

**NETSOL Technologies Ltd.**

NETSOL IT Village (Software
Technology Park), Lahore Ring Road,
Ghazi Road Interchange, Lahore
Cantt. 54792, Pakistan.
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Phone: +92 42 111-44-88-00
Web: www.netsolpk.com

FORM-08

Date:30/04/2025

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Transmission of Quarterly Report for the Period Ended March 31, 2025

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended March 31, 2025 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

SEHRISH
Company Secretary





**For the Nine Months
Ended & Quarter Ended
March 31, 2025**

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**Condensed Consolidated
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Company Profile

BOARD OF DIRECTORS

NAEEM ULLAH GHAURI

Chairman/Non-Executive Director

SALIM ULLAH GHAURI

Chief Executive Officer/Executive Director

VASEEM ANWAR

Non-Executive Director

NOMAN HUSSAIN

Independent Director

HUMA FAKHAR

Independent Director

HAMNA GHAURI

Non-Executive Director

OMAR SHAHAB GHAURI

Executive Director

AUDIT COMMITTEE

NOMAN HUSSAIN

Chairman

VASEEM ANWAR

Member

HUMA FAKHAR

Member

CHIEF FINANCIAL OFFICER

BOO-ALI SIDDIQUI

COMPANY SECRETARY

SEHRISH

CHIEF INTERNAL AUDITOR

MUHAMMAD ABDUL WAHAB
HAFEEZ

AUDITORS

Crowe Hussain Chaudhury
& Co.

Chartered Accountants
7th Floor, Gulmohar Trade
Center,
8 F, Main Market, Gulberg II,
Lahore 54600, Pakistan

LEGAL ADVISOR

CORPORATE LAW ASSOCIATES

1st Floor Queen's Centre
Shahra-e-Fatima Jinnah
Lahor

SHARE REGISTRAR

VISION CONSULTING LIMITED

5-C, LDA Flats, 2nd Floor,
Lawrence Road, Lahore.
Tel: +92-42-36283096-97
Fax: +92-42-36312550

BANKERS

- Askari Bank Limited
- Samba Bank Limited
- Meezan Bank Limited
- Dubai Islamic Bank Pakistan Limited
- Al Baraka Bank (Pakistan) Limited
- Habib Metropolitan Bank Limited
- Bank Alfalah Islamic Limited
- Bank Al Habib Limited
- Habib Bank Limited

CONTACT DETAILS

REGISTERED OFFICE

NETSOL IT Village
(Software Technology Park)
Lahore Ring Road,
Ghazi Road Interchange,
Lahore Cantt. 54792, Pakistan
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35726740

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Bahria Town, Rawalpindi
Tel: +92-51-5707011
Fax: +92-51-5595376

KARACHI OFFICE

43/1/Q, Amna Villa # 1
Block # 03. P.E.C.H.S,
Karachi-75400
Tel: +92-21-111-638-765
Fax: +92-21-3431-3464

WEB PRESENCE

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Director's Review Report

On behalf of the Board of Directors of NETSOL Technologies Limited (NETSOL or the Company), we are pleased to present the unaudited condensed financial statements of your company together with its consolidated accounts for the period ended March 31, 2025.

GENERAL OVERVIEW

This quarter has been a significant period for NETSOL Technologies with several developments including an existing, longstanding customer of the company's going live with Transcend Finance in Australia and the signing of a new contract with an Oman-based customer by our associated company – marking major inroads into the Middle East market for NETSOL.

We also witnessed a number of important developments pertaining to NETSOL's transition to becoming an AI-first organization. These include the official launching of Transcend AI Labs as part of the company's Transcend Platform, the appointment of a Vice President for Artificial Intelligence, as well as the forming of the NETSOL Institute of Artificial Intelligence.

Leading Japanese equipment finance company and longstanding NETSOL customer went live with NETSOL's Transcend Finance Platform in Australia

A leading Japanese equipment finance company in Australia went live with our Transcend Finance Platform. The Osaka-based customer has already been using NETSOL's solutions for its financial division in New Zealand. It offers products and technologies in various fields, including tractors and other agricultural machinery, construction, engines, and various other forms of equipment.

NETSOL signed a multi-million-dollar agreement with Sindbad Management SPC in Oman for the implementation of Transcend Finance

Our associated company in Thailand signed an agreement with Sindbad Management SPC – A major Muscat-based company which provides big-ticket asset financing and leasing covering various asset types such as marine vessels, aircrafts, machinery and other equipment, alongside vehicles in Oman and other countries. The contract signing was for the deployment of NETSOL's Transcend Finance, which includes Point-of-Sale, Credit Underwriting and Contract Management covering end-to-end operations.

