taxation and investor relations, and for leading the finance function through the Company's transition to a listed public company. He is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of Pakistan (ICAP) and has also completed the Pakistan Institute of Corporate Governance's Directors' Training Programme.

He has served as Chief Financial Officer of Techlogix since 2006, a role he continues to hold alongside his responsibilities at AdalFi, giving him close to two decades of senior finance leadership in the technology sector. Earlier in his career, he held finance and management roles in Pakistan's manufacturing sector, including at Ejaz Dyeing & Finishing Mills and at Azgard Nine / CresSoft. He describes himself as a finance executive with extensive experience in corporate structuring, fundraising, compliance and financial strategy.

Qasim Javed - Head of Professional Services
Qasim Javed leads AdalFi's Professional Services function, with responsibility for deploying the platform into partner banks and for ongoing client delivery and customer success. He oversees the Company's implementation methodology — spanning solution design, systems integration, testing and production go-live — and manages the expansion of additional lending products within existing partner institutions. He holds a Master of Computer Science and a Bachelor of Computer Science from the University of Central Punjab.

He brings more than two decades of banking-technology delivery experience at Techlogix, where he has led the Financial Services practice—most recently as Senior Vice President—and managed numerous domestic and international core-banking implementations, including FLEXCUBE deployments, along with pre-sales solution design, demonstrations, and programme management. He has served as Senior Vice President at AdalFi since 2024. Earlier in his career he held technology roles at KAPS Consulting and Lever Brothers (Unilever).

Ian Read - Head of Credit Excellence
Ian Read is AdalFi's Head of Credit Excellence, responsible for the quality, validation and governance of the Company's credit-scoring models and for ensuring that partner banks receive world-class, well-governed risk models. Based in Dubai, he brings more than 25 years' experience in international credit, decisioning and analytics.

His career includes senior roles as Senior Partner and General Manager at FICO; Chief Commercial Officer at Qarar; and Chief of Credit Excellence at SIMAH, the Saudi Credit Bureau, where he served on secondment from Qarar. He is also the owner and principal of Read Associates, through which he has advised banks and financial institutions. He works closely with partner institutions as an advocate for sound underwriting, model governance and responsible credit access.

Khalid Kabeer - Chief Product Officer
Khalid Kabeer is the Chief Product Officer of AdalFi, responsible for the Company's product strategy, roadmap, definition and user experience across its consumer and SME lending solutions. Based in Amman, Jordan, he is a fintech and financial-inclusion executive with more than 20 years of leadership across the Middle East, South Asia and Europe.

He previously served as Chief Executive Officer of the Vitas Group, a MENA-focused micro- and SME-finance business, and continues to serve on the boards of several of its operating companies, including Vitas Jordan, Vitas Palestine, Vitas Lebanon and Vitas IFN (Romania). He is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of Pakistan and holds a Bachelor of Arts in Economics from the University of the Punjab.

Dr. Qasim Sheikh - Head of Research
Dr. Qasim Sheikh is AdalFi's Head of Research, leading the scientific work underpinning the Company's AI-based credit-scoring models. At AdalFi, he ensures the Company's credit models are grounded in rigorous, state-of-the-art research. He holds a PhD and a Master of Science in Computer Science, both from the University of Illinois at Urbana-Champaign, and brings more than three decades of experience in high-performance computing, algorithms and applied research.

Earlier in his career, he served as Director of Innovation at the National University of Sciences and Technology (NUST), Islamabad, and as Chief Executive Officer of the National ICT R&D Fund, where he was responsible for nurturing Pakistan's ecosystem for technology research, innovation and human resource development.

He began his career in advanced scientific computing — including a period at Cray Research, where he worked on large-scale simulations in fields such as oil-reservoir modelling, computational electromagnetics and semiconductor-device simulation — and has founded and led companies developing telecommunications, VoIP, media-compression and IP-streaming systems, as well as conducting research in computational biology on protein-structure prediction.

7.5 QUALIFICATIONS OF DIRECTORS

No person shall be appointed as a director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.6 APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The Directors of the Company are elected for a term of three years in accordance with Section 159 of the Companies Act, 2017.

The Directors shall comply with the provisions of Sections 154 to 159, 161, and 167 of the Companies Act, 2017, relating to the election, retirement, and removal of Directors and other matters ancillary thereto.

Any casual vacancy on the Board may be filled by the Directors, subject to the requirement that the appointee shall retire at the same time as if he/she had become a Director on the date the predecessor was last elected.

The most recent election of Directors was held on October 17, 2026.

The Company shall have a Chief Executive appointed in accordance with the provisions of the Companies Act, 2017. The Chief Executive shall be deemed a Director for all purposes relating to the rights and privileges of a Director. The Chief Executive may be removed by the Board or by the Company through a special resolution, in accordance with Section 190 of the Act.

The Company will comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 when applicable.

7.7 INTEREST OF DIRECTORS AND PROMOTORS

The Directors and Promoters of the Company may have a direct or indirect interest in contracts, arrangements, or dealings with the Company, in accordance with the provisions of the Companies Act, 2017 and the Articles of Association. In accordance with Section 205 of the Companies Act, 2017, every director who is, in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or proposed to be entered into, by or on behalf of the Company is required to make a disclosure of the nature of such concern or interest at a meeting of the Board. A director shall also be deemed to be concerned or interested in a contract or arrangement if any of his relatives has such interest.

In accordance with Section 207 of the Companies Act, 2017, a director who is directly or indirectly interested in any contract or arrangement with the Company shall not participate in discussions or vote on the matter, and their presence shall not count towards a quorum. In a listed company, a director with a material personal interest shall not be present during consideration of the matter. Where a majority of directors are interested, the matter shall be submitted to the general meeting for approval. All other contracts or arrangements in which Directors or Promoters have an interest are subject to Board approval, ensuring compliance with corporate governance standards and regulatory requirements.

Directors who perform whole-time services in the Company are deemed to have an interest in the remuneration payable to them.

7.8 INTEREST OF THE DIRECTOR AND PROMOTER IN PROPERTY / ASSETS AND PROFITS OF THE COMPANY

Directors do not have any interest in property of the Company. Directors do not have any profit-sharing agreement with the Company, however, when the Company declares a dividend, they will be entitled to receive the payment based on their shareholding in the Company.

7.9 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

As per the Article 62 the remuneration of the directors shall from time to time be determined by the Board of Directors of the Company.

PKR	Chief Executive Officer			Directors			Executives		
	CY2023	CY2024	CY2025	CY2023	CY2024	CY2025	CY2023	CY2024	CY2025
Managerial Remuneration	19,920,000	26,583,955	30,358,537	-	-	-	144,503,338	185,529,699	250,661,779
Allowances:	-	-	-	-	-	-	-	-	-
Retirement Benefit	1,062,404	1,407,996	1,599,996	-	-	-	5,808,328	7,835,464	10,038,320
Total	20,982,404	27,991,951	31,958,533	-	-	-	150,311,666	193,365,163	260,700,099
Number of Persons	1	1	1	1	1	1	38	45	67

7.10 BENEFITS (MONETARY OR OTHERWISE) PROVIDED TO SPONSORS, SUBSTANTIAL SHAREHOLDERS, AND DIRECTORS DURING THE LAST THREE YEARS

None

7.11 VOTING RIGHTS

According to the Articles 54 to 60, any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote except for election of directors in which case provision of Section 159 shall apply, on a poll every member shall have voting rights as laid down in Section 134 of the Act.
Members may exercise voting rights at general meetings through electronic means if the Company receives the requisite demand for poll in accordance with the applicable laws.
Every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote in respect of each share held by him.

7.12 AUDIT COMMITTEE

To strengthen the integrity of its internal control environment, the Company maintains a dedicated internal audit function staffed by suitably qualified and experienced professionals with strong familiarity with the Company's policies, procedures, and operational processes. The internal audit team operates on a full-time basis and is responsible for providing independent assurance on the effectiveness of internal controls, risk management practices, and governance systems. The internal audit function reports directly to the Board Audit Committee, which consists of 03 ("Three") members, including 01 ("One") independent directors and 02 ("Two") non-executive director. The Committee is chaired by an independent director, ensuring objective oversight in line with applicable corporate governance standards. The Audit Committee comprises the following members:

Members	Role
Ayesha Aziz	Chairperson
Kewan Qadre Khawaja	Member
Ali Mukhtar	Member

7.13 HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board of Directors has instituted a structured and robust Human Resources framework to support the Company's operational and strategic objectives. This function is led by highly qualified and experienced professionals possessing in-depth knowledge of the Company's internal policies, governance framework, and applicable labor regulations. The Human Resources team is engaged on a full-time basis and is responsible for the consistent, transparent, and compliant execution of all HR-related functions. Governance and oversight of the Human Resources function are entrusted to the Ethics, Human Resource, Remuneration, and Nominations\ Committee, which comprises the following members:

Members	Role
Rayomond Kotwal	Chairman
Kewan Qadre Khawaja	Member
Ahmad Hammoudi	Member

7.14 POWERS OF DIRECTORS

The control of the Company shall be vested in the directors and the business of the Company shall be managed by the directors who may exercise all such powers of the Company and do all such acts and things as may be exercised or done by the Company as by the Act or by articles of the Company or by a special resolution expressly directed or required to be exercised or done by the Company.

7.15 INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

As per Article 90 of the Articles of Association of the Company, every officer or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under Section 492 of the Companies Act, 2017 in which relief is granted to him by the Court.

7.16 CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019.

8 LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1 LEGAL PROCEEDINGS AND OVERDUE LOANS

There are no pending litigations against the Company, Sponsors, Substantial Shareholders, Associated Companies and Directors.

8.2 ACTIONS TAKEN BY PSX AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NON-COMPLIANCE OF ITS REGULATIONS

No action has been taken by the Pakistan Stock Exchange Limited against the Issuer during the last three years due to non-compliance with its regulations.

8.3 OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its Sponsors and promoters, substantial shareholders, directors and associated group companies. The Company, its CEO, its directors and its sponsors, under the oath, undertake the order that they have no overdue payment to any financial institutions.

9 UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

9.1 UNDERWRITING

Underwriter(s)	Amount Underwritten at Floor Price	Amount Underwritten at Cap Price
	(i.e., PKR 8.75/-)	(i.e., PKR 13/-)
Arif Habib Limited	109,725,009	163,020,013
Total	109,725,009	163,020,013

9.2 OPINION OF THE DIRECTORS REGARDING RESOURCES OF THE UNDERWRITERS

In the opinion of the Directors of Adal Fintech Limited, the resources of the Underwriters are sufficient to discharge their underwriting commitments.

9.3 RATE OF UNDERWRITING COMMISSION

Underwriters	Rate of Underwriting	Take Up Commission
	%	
Arif Habib Limited	1%	1%

9.4 STATEMENT ABOUT NON-EXECUTION OF ANY BUY-BACK, OR REPURCHASE AGREEMENT BETWEEN THE UNDERWRITERS OR THEIR ASSOCIATES AND THE ISSUER OR ITS ASSOCIATES

The Underwrites nor any of their associates have entered into any buyback or repurchase agreements with the issuers or any other person in respect of this offer.

