

MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the Management, it is indeed a great privilege for me to present to you the discussion and analysis for the year ended June 30, 2025.

The Management and Analysis have been prepared in compliance with Code no. 5 (XXV) of BSEC's Corporate Governance Code.

World Economy:

The global economy in FY 2024–25 has seen a mix of cautious optimism and a continued uncertainty. The sharp increase in tariffs and the ensuing uncertainty is contributing to a broad-based growth slowdown and deteriorating prospects in most of the world's economies. Subdued global growth prospects are unlikely to improve materially without policy actions to address increasing trade restrictions, geopolitical tensions, heightened uncertainty, and limited fiscal space. Global financial conditions have been tighter this year, on average, relative to late 2024, principally reflecting trade policy uncertainty. Most U.S. trading partners now face tariff increases ranging from 10 to 50 per cent.

In the first quarter of 2025, global trade growth jumped to 4.5 percent as firms built up inventories in anticipation of higher tariffs. Growth eased to 3.5 per cent in May and a sharper slowdown is expected over the remainder of the year. A similar trend was apparent with services trade, where growth slowed to 5 per cent year-on-year in the first quarter of 2025 about half the pace seen in 2023 and 2024. Early signs suggest the uncertain international trade environment is beginning to dampen investment. Amid trade tensions and policy unpredictability, many firms have adopted a "wait-and-see" approach, postponing or scaling back capital expenditures. In the second quarter of 2025, private investment stagnated in the United States, while gross fixed capital formation contracted in both France and Germany. Prolonged weakness would likely constrain productivity growth and erode the global economy's long-term potential.

The global disinflationary trend continues, though with notable cross-country divergence. in most other developed economies, including much of Europe, inflation has eased to around 2 per cent, supported by lower energy prices, moderating wage growth and currency appreciation. In developing economies, inflation is generally declining, with sharp reductions in several Asian countries, where rates have fallen below targets. In China, price pressures remain subdued, with consumer prices unchanged from a year ago in July. However, inflationary pressures persist in parts of Africa, Western Asia, and Latin America due to domestic cost factors, climate-related disruptions, and currency volatility.

Product specific tariffs display a similar pattern: by August 2025, the United States had imposed tariffs under Section 232 of the Trade Expansion Act of 1962 on aluminum, copper, steel, automobile and automobile parts. Ongoing section 232 investigations for potential future tariffs (on timber and lumber, semiconductors and semiconductor manufacturing equipment, pharmaceuticals, trucks, processed critical minerals, commercial aircraft, polysilicon, unmanned aircraft systems and wind turbines) add to the uncertainty.

Global supply chains are grappling with unprecedented challenges due to escalating geopolitical tensions and the intensifying impacts of climate change. Trade conflicts, particularly between major economies, have led to significant disruptions, with new tariffs and protectionist policies forcing companies to diversify their supplier bases and rethink their manufacturing strategies. Regional conflicts, such as the crisis in the Red Sea, have resulted in a 67% decrease in container ship transits compared to the previous year,

causing vessels to reroute and increasing transit times and costs. On the other hand, a weakening dollar helps dollar-denominated exports while rising import prices.

In future, the convergence of geopolitical instability and climate change is expected to continue posing significant risks to global supply chains. Businesses that proactively adapt by enhancing flexibility, investing in technology, and prioritizing sustainability will be better positioned to navigate the complexities of the global trade environment.

Bangladesh Economy

Bangladesh's economy showed signs of recovery in the latter part of FY25, with real GDP growth declining only slightly to 4.0 percent in FY25 from 4.2 percent in FY24, despite a FY25 first-quarter slump due to the student-led mass uprising. This was driven by subdued investment, high interest rates, and elevated input costs. Real GDP growth picked up in the second half of FY25, following a deceleration in the first half. Pressures in the external sector have eased, with the current account balance returning to a surplus for the first time in eight years. This improvement in external balance has been underpinned by a substantial increase in remittance inflows, resilient export performance, and budgetary support from development partners. Consequently, foreign exchange reserves—which have been on a declining trajectory in recent years have now stabilized. The exchange rate has also remained steady, notwithstanding the adoption of a more flexible exchange rate regime in May 2025. Furthermore, inflationary pressures have moderated in recent months.

Private sector credit growth fell to a 22-year low, and capital goods imports dropped significantly. Inflation, although recently showing signs of easing, stayed elevated throughout FY25. However, exports especially ready-made garments (RMGs) provided a notable boost to GDP growth. Exports benefited from favorable base effects following a sharp contraction in the previous year, a depreciation of the taka that improved price competitiveness, and resilient external demand despite episodes of domestic political unrest. RMG exports increased by 8.9 percent, while non-RMG exports also strengthened, led by leather and leather products (10.3 percent), plastic products (15.9 percent), agricultural products (2.6 percent), and footwear (25.2 percent). Despite these gains, the share of non-RMG exports in total exports remained relatively unchanged, underscoring the limited progress in export diversification. On the supply side, industrial growth improved slightly but remained below historical averages, while construction activity declined sharply. Agriculture began to recover in later quarters following early setbacks caused by flooding, and services growth was limited by slowdowns in trade, transport, and real estate.