NETSOL unveiled Transcend AI Labs focused on building AI solutions for the asset retail and finance industry

The company announced the official launch of Transcend AI Labs. This new AI innovation hub empowers automotive and equipment OEMs, dealerships and financiers with AI-driven innovation, automation and consulting services for a competitive edge. Transcend AI Labs is focused on product enhancements and AI consulting services. The company introduced an AI Assistant, Intelligent Document Processing (IDP) and RoleFit AI during the unveiling.

NETSOL appointed Dario Morelli as Vice President of Artificial Intelligence

The company announced the appointment of Dario Morelli as Vice President of Artificial Intelligence. In this pivotal role, Morelli will spearhead NETSOL's newly launched Transcend AI Labs. This strategic hire highlights NETSOL's dedication to advancing its AI-first approach and solidifying its leadership in driving innovation within the asset finance and leasing industry. As a business leader and AI strategist with over 15 years of experience in data, analytics and AI across the fintech, insurance and entertainment industries, Morelli brings a plethora of expertise to NETSOL.

NETSOL announced the formation of its Institute of Artificial Intelligence in Pakistan

NETSOL also formed the Institute of Artificial Intelligence at our Lahore office. This is a groundbreaking initiative aimed at advancing AI knowledge and expertise both within the organization and across the broader community. NETSOL recognizes the immense potential of AI to transform the way businesses operate. The institute will serve as a dedicated hub for training and development, offering specialized programs and resources to upskill employees and external professionals on AI technologies, methodologies and their applications within the financial services industry and beyond. The institute is being formed in cooperation with Beaconhouse National University

Financial Performance

Comparisons of un-audited financial results for the third quarter ended March 31, 2025 with the corresponding period of the fiscal year 2024 and cumulative results for the nine months ended March 31, 2025, with those of March 31, 2024, of the company are given below:

| STAND-ALONE FINANCIAL STATEMENTS | Jan Mar 2025 | Jan Mar 2024 | Jul Mar 2025 | Jul Mar 2024 |
|-------------------------------------|-------------------|-----------------|-------------------|-----------------|
| | Rupees in million | | Rupees in million | |
| Revenue | 2,287 | 2,247 | 6,441 | 6,989 |
| Gross profit | 858 | 984 | 2,445 | 3,098 |
| Net profit | 177 | 64 | 347 | 870 |
| EPS – basic (in PKR) | 2.06 | 0.73 | 3.98 | 9.90 |
| EPS – diluted (in PKR) | 2.03 | 0.72 | 3.92 | 9.84 |
| EBITDA per share – diluted (in PKR) | 3.04 | 1.60 | 5.75 | 13.00 |

Revenues during the quarter ended March 31, 2025 slightly increased by 2% compared to the revenues posted in the same quarter of previous fiscal year. The company generated net revenue of PKR 2,287 million, primarily driven by services and subscription & support revenue, as compared to PKR 2,247 million during the corresponding period last year. On the services side, the Company recorded revenue of PKR 1,046 million, compared to PKR 989 million in the previous fiscal year. Subscription and support revenue increased from PKR 1,177 million to PKR 1,241 million in the current quarter. This growth is mainly driven by customers entering the maintenance phase after successful implementation of the projects.

Company reported a gross margin of 38%, as compared to the corresponding period where these margins were recorded at 44%. The Company posted a net profit of PKR 177 million compared to a net profit of PKR 64 million in the comparable period. This is a 5% increase in net profits compared to the previous period. Earnings per basic & diluted share were PKR 2.06 and PKR 2.03 respectively, in comparison of earnings of PKR 0.73 and PKR 0.72 per basic & diluted share in the corresponding period of last fiscal year. The company posted a net EBITDA profit of PKR 3.04 per diluted share compared to EBITDA profit of PKR 1.60 in the comparable period.

On year-to-date basis, the Company posted net revenues of PKR 6,441 million compared to PKR 6,989 million in the corresponding period. Main reason for decrease in net revenues is transitioning from traditional license based model to SaaS model due to which there were no new license sales during the current period whereas a license revenue of PKR 633 million was recorded in the comparable period. Gross Margins during the period clocked in at PKR 2,445 million as compared to the corresponding period where margins were recorded at PKR 3,098 million. The Company posted a net profit after tax of PKR 347 million in comparison of PKR 870 million during the same period last year. Basic & diluted earnings per share for the nine months ended March 31, 2025 were PKR 3.98 and 3.92 respectively in comparison of PKR 9.90 and 9.84 in the corresponding period. EBITDA profit for the current nine months period was PKR 5.75 per share compared to PKR 13 per share in the preceding period.