Also, neither the issuer nor any of their associates have entered into any buy-back/repurchase agreement with the underwriters or their associates. The issuer and their associates shall not buyback/repurchase shares from the underwriters and their associates.

9.5 FEES AND EXPENSES FOR CENTRALIZED E-IPO SYSTEM (CES)

Commission on application received through the e-IPO Systems of PSX and CDC will be paid to PSX and CDC which shall not be more than 0.8% of the total applications.

9.7 RATE OF BROKERAGE COMMISSION

The issuer will pay brokerage commission to the TRE Certificate Holder of PSX at the rate of 1.00% of the value of on successful applications in the Book Building. No brokerage shall be payable in respect of shares taken up by the underwriter by virtue of their underwriting commitment.

9.8 ESTIMATED EXPENSES OF THE OFFER

Expenses to the offer are estimated not to exceed PKR 21,278,577/-. The break-up of these preliminary expenses is given below:

Tentative Issue Size in PKR		438,900,026
Particulars	Rate	Expenses PKR
Lead Manager Fees	2.00%	8,778,001
TREC Holders Commission*	1.00%	3,291,750
Underwriting Commission	1% of the General Public Portion	1,097,250
Centralized E-IPO Charges	0.80% of the General Public Portion	877,800
Advertising, Printing and Publishing of Prospectus	Fixed	2,000,000
PSX Initial Listing fee	0.1% of Paid up capital Capped at PKR 2.2 mn	501,600
Share Registrar, Transfer Agent and Balloting Agent	Fixed	1,000,000
CDC Fresh Issue fee	0.144% of issue size	632,016
CDC Annual Eligibility Fee	Fixed based on Post-IPO Paid Up Capital	600,000
SECP Supervisory fee	10.00% of PSX Initial Listing Fee	50,160
SECP IPO Application Processing fee	Fixed	200,000
PSX Book Building Software	Fixed	1,250,000
Miscellaneous Expenses	Fixed	1,000,000
Total		**21,278,577**

**TREC Holders commission will only be paid on the book building shares*

Note: All fees are based on the Floor price and are subject to change with the strike price

10 MISCELLANEOUS INFORMATION

10.1 REGISTERED AND CORPORATE OFFICE OF THE COMPANY

Company's Registered Office: 39 Empress Road, Near Shimla Pahari, Lahore, Pakistan

Place Of Business:

- 14th Floor, New State Life Tower, Jinnah Avenue, Blue Area, Islamabad, Pakistan.
- Office F-02, Colabs, NASTP, Old Airport Building, 69 Abid Majeed Road, Lahore Cantt, Lahore, Punjab .
- Tower A, 11th Floor, Fortune Tower Block-6 PECHS, Shahrah-e-Faisal, Karachi, Pakistan.

10.2 BANKERS OF THE COMPANY

Bank	Branch	Address	Telephone	Email
Askari Bank Ltd.	Main Boulevard Gulberg Branch	10-E/II Main Boulevard Gulberg III Lahore	+92 42 38104475 / +92 42 99231336-41	customerservices@askaribank.com.pk
The Bank of Punjab	Egerton Road Branch	7-Egerton Road Lahore	+92 42 36374555 / +92 42 36374811-14	bop0002@bop.com.pk
Meezan Bank Ltd	Shadman Branch	91-Shadman Colony, Lahore	+92 42 35408719-22	complaints@meezanbank.com
Samba Bank Ltd.	Gulberg Main Boulevard Branch	91-D/1, Main Boulevard Gulberg-III, Lahore	+92 42 38109000 / UAN: 021 111 172 622	samba.care@samba.com.pk
Habib Metropolitan Bank Ltd.	Egerton Road Branch	Egerton Road Lahore	+92 42 36279062-64	customers@habibmetro.com
Khushhali Bank Limited	Jail Road Branch	Jail Road Shadman Colony Branch Lahore	+92 42 35408679 / UAN: 051 111 047 047	ljr.bm@kb.com.pk
Mobilink Microfinance Bank Ltd.	Mozang Branch	Mozang Branch Lahore	+92 42 37424246 / +92 42 37424274	info@mobilinkbank.com
Habib Bank Limited	Corporate Centre Branch	Corporate Centre (1242) 102-103 Upper Mall, Lahore.	+92 42 36281655 / +92 42 36281658	customer.care@hbl.com
MCB Islamic Bank Limited	Davis Road Branch	Aftab Centre, 30-Davis Road, Lahore	+92 42 36287029 / +92 42 36286965 / UAN: 042 111 222 642	–
JS Bank Limited	Mall Road Branch	309 Upper Mall, Shahrah-E-Quaid-E-Azam, Lahore, Punjab	UAN: 042 111 572 265	ccu.helpdesk@jsbl.com

10.3 COMPANY'S AUDITORS

Name	Address	Telephone	Email
Grant Thornton Anjum Rahman	135-Ferozepur Road, Lahore	+92 42 37423621-23	mnaeem@pk.gt.com

10.4 LEGAL ADVISORS TO THE COMPANY

Name	Address	Telephone	Email
Huzaima & Ikram (Law Firm)	155, Block G3 Block Phase 2 Johar Town, Lahore	+92 42 353200721	info@huzaimaikram.com

10.5 LEGAL ADVISORS TO THE ISSUE

Name	Address	Telephone	Email
Huzaima & Ikram (Law Firm)	155, Block G3 Block Phase 2 Johar Town, Lahore	+92 42 353200721	info@huzaimaikram.com

10.6 COMPUTER BALLOTERS & SHARE REGISTRAR

Name: CDC Share Registrar Services Limited
Address: CDC House, 99-B, Block B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi – 74400.
Email: info@cdcsrsl.com
Website: www.cdcpakistan.com
Phone: +92-21-111 111 500

10.7 CONSULTANT TO THE ISSUE AND LEAD MANAGER

Name: Arif Habib Limited
Address: Arif Habib Center, 23, MT Khan Road, Karachi.
UAN: +92 21 111 245 111
Fax: +92 21 3242 9653
Email: hamza.rehan@arifhabibltd.com
Website: www.arifhabibltd.com

10.8 ELIGIBLE PARTICIPANTS

All eligible participants, including Securities Brokers, Mutual Funds, Scheduled Banks, and Development Finance Institutions that are clearing members of NCCPL and Trading Brokers only.

11 MATERIAL CONTRACTS

11.1 DETAILS OF SHORT — TERM FINANCING FACILITIES

The Company has not obtained any short-term financing facilities.

11.2 DETAILS OF LONG — TERM FINANCING FACILITIES

The Company has not obtained any long-term financing facilities.

11.3 DETAILS OF AGREEMENTS

Sr. No.	Title of Agreement	Party to Agreement	Date of Contract	Validity	Particular
1	Intellectual Property Licence and Royalty Agreement	Adal Financial Pte. Ltd.	2026	Ten years, renewing automatically for successive five-year terms.	Grants the Company an exclusive, irrevocable licence to use, operate and commercialise the AdalFi Digital Lending Platform in Pakistan.
2	Platform Development Services Agreement	Adal Financial Pte. Ltd.	2026	Till 31 December 2029, then renews annually.	Build, development and modelling services for the AdalFi Digital Lending Platform
3	Service Agreement	Techlogix Pakistan (Private) Limited	2026	Ten years	Under this agreement, the Company provides digital lending services through the AdalFi platform to banks that hold contracts with Techlogix. Techlogix remains the contracting party with those banks, and the Company carries out and supports the services.
4	Common Expense Sharing Agreement	Techlogix Pakistan (Private) Limited	2021	Continues until amended, replaced or terminated by the parties in writing.	Common premises-related and back-office costs, including rent, utilities, internet and telephony, insurance, repairs and maintenance, office expenses, depreciation etc, and the costs of shared support staff. Shared at actual cost on the agreed allocation basis.

Sr. No.	Title of Agreement	Party to Agreement	Date of Contract	Validity	Particular
5	Services Agreement	Techlogix Pakistan (Private) Limited	2026	Continues until amended, replaced or terminated by the parties in writing	Techlogix provides services for the Company's business as requested from time to time, including development, implementation, operation, maintenance and support of the Company's solutions for its customers. Development work on the parent's platform is excluded. Intellectual property in the work vests in the Company.

11.4 DETAILS OF RENTAL AGREEMENT

No	Suppliers	Country of Origin	Goods / Services Procured	Formal Agreement	Date of Contract	Validity	Particulars
1	State Life (Red) Islamabad	Pakistan	Services	Yes	CY 2026	3 years, renewal on expiry	Islamabad Office Lease
2	COLABS (Pvt.) Ltd	Pakistan	Services	Yes	CY 2026	1 year, renewed annually	Lahore Office Lease
3	Usman Muhammad Khattani	Pakistan	Services	Yes	CY 2026	1 year, renewed annually	Karachi Office Lease

11.5 INSPECTION OF DOCUMENTS AND CONTRACTS

Documents relating to the Issuer and the issue, including copies of all agreements, contracts and reports referred to in the prospectus, will be made available for inspection at the office of the Company at 39 Empress Road. Lahore**,** during usual business hours from the date of publication of this prospectus on [•] till the closing of subscription list on [•].

11.6 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

11.7 FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on January 01 and ends December 31.

12 APPLICATION AND ALLOTMENT INSTRUCTIONS

12.1 ELIGIBILITY TO PARTICIPATE IN BIDDING

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 2,000,000/- (PKR Two Million only).

12.2 IN CASE OF ISSUE THROUGH BOOK BUILDING, INFORMATION NEEDED TO BE DISCLOSED I.E. NUMBER OF SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION AND RETAIL PORTION, FLOOR PRICE AND THE PRICE BAND

The Offer comprises 50,160,003 Ordinary Shares of AdalFi having a face value of PKR 1/- each, offered at a Floor Price of PKR 8.75/- per share, which constitute 10% of the Post-IPO Paid-up Capital of the Company.

Of the entire Issue of 50,160,003 Ordinary Shares, seventy-five percent (75%) of the Issue, i.e. 37,620,002 shares, will be offered through the Book Building process at a Floor Price of PKR 8.75/- per share, with a price band of 48.57% above the Floor Price, i.e. up to a Cap Price of PKR 13.00/- per share.

The bidders shall be allowed to place bids for seventy-five percent (75%) of the Issue size, and the Strike Price shall be the price at which the seventy-five percent (75%) portion of the Issue is subscribed. The remaining twenty-five percent (25%) of the Issue, i.e. 12,540,001 shares, will be offered to retail investors. The Retail Portion will be fully underwritten, with Arif Habib Limited acting as the Underwriter to the Issue. Unsubscribed shares, if any, of the Retail (General Subscription) Portion will be taken up by the Underwriter to the Issue.

Within 1 working day of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, names of the underwriters of the retail portion, underwriting commission bifurcating as take up commission or any other, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

12.3 TYPES OF BIDS AND PROCEDURE FOR MAKING A BID

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer sets a Floor Price, which is the minimum price a Bidder can bid at. An order book of bids is maintained by the Designated Institution, which is then used to determine the Strike Price through the "**Dutch Auction Method**".