Substantial remittance inflows and sustained export growth resulted in a current account surplus of US$149 million in FY25—the first such surplus in eight years—contrasting sharply with the US$6.6 billion deficit in FY24. Remittances increased significantly by 26.8 percent year-on year (y-o-y), and export earnings grew by 8.8 percent, driven by robust performances in RMG, leather, plastics, agriculture, and footwear. Import activity rebounded by 4.3 percent, primarily due to a pronounced rise in rice and intermediate goods imports, while imports of capital goods and machinery contracted indicating subdued private and public investment. Significant budgetary support from development partners also supported the financial account. Net Foreign Direct Investment (FDI) grew 20.1 percent to US$1.7 billion, though this remained just 0.4 percent of GDP. As a result, the overall balance of payments improved significantly, shifting from a US$4.3 billion deficit in the previous year to a US$3.4 billion surplus in FY25. This positive shift contributed to the stabilization of foreign exchange (FX) reserves. The exchange rate has remained broadly stable following the adoption of a more flexible, market-based regime in May 2025.

The investment climate has shown limited signs of improvement, as both private and public sector activities have remained subdued. Political uncertainty continues, and the law-and-order situation remains a concern, despite some progress since the first quarter of FY25. As a result, new job creation has stalled, leading to a rise in the unemployment rate. The financial sector remains vulnerable, characterized by elevated levels of NPLs and several banks requiring substantial liquidity support from the BB to sustain operations. Revenue collection has also remained weak. After the regime change in summer 2024, BB and scheduled banks started disclosing past mismanagement. To improve banks' balance sheet transparency, BB started aligning regulatory policies on NPLs, loan loss provisions, and governance with international standards, revealing previously underreported NPLs and significant undercapitalization across the banking sector. Banking sector-wide NPLs reached 24.1 percent by March 2025, far above the average for South Asian banks (excluding Bangladesh's) of 7.9 percent.

Private consumption growth remained robust, despite elevated inflation, buoyed by record remittance inflows. This resilience was reflected in the 15.3 percent increase in imports of consumer goods in FY25, which turned positive after two consecutive years contractions. Despite disruptions in industrial areas during the first half of FY25 and prevailing domestic and global uncertainties, export growth remained strong. The depreciation of the taka, sustained demand from major export markets, and a shift in garment orders to Bangladesh from some of its competitors contributed to strong exports growth. Though imports growth turned positive, the trade

deficit narrowed as the exports growth outpaced the imports growth.

Real GDP growth is projected to rise to 4.8 percent in FY26, supported by moderating inflation that bolsters private consumption. Investment is expected to improve relative to FY25 but remain subdued, reflecting election-related political uncertainty and ongoing vulnerabilities in the banking sector. Export growth should stay robust despite global tariff uncertainty. From FY27, growth is expected to accelerate with investment rebounds. The current account balance is likely to revert to a deficit as imports normalize; nevertheless, the external balance should remain supportive of a gradual buildup of foreign exchange reserves. The fiscal deficit is anticipated to remain below 5 percent of GDP, underpinned by revenue gains from reform initiatives. However, downside risks have increased materially: further banking sector weakness, heightened political instability around the election, shortfalls in reform implementation, international trade disruptions from policy uncertainty, persistent inflation, and energy supply constraints could all weigh on the economic outlook.

Digital Financial Sector

Bangladesh's digital transformation journey has been remarkable, marked by steady progress in online services, infrastructure, and citizen participation. Its rise to the 100th position in the 2025 EGDI demonstrates meaningful improvement in digital governance and inclusion. Based on Industry Sector, the Bangladesh ICT Market is segmented into Government, Banking, Financial Services, and Insurance (BFSI), Telecommunications, Retail and E-Commerce, Healthcare, and Education. At VMR, it has observed that the BFSI sector is the dominant end-user industry, commanding an estimated 21.69% of the total ICT market share in 2025, driven by mandatory regulatory compliance, the massive shift towards digital financial inclusion, and the need for enhanced security infrastructure. Key market drivers include the rapid proliferation of Mobile Financial Services (MFS), which has seen daily transaction values rise by 28% year-on-year, and the necessity for banks to adopt advanced FinTech models, core banking systems, and robust cybersecurity solutions to manage risk and serve a vast, underbanked rural population. The industry trend is characterized by intensive digitalization, leveraging technologies like AI and blockchain to streamline operations and prevent fraud, making it the highest spender on sophisticated IT services and software within the domestic market.