The Company also consolidates financial results of its wholly owned subsidiaries “NETSOL Innovation (Pvt) Limited” and “NETSOL Ascent Middle East Computer Equipment Trading LLC”. On March 20, 2025 NETSOL Innovation also got incorporated its wholly owned subsidiary “NETSOL Institute of Artificial Intelligence (Pvt) Limited” with the core objective to develop a globally competitive digital workforce by providing specialized education and certifications in high-demand technology areas such as, but not limited to, AI/ML, Data Science and Information Security. The institute has not yet started its commercial operations. Net consolidated revenues for the quarter ended March 31, 2025 were PKR 2,400 million compared to PKR 2,325 million in the same period of fiscal 2024. Consolidated gross profit for the quarter was PKR 919 million as compared to PKR 991 million in the same period last year. On consolidated basis, the company posted net consolidated profit of PKR 215 million in the current quarter compared to profit of PKR 14 million posted in the same period last year. Basic and diluted earnings per share for the quarter ended March 31, 2025 were PKR 2.50 and PKR 2.46 compared to basic and diluted earnings per share of PKR 0.15 in the same period of last fiscal year.

Future Outlook

As a leading technology solutions provider to the global asset finance and leasing industry, NETSOL is poised for an exciting future built on innovation, agility and a relentless commitment to excellence. With its transition to becoming an AI-first organization, the company is uniquely positioned to capitalize on the transformative power of artificial intelligence to drive the next generation of solutions for its clients worldwide.

In the coming years, NETSOL will continue to lead the way in AI-driven automation, data-driven decision-making and more, enabling its clients to optimize operations, enhance decision-making and unlock new efficiencies. Its strategic investments in AI technologies alongside the official launch of Transcend AI Labs will further strengthen the company's capabilities and allow it to stay ahead of industry trends.

NETSOL is focused on developing cutting-edge products and services that align with the evolving needs of the asset finance and leasing market, empowering clients to navigate a rapidly changing landscape with confidence. As it deepens its AI expertise, the company will unlock new opportunities for growth, enhance the customer experience and deliver sustainable value to stakeholders.

Looking ahead, the company is confident that its AI-first approach will not only solidify NETSOL's leadership in the industry, but also drive long-term success, ensuring that it remains at the forefront of technological innovation and continues to set new benchmarks for excellence in asset finance and leasing solutions worldwide.

NETSOL will continue to promote all its product and service offerings under its unified, AI-powered Transcend Platform to

businesses of all sizes. While the IT powerhouse's strong relationships with Tier-1 companies remain a cornerstone of its success, the company is also committed to continue targeting Tier-2 and Tier-3 companies, providing them with scalable, affordable and innovative technology that meets their specific needs.

By offering tailored solutions that drive automation, efficiency and growth, the company will empower these organizations to leverage the power of AI and stay competitive in a fast-evolving market. The Transcend Platform will serve as a powerful enabler to financial institutions across the globe, ensuring that the company's solutions help foster long-term partnerships across the global asset finance and leasing landscape.

Additionally, NETSOL's commitment to staying connected with the industry remains as strong as ever. It will continue to sponsor, exhibit at and attend key industry-leading events (including annual conferences, summits and conventions) worldwide, as it always has. These events provide invaluable opportunities to engage with current and potential customers, share thought-leadership and showcase NETSOL's core offerings in real-time.

Acknowledgement

The Board of Directors places on record its appreciation for the continued support by its shareholders, valued customers, government agencies and financial institutions which enabled the company to achieve these results. The board would also like to express its appreciation for the services, loyalty and efforts being continuously rendered by the executives and all the staff members of the company and hope that they will continue with the same spirit in future.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Salim Ullah Ghauri'.

Salim Ullah Ghauri
Chief Executive Officer

April 30, 2025

A handwritten signature in black ink, appearing to read 'Omar Shahab Ghauri'.

Omar Shahab Ghauri
Director

ڈائریکٹرز رپورٹ

ہمیں خوشی ہے کہ ہم نیٹ سول ٹیکنالوجیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی 31 مارچ 2025 کو ختم ہونے والے عرصہ کے لیے غیر آڈٹ شدہ مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ: (General Overview)

یہ سہ ماہی نیٹ سول ٹیکنالوجیز کے لئے شاندار کارکردگی کا دورانیہ ثابت ہوئی جس کے دوران کئی اہم پیش رفت ہوئی جس میں آسٹریلیا میں Transcend Finance کے ذریعے کمپنی کے موجودہ اور پرانے صارفین لائیو ہونے اور نیٹ سول کے لئے مشرق وسطیٰ میں کاروبار کی راہ کو ہموار کرنے کے لئے ہماری ایک ذیلی کمپنی نے عمان کے ایک صارف کے ساتھ سہ ماہی کے پر دھتھ کئے۔