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process is subscribed.

A bid by a Bidder can be a "**Limit Bid**", or a "**Step Bid**", each of which are explained below:

Limit Bid: Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares. The bid amount, however, cannot be less than PKR 2,000,000/-.

In such a case, a Bidder explicitly states the price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1.0 Mn shares at PKR **8.75/-** per share, based on which the total Application Money would amount to PKR **8,750,000/-**. In this case, the Bid Amount will also be PKR **8,750,000/-**. Since the Bidder has placed a Limit Bid of PKR **8.75/-** per share, this indicates that he / she / it is willing to subscribe to the shares at a price up to PKR **8.75/-** per share.

Step Bid: A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR 2,000,000/-.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 5 Mn shares at PKR **8.75/-** per share, 3 Mn shares at PKR **9.63/-** per share and 2 Mn shares at PKR **10.51/-** per share. Therefore, in essence, the Bidder has placed one Step Bid comprising three Limit Bids at increasing prices. The Application Money would amount to PKR **93,660,000/-**, which is the sum of the products of the number of shares bid for and the Bid Price of each Limit Bid. In such a case, the Eligible Participant shall collect advance/margin money against bids based on its own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for its proprietary and investor accounts.

RESTRICTIONS:

(i) AN ELIGIBLE INVESTOR SHALL NOT:

(a) MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;
(b) MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION;
(c) MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS;
(d) PLACE CONSOLIDATED BID;
(e) MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY;
(f) MAKE DOWNWARD REVISION BOTH IN TERMS OF 0BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND
(g) WITHDRAW BID.

(ii) IT IS THE RESPONSIBILITY OF THE CTI TO ENSURE IMPLEMENTATION OF THE FOLLOWING RESTRICTIONS BY INCORPORATING RELEVANT UINS / CUINS IN THE PSX BOOK BUILDING SYSTEM:

a. The associates of the Issuer as disclosed in the Prospectus shall not in aggregate make bids in excess of ten percent of the securities offered though Book Building.
b. The associates of the Consultant to the Issue shall not in aggregate make bids in excess of ten percent of the securities offered through Book Building.

Provided that it shall not apply to such associates of the Consultant to the Issue that are Financial Institutions, Mutual Funds and Insurance Companies.

(iii) RELATED EMPLOYEES (I.E. EMPLOYEES OF THE ISSUER, THE OFFEROR, THE UNDERWRITERS, AND THE CONSULTANTS TO THE ISSUE, WHO ARE INVOLVED IN THE ISSUE OR THE PROSPECTUS ARE NOT ELIGIBLE TO PARTICIPATE IN THE BIDDING.

(iv) NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.

(v) AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.

(vi) AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE CONSULTANT TO THE ISSUE SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING. PROVIDED THAT IT SHALL NOT APPLY TO SUCH ASSOCIATES OF THE LEAD MANAGER AND THE CONSULTANT TO THE ISSUE THAT ARE FINANCIAL INSTITUTIONS, MUTUAL FUNDS AND INSURANCE COMPANIES.

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER AND THE CONSULTANT TO THE ISSUE ARE PROVIDED IN SECTION 3A (vii).

Once the Bidding Period has lapsed and the book has been built, the Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process one working day after the close of the bidding period, be debiting the settling bank accounts of the Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants one working day after the close of the bidding period within banking hours.

As per PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.

The Bidders must provide the bank account details in their Bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

12.4 TIME FRAME FOR INTIMATION TO THE SUCCESSFUL BIDDERS AND MECHANISM FOR PAYMENT OF THE BALANCE AMOUNT BY THE SUCCESSFUL BIDDERS

At the end of bidding period, successful bidders and their Eligible Participants shall be notified by the Book Building System via their registered email that their bids are accepted and such bidders are required to arrange settlement with NCCPL at B+1 (one day after the end of the bidding) within designated time specified in the Joint Procedures.

Upon conclusion of Book Building and determination of successful bidders, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of Eligible Participants. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its shortfall management process as per the Joint Procedures.

12.5 NCSS DESIGNATED TIME SCHEDULE FOR BOOK BUILDING

Activity[93]		Start Time	End Time
Monday to Friday	Advance/ Collection of Margin Money against bid amount from bidders one day before the start of bidding (B-1)	09:00 AM	16:30 PM
	Increase in the bid amount during bidding period subject to deposit of additional margin money by existing bidder	09:00 AM	16:30 PM
	Margin collection during the bidding period for the registration of new bidders	09:00 AM	16:30 PM
	Final collection from bank account of successful bidders (B+1)	09:00 AM	12:00 PM
	Refund/ Release the advance amount/margin money of Eligible Participants against unsuccessful bids (B+1)	09:00 AM	12:00 PM

12.6 ELIGIBLE PARTICIPANT(S) FOR BOOK BUILDING

All Eligible participants including trading only securities brokers, mutual funds, scheduled banks, and development finance institutions that are clearing members of NCCPL.

Functions of the Eligible Participant as per PSX and NCCPL Joint Procedures for Book Building:

i. **Eligible Participants shall establish bidding accounts in the PSX Book Building System for proprietary participation.**
ii. **Eligible participants shall register bidders and create accounts for the bidders to participate in the bidding.**
iii. **Eligible Participants that are Banks, Mutual Funds and DFIs can only create bidding account for proprietary participation and cannot on board/register bidders or create bidding account of the bidders for participation in the bidding. A bank and DFI may however onboard/register bidders only in case such bank or DFI is acting as CTI in the public offering transaction. For Trading Only Broker and their clients, the user bidding account must be created through the Professional Clearing Member – PCM (EClear Services Limited).**
iv. **Eligible Participant shall collect advance amount/margin money against bids from the bidders.**

[93] Joint Procedures, Nov 07, 2025, Annexure – A: NCSS Designated Time Schedule (DTS) for book building

12.7 NAME OF THE DESIGNATED INSTITUTION AND ITS ROLES AND RESPONSIBILITIES

PSX, being the Designated Institution, shall ensure that Book Building System shall smoothly perform following functions:

i. **record name, Unique Identification Number (UIN), National Tax Number (NTN), postal and email addresses, land line and cell numbers, bank account Number and branch address and Investor Account Number or Sub-Account Number of the bidder with participant account number;**
ii. **provide a mechanism for registration of the bidders before commencement of the bidding period till 03:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned in para (i) above;**
iii. **generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed;**
iv. **record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid;**
v. **display the bids revised, and date and time of upward revision;**
vi. **neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above the upper limit of the Price Band;**
vii. **display live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and indicative Strike Price;**
viii. **build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion;**
ix. **discover the strike price at the close of the Bidding Period;**
x. **generate alerts for the Bidders via Short Message Service through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, and upon discovery of the strike price; and**
xi. **ensure that system must provide the bidders the option to revise their bids during the period permitted under these Regulations;**

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.8 ROLES AND RESPONSIBILITIES OF THE ISSUER

The Issuer shall ensure that:

1. **The Issuer, its Sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount., appearing in the report obtained from the credit information bureau;**
2. **The Issuer or its directors, Sponsors or substantial shareholders should not have held the office of the directors, or have not been Sponsors or substantial shareholders in any company:**
    i. which had been declared defaulter by the securities exchange or futures exchange; or
    ii. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
    iii. which has been de-listed by the securities exchange due to non-compliance of its regulations.

3. **The Consultant to the Issue, Underwriter, Balloter and Share Registrar and Designated Bank of the Issuer, are appointed through separate agreements in writing.**
4. **It has submitted through its Consultant to the Issue, an application along with draft prospectus for listing of its securities to the PSX.**
5. **The shares shall be issued in book-entry form only.**

12.9 OPENING AND CLOSING OF THE REGISTRATION PERIOD

The Registration period shall be for Five (5) working days as under:

REGISTRATION PERIOD	
[•]	9:00am to 5:00pm
[•]	9:00am to 5:00pm
[•]	9:00am to 5:00pm
[•]	9:00am to 5:00pm
[•]	9:00am to 3:00pm

12.10 OPENING AND CLOSING OF THE BIDDING PERIOD

The Bidding Period shall be for Two (2) working days as under:

BIDDING PROCESS STARTS ON	[•]
BIDDING PROCESS ENDS ON	[•]

12.11 INFORMATION FOR BIDDERS

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus can be obtained from the Registered Office of AdalFi, and AHL (CTI). Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Consultant to the Issue, PSX and the Company i.e. , http://www.arifhabibltd.com, http://www.psx.com.pk, and http://www.adalfi.com.
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Eligible Participants at the for registration for submitting their Bids.
4. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.

12.12 PROCEDURE FOR REGISTRATION

1. All Eligible Participants shall be required to get registered with the Designated Institution i.e. PSX.
2. For registration purposes, each Eligible Participant shall submit an Expression of Interest for participation in the Book Building.
3. In order to commence registration, PSX shall issue public notice regarding the book building at least three (3) working days before the bidding period (B-3). The notice shall cover the Issuer Name, Issue size, Floor Price, Price Band, Registration Dates, Bidding Dates along with the salient features of the Issue.

4. Eligible Participant shall be required to register itself with the NCCPL. In order to register, Eligible Participant shall submit an interest to the NCCPL for participation in the book building being conducted by the Book Building System of PSX. Registration would be a one-time process and would not be required before each new book building transaction.
5. Upon registration, PSX will configure its Book Building System by creating Eligible Participant. Once the Eligible Participant is created, credentials such as participant ID, PIN and password will be transmitted by the Book Building System to the authorised person of Eligible Participants at their registered email addresses and designated mobile numbers.
6. The Designated Institution and NCCPL shall jointly develop and notify the detailed procedures covering the operational and procedural requirements for Book Building, after obtaining prior approval from the Commission.
7. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration.
8. The bidding process shall be conducted electronically through the Book Building System in a fair, efficient, and transparent manner.
9. The registration of bidders by the Eligible Participants shall commence at least three (3) working days prior to the start of the bidding period and shall remain open until 3:00 p.m. on the last day of the bidding period.
10. The bidding period shall remain open for at least two (2) working days.
11. The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
12. The bidders can revise the bids till 05:00 p.m. on the last day of the Bidding Period.
13. The Eligible Participant shall register bidders, including both individual and institutional investors, and create user bidding accounts for them. The Eligible Participant may also create bidding accounts for proprietary participation.
14. The creation of a user bidding account shall require minimum information such as the bidder's name, bid amount, UIN/CNIC, incorporation number or CUIN (where applicable), contact details, CDC sub-account or investor account number, and IBAN. An IPO Facilitation Account may be used if the bidder does not have a CDC sub-account or investor account. All such details shall be captured by the Eligible Participant at the time of registration.
15. Bidders can opt for disclosed or undisclosed bidding at the time of registration. In the case of disclosed bidding, bids shall be placed by the Eligible Participant, and in the case of undisclosed bidding, bids shall be placed directly by the bidder.
    Explanation:
    - In the case of disclosed bidding, the bidder shall convey the bid amount and bid price (profit rate/spread) to the Eligible Participant for entry into the Book Building System.
    - In the case of undisclosed bidding, the bidder shall enter the bid amount and bid price (profit rate/spread) directly into the Book Building System.
16. In case of disclosed bidding, the bidder at the time of registration shall authorise the Eligible Participant for placing bid on his behalf.
17. In case of undisclosed bidding, for creating user bidding account for bidders, the Eligible Participant shall use the bidder details (email, name, phone number etc.). Book Building System will share the User ID, PIN and password directly with the bidder via registered email and mobile number.
18. Once the user is created and confirmed by the Eligible Participant, bidder shall receive system generated credentials for participation in the bidding process.
19. At the end of the bidding period, successful bidders and their Eligible Participants shall be notified by the Book Building System via registered email that their bids have been accepted. Such bidders shall arrange settlement with NCCPL at B+1 within the time specified in the Joint Procedures.