Financial inclusion has emerged as a cornerstone of development policy, not only as a means of economic empowerment but also as a pathway toward social equity and sustainable growth. In developing economies, expanding access to formal financial services is increasingly recognized as a vital driver of inclusive development. Financial inclusion empowers individuals to save, invest, and manage risks, thereby fostering entrepreneurship, increasing resilience, and reducing poverty.

As of March 2025, the financial inclusion landscape in Bangladesh is characterised by an extensive and growing network of bank branches, sub-branches, agent banking outlets, microfinance institutions, mobile financial services (MFS) providers, and capital market intermediaries. The expansion of digital platforms, including mobile and internet banking, alongside the proliferation of no-frill and specialized accounts, has broadened access to essential financial services for millions of individuals and businesses across the country.

BANGLADESH has made notable progress in expanding access to financial services, largely driven by mobile financial services. By January 2025, total MFS accounts reached 239.3 million, a sharp increase from the previous year. Transaction volumes grew by 32 per cent, totaling Tk 1.72 trillion. These services have become integral for remittances, bill payments, merchant transactions and the distribution of government social safety net allowances.

Rural communities — home to the majority of the population — have benefited disproportionately. Active MFS accounts increased from 29 per cent in 2019 to 54 per cent in 2024, indicating growing trust and habitual usage. For many low-income households, mobile wallets now serve as their first formal financial touchpoint. Digital banking has also expanded steadily. Internet banking usage rose from 25 per cent in 2019 to 44 per cent in 2025, accelerated by COVID-induced behavioral shifts towards contactless payments. Meanwhile, no-frill accounts — requiring only Tk 10, 50, or 100 to open — have strengthened inclusion further. These accounts now number around 28.7 million, with deposits growing by 6.68 per cent year-on-year, reflecting gradual improvements in savings behavior.

AGENT banking has become a critical bridge between formal finance and underserved populations. Of the 20,557 agent outlets nationwide, 86 per cent are located in rural areas. These outlets provide essential services such as deposits, withdrawals, remittances, and even basic credit facilities, reducing travel costs and time for rural clients. School banking programs have also contributed significantly to long-term inclusion. Currently, over 4.57 million school banking accounts are active, with more than half originating from rural institutions. These programs not only mobilize small savings but also instill financial discipline, money management skills, and digital familiarity among students from an early age.

DESPITE measurable progress, substantial gaps persist. Approximately 72 per cent of the population still lacks effective financial literacy, limiting informed usage of financial products. Women,

micro-entrepreneurs and informal workers face persistent barriers due to social norms, limited digital skills and the absence of collateral or credit histories. Infrastructure constraints remain another hurdle. Weak rural internet connectivity, high service costs, and rising cybersecurity risks undermine trust and slow the transition to fully digital financial ecosystems. Without addressing these challenges, access alone may not translate into meaningful financial empowerment.

Outlook

Bangladesh has around 120 million adults, yet only 46 million are currently covered under digital banking. It was revealed that 60% of the population remains unbanked, while 65% of bank accounts are not connected to digital banking services. Additionally, only 2.6 million bank users currently use credit cards. Bangladesh is at a critical juncture in its financial evolution. The shift to a cashless economy is no longer a distant goal but an immediate necessity. Bangladesh's robust growth narrative stalled in recent years, and substantial capital flight has weakened the financial sector's health.

Looking ahead, BFIC outlined key trends in its 'Fintech Time Machine' that projects the road ahead from 2025–2030. They said the next five years won't just transform financial services; they'll "dissolve the line between finance and life itself, making money management borderless, intelligent, sustainable, and invisible". Next year, 2026, it envisions "Cross-Border Digital Currencies." Central Bank Digital Currencies and stablecoins become standard, powering instant, low-cost global payments and reshaping remittances. Central banks, as guardians of monetary and financial stability, are uniquely positioned to champion inclusive finance. Through regulatory oversight, policy innovation, and coordination with stakeholders, they can steer the financial system to be more accessible, affordable, and responsive to the needs of underserved populations. Bangladesh Bank (BB), the country's central bank, has been at the forefront of this agenda, adopting a proactive, multidimensional approach to enhance financial inclusion since the early 2010s.