ہم نے AI-first ادارہ بننے کے لئے نیٹ سول کی کادوشوں سے کئی اہم پیش قدمیوں کو بھی دیکھا۔ اس میں کمپنی کے Transcend Platform حصہ کے طور پر Transcend AI لیجر کا آفیشل افتتاح Artificial Intelligence کے لئے نائب صدر کی تقرری اور نیٹ سول انسٹی ٹیوٹ آف آرٹیفیشل انٹیلیجنس کا قیام شامل ہے۔

معروف جاپانی equipment نمائندگی اور نیٹ سول کے پرانے صارف آسٹریلیا میں نیٹ سول کے Transcend Finance Platform کے ذریعے لائیو ہونے
آسٹریلیا میں جاپان کی معروف equipment نمائندگی کمپنی Transcend Finance Platform کے ذریعے لائیو ہوئی۔ اوسا کا کے صارف نیوزی لینڈ میں اپنے مالیاتی شعبے کے لئے نیٹ سول کے سلوشن سپلائی استعمال کر رہے ہیں۔ یہ کمپنی شیڈول ٹریڈرز کی شہینزی، تعمیرات، انجنز اور کئی دیگر اقسام کے ایکو پمنٹ میں مصنوعات اور ٹیکنالوجیز پیش کرتی ہے۔

نیٹ سول نے Transcend Finance کے اطلاق کے لئے عمان میں Sindbad سٹیمٹنگ SPC کے ساتھ لاکھوں ڈالر کے معاہدے کئے
تھائی لینڈ میں ہماری ذیلی کمپنی نے منطقہ کی ایک بڑی کمپنی Sindbad سٹیمٹنگ SPC کے ساتھ ایک معاہدے پر دستخط کئے جو بڑے اثاثوں کی ٹانگ اور لیونج کی خدمات فراہم کرتی ہے جس کے دائرہ کار میں بحری جہاز، ہوائی جہاز، مشینری اور دیگر آلات بشمول عمان اور دیگر ممالک میں گاڑیوں جیسی کئی اقسام کے اثاثے جات آتے ہیں۔ نیٹ سول کے Transcend Finance کے اطلاق کے لئے معاہدے پر دستخط کئے گئے جس میں فروخت کے مراکز، ریکریٹ انڈر رائٹنگ اور کنٹرولڈ سٹیمٹنگ بشمول end-to-end operations شامل ہیں۔

نیٹ سول نے asset retail اور فنانس انڈسٹری میں AI سلوشن قائم کرنے کے لئے Transcend AI لیپ متعارف کرایا
کمپنی نے آفیشل سطح پر Transcend AI لیپ کا اعلان کیا۔ AI کی اس جدید تخلیق نے automotive and equipment OEMs، ڈسٹریبٹرز اور سرمایہ داران کو مسابقتی برتری کے لئے AI پر مبنی انوویشن، آڈیویشن اور کسٹمر سروسز کے ذریعے خود مختار بنایا۔ کمپنی نے افتتاح کے دوران AI اسسٹنٹ، انٹیلیجنٹ ڈاکیمنٹ پروسیسنگ (IDP) اور RoleFit AI بھی متعارف کرایا۔

نیٹ سول نے Dario Morelli کے Artificial Intelligence کا نائب صدر مقرر کیا

کمپنی نے Artificial Intelligence کے نائب صدر کی حیثیت سے Dario Morelli کی تقرری کا اعلان کیا۔ اس اہم عہدے پر Morelli نیٹ سول کے حال ہی میں قائم کی گئی Transcend AI لیپ کی رہنمائی کریں گی۔ یہ اہم تعیناتی AI کو اولین ترجیح دینے اور ریٹ فنانس اور لیونج انڈسٹری میں جدت کو بڑھانے کی جانب اپنی لیڈرشپ کو مضبوط کرنے کی جانب نیٹ سول کے شاندار پیش قدمی کی عکاسی کرتی ہے۔ fintech، انشورنس اور انٹرٹینمنٹ انڈسٹری میں ڈیٹا، اینالٹکس اور AI کے 15 سالہ تجربہ کے ساتھ بطور کاروباری رہنما اور AI تھیرساز Morelli نیٹ سول میں مہارت کا وسیع تجربہ لے کر آئے۔

نیٹ سول نے پاکستان میں انسٹی ٹیوٹ آف Artificial Intelligence کے قیام کا اعلان کیا