20. Upon conclusion of the Book Building process and determination of successful bidders, NCCPL shall commence its pay and collect process at B+1 by debiting the settling bank accounts of the Eligible Participants. In the event of any shortfall in payments due to failure to meet commitments, NCCPL shall initiate its shortfall management process in accordance with the Joint Procedures.
21. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 within banking hours.
22. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.
23. The Book Building process shall be deemed cancelled if the Issuer fails to receive bids for the total number of shares allocated under the Book Building Portion or if the total number of bids received is less than forty (40). In such an event, the Consultant to the Issue/Issuer shall immediately notify the Commission and the Securities Exchange accordingly.

12.13 PROCEDURE FOR BIDDING

The following procedure shall be followed for bidding:

1. Bids may be placed as either a Limit Bid or a Step Bid. Provided that the minimum size of a Limit Bid, as well as any incremental step in the case of a Step Bid, shall not be less than PKR 2 million.
2. The Issuer shall publish the Prospectus at least one (1) day prior to the commencement of bidder registration by the Eligible Participants and before the issuance of the public notice by the Designated Institution announcing the opening of the Book Building process.
3. The bidding shall commence at 09:00 a.m. and close at 05:00 p.m. during the Bidding Period.
4. PSX shall display live throughout the bidding period an order book in descending order for equity securities and discounted debt securities, and in ascending order for debt instruments quoted on a yield basis showing demand for securities at various prices/yields and the accumulated number of securities bids for along with percentage of the total securities offered. The order book shall also display the revised bids, which shall be accessible only through the PSX website.
5. The Designated Institution shall issue a public notice regarding the Book Building process at least three (3) working days before the commencement of the Bidding Period (B-3). The notice shall include, among other details, the name of the issuer, issue size, floor price, bidding dates, and salient features of the issue.
6. At the time of registration, bidders shall authorise the Eligible Participant to place the bid on their behalf in the case of disclosed bidding.
7. Eligible Participants shall collect the margin money from the bidders and deposit the same with the NCCPL.
8. Individual and institutional investors shall pay 100% of the bid amount as margin money to the Eligible Participant; provided that the Eligible Participant may accept a lower margin from bidders based on its own risk assessment.
9. In the case of undisclosed bidding, for creating user bidding accounts, the Eligible Participants shall use the bidder's details such as name, email address, and phone number. The Book Building System shall share the User ID, URL for the bid screen, PIN, and password directly with the bidder through their registered email and mobile number.
10. Once a user is created and confirmed by the Eligible Participant, the credentials for participation in the bidding process shall be forwarded by the Book Building System to

the user – i.e., the investor in the case of undisclosed bidding or their Eligible Participant in the case of disclosed bidding – via their registered email and mobile number.

11. Eligible Participants may limit the amount of bidding by their bidders, depending on the margin money received and their own risk assessment criteria.

12. In the event of a Trading Only Broker and their clients, the user bidding account must be created through a Professional Clearing Member (PCM).

13. Eligible Participant shall deposit the advance amount/margin money or standing instruction or irrevocable undertaking from the trustee, where applicable with the NCCPL by 5:00 p.m., one working day before the start of the bidding period. (B-1) Provided that during the bidding period, the Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL.

14. Based on the information shared by NCCPL, PSX will mark the Eligible Participants who have submitted advance amount/margin money for the bidding purposes.

15. NCCPL shall communicate the confirmation of advance/margin money received against the bid amount of Eligible Participants to the Designated Institution in accordance with the Joint Procedures.

16. Based on the information shared by the NCCPL, the Designated Institution (PSX) shall activate the Eligible Participants who have submitted advance/margin money for bidding purposes

17. NCCPL shall continue to share real-time information with the PSX regarding margin money deposited by Eligible Participants during the bidding period, including new bidder registrations or increases in bid amounts, in line with the Joint Procedures.

18. Eligible Participants may bid on behalf of their clients in the case of disclosed bids, whereas users may bid anonymously using their provided credentials during the bidding period, within the maximum participation amount assigned.

19. The Book Building System shall ensure that all bids are submitted within the assigned limits, based on the advance/margin money confirmed by the NCCPL and the resultant maximum participation amount.

20. The eligible participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required with the NCCPL, until 4:30 pm on the last day of the bidding period, as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.

21. Bidders may revise their bids upward until 5:00 p.m. on the last day of the bidding period

22. At the close of the bidding period, the Strike Price shall be determined by the Book Building System on the basis of the Dutch Auction Method.

23. At the end of bidding period, successful bidders and their eligible participants shall be notified by the Bidding System via their registered email that their bids have been accepted and such bidders are required to arrange settlement with NCCPL by 12:00 pm, one working day after the end of the bidding period (B+1), as specified in the Designated Time Schedule (DTS) – Annexure A of the Joint Procedures.

24. After the allocation process run by PSX, NCCPL will commence its pay and collect process at B+1 by debiting the settling bank accounts of eligible participants.

25. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of eligible participants at B+1 within banking hours. If there is any shortfall in payments due to failure to meet commitments, NCCPL will initiate its Shortfall Management Process.

26. The funds in lieu of accepted bids will be credited to the Issuer's bank account by NCCPL after the end of public subscription, credit of securities to the successful investors and issuance of NOC by the PSX.

27. Bidders who have submitted bids at prices above the Strike Price shall be allotted shares at the Strike Price.

28. In cases where the bids received are sufficient to cover the total number of shares offered under the Book Building Portion, the allotment shall be made based on highest bid priority – that is, bids made at the highest price shall be considered first for share allocation.

29. If all bids above the Strike Price are accommodated and shares are still available for allotment, the remaining shares shall be allotted on a proportionate basis among the bids made at the Strike Price

30. Bidders who have made bids below the Strike Price shall not qualify for allotment of shares.

RESTRICTIONS:

a. The bidding period shall not be extended except in extraordinary circumstances like closure of banks, failure of system, etc. In such case, the Issuer or the Consultant to the Issue shall apply to the Commission for extension in the bidding period after obtaining NOC from the Securities Exchange. In case extension is granted, the same shall be disseminated through publication in all those newspapers where the prospectus was published and on the website of the Issuer, Consultant to the Issue, the Designated Institution, and the Securities Exchange.

b. The bidder shall not:
- make bid below the Floor Price and above the upper limit of the Price Band;
- make bid for more than 10% of the shares allocated under the Book Building Portion;
- subject to the provision of clause (A) above, make bid with price variation of more than 10% of the prevailing indicative strike price or such other percentage as may be specified by the Commission;
- make consolidated bid;
- make more than one bid either severally or jointly;
- make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same;
- or
- withdraw the Bid.

c. No person shall take part in the book building process, directly or indirectly, severally or jointly in any manner, or engage in any act or practice which creates a false or misleading appearance of active bidding for raising or depressing the strike price in the book building process.

12.14 TITLE AND NUMBER OF THE BANK ACCOUNT FOR BOOK BUILDING PORTION OF THE ISSUE AND MECHANISM FOR PAYMENT OF THE MARGIN MONEY INTO THE BOOK BUILDING ACCOUNT.

The margin requirements for Eligible Participants shall be as under:

i. Securities Brokers shall be allowed to participate with 100% margin money. Securities Brokers shall collect margin money against bid amount from the investors/clients/bidders based on their own risk assessment criteria.

ii. Individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant. provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.

iii. A bank or DFI shall be allowed to onboard/register bidders and create bidding account of the bidders for participation in the bidding, only in such case where bank or DF! is acting

as Consultant to the Issue (CTI) in the public offering transaction. In such case individual investors and institutional investors shall pay 100% of bid amount as margin money to the Eligible Participant, provided that Eligible Participant may accept a lower margin from the bidders based on its own risk assessment.

iv. The Eligible Participant such as, Banks, DFIs and Mutual Funds shall be allowed to participate in the bidding process with 0% margin money for proprietary trades only.

v. For participation with 0% margin money for proprietary trades:

- **i.** Banks and DFIs shall provide standing instruction to the NCCPL to directly debit the bank account in case of default, as per the format prescribed by the NCCPL.
- **ii.** Mutual Funds shall provide Irrevocable Undertaking from the Trustee, as per the format prescribed by the NCCPL.
- **iii.** If the Bank fails to discharge its obligation on time in accordance with the applicable laws, rules and regulations, NCCPL shall be authorised to debit the settlement account of the Bank (maintained with SBP) with the settlement amount against accepted bids of the Bank.
- **iv.** The Mutual Fund through its Trustee unconditionally and irrevocably indemnifies through Irrevocable Undertaking any failure of the Fund to settle any bids for the auction which was submitted and subsequently accepted in accordance with the applicable laws, rules and regulations.

vi. Eligible Participant shall be responsible to NCCPL for providing payments in lieu of accepted bids for their proprietary and investor accounts. NCCPL shall communicate the confirmation of advance/margin money against the bid amount of Eligible Participants to Designated Institution as per the Joint Procedures. Based on the information shared by NCCPL, Designated Institution will activate the Eligible Participants who have submitted advance/margin money for the bidding purposes.

PAYMENT PROCEDURE

The payment procedures for a **Limit Bid** or a **Step Bid** are explained below:

PAYMENT FOR LIMIT BID

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Mn shares at a price of PKR **8.75/-** per share, the total Application Money would amount to PKR **8,750,000/-**. In such a case, the Eligible Participant shall collect advance/margin money against bids based on its own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for its proprietary and investor accounts.

PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 5 Mn shares at PKR **8.75/-** per share, 3 Mn shares at PKR **9.63/-** per share and 2 Mn shares at PKR **10.51/-** per share, then, in essence, the investor has

placed one Step Bid comprising three Limit Bids at increasing prices. The Application Money would amount to PKR **93,660,000/-**, which is the sum of the products of the number of shares bid for and the Bid Price of each Limit Bid. In such a case, the Eligible Participant shall collect advance/margin money against bids based on its own risk assessment criteria and shall be responsible to NCCPL for providing payments in lieu of accepted bids for its proprietary and investor accounts.

12.15 PROCEDURE FOR PAYMENT OF MARGIN MONEY BY FOREIGN INVESTOR

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("**SBP**") Foreign Exchange Manual (the "**Manual**") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e.