Recognizing the transformative role of finance in enabling inclusive growth, BB has launched a broad spectrum of initiatives: promoting mobile financial services (MFS), developing agent banking frameworks, expanding SME and agricultural credit through refinancing schemes, spearheading financial literacy campaigns, and crafting targeted strategies for vulnerable groups including women, youth, and climate-affected populations

Operating and Financial Performance of the Company

The financial results of the Company for the year 2025, with a comparison with 2024, are summarized below:

(BDT in millions except per share data)

	2025	2024
Revenue	302.95	636.56
Gross profit	8.51	127.22
Operating profit	(129.73)	86.70
Loss before tax	(206.15)	(7.30)
Loss after tax	(205.11)	(7.91)
Earnings per Share (EPS)	(3.17)	(0.12)

During FY 2023-24, the company generated a turnover of BDT 636.56 mn and maintained a gross profit of BDT 127.22 mn, driven by active core operations. In stark contrast, FY 2024-25 saw a catastrophic 52.41% drop in turnover to BDT 302.95 mn. This revenue evaporation decimated the company's baseline profitability, forcing gross profit down by 93.31% to a mere BDT 8.51 mn.

While FY 2023-24 concluded with a relatively manageable Loss After Tax of BDT 7.91 mn (with a Loss Before Tax of BDT 7.30 mn), the subsequent year faced an absolute financial freefall. In FY 2024-25, Loss Before Tax plummeted to BDT 206.15 mn (a 2,723.97% increase), culminating in a final Loss After Tax of BDT 205.11 mn, which represents a staggering 2,493.04% escalation in net loss year-over-year.

The fundamental driver of this year-over-year collapse was the status of the International Internet Gateway (IIG) business segment. In FY 2023-24 and earlier years, IIG was the company's operational anchor, single-handedly generating roughly 70% of total revenue. By FY 2024-25, a strict 100% regulatory capping enforced by the BTRC took effect, completely suspending all IIG operations and wiping out the company's primary income stream.

In FY 2023-24, the remaining 30% of revenue was successfully sustained by equipment sales and IT services tailored to the financial market. However, by FY 2024-25, this secondary cushion completely disintegrated. Severe investment fatigue in the financial sector led to a total drought in IT infrastructure spending, crippling the company's equipment and service sales to an excessively damaging stage.

Five years data

Particulars	FY(2024-2025)	FY(2023-2024)	FY(2022-2023)	FY(2021-2022)	FY(2020-2021)
	Taka	Taka	Taka	Taka	Taka
Fixed assets	690,138,432	764,295,387	633,340,474	488,654,511	432,542,114
Current Assets	1,859,596,526	1,988,548,379	2,437,522,492	2,562,465,470	2,406,186,290
Share Capital	647,074,420	647,074,420	647,074,420	610,447,570	581,378,640
Retained Earnings	44,952,580	256,536,651	329,149,916	357,260,961	306,974,615
Current Liabilities	1,003,147,459	1,000,511,918	1,531,804,050	1,504,525,010	1,295,589,755
Revenue	302,952,413	636,557,618	1,542,308,449	2,308,778,634	1,724,851,424
Gross Profit	8,518,689	127,217,884	216,568,776	300,456,478	243,786,754
Profit from Operation	(129,731,020)	86,708,102	114,239,644	189,626,132	147,185,808
Profit/(Los) before Tax	(206,149,478)	(7,296,467)	55,309,760	129,485,262	97,725,218
Net Profit after Tax	(205,113,327)	(7,905,823)	45,230,744	108,480,679	84,088,558
Net cash flows from operating activities	45,103,298	272,242,455	243,846,695	155,970,326	122,312, 192
Net cash flows from investing activities	(2,660,157)	-	(252,945,965)	(356,226,684)	(120,303,814)
Net cash flows from financing activities	(43,326,076)	(273,345,278)	9,717,215	200,061,627	(2,725,044)
Net Asset Value (NAV) per share	18.46	21.73	22.85	24.09	22.79
Earnings Per Share (EPS)	(3.17)	(0.12)	0.70	1.78	1.38
Net Operating Cash Flow Per Share	0.70	4.21	3.77	2.56	2.00

Ratios:

Performance Measure	Indicator Name	FY(2024-2025)	FY(2023-2024	FY(2022-2023)	FY(2021-2022)	FY(2020-2021
Liquidity Ratio	Current Ration	1.85	1.99	1.59	1.70	1.85
	Quick ration	1.11	1.24	1.06	1.15	1.26
	Time Interest Earned Ratio	1.96	0.90	1.88	3.15	3.3
	Debt to Equity Ratio	0.45	0.41	0.53	0.50	0.37
Operating Ratios	Account Receivable Turnover Ratio	0.67	0.91	1.64	2.46	1.99
	Inventory Turnover Ratio	(0.39)	0.65	1.62	2.51	1.94
	Assets Turnover Ratio	0.11	0.21	0.47	0.75	0.63
Profitability Ratios	Gross Margin Ratio	2.81%	19.99%	14.04%	13.01%	14.10%
	Operating Profit Ratio	-42.82%	9.94%	6.86%	8.21%	8.53%
	Net Profit Ratio	-67.70%	-1.24%	2.56%	4.70%	5.07%
	Return on Assets Ratio	-7.69%	-0.26%	1.20%	3.52%	3.20%
	Return on Equity Ratio	-17.17%	-0.56%	2.67%	7.38%	6.27%
	EBITDA Margin	-22.79%	39.06%	18.89%	16.25%	18.87%
Coverage Ratios	Debt to Total Assets Ratios	0.53	0.49	0.55	0.55	0.52
Cash Flow Ratios	Net Operating Cash Flow Per Share	0.70	4.21	3.77	2.56	2.00
	Net Operating Cash Flow Per Share to EPS Ratio	(0.22)	(34.44)	5.39	1.44	1.4