نیٹ سول نے اپنے لاہور آفس میں انسٹی ٹیوٹ آف Artificial Intelligence بھی قائم کیا۔ یہ ایک تاریخی اقدام ہے جس کا مقصد ادارے اور دنیا بھر کی کمیونٹیز میں AI کے علم اور مہارت میں اضافہ کرنا ہے۔ نیٹ سول کاروبار پر چلانے کے انداز میں جدت لانے کے لئے AI کی اہمیت کو تسلیم کرتا ہے۔ یہ ادارہ مالیاتی خدمات اور دیگر شعبوں میں ٹریننگ اور ڈیولپمنٹ، AI ٹیکنالوجیز، طریقہ ہائے کار اور ان کے اطلاق پر ملازمین اور بیرونی ماہرین کی مہارت کو بڑھانے کے لئے خصوصی پروگرامز اور دوسرے کی پیشکش کے لئے ایک خصوصی مرکز کے طور پر کام کرے گا۔ یہ ادارہ لیکن ہاؤس پینٹل یونیورسٹی کے تعاون سے قائم کیا جا رہا ہے۔

مالیاتی کارکردگی: (Financial Performance)

31 مارچ 2025 کو ختم ہونے والی تیسری سہ ماہی مع 31 مارچ 2024 کی اسی مدت کے ساتھ اور 31 مارچ 2025 کو ختم ہونے والی نو ماہی مع 31 مارچ 2024 کی اسی مدت کے ساتھ غیر آڈٹ شدہ مالیاتی گوشوارے کے نتائج کا موازنہ درج ذیل ہے۔

انفرادی مالیاتی گوشوارے

جنوری تا مارچ 2025 جنوری تا مارچ 2024 جولائی تا مارچ 2025 جولائی تا مارچ 2024

تفصیلات

| | | | | |
|---------------------------------------|-------|-------|-------|-------|
| محصولات (ملین میں) | 2,287 | 2,247 | 6,441 | 6,989 |
| خام منافع (ملین میں) | 858 | 984 | 2,445 | 3,098 |
| صافی نفع (ملین میں) | 177 | 64 | 347 | 870 |
| منافع فی حصص بنیادی (روپوں میں) | 2.06 | 0.73 | 3.98 | 9.90 |
| منافع فی حصص - تحلیل شدہ (روپوں میں) | 2.03 | 0.72 | 3.92 | 9.84 |
| EBITDA فی حصص - تحلیل شدہ (روپوں میں) | 3.04 | 1.60 | 5.75 | 13.00 |

31 مارچ 2025 کو ختم ہونے والی سرمایہ کی محصولات پچھلے مالی سال کی اسی سرمایہ میں درج ہونے والی محصولات کے مقابلے میں 2 فیصد معمولی اضافہ ہوا۔ کمپنی گزشتہ سال کے اسی عرصے کے دوران 2,247 ملین روپے کے مقابلے میں 2,287 ملین روپے کی خالص محصولات حاصل کرنے میں کامیاب رہی جو بنیادی طور پر خدمات اور سکرپشن اور سپورٹ (بحالی) محصولات کا تسلسل ہے۔ خدمات محصولات کی مدد سے کمپنی نے گزشتہ مالی سال کی اسی سرمایہ میں 989 ملین روپے کے مقابلے میں 1,046 ملین روپے کی محصولات موجودہ سرمایہ میں درج کی ہیں۔ سکرپشن اور سپورٹ (بحالی) کی محصولات 1,177 ملین روپے سے بڑھ کر 1,241 ملین روپے ہو گئی ہیں۔ یہ اضافہ بنیادی طور پر منصوبوں کے کامیاب نفاذ کے بعد کچھ بحال کے سطح میں داخل ہونے والے صارفین کی وجہ سے ہوتی ہے۔

کمپنی نے اسی مدت کے مقابلے میں 38 فیصد کا مجموعی مارجن درج کیا جہاں یہ مارجن 44 فیصد درج کیے گئے تھے۔ کمپنی نے گزشتہ سال 64 ملین روپے خالص منافع کے مقابلے میں 177 ملین روپے خالص منافع کمایا ہے۔ گزشتہ مالی سال کی اسی مدت میں فی حصص کی بنیادی اور تحلیل شدہ آمدنی بالترتیب 0.73 اور 0.72 روپے کے مقابلے میں بالترتیب 2.06 اور 2.03 روپے تھی۔ کمپنی نے گزشتہ عرصے 1.60 روپے تحلیل شدہ فی حصص خالص EBITDA منافع کے مقابلے میں موجودہ سرمایہ میں 3.04 روپے تحلیل شدہ فی حصص کا خالص EBITDA منافع درج کیا ہے۔