- **i.** A Pakistan national resident outside Pakistan,
- **ii.** A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan,
- **iii.** A foreign national, whether living in or outside Pakistan and
- **iv.** A company or firm (including a partnership) or trust or mutual fund or private fund incorporated, registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government

The issue price of such shares must be paid in foreign exchange through normal banking channels, either by remittance from abroad or from a foreign currency account maintained by the subscriber or purchaser in Pakistan.

Non-resident investors who wish to participate in the book-building process for subscription of shares may do so through the Roshan Digital Account ("**RDA**") – an initiative of the State Bank of Pakistan designed to facilitate Non-Resident Individual Pakistanis (NRIPs) in opening and operating digital bank accounts with designated SBP banks. Through the RDA, NRIPs can conduct banking transactions, make remittances, pay utility bills, and invest in various financial instruments in Pakistan, including the Pakistan Stock Market.

To invest in the Pakistan Stock Market through a Roshan Digital Account, the Non-Resident Individual Pakistani (NRIP) must authorise the respective bank to share the RDA details with the Central Depository Company of Pakistan Limited (CDC) and agree to the Terms and Conditions for Investing in Pakistan's Capital Market. Upon receipt of this information, the CDC forwards the investor's details to the National Clearing Company of Pakistan Limited (NCCPL) for the creation and registration of a Unique Identification Number (UIN). CDC also facilitates the opening of a trading account by sharing the UIN and related information with the investor's selected broker and opens a CDC Custody Account in the investor's name. Upon completion of these formalities, the NRIP becomes eligible to invest in the Pakistan Stock Market using funds available in the Roshan Digital Account.

For participation in an Initial Public Offering (IPO) through the Roshan Digital Account, investors must ensure that their RDA is linked with an active Investor Account maintained with the CDC. The investor must subscribe through this account only and not through any other custody accounts such as Sub-Accounts, IPO Facilitation Accounts, or other Investor Accounts. The investor is required to register on the CDC e-Services Portal at and complete the e-IPO Subscription Form by entering the CDC Participant ID (03277) and the Investor Account Number to generate a

Subscription ID. After filling the form, the investor should save a PDF copy of the completed form and transfer the exact IPO subscription amount from the RDA bank account to the CDC-designated bank account maintained with the same bank.https://csp.cdcaccess.com.pk

It must be ensured that the investor's account holds sufficient funds at the time of subscription; otherwise, the application will not be processed. Once the payment is made, the investor must email the PDF copy of the Subscription Form along with payment details to roshandigital@cdcpak.com. Both the payment and the eIPO Subscription Form must reach the CDC no later than 12:00 p.m. (PKT) on the last day of the subscription period. Any payment or form received after the deadline will not be accepted. Investors are also advised to note that payments made through any method other than the one prescribed above may result in complications, particularly during the refund process, in cases where the application is either partially successful on a pro-rata basis or declared unsuccessful.

12.16 PROCEDURE FOR REJECTION OF BIDS

As per Regulation 9(37) & (38) of the PO Regulations, 2017:

1. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 within banking hours.
2. The funds in lieu of accepted bids will be credited to the Issuer's bank account(s) by NCCPL after the end of the public subscription period, credit of securities to the successful investors, and issuance of NOC by the Securities Exchange.

12.17 TIME FRAME FOR UPWARD REVISION OF BIDS BY THE BIDDERS

The registered investors may revise their Bids upwards at any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
The Eligible Participants and their clients/investors/bidders can increase the bid amount subject to deposit of additional margin money, if required, with the NCCPL. The bidders can revise their bids upward till 05:00 p.m. on the last day of the Bidding Period.

NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED AND PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.

12.18 TEN PERCENT (10%) PRICE VARIATION

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 48.57% of the Floor Price which is upper limit of Floor Price. Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.

For example, if the Floor Price is **PKR 8.75/- per share** and the Indicative Strike Price at any given point during the bidding period is **PKR 8.75/- per share**, registered bidders may place or upward revise their bids at prices ranging from **PKR 8.75/- to PKR 9.63/- per share**. If the

Indicative Strike Price subsequently increases to **PKR 9.63/- per share**, registered bidders may place or upward revise their bids at prices ranging from **PKR 9.63/- to PKR 10.59/- per share**.

Please note that the lower end of the applicable price range **cannot fall below the Floor Price of PKR 8.75/- per share**, while the upper end **cannot exceed the Cap Price of PKR 13.00/- per share**. The applicable **10% price range** at any given point during the bidding period will also be displayed on the bid screen available on the **PSX website**.

12.19 PROCEDURE FOR WITHDRAWAL OF ISSUE

1. In accordance with regulation 8 (16) of the PO Regulations, 2017, the Book Building process shall be considered as cancelled if the Issuer does not receive bids for the number of shares allocated under the Book Building Portion and the same shall be immediately intimated by the Consultant to the Issuer/Issue to the Commission and Securities Exchange.
2. In accordance with regulation 8 (17) of the PO Regulation, 2017, the Book Building process shall be considered as cancelled if the total number of bids received is less than forty (40).

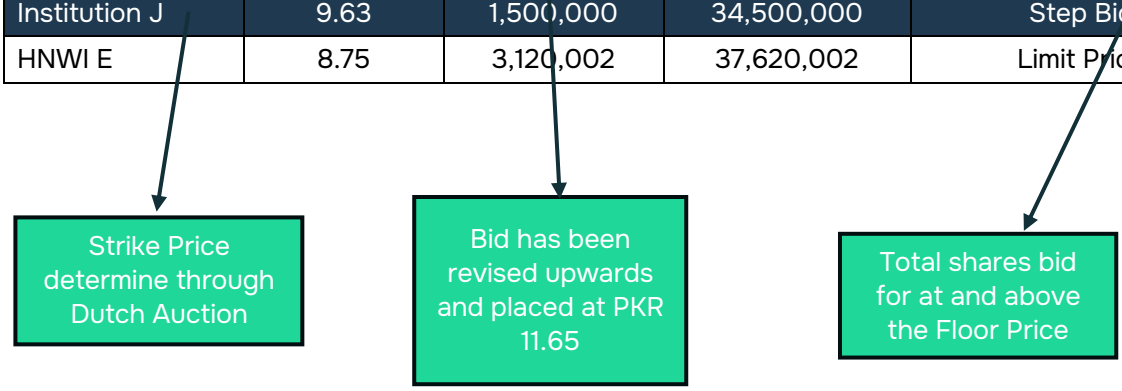
12.20 MECHANISM FOR DETERMINATION OF STRIKE PRICE

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion is subscribed.
2. Designated Institution shall, through the Book Building System display live order book throughout the bidding period in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids. The order book shall be accessible through websites of the Securities Exchange and Designated Institution.
3. In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
4. As per regulation 9 (27) of the PO Regulation, 2017, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of Shares being Issued through Book Building: **37,620,002 Ordinary Shares**
2. **Floor Price**: **PKR 8.75/-** per Ordinary Share, with a maximum price band of **48.57%**, i.e. a Cap Price of **PKR 13.00/-** per share
3. Bidding Period: [•], to [•].
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/Share)	Quantity	Cumulative Number of Shares	Category of Order
Institution A	8.75	2,000,000	2,000,000	Limit Price
Institution B	9.63	2,500,000	4,500,000	Limit Price
HNWI A	10.59	1,500,000	6,000,000	Step Bid
Institution C	11.65	3,000,000	9,000,000	Limit Price
Institution D	13.00	3,500,000	12,500,000	Limit Price
Institution E	13.00	3,500,000	16,000,000	Limit Price
HNWI B	11.65	1,500,000	17,500,000	Limit Price
HNWI A	11.65	1,000,000	18,500,000	Step Bid
Institution F	10.59	3,000,000	21,500,000	Limit Price
Institution G	10.59	2,500,000	24,000,000	Limit Price
HNWI C	11.65	1,000,000	25,000,000	Limit Price
Institution I	11.65	2,500,000	27,500,000	Limit Price
Institution H	11.65	3,500,000	31,000,000	Limit Price (revised upward)
Institution J	10.59	2,000,000	33,000,000	Step Bid
Institution J	9.63	1,500,000	34,500,000	Step Bid
HNWI E	8.75	3,120,002	37,620,002	Limit Price



Under the Dutch Auction Method, bids are arranged in descending order of price and cumulative demand is calculated at each price level. At the higher bid prices, cumulative demand is less than the 37,620,002 shares offered through Book Building. The book is therefore read downward from the highest bid price, one price level at a time, until cumulative demand covers the entire Book Building portion:

- At PKR 13.00 per share (the Cap Price), Institution D and Institution E bid for 7,000,000 shares. As 30,620,002 shares remain unsubscribed, the next lower bid price is considered.
- At PKR 11.65 per share, Institution C, HNWI B, HNWI A (step bid), HNWI C, Institution I and Institution H (revised bid) bid for a further 12,500,000 shares, taking cumulative demand to 19,500,000 shares. As 18,120,002 shares remain unsubscribed, the next lower bid price is considered.

- At PKR 10.59 per share, HNWI A (step bid), Institution F, Institution G and Institution J (step bid) bid for a further 9,000,000 shares, taking cumulative demand to 28,500,000 shares. As 9,120,002 shares remain unsubscribed, the next lower bid price is considered.
- At PKR 9.63 per share, Institution B and Institution J (step bid) bid for a further 4,000,000 shares, taking cumulative demand to 32,500,000 shares. As 5,120,002 shares remain unsubscribed, the next lower bid price is considered.
- At PKR 8.75 per share (the Floor Price), Institution A and HNWI E bid for the remaining 5,120,002 shares. Cumulative demand reaches 37,620,002 shares, and the entire Book Building portion is subscribed.

Accordingly, the Strike Price is PKR 8.75 per share, the lowest price at which the entire Book Building portion is subscribed. All bids at or above the Strike Price are successful, and all successful bidders are allotted shares at the Strike Price, regardless of the price at which they bid.

All successful bidders, including those who placed bids at prices higher than the Strike Price, shall be allotted shares at the Strike Price of PKR 8.75 per share, subject to the applicable allotment rules. The difference between each bidder's bid price and the Strike Price shall be refunded.

Where all bids above the Strike Price have been accommodated and shares remain available for allotment, the remaining shares shall be allotted against bids made at the Strike Price on a proportionate basis, as per regulation 9(27) of the PO Regulations, 2017. In this illustration, bids at the Strike Price (3,120,002 shares) exactly equal the shares remaining after all higher bids are accommodated, so every bidder is allotted shares in full.
Bidders who have made bids below the Strike Price shall not qualify for allotment of shares. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants at B+1 (one day after the end of the bidding period) within banking hours.

12.21 BASIS OF ALLOTMENT OF SHARES

(a) In case the bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.

(b) In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis.

As per Regulation 7(3) of the PO Regulations, 2017, a maximum of seventy-five percent (75%) of the Offer size, i.e. 37,620,002 Ordinary Shares, shall be allocated to the Book Building Portion, while the remaining minimum twenty-five percent (25%), i.e. 12,540,001 Ordinary Shares, shall be reserved for retail investors. The Retail Portion of the Public Offer shall be fully underwritten. Upon conclusion of the bidding period, the Strike Price shall be determined through the Dutch Auction Method by the Book Building System.