Discussion on few ratios:

Current Ratio (Times): While a current ratio above 1.0 confirms our ability to satisfy short-term obligations, an excessively high ratio is inefficient. It indicates that the company is underutilizing its current assets, missing optimal financing opportunities, and failing to manage its working capital effectively.

Debt to Equity Ratio (Times): The Debt-to-Equity (D/E) ratio quantifies the Company's financial leverage by contrasting total liabilities with shareholder equity. Adhering to a conservative and low D/E ratio is central to our risk management strategy, particularly in navigating volatile operating environments. This prudent approach safeguards the Company's financial health, preventing heavy leverage-related pressures during unforeseen economic downturns.

Accounts Receivable Turnover Ratio: Heading into FY 2023-24, the company had achieved a few years of consistent performance, reflecting stable and predictable payment collections. In stark contrast, FY 2024-25 witnessed a considerable drop in this ratio as BTRC's abrupt suspension of the IIG business severely disrupted sales collections. Although management firmly maintains that these outstanding receivables remain fully collectible, they openly acknowledge that recovering these funds will be exceptionally difficult moving forward.

Operating Profit Ratio (%): For the first time in the company's operational history, the Operating Profit Ratio turned negative. Reversing this operational deficit will require a dual strategy; management cannot rely solely on cutting administrative expenditures and daily running expenses. Instead, stabilizing the company's core viability will demand an extraordinary, aggressive focus on fresh revenue generation to compensate for the lost segments.

Net Profit Ratio (%): The excessive drop in revenue generation has extraordinarily impacted all key performance metrics, causing a long-standing enterprise to experience a sudden operational collapse and a massive net loss. Management explicitly recognizes that a continuation of this current financial pattern may attract a legitimate going concern threat to the company's future survival. Consequently, the leadership team is executing aggressive turnaround initiatives to revive turnover, with internal projections indicating that these recovery measures will soon show visible results.

Return on Equity Ratio (%): As a direct consequence of ending the year with a massive net loss, the company has refrained from providing handsome returns or dividends to its shareholders. Distributing capital under these conditions would have further weakened the company's already eroded retained earnings. Management has prioritized capital preservation to protect the company's remaining balance sheet strength and fund the necessary operational turnaround.

Net Operating Cash Flows per Share (NOCFPS): Despite ending the year with a massive net loss and operating under severely challenged cash flow conditions, the company managed to deliver a positive Net Operating Cash Flow Per Share (NOCFPS). This positive metric stands out as a critical silver lining and a genuine beacon of hope for the company's revival. It demonstrates that despite severe accounting losses and operational halts, the business still retains the core underlying ability to generate positive cash from its remaining running operations, providing the essential liquidity needed to fund its turnaround strategy.

Comparison of Financial Performance in peer industry scenario: 2024

Particulars	Aamratech	adntel	agnisysl	genexil	bdcom
	Taka	Taka	Taka	Taka	Taka
Fixed assets	764,295,387	1,627,099,590	585,299,556	2,090,905,578	360,080,742
Current Assets	1,988,548,379	1,169,727,852	804,298,175	1,8439,602,528	790,603,491
Share Capital	647,074,420	646,516,660	725,561,920	1,204,500,211	570,864,990
Retained Earnings	256,536,651	961,781,562	248,011,418	1,462,243,210	225,924,781
Current Liabilities	1,000,511,918	565,995,277	193,942,025	2,754,248,079	360,599,895
Revenue	636,557,618	1,429,585,594	678,279,808	1,696,199,194	778,858,685
Gross Profit	127,217,884	541,570,142	215,741,522	797,256,046	417,135,500
Profit from Operation	86,708,102	230,575,223	102,513,452	411,735,442	81,639,696
Profit/(Loss) before Tax	(7,296,467)	208,194,491	91,414,160	321,719,858	103,188,139
Net Profit after Tax	(7,905,823)	144,301,074	83,309,511	314,471,930	50,898,827
Net cash flows from operating activities	272,242,455	333,127,748	94,881,666	253,058,335	77,373,111
Net cash flows from investing activities	-	(532,259,119)	(82,728,007)	(1,596,483,211)	(47,769,562)
Net cash flows from financing activities	(273,345,278)	135,647,294	(36,155,737)	1,321,272,591	(36,119,082)
Net Asset Value (NAV) per share	21.73	31.28	16.62	19.50	15.95
Earnings Per Share (EPS)	(0.12)	2.23	1.15	2.61	0.89
NOCFPS	4.21	5.15	1.31	2.10	1.36