سال بدروزی بنیاد پر، کمپنی نے اسی مدت میں خالص محصولات گزشتہ سال 6,989 ملین روپے کے مقابلے میں 6,441 ملین روپے کا مقصد کیا ہے۔ خالص محصولات میں کمی کی بنیادی وجہ درآمدی لائسنس پر مبنی ماڈل سے SaaS ماڈل کی طرف منتقلی ہے۔ جس کی وجہ سے موجودہ مدت کے دوران لائسنس کی کوئی نئی فروخت نہیں ہوئی جبکہ گزشتہ سال اسی عرصے میں لائسنس کی محصولات 633 ملین روپے درج کی گئی۔ اس مدت کے دوران مجموعی مارجن اسی مدت کے مقابلے میں 2,445 ملین روپے تک پہنچ گئے جہاں مارجن 3,098 ملین روپے درج کیے گئے تھے۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 870 ملین روپے کے مقابلے میں 347 ملین روپے کا بعد از ٹیکس خالص منافع کمایا ہے۔ 31 مارچ 2025 کو ختم ہونے والے نوامیہ کے لئے فی حصص بنیادی اور تحلیل شدہ آمدنی بالترتیب گزشتہ مدت میں 9.90 اور 9.84 روپے کے مقابلے میں بالترتیب 3.98 اور 3.92 روپے درج کی ہے۔ موجودہ نوامیہ مدت کے لئے EBITDA منافع 5.75 روپے فی حصص درج کیا ہے جو گزشتہ مدت میں 13 روپے فی حصص تھا۔

کمپنی نے اپنے مکمل ملکیتی ذیلی اداروں "نیٹ سول انویشن (پرائیویٹ) لمیٹڈ" اور "نیٹ سول اینڈ ٹیل ایسٹ ایکویپمنٹ ٹریڈنگ ایل ایل سی" کے مجموعی مالیاتی گوشوارے شامل کر دیے ہیں۔ 20 مارچ 2025 کو نیٹ سول انویشن نے اپنے مکمل ملکیتی ذیلی ادارہ "نیٹ سول انسٹی ٹیوٹ آف آرٹیفیشل انٹیلی جنس (پرائیویٹ) لمیٹڈ" کو بھی شامل کیا جس کا بنیادی مقصد ایک عالمی سطح پر مسابقتی ڈیجیٹل انفرادی قوت کو تیار کرنا ہے تاکہ اعلیٰ ٹکنالوجی والے ٹیکنالوجی کے شعبوں میں خصوصی تعلیم اور سرٹیفیکیشن فراہم کر سکیں، جو کہ صرف AI/ML اور ڈیٹا سائنس اور انفارمیشن سیکورٹی کے شعبوں میں سائنس تک محدود نہیں ہوگی۔ انسٹی ٹیوٹ نے ابھی تک اپنی تجارتی سرگرمیاں شروع نہیں کی ہیں۔ 31 مارچ 2025 کو ختم ہونے والی سرمایہ کیلئے نقد مجموعی محصولات 2,400 ملین روپے ہیں جو کہ مالی سال 2024 کی اسی مدت میں 2,325 ملین روپے کی گئی تھی۔ مجموعی خام منافع گزشتہ مالی سال کی اسی سرمایہ کے 991 ملین روپے کے مقابلے میں موجودہ سرمایہ میں 919 ملین روپے ہے۔ مجموعی بنیاد پر، کمپنی نے گزشتہ سال کی اسی مدت میں 14 ملین روپے نقد مجموعی منافع کے مقابلے میں موجودہ سرمایہ میں 215 ملین روپے کا نقد مجموعی منافع درج کیا ہے۔ 31 مارچ 2025 کو ختم ہونے والی سرمایہ کے لئے بنیادی اور تحلیل شدہ آمدنی، گزشتہ مدت میں 0.15 روپے فی حصص منافع کے مقابلے میں اس مدت میں 2.50 اور 2.46 روپے بنیادی اور تحلیل شدہ فی حصص منافع درج کیا ہے۔

مستقبل کا نقطہ نظر: (Future Outlook)

عالمی ایسٹ فنانس ویزنگ انڈسٹری کو بہترین ٹیکنالوجی سلوشن فراہم کنندہ کی حیثیت سے نیٹ سول جدت، جتنی اور عمدگی کے انتخاب عزم کے ساتھ شاندار مستقبل بنانے کے لئے تیار ہے۔ AI فرسٹ ادارہ بننے کے لئے اپنی جدوجہد کے ساتھ ساتھ دنیا بھر میں اپنے کلائنٹس کے لئے next generation کے صارفین کو تیار کرنے کی ترقی ہوئی artificial intelligence کی طاقت سے مستفید ہونے کے لئے تیار ہے۔