As per regulation 11(2) of the PO Regulation, 2017, The Issuer may offer the shares to retail investors at a certain discount to the Strike Price.

As per regulation 11(4) of the PO Regulation, 2017, within five (5) working days of the close of the public subscription period, or within such shorter period as may be specified by the Commission from time to time, the shares shall be allotted and issued against the accepted and successful applications, and the subscription money of unsuccessful applicants shall be unblocked/refunded.

As per regulation 11(5) of the PO Regulation, 2017, in case the retail portion of the issue, if any, remains unsubscribed, the unsubscribed shares shall be taken up by the underwriters.

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

12.22 MECHANISM AND MODE FOR REFUNDING / UNBLOCKING OF THE MARGIN MONEY

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities. In the event of unsuccessful bids, NCCPL will release the advance amount/margin money of Eligible Participants within banking hours one day after the bidding period.

The bid money of bidders who have undertaken to subscribe to the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

12.23 PUBLICATION AND TIME FRAME FOR PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS

In accordance with regulation 11(1) of the PO Regulations of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX within one working day.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication

13 APPLICATION AND ALLOTMENT INSTRUCTION FOR RETAIL PORTION

13.1 ELIGIBLE INVESTORS INCLUDE:

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan;
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

13.2 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on [•], and will close on [•], at the close of banking hours. Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on [•].

13.3 PROCEDURE FOR PUBLIC SUBSCRIPTION THROUGH CENTRALIZED E-IPO SYSTEM AND OTHER ADDITIONAL ELECTRONIC SYSTEM

i. PSX's e-IPO System (PES):

To facilitate investors, the Pakistan Stock Exchange Limited ("PSX") has developed an e-IPO System ("PES") through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (https://eipo.psx.com.pk). Payment of subscription money can be made through 1LINK's member banks available for PES.

For making application though PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year.

Registration is free of cost and can be done by:

- the investor himself; or
- the TREC Holder with whom the investor has a sub-account; or
- the Bank with whom the investor has a bank account.

Similarly, an e-IPO application can be filed by:

- the investor himself; or
- the TREC Holder with whom the investor has a sub-account; or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: +92-111-001-122 or +92-21-35274401-10, or email: itss@psx.com.pk.

Investors who are registered with PES can submit their applications through the web link, https://eipo.psx.com.pk, 24 hours a day during the subscription period which will close at midnight on Date [].

ii. Centralized E-PO System (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application though CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorising (adding the details of) their respective Participant(s) in CES. Consequently, authorised Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: or contact Mr. Owais Anwer at Phone info@cdcpak.com+92-21-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com

13.4 FACILITIES AVAILABLE TO LOCAL, NON-RESIDENT PAKISTANIS AND FOREIGN INVESTORS

For each IPO, a prospectus is issued, circulated, and published in newspapers at least 7 days before the start of the public subscription. The issuer also publishes advertisements in newspapers. The prospectus is available on the websites of the Pakistan Stock Exchange (PSX), the consultant to the issue, the issuer, and the Central Depository Company of Pakistan Limited (CDC), which provides the Centralized e-IPO System (CES). A list of all upcoming IPOs is also available on the PSX website.

13.5 APPLICATIONS MADE BY INDIVIDUAL INVESTORS

1. In case of individual investors, one can submit an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links https://eipo.psx.com.pk and www.cdceipo.com. Both Pakistani residents and non-residents can avail the e-IPO facility. To register for the CDC and PSX Access e-IPO Service, the applicant must possess a valid CNIC and NICOP.
2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

13.6 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

1. In case of corporate entities an application for share subscription through electronic/online mode. Electronic/online applications can be submitted through PSX's

e-IPO system (PES) and CDC's Centralized e-PO system (CES). PES and CES can be accessed via the web links https://eipo.psx.com, and pkwww.cdceipo.com. The corporate entities can avail the e-IPO facility by registering, if not have already been, for the CDC and PSX Access e-IPO Service, the corporate must possess a valid Registration number and NTN.

2. Online applications via CDC Access can be submitted 24 hours a day during the subscription period.

13.7 MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT OF SHARES OF THE ISSUE

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
2. The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
3. Application for shares below the minimum amount shall not be entertained.
4. SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.
5. If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
6. If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
    - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
    - If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
    - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
    - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
    - After allotment in the above-mentioned manner, the balance shares, if any, shall be allotted in the following manner:
        - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
        - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.

7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
   - First preference will be given to the applicants who applied for 500 shares;
   - Next preference will be given to the applicants who applied for 1,000 shares;
   - Next preference will be given to the applicants who applied for 1,500 shares;
   - Next preference will be given to the applicants who applied for 2,000 shares; and then
   - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.8 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within five (5) working days of the close of public subscription period or such shorter period of time as may be specified by the Commission from time to time, the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

13.9 MINIMUM AMOUNT OF APPLICATION AND BASIS OF ALLOTMENT

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Online Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.10 ISSUE AND CREDIT OF SHARES

Within five (5) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.11 TRANSFER OF SHARES

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

13.12 LIST OF E-IPO FACILITIES

Sr. No.	Name of Facility
1.	PSX E-IPO System
2.	Centralized E-PO System

13.13 INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

13.14 ELIGIBILITY FOR DIVIDEND

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.15 DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

13.16 TAXATIONS, LIKE APPLICABILITY OF CAPITAL GAIN TAX, WITHHOLDING TAX ON DIVIDENDS, TAX ON BONUS SHARES, FEDERAL EXCISE DUTY AND CAPITAL VALUE TAX & WITHHOLDING TAX ON SALE/PURCHASE OF SHARES.

13.16.1 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001 effective from July 1, 2024:

Sr. No.	Capital Gain Tax for CY 2025	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where the securities are acquired before the first day of July, 2013.	0%	0%
2	Where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022.	12.5%	25.0%
3	Where the securities are acquired on or after the first day of July, 2022 but on or before the 30th day of June, 2024, below reduced rates of tax on capital gain arising on disposal shall apply:		
	1. Where holding period does not exceed one year	15.0%	30.0%
	2. Where holding period exceed one year but does not exceed two years	12.5%	25.0%
	3. Where holding period exceed two years but does not exceed three years	10.0%	20.0%
	4. Where holding period exceed three years but does not exceed four years	7.5%	15.0%
	5. Where holding period exceed four years but does not exceed five years	5.0%	10.0%
	6. Where holding period exceed five years but does not exceed six years	2.5%	5.0%
	7. Where holding period exceed six years	0.0%	0.0%
4	Where the securities are acquired on or after the first day of July, 2024 onwards:		
	Where the securities are acquired on or after the first day of July, 2024 and onwards.	15.0%	As per rates specified in First Schedule, Part 1, Division 1 for individuals and association of persons and Division II for companies. Provided that the rate of tax for individuals and

			association of persons shall not be less than 15% in any case.

13.16.2 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time-to-time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only.

13.16.3 TAX ON BONUS SHARES

As per section 236Z of the Finance Act 2025, shall only be issued to a shareholder, if the company collects from the shareholder, tax equal to ten percent of the value of the bonus shares issued to the shareholder including bonus share withheld, determined on the basis of day-end price on the first day of closure of books in the case of listed company and the value as prescribed in case of other companies.

13.17 TAX ON INCOME OF THE ISSUER, SALES TAX

13.17.1 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001. However, the Company currently benefits from fiscal and regulatory incentives under the SEZ framework, including tax concessions (i.e., which are applicable until 30 June 2031) duty exemptions, and streamlined regulatory procedures.

13.17.2 SALES TAX

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board

13.17.3 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax (“SST”), Punjab Sales Tax (“PST”), Khyber Pakhtunkhwa Sales Tax (“KST”) and Baluchistan Sales Tax (“BST”) respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above-mentioned Acts levy a sales tax on Brokerage at the rate of 15% in Sindh, 16% in Punjab and in Baluchistan

and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

13.17.4 DEFERRED TAXATION

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilised.

This includes tax credits available to the Company, such as those arising from its listing on the stock exchange and from investments made in the Initial Public Offering (IPO), which are recognized in accordance with applicable tax laws and regulations.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

14 SIGNATORIES TO THE PROSPECTUS

SIGNATORIES TO THE PROSPECTUS

Rayomond Kotwal
Chairman/Independent Director

Salman Akhtar
CEO/Executive Director

Kewan Qadre Khawaja
Non-Executive Director

Ali Mukhtar
Non-Executive Director

Ahmad Hammoudi
Non-Executive Director

Omar Saeed
Independent Director

Ayesha Aziz
Independent Director

WITNESSES

MUHAMMAD SULAIMAN
Director, Accounts
CNIC:- 352a.8882415-1

MUHAMMAD UMAIR
PRINCIPAL EXECUTIVE ACCOUNTS
CNIC: 35202-0503578-3

Certified by:

Waqar Safdar
Company Secretary

Date: 19/10/2026

AdalFi
ADAL FINTECH LIMITED

15 MEMORANDUM AND ARTICLE OF ASSOCIATION

THE COMPANIES ACT, 2017 (XIX of 2017)

(COMPANY LIMITED BY SHARES)

MEMORANDUM

OF

ASSOCIATION

OF

ADAL FINTECH LIMITED

Page 1 of 4

THE COMPANIES ACT, 2017 (XIX of 2017)
(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

OF

"ADAL FINTECH LIMITED"

1. The name of the company is Adal FinTech Limited.

2. The registered office of the Company will be situated in the Province of Punjab.

3. (i) To provide technology platforms and other solutions to banks and other businesses to enable banks to lend to individuals and small and medium sized businesses. The principal line of business is developing technology platforms and models that will assist banks in lending to individuals and small and medium sized businesses. The technology platforms and credit scoring models will process structured data and other information and enable banks to manage the lending process for existing and new financial products. The solutions developed by the company shall connect to existing enterprise information systems as well as private and public cloud-based information systems.

(ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.

(iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, *Modaraba* management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

(iv) It is hereby undertaken that the company shall not:

(a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;

(b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;

(c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

4. The liability of the members is limited.

5. The authorized capital of the company is Rs. 900,000,000 (Rupees Nine Hundred Million only) divided into 900,000,000 (Nine Hundred Million only) ordinary shares of Rs.1/- (Rupees One only) each.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the company as set opposite our respective names:

Name and surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner , Passport No)	Father's/ Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Usual residential address in full or the registered/ principal office address for a subscriber other than natural person	Number of shares taken by each subscriber (in figures and words)	
SALMAN AKHTAR	35202-1878172-1	JAVID AKHTAR	PAKISTANI	BUSINESS	86 – D – 1, GULBERG 3, LAHORE, PAKISTAN	1 (ONE)	
NADEEM MALIK	35202-1326588-3	SALEEM MALIK	PAKISTANI	BUSINESS	H. NO. 11-A DANEPUR ROAD, GOR1, LAHORE PAKISTAN	1 (ONE)	
		Total number of shares taken (in figures and words)				2 (TWO)	

Dated the 21st day of June, 2021

Witness to above signatures: *(For the documents submitted in physical form)*

CERTIFIED TO BE TRUE COPY
DEPUTY REGISTRAR OF COMPANIES
COMPANY REGISTRATION OFFICE
LAHORE.