Accounting Policies and Estimation for preparation of Financial Statements

In alignment with governance best practices, aamra networks limited has adopted International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), alongside relevant local regulatory frameworks, for the preparation of its financial statements. For a granular understanding of the financial data, a detailed description of the accounting policies and management estimates applied throughout the period is comprehensively disclosed in the accompanying Notes to the Financial Statements.

Changes in Accounting Policies and Estimation

The accounting policies adopted in the preparation of these financial statements are consistent with those applied in the preceding fiscal year, ensuring comparability across periods. Furthermore, all critical accounting estimates and underlying judgments have been formulated in strict compliance with the applicable International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), reflecting a true and fair view of the Company's financial position.

Risk and concerns

The Board and management recognize that mitigating risk is inherent to the sustainable pursuit and achievement of the Company's strategic and operational objectives. The Board of Directors maintains ultimate oversight responsibility for the Company's risk management framework, which is strategically structured to identify, assess, prioritize, manage, and communicate corporate risks while fostering a culture of organizational integrity. In alignment with this governance model, the Board engages in regular consultations and strategic reviews with executive management to rigorously evaluate market challenges, risk exposure, corporate direction, and periodic financial performance. Concurrently, management holds direct operational accountability for the day-to-day oversight of strategic, operational, compliance, and financial risks. Management is charged with executing the Company's formal Enterprise Risk Management (ERM) program, embedding a proactive approach to risk identification and mitigation across all business units. High-priority and critical enterprise risks are addressed through institutionalized cross-functional collaboration and robust participation among the senior leadership team.

Risk Management

Operating within the highly dynamic technology sector, aamra technologies limited recognizes that risk is inherently embedded within the IT business ecosystem.Our core objective is to deliver superior, sustainable value to our shareholders by maintaining an optimal equilibrium between risk and return. We understand that robust risk governance and a well-calibrated risk-reward framework are critical cornerstones for the Company's long-term success. Consequently, our strategic business expansion and revenue-generation initiatives are continuously appraised against the risk tolerances defined within our broader corporate framework.

Among the operational variables the Company navigates, the most critical dimensions include Credit Risk, Market Risk, Operational Risk, and Technology Transformation Risk. The proactive identification, precise measurement, continuous monitoring, and structured mitigation of these specific exposures remain a primary strategic focus for the Company.

To safeguard organizational assets, our risk management architecture is engineered to anticipate vulnerabilities at both the individual transaction and macro-portfolio levels through rigorous quantitative metrics and qualitative assessments. Ultimately, our risk management strategy is anchored upon an evolving understanding of market risks, disciplined assessment methodologies, standardized measurement protocols, and continuous executive oversight to ensure timely and effective mitigation.

Principal Risks	Mitigation Action
Competition Risk	Our core ambition remains unchanged: to lead Bangladesh as the premier converged solutions provider by setting the standard for superior service. At aamra technologies limited, we are leveraging this challenging period to accelerate our operational efficiency and drive deep institutional innovation. By reinforcing our collaborations with world-class service partners, we look forward with absolute confidence to delivering the superior, tailored customer experiences our clients trust us to provide, ensuring we emerge from these headwinds stronger and more agile.
Economic Risk	To safeguard long-term financial resilience, aamra technologies limited manages financial risk through a disciplined framework of continuous operational refinement, rolling financial forecasts, and rigorous cost governance. Integrated across our diversified business units, this approach systematically optimizes cost structures by monitoring rolling forecasts against actual expenditures. This methodology enables the Company to proactively mitigate financial risks, enforce strict cost control, and prevent capital leakage.