آئندہ برسوں میں نیٹ سول AI پر مبنی آئیویشن، ڈیٹا پرائیویٹ، فیصلہ سازی وغیرہ میں قائدانہ کردار جاری رکھے گی تاکہ کمپنی اپنے کلائنٹس کو اپنے آپریشن کو نکال دے، فیصلہ سازی کی صلاحیت کو بڑھائے اور نئے طریقے بنانے کا رونا کھڑے کرنے میں مدد دے سکے۔ Transcend AI Labs کے باضابطہ آغاز کے ساتھ ساتھ AI ٹیکنالوجیز میں اس کی سٹرٹجک سرمایہ کاری کمپنی کی صلاحیتوں کو مزید مضبوط کرے گی اور اسے صنعت کے رجحانات کے ساتھ چلنے کی صلاحیت دے گی۔

نیٹ سول ایسٹ فنانس ویزنگ مارکیٹ میں بدلتی ہوئی ضروریات کے عین مطابق عالمی معیار کی مصنوعات اور سروسز تیار کرنے پر پھر پورا توجہ دیتی ہے جو کلائنٹس کو تیزی سے بدلنے والے دھارے میں

اعتماد کے ساتھ شامل ہونے میں مدد کریں گی۔ چونکہ کمپنی AI میں اپنی مہارت کو بڑھاتی ہے لہذا کمپنی ترقی کے نئے مواقع سے فائدہ حاصل کرے گی اور صارف تجربہ کو بڑھائے گی اور اسٹیک ہولڈرز کو پائیدار نتائج دے گی۔

مستقبل میں کمپنی پر عزم ہے کہ AI-first ترجیح انڈسٹری میں نیٹ سول کے نہ صرف قدم جمائے گی بلکہ طویل مدتی کامیابی میں بھی اہم کردار ادا کرے گی اور یقینی بنائے گی کہ کمپنی تکنیکی جدت میں پیش قدمی رہے اور دنیا بھر میں ایسٹ فنانس اور لیڈنگ انڈسٹری میں نئے اہداف قائم کرنے کے لئے شاندار کارکردگی جاری رکھے۔

نیٹ سول تمام سائز کے کاروباروں کے لئے واحد AI پر مبنی Transcend پلیٹ فارم کے ذریعے اپنی تمام تر پروڈکٹس اور سروسز کو فروغ دیتی رہے گی۔ چونکہ Tier-1 کمپنیوں کے ساتھ IT پاور ہاؤسز کے مضبوط تعلقات کمپنی کی کامیابی کی جڑ ہیں لہذا کمپنی Tier-2 اور Tier-3 کمپنیوں کو ٹارگٹ کرنے کے لئے پر عزم ہے تاکہ کمپنی ان کی مخصوص ضروریات کے مطابق آئیں وسعت پذیری، سستی اور جدید ٹیکنالوجی فراہم کر سکے۔

آؤٹشورنگ، کارکردگی اور نئے پیمانے پر مبنی مخصوص اور انفرادی مسائل کا حل پیش کر کے کمپنی ان اداروں کو AI کی طاقت سے مستفید ہونے اور تیزی سے بدلتی ہوئی مارکیٹ میں مسابقتی برتری حاصل کرنے میں مدد کرے گی۔ Transcend پلیٹ فارم عالمی سطح پر مالیاتی اداروں کے لئے ایک مضبوط اوزار کے طور پر کام کرے گا جس سے یقینی بنایا جائے گا کہ کمپنی کے حل عالمی ایسٹ فنانس اور لیڈنگ انڈسٹری میں طویل مدتی شرکت داریوں کو مضبوط کریں۔

مزید برآں، انڈسٹری کے ساتھ رابطے میں رہنے کا نیٹ سول کا عزم مزید مضبوط ہو رہا ہے۔ کمپنی ماضی کی طرح دنیا بھر میں انڈسٹری کے اہم ایپس (یعنی سلاٹ کافرنس، ہنٹس اور کنٹینر) میں تعاون، نمائندگی اور شرکت کو یقینی بنائے گی۔ یہ ایپس موجودہ اور ممکنہ صارفین کے ساتھ رابطے میں رہنے، قائدانہ آراء کی فراہمی اور تحقیقاتی نیٹ سول کی بنیادی مصنوعات اور سروسز کی نمائندگی کے قیمتی مواقع پیش کرتے ہیں۔

اعتراف (Acknowledgement)

بورڈ آف ڈائریکٹرز کمپنی کے حصص یافتگان، قابل قدر صارفین، سرکاری اداروں اور مالیاتی اداروں کی جانب سے حمایت و معاونت کے لیے ان کی تعریف کرتا ہے اور خراج تحسین پیش کرتا ہے۔ بورڈ کمپنی کے تمام ایگزیکٹوز اور اسٹاف ممبرز ان کی قابل قدر خدمات و وفاداری اور ان کی مسلسل کوششوں کو قدر کی نگاہ سے دیکھتا ہے اور انہیں بھی خراج تحسین پیش کرتا ہے اور امید کرتا ہے کہ مستقبل میں بھی ان کی خلوصانہ کوشش جاری و ساری رہیں گی۔