Signature	
Full Name (in Block Letters)	
Father's/ Husband's name	
Nationality	
Occupation	
NIC No.	
Usual residential address	

THE COMPANIES ACT, 2017
(XIX of 2017)

(Company Limited by Shares)

ARTICLES OF ASSOCIATION
OF
ADAL FINTECH LIMITED

PRELIMINARY

1. (1) In these regulations—

(a) "section" means section of the Act;

(b) "the Act" means the Companies Act, 2017; and

(c) "the seal" means the common seal or official seal of the company, as the case may be.

(2) Unless the context otherwise requires, words or expressions contained in these regulations shall have the same meaning as in the Act; words importing the singular shall include the plural, and vice versa; words importing the masculine gender shall include the feminine; and words importing persons shall include bodies corporate.

BUSINESS

2. The directors shall have regard to the restrictions on the commencement of business imposed by section 19 if, and so far as, those restrictions are binding upon the company.

SHARES

3. In case of shares in the physical form, every person whose name is entered as a member in the register of members shall, without payment, be entitled to receive, within thirty days after allotment or within fifteen days of the application for registration of transfer, a certificate under the seal specifying the share or shares held by him and the amount paid up thereon:

Provided that if the shares are in book-entry form, or in case of conversion of physical shares and other transferable securities into book-entry form, the company shall, within ten days after an application is made for the registration of the transfer of any shares or other securities to a central depository, register such transfer in the name of the central depository.

4. The company shall not be bound to issue more than one certificate in respect of a share or shares in the physical form held jointly by several persons, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

5. If a share certificate in physical form is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one hundred rupees, and on such terms, if any, as to evidence and indemnity and payment of expenses incurred by the company in investigating title as the directors think fit.

6. Except to the extent and in the manner allowed by section 86, no part of the funds of the company shall be employed in the purchase of, or in loans upon the security of, the company's shares.

TRANSFER AND TRANSMISSION OF SHARES

7. The instrument of transfer of any share in physical form in the company shall be executed both by the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

8. Shares in physical form in the company shall be transferred in the following form, or in any usual or common form which the directors shall approve:

Form for Transfer of Shares

(First Schedule to the Companies Act, 2017)

I ..... s/o ..... r/o ..... (hereinafter called "the transferor"), in consideration of the sum of rupees ..... paid to me by ..... s/o ..... r/o ..... (hereinafter called "the transferee"), do hereby transfer to the said transferee the share (or shares) with distinctive numbers from ..... to ..... inclusive, in the ..... Limited, to hold unto the said transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands this ..... day of ....., 20.....

Signature .....
Transferor
Full Name, Father's / Husband's Name
CNIC Number (in case of foreigner, Passport Number)
Nationality
Occupation and usual Residential Address

Signature .....
Transferee
Full Name, Father's / Husband's Name
CNIC Number (in case of foreigner, Passport Number)
Nationality
Occupation and usual Residential Address
Cell number
Landline number, if any
Email address

Witness 1:
Signature ..... Date .....
Name, CNIC Number and Full Address

Witness 2:
Signature ..... Date .....
Name, CNIC Number and Full Address

2

Bank Account Details of Transferee for Payment of Cash Dividend
(Mandatory in case of a listed company or optional for any other company)

It is requested that all my cash dividend amounts declared by the company may be credited into the following bank account:

Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	

It is stated that the above-mentioned information is correct and that I will intimate the changes in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur.

.....
Signature of the Transferee(s)

9. (1) Subject to the restrictions contained in regulations 10 and 11, the directors shall not refuse to transfer any share unless the transfer deed is defective or invalid. The directors may also suspend the registration of transfers during the ten days immediately preceding a general meeting or prior to the determination of entitlement or rights of the shareholders by giving seven days previous notice in the manner provided in the Act. The directors may, in case of shares in physical form, decline to recognise any instrument of transfer unless—

(a) a fee not exceeding fifty rupees as may be determined by the directors is paid to the company in respect thereof; and

(b) the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

(2) If the directors refuse to register a transfer of shares, they shall, within fifteen days after the date on which the transfer deed was lodged with the company, send to the transferee and the transferor notice of the refusal indicating the defect or invalidity to the transferee, who shall, after removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the company:

Provided that where the transferee is a central depository, the company shall, within five days from the date on which the instrument of transfer was lodged with it, convey the refusal and notify the defect or invalidity to the transferee, who shall, after the removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the company.

TRANSMISSION OF SHARES

10. The executors, administrators, heirs or nominees, as the case may be, of a deceased sole holder of a share shall be the only persons recognised by the company to deal with the share in accordance with the law. In the case of a share registered in the names of two or more holders, the survivors or survivor, or the executors or administrators of the deceased survivor, shall be the only persons recognised by the company to deal with the share in accordance with the law.

11. The shares or other securities of a deceased member shall be transferred on application duly supported by a succession certificate or by lawful award, as the case may be, in favour of the successors to the extent of their interests, and their names shall be entered in the register of members.

12. A person may, on acquiring interest in a company as member, represented by shares, at any time after acquisition of such interest, deposit with the company a nomination conferring on a person, being a relative of the member, namely, a spouse, father, mother, brother, sister, son or daughter, the right to protect the interest of the legal heirs in the shares of the deceased in the event of his death, as a trustee, and to facilitate the transfer of shares to the legal heirs of the deceased, subject to succession to be determined under the Islamic law of inheritance and, in case of non-Muslim members, as per their respective law.

13. The person nominated under regulation 12 shall, after the death of the member, be deemed as a member of the company till the shares are transferred to the legal heirs and, if the deceased was a director of the company, not being a listed company, the nominee shall also act as director of the company to protect the interest of the legal heirs.

14. A person deemed to be a member under regulations 11, 12 and 13 in respect of a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, and to exercise any right conferred by membership in relation to meetings of the company.

ALTERATION OF CAPITAL

15. The company may, by special resolution—

(a) increase its authorised capital by such amount as it thinks expedient;

(b) consolidate and divide the whole or any part of its share capital into shares of larger amount than its existing shares;

(c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum;

(d) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

16. Subject to Article 16A and to the provisions of the Act (including section 83A), all new shares shall in the first instance be offered to such persons as at the date of the offer are entitled to such issue in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by letter of offer specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the directors, be conveniently offered under this regulation.

16A. Employees' stock option schemes

(1) Notwithstanding Article 16, and in addition to and without prejudice to any other power of the company under these Articles, the company may, under the authority of a special resolution and in accordance with section 83A of the Act and such procedure and conditions as may for the time being be specified thereunder, offer, issue and allot shares to, or for the benefit of, the employees, officers and directors of the company, of its holding company and of its subsidiary company or companies, if any, pursuant to one or more employees' stock option schemes, and may grant options in respect of such shares.

(2) Shares offered, issued or allotted under sub-article (1) may be offered, issued and allotted otherwise than by way of a right offer to the existing members of the company, and neither Article 16 nor section 83 of the Act shall apply to such offer, issue or allotment.

(3) The company may, by special resolution, approve any such scheme, the entitlement pool thereunder and the terms on which options may be granted, and may, by special resolution, vary the terms of a scheme, provided that no variation shall be made which is detrimental or prejudicial to the interests of the holders of options already granted. Notwithstanding the foregoing, the board, or a committee of the board authorised by it, may, without further approval of the members, make such variations to a scheme as are necessary to bring it into conformity with the Act, any rules, regulations, guidelines, circulars or directions for the time being in force, any requirement of the Commission, or any listing or other requirement of a securities exchange on which the shares of the company are, or are proposed to be, listed.

(4) The board shall constitute a compensation committee for the administration and superintendence of any such scheme, with such composition and powers as may be required by the Act and by the rules, regulations, guidelines and listing requirements for the time being applicable to the company.

(5) An option granted under a scheme shall not be transferable to any person other than an entitled employee of the company, and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner, save that the company may provide in the scheme for the vesting of options in the legal heirs or nominees of a deceased employee and in an employee who suffers permanent incapacity. The holder of an option shall not, by reason only of holding the option, be entitled to receive any dividend, to vote, or otherwise to enjoy any right of a member in respect of the shares to which the option relates, until such shares are allotted to him upon exercise.

(6) The company may specify in a scheme a lock-in period in respect of shares allotted upon exercise of options, and shares so allotted shall in any event be subject to such restriction on transfer, retention or lock-in as may be imposed by or under any law, by the Commission or by a securities exchange, including in connection with an initial public offering of the shares of the company.

(7) Shares allotted upon exercise of options shall rank *pari passu* in all respects with the existing ordinary shares of the company, save as to any lock-in or restriction on transfer referred to in sub-article (6), and shall be issued in book-entry form through a central depository where the company is required, or elects, so to issue them.

(8) Subject to section 86 of the Act and to Article 6, a scheme may provide for a cashless mode of exercise of options, and the directors may enter into such arrangements with a central depository, a broker, an administrator or a trustee as they consider expedient for the administration of a scheme.

(9) The directors may do all such acts and things as they consider necessary or expedient for the establishment, administration, variation, suspension and termination of a scheme, and may make and vary rules for its administration not inconsistent with these Articles, the Act or the terms of the scheme as approved by the members.

17. The new shares shall be subject to the same provisions with reference to transfer, transmission and otherwise as the shares in the original share capital.

18. The company may, by special resolution—

(a) consolidate and divide its share capital into shares of larger amount than its existing shares;

(b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the provisions of section 85;

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

19. The company may, by special resolution, reduce its share capital in any manner and with, and subject to, confirmation by the Court and any incident authorised and consent required by law.

GENERAL MEETINGS

20. The statutory general meeting of the company shall be held within the period required by section 131.

21. A general meeting, to be called the annual general meeting, shall be held, in accordance with the provisions of section 132, within sixteen months from the date of incorporation of the company and thereafter once at least in every year within a period of one hundred and twenty days following the close of its financial year.

22. All general meetings of the company other than the statutory meeting or an annual general meeting mentioned in sections 131 and 132 respectively shall be called extraordinary general meetings.

23. The directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by section 133. If at any time there are not within Pakistan sufficient directors capable of acting to form a quorum, any director of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be called by the directors.

24. The company may provide video-link facility to its members for attending general meetings at places other than the town in which the general meeting is taking place, after considering the geographical dispersal of its members:

Provided that in case of listed companies, if the members holding ten percent of the total paid-up capital, or such other percentage of the paid-up capital as may be specified, are resident in any other city, the company shall provide the facility of video-link to such members for attending the annual general meeting of the company, if so required by such members in writing to the company at least seven days before the date of the meeting.

NOTICE AND PROCEEDINGS OF GENERAL MEETINGS

25. Twenty-one days' notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in the manner provided by the Act for the general meeting, to such persons as are, under the Act or the regulations of the company, entitled to receive such notice from the company; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any general meeting.

26. All the business transacted at a general meeting shall be deemed special other than the business stated in sub-section (2) of section 134, namely, the consideration of financial statements and the reports of the board and auditors, the declaration of any dividend, the election and appointment of directors in place of those retiring, and the appointment of the auditors and fixing of their remuneration.

27. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum of the general meeting shall be—

(a) in the case of a public listed company, not less than ten members present personally, or through video-link, who represent not less than twenty-five percent of the total voting power, either on their own account or as proxies;

(b) in the case of any other company having share capital, two members present personally, or through video-link, who represent not less than twenty-five percent of the total voting power, either on their own account or as proxies.

28. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present, being not less than two, shall be a quorum.

29. The chairman of the board of directors, if any, shall preside as chairman at every general meeting of the company, but if there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any one of the directors present may be elected to be chairman, and if none of the directors is present, or willing to act as chairman, the members present shall choose one of their number to be chairman.

30. The chairman may, with the consent of any meeting at which a quorum is present (and shall, if so directed by the meeting), adjourn the meeting from time to time, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for fifteen days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

31. (1) At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

(2) At any general meeting, the company shall transact such businesses as may be notified by the Commission only through postal ballot.

32. A poll may be demanded only in accordance with the provisions of section 143.

33. If a poll is duly demanded, it shall be taken in accordance with the manner laid down in sections 144 and 145, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

34. A poll demanded on the election of chairman or on a question of adjournment shall be taken at once.

35. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall have and exercise a second or casting vote.

36. Except for the businesses specified under sub-section (2) of section 134 to be conducted in the annual general meeting, the members of a private company or a public unlisted company (having not more than fifty members) may pass a resolution (ordinary or special) by circulation signed by all the members for the time being entitled to receive notice of a meeting. The resolution by circulation shall be deemed to be passed on the date of signing by the last signatory member to such resolution.

VOTES OF MEMBERS

37. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, except for election of directors, in which case the provisions of section 159 shall apply. On a poll, every member shall have voting rights as laid down in section 134.

38. In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy or through video-link, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

39. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll or through video-link, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

40. On a poll, votes may be given either personally or through video-link, by proxy or through postal ballot:

Provided that no body corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of section 138 is in force.

41. (1) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing.

(2) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

42. An instrument appointing a proxy may be in the following form, or a form as near thereto as may be:

INSTRUMENT OF PROXY

..... Limited

"I ..... s/o ..... being a member of the ..... Limited, hereby appoint ..... r/o ..... as my proxy to attend and vote on my behalf at the (statutory, annual, extraordinary, as the case may be) general meeting of the company to be held on the ..... day of ....., 20..... and at any adjournment thereof."

43. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.

DIRECTORS

44. The following subscribers of the memorandum of association shall be the first directors of the company, so, however, that the number of directors shall not in any case be less than that specified in section 154, and they shall hold office until the election of directors in the first annual general meeting:

(1) Salman Akhtar

(2) Nadeem Malik

45. The remuneration of the directors shall from time to time be determined by the company in general meeting, subject to the provisions of the Act.

46. Save as provided in section 153, no person shall be appointed as a director unless he is a member of the company.

POWERS AND DUTIES OF DIRECTORS

47. The business of the company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the company, and may exercise all such powers of the company as are not by the Act or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the company in general meeting, subject nevertheless to the provisions of the Act or to any of these regulations, and to such regulations, being not inconsistent with the aforesaid provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

48. The directors shall appoint a chief executive in accordance with the provisions of sections 186 and 187.

49. The amount for the time being remaining undischarged of moneys borrowed or raised by the directors for the purposes of the company (otherwise than by the issue of share capital) shall not at any time, without the sanction of the company in general meeting, exceed the issued share capital of the company.

50. The directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages, charges and pledges affecting the property of the company or created by it, the keeping of a register of the directors, and the sending to the registrar of an annual list of members and a summary of particulars relating thereto, notice of any consolidation or increase of share capital or sub-division of shares, copies of special resolutions, and a copy of the register of directors and notifications of any changes therein.

MINUTE BOOKS

51. The directors shall cause records to be kept and minutes to be made in a book or books with regard to—

(a) all resolutions and proceedings of general meeting(s) and the meeting(s) of directors and committee(s) of directors, and every member present at any general meeting and every director present at any meeting of directors or committee of directors shall put his signature in a book to be kept for that purpose;

(b) recording the names of the persons present at each meeting of the directors and of any committee of the directors, and the general meeting; and

(c) all orders made by the directors and committee(s) of directors:

Provided that all records related to proceedings through video-link shall be maintained in accordance with the relevant regulations specified by the Commission, and shall be appropriately rendered into writing as part of the minute books according to the said regulations.

THE SEAL

52. The directors shall provide for the safe custody of the seal, and the seal shall not be affixed to any instrument except by the authority of a resolution of the board of directors or by a committee of directors authorised in that behalf by the directors, and in the presence of at least two directors and of the secretary or such other person as the directors may appoint for the purpose; and those two directors and the secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

DISQUALIFICATION OF DIRECTORS

53. No person shall become a director of the company if he suffers from any of the disabilities or disqualifications mentioned in section 153, or is disqualified or debarred from holding such office under any of the provisions of the Act, as the case may be, and, if already a director, shall cease to hold such office from the date he so becomes disqualified or disabled:

Provided, however, that no director shall vacate his office by reason only of his being a member of any company which has entered into contracts with, or done any work for, the company of which he is director, but such director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

PROCEEDINGS OF DIRECTORS

54. The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. A director may, and the secretary on the requisition of a director shall, at any time, summon a meeting of directors. Notice sent to a director through email, whether such director is in Pakistan or outside Pakistan, shall be a valid notice.

55. The directors may elect a chairman of their meetings and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the directors present may choose one of their number to be chairman of the meeting.

56. At least one-third (1/3rd) of the total number of directors for the time being of the company, or two (2) directors, whichever is higher, present personally or through video-link, shall constitute a quorum.

57. Save as otherwise expressly provided in the Act, every question at meetings of the board shall be determined by a majority of votes of the directors present in person or through video-link, each director having one vote. In case of an equality of votes, the chairman shall have a casting vote in addition to his original vote as a director.

58. The directors may delegate any of their powers not required to be exercised in their meeting to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any restrictions that may be imposed on it by the directors.

59. (1) A committee may elect a chairman of its meetings; but if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of their number to be chairman of the meeting.

(2) A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.

60. All acts done by any meeting of the directors or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

61. A copy of the draft minutes of each meeting of the board of directors shall be furnished to every director within seven working days of the date of the meeting.

62. A resolution in writing signed by all the directors for the time being entitled to receive notice of a meeting of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

FILLING OF VACANCIES

63. At the first annual general meeting of the company, all the directors shall stand retired from office, and directors shall be elected in their place in accordance with section 159 for a term of three years.

64. A retiring director shall be eligible for re-election.

65. The directors shall comply with the provisions of sections 154 to 159 and sections 161, 162 and 167 relating to the election of directors and matters ancillary thereto.

66. Any casual vacancy occurring on the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is chosen was last elected as director.

67. The company may remove a director, but only in accordance with the provisions of the Act.

DIVIDENDS AND RESERVE

68. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.

69. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.

70. Any dividend may be paid by the company either in cash or in kind only out of its profits. The payment of dividend in kind shall only be in the shape of shares of a listed company held by the distributing company.

71. Dividend shall not be paid out of unrealised gain on investment property credited to the profit and loss account.

72. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on the shares.

73. (1) The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalising dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may, subject to the provisions of the Act, from time to time think fit.

(2) The directors may carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve.

74. If several persons are registered as joint-holders of any share, any one of them may give effectual receipt for any dividend payable on the share.

75. (1) Notice of any dividend that may have been declared shall be given in the manner hereinafter mentioned to the persons entitled to share therein but, in the case of a public company, the company may give such notice by advertisement in a newspaper circulating in the Province in which the registered office of the company is situate.

(2) Any dividend declared by the company shall be paid to its registered shareholders or to their order. The dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholders entitled to the payment of the dividend, as per their direction.

(3) In case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders.

76. The dividend shall be paid within the period laid down under the Act.

ACCOUNTS

77. The directors shall cause to be kept proper books of account as required under section 220.

78. The books of account shall be kept at the registered office of the company or at such other place as the directors shall think fit, and shall be open to inspection by the directors during business hours.

79. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the company, or any of them, shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account and book or papers of the company except as conferred by law or authorised by the directors or by the company in general meeting.

80. The directors shall, as required by sections 223 and 226, cause to be prepared and to be laid before the company in general meeting the financial statements duly audited and such reports as are referred to in those sections.

81. The financial statements and other reports referred to in regulation 80 shall be made out in every year and laid before the company in the annual general meeting in accordance with sections 132 and 223.

82. A copy of the financial statements and reports of the directors and auditors shall, at least twenty-one days preceding the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder.

83. The directors shall in all respects comply with the provisions of sections 220 to 227.

84. Auditors shall be appointed and their duties regulated in accordance with sections 246 to 249.

NOTICES

85. (1) A notice may be given by the company to any member at his registered address or, if he has no registered address in Pakistan, at the address, if any, supplied by him to the company for the giving of notices to him, against an acknowledgement, or by post or courier service, or through electronic means, or in any other manner as may be specified by the Commission.

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

86. A notice may be given by the company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.

87. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member in the manner provided under regulation 85, addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address supplied for the purpose by the persons claiming to be so entitled.

88. Notice of every general meeting shall be given in the manner hereinbefore authorised to (a) every member of the company; (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting; and (c) the auditors of the company for the time being and every other person who is entitled to receive notice of general meetings.

WINDING UP

89. (1) In the case of members' voluntary winding up, with the sanction of a special resolution of the company and, in the case of creditors' voluntary winding up, of a meeting of the creditors, the liquidator shall exercise any of the powers given by sub-section (1) of section 337 of the Act to a liquidator in a winding up by the Court including, *inter alia*, to divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they consist of property of the same kind or not.

(2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(3) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

90. Every officer or agent for the time being of the company may be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the company, except those brought by the company against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 492 in which relief is granted to him by the Court.

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We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company, in pursuance of these articles of association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names:

Name and surname (present & former) in full (in Block Letters)	NIC No. (in case of foreigner, Passport No.)	Father's / Husband's Name in full	Nationality (ies) with any former Nationality	Occupation	Usual residential address in full or the registered / principal office address for a subscriber other than natural person	Number of shares taken by each subscriber (in figures and words)	Signatures
SALMAN AKHTAR	35202-1878172-1	JAVID AKHTAR	PAKISTANI	BUSINESS	86-D-1, GULBERG 3, LAHORE, PAKISTAN	1 (ONE)	
NADEEM MALIK	35202-1326588-3	SALEEM MALIK	PAKISTANI	BUSINESS	H. NO. 11-A, DANEPUR ROAD, GOR-1, LAHORE, PAKISTAN	1 (ONE)	

Dated the 21st day of June, 2021

Witness to above signatures: *(For the documents submitted in physical form)*

Signature	
Full Name (in Block Letters)	
Father's / Husband's Name	
Nationality	
Occupation	
NIC No.	
Usual residential address	

CERTIFIED TO BE TRUE COPY
DEPUTY REGISTRAR OF COMPANIES
COMPANY REGISTRATION OFFICE
LAHORE.

Company Registration Office Lahore * Securities and Exchange Commission of Pakistan *

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