Principal Risks	Mitigation Action
Operation Risk	Despite volatile and sluggish market conditions, aamra technologies limited remains focused on revenue enhancement, sustainable margin delivery, and strategic talent management to drive long-term growth. Supported by continuous cost governance, this approach mitigates operational risks while optimizing our cost structures. By aligning human capital with strict expenditure controls, the Company maintains the resilience needed to achieve its long-term financial goals.
People Risk	To safeguard our talent pipeline, aamra technologies limited implements rigorous, regular skills audits that establish the baseline for structured training and career development. This proactive talent management framework is designed to eliminate modern skill gaps and prepare our workforce for future technological advancements. By bridging talent development with strict cost governance, the Company ensures that our human capital remains highly efficient, agile, and aligned with our long-term revenue goals despite volatile market conditions.
Technology Risk	To efficiently mitigate technology-related risks, aamra technologies limited prioritizes strategic global collaborations and an asset-light operational model over heavy capital expenditure. By partnering with internationally reputed companies, we deliver advanced, world-class products and services tailored for the evolving financial industry. Rather than investing in proprietary infrastructure, we leverage global peering with highly infrastructure-rich partners, allowing us to absorb technological advancements rapidly while maintaining structural agility and minimizing financial exposure.
Vendor/ Supply Chain Risk	Through long-term vendor partnerships, aamra technologies limited secures substantial credit lines that optimize working capital and guarantee a seamless product supply. This strategic vendor management strategy ensures operational continuity even during volatile market conditions. By leveraging these extended credit lines, the Company minimizes immediate cash flow pressures while maintaining the supply chain resilience necessary to deliver uninterrupted services to the financial industry.
New Business Risk	By prioritizing volume-driven growth over hefty margins, aamra technologies limited serves as a dependable partner for clients facing strict budget constraints. We deliberately optimize our inventory strategy by limiting upfront product purchasing to the minimum required levels necessary to satisfy client specifications. This lean procurement approach minimizes holding costs and capital lock-up, enabling us to offer highly competitive pricing, secure a market edge, and maintain client loyalty in a cost-sensitive economic environment.

SWOT analysis

Strengths

- **35+ Years of Corporate Legacy:** Leveraging over three decades of market experience to cultivate a superior national brand value that inspires long-term institutional trust.
- **Robust National IIG Infrastructure:** Operating a resilient nationwide International Internet Gateway backbone to manage technology-related risks and guarantee exceptional service uptime.
- **Diverse FSI & Enterprise Portfolio:** Offering highly versatile products and services tailored explicitly to meet the changing demands of the Financial Services Industry and corporate sectors.
- **Deep Financial Sector Integration:** Maintaining strong, lasting relationships with the majority of scheduled banks and financial organizations to secure steady B2B revenue streams.

Weaknesses

- **Strict B2B Concentration:** Operating exclusively within the business-to-business sector with no B2C product exposure, mitigating consumer market volatility while increasing revenue reliance on corporate clients.
- **Infrastructure Dependencies:** Managing operational vulnerabilities tied to third-party infrastructure providers, such as Nationwide Telecommunication Transmission Network (NTTN) operators, which can impact service delivery timelines and quality controls.
- **Resource-Intensive Service Model:** Maintaining a premium, high-touch customer service framework that acts as a strong competitive differentiator but remains inherently expensive and labor-intensive to scale.

Strengths	Weaknesses
▪ **Adaptive Operational Innovation:** Utilizing the intrinsic ability to adapt and innovate swiftly within constantly shifting economic, technological, and regulatory landscapes. ▪ **Continuous Cost Optimization:** Running engineered programs across all business units to systematically streamline operational cost structures and protect gross margins. ▪ **Rigorous Rolling Forecasts:** Monitoring dynamic rolling financial projections against actual expenditures to eliminate budget variances and proactively flag liquidity risks. ▪ **Strict Capital Protection:** Enforcing tight management review architectures to restrict potential capital leakage and guarantee highly efficient resource allocation. ▪ **Sustainable Margin Focus:** Prioritizing volume-driven growth over hefty margins to support clients facing budget constraints while defending long-term financial targets. ▪ **Lean Inventory Procurement:** Restricting upfront product purchasing to the minimum required levels to drive down holding costs, eliminate waste, and sharpen our competitive edge. ▪ **Strategic Global Collaborations:** Onboarding world-class services through global peering with infrastructure-rich partners, avoiding heavy capital expenditures (CapEx) to mitigate asset obsolescence. ▪ **Vendor-Backed Supply Chain:** Securing substantial credit lines through long-term vendor partnerships to optimize working capital flexibility and ensure seamless product supply. ▪ **Proactive Talent Management:** Implementing rigorous, regular skills audits alongside structured training roadmaps to eliminate modern skill gaps and prepare our workforce for future technological advancements.	
Opportunities	**Threats**
▪ **Strategic Cybersecurity Expansion:** Prioritizing cybersecurity as a core growth vertical to address escalating digital threats and meet the surging demand for robust corporate defense systems. ▪ **Advanced HSM Deployment:** Capitalizing on the increased demand for Hardware Security Modules (HSM) across both scheduled banks and Non-Bank Financial Institutions (NBFIs) to secure critical financial transactions. ▪ **Cloud-Based Security Innovation:** Exploring next-generation, scalable cloud-based HSM business models to offer flexible, cost-efficient security infrastructure to the financial sector. ▪ **Utility Payment Integration:** Launching integrated digital payment solutions in direct collaboration with utility providers to expand consumer transaction ecosystems.	▪ **Regulatory Sales Ceilings:** Navigating regulatory caps imposed on IIG sales by governing bodies, which has disconnected the Company from trusted purchasers and eroded traditional market competitiveness. ▪ **Infrastructure Obsolescence Risks:** Mitigating the significant technical risks of long-term IIG business suspensions, which threaten to cause the operational obsolescence of highly sophisticated infrastructure setups. ▪ **Uncoordinated Fiscal Policies:** Navigating an uncoordinated and complex national TAX/VAT structure characterized by high tax rates and frequent double taxation that adds strain to corporate operational cost structures.

Opportunities	Threats
▪ **White-Label POS Expansion:** Evaluating the rollout of a "white-label POS" business model in the near future to empower financial institutions with customizable merchant acquiring infrastructure. ▪ **Global Strategic Alliances:** Accelerating cross-border collaborations and partnerships with internationally reputed companies and global investors to import world-class technology and optimize capital efficiency.	▪ **Grey Market Pressures:** Countering unfair competition from illegal and untaxed grey-market equipment imports that artificially deflate retail prices and lower legitimate hardware sales revenue. ▪ **Macroeconomic Headwinds:** Weathering the overall economic slowdown and inflationary shifts that constrain corporate tech spending budgets across the enterprise ecosystem. ▪ **Aggressive Marketplace Competition:** Sustaining market share within an increasingly crowded, narrow, and price-sensitive marketplace where competitors aggressively undercut margins.

Prioritizing employees

At aamra, we believe in unlocking human potential and creating next-generation opportunities for our people, businesses, and society. For over two fiscal decades, we have maintained a human-centric philosophy that values both technological innovation and personal growth. We embrace our potential to act as a force for good, ensuring that our workplace remains an environment where individuals can excel. We aim to empower our workforce with significant responsibilities, helping them discover their purpose and make a meaningful impact. Our talent strategy focuses on alignment—ensuring that our unique corporate identity perfectly balances the personal and professional expectations of our employees."

Equal-Opportunity Workplace

"Driven by our core values, our organizational culture is a key engine behind our business operations. We work consistently to sustain an inclusive and non-discriminatory workplace that champions equal opportunities for all. Through the systematic adoption of automated HR tools and processes, we continue to streamline employee engagement, talent development, and operational innovation. We are committed to maintaining a high-performance workforce by deploying consistent, best-in-class corporate policies and operational infrastructure."

Diversity and inclusion

Our strategic vision embraces an inclusive organizational culture designed to deliver significant positive impacts, particularly by sharpening the capabilities of our leaders who drive the business and strengthen our corporate ecosystem. We remain committed to providing a safe space for all employees to engage in transparent, open conversations through our Employee Support Network groups, ensuring every individual is treated fairly, equitably, and without bias.

By creating workplace conditions that value diversity, we actively promote a sustainable climate of respect, dignity, and belonging across the workforce. Furthermore, we strictly adhere to and champion diversity and inclusion legislation in both letter and spirit. We continuously seek progressive pathways to transform, elevate, and refine the overall employee experience.

Branding

The 'aamra' brand has established itself as an exceptionally reliable and trusted market leader, a milestone achieved through its long-standing business presence and an unwavering customer-centric service philosophy. Securing the prestigious Superbrands award further validates the immense strength, institutional credibility, and equity of the Company's brand value within the national economic landscape. This accolade underscores our enduring commitment to service quality, corporate governance, and continuous innovation."

Premium Positioning as a Digital Catalyst

This milestone recognition firmly positions aamra technologies limited as the premier, next-generation internet connectivity and converged solutions enterprise in Bangladesh. Equipped with robust infrastructure and cutting-edge tech integration, the Company remains uniquely positioned to advise, empower, and accelerate enterprises as they successfully navigate their complex digital transformation journeys.

In Appreciation

Finally, I would like to express my sincere appreciation to our investors, clients, business partners, bankers, government institutions, and regulatory authorities for their steady support and belief in 'aamra'. I am deeply thankful to all the diligent and devoted members of the aamra companies, whose hard work and commitments have been key to our achievements. I also extend my gratitude to my colleagues on the management team and the Board of Directors, whose strong leadership and insights guided us safely through a challenging year." Looking to the Future

Looking ahead, aamra will continue to focus on staying agile, flexible, and relevant to market needs. We remain cautiously optimistic about achieving steady growth as domestic and international markets continue to digitalize rapidly. We will maintain a strict focus on delivering innovative solutions and high-quality services that improve our clients' operations and bring sustainable, long-term value to all our stakeholders.

For and on behalf of the Company,



Syed Farhad Ahmed
Managing Director & CEO
Dhaka, July 12, 2026