از طرف بورڈ آف ڈائریکٹرز



عمر شہاب غوری
(ڈائریکٹر)



سلیم اللہ غوری
(چیف ایگزیکٹو آفیسر)

لاہور

30 اپریل 2025ء



Condensed Un-Consolidated Financial Statements

For the Nine Months Ended & Quarter
Ended March 31, 2025

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at March 31, 2025

| | | Mar 31 2025 | Jun 30 2024 |
|---|------|----------------|----------------|
| | NOTE | Unaudited | Audited |
| Rupees in Thousands | | | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property and equipment | 5 | 1,225,512 | 1,216,236 |
| Intangible assets | 6 | - | - |
| Long term investments | | 537,218 | 537,218 |
| Long term contract assets | | 57,965 | 52,637 |
| Long term loans to employees | | 8,789 | 22,860 |
| | | 1,829,484 | 1,828,951 |
| CURRENT ASSETS | | | |
| Trade debts | 7 | 4,563,868 | 5,295,202 |
| Contract assets | | 2,350,009 | 1,745,245 |
| Loans and advances | | 82,403 | 113,150 |
| Deposits and short term prepayments | 8 | 219,140 | 112,654 |
| Other receivables | 9 | 117,142 | 54,018 |
| Due from related parties | 10 | 433,082 | 540,612 |
| Prepaid tax asset | | 60,561 | 35,349 |
| Short term investments | 11 | 200,000 | - |
| Cash and bank balances | | 3,695,947 | 4,647,055 |
| | | 11,722,152 | 12,543,285 |
| TOTAL ASSETS | | 13,551,636 | 14,372,236 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 200,000,000 (June 30, 2024: 200,000,000) ordinary shares of Rs. 10 each | | 2,000,000 | 2,000,000 |
| Issued, subscribed and paid up capital | 12 | 898,369 | 898,369 |
| Reserves | | 9,332,099 | 9,664,297 |
| Share deposit money | | - | 13 |
| Shareholders' Equity | | 10,230,468 | 10,562,679 |
| NON CURRENT LIABILITIES | | | |
| Long term financing | 13 | - | 2,696 |
| Long term advances | | 4,560 | 1,995 |
| | | 4,560 | 4,691 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 944,165 | 760,472 |
| Contract liabilities | | 182,583 | 1,446,474 |
| Short term borrowings | 14 | 2,180,000 | 1,580,000 |
| Current portion of non-current liabilities | | 5,307 | 14,096 |
| Unclaimed dividend | | 4,553 | 3,824 |
| | | 3,316,608 | 3,804,866 |
| CONTINGENCIES AND COMMITMENTS | 15 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 13,551,636 | 14,372,236 |

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

For the Nine Months Ended & Quarter Ended March 31, 2025

| | | Nine Months ended March 31 | | Quarter ended March 31 | |
|---|----|----------------------------|-------------|------------------------|-------------|
| NOTE | | 2025 | 2024 | 2025 | 2024 |
| | | (Un-audited) | | | |
| | | Rupees in Thousands | | | |
| | | (Restated) | | | (Restated) |
| Revenue from contracts with customers - net | 16 | 6,441,084 | 6,989,047 | 2,287,062 | 2,247,200 |
| Cost of revenue | | (3,995,822) | (3,890,950) | (1,428,632) | (1,263,425) |
| Gross profit | | 2,445,262 | 3,098,097 | 858,430 | 983,775 |
| Selling and promotional expenses | | (604,809) | (519,969) | (211,537) | (176,155) |
| Administrative expenses | | (1,103,776) | (1,070,882) | (353,515) | (365,787) |
| | | (1,708,585) | (1,590,851) | (565,052) | (541,942) |
| Operating profit | | 736,677 | 1,507,246 | 293,378 | 441,833 |
| Other operating expenses | | (458,889) | (663,635) | (204,320) | (384,124) |
| Finance cost | | (180,729) | (237,004) | (51,272) | (78,052) |
| Other income | 17 | 436,885 | 397,207 | 178,266 | 120,551 |
| | | (202,733) | (503,432) | (77,326) | (341,625) |
| Profit before Final Taxes and Income Tax | | 533,944 | 1,003,814 | 216,052 | 100,208 |
| Final tax / levies | 18 | (186,992) | (133,885) | (38,607) | (35,937) |
| Profit before Income Tax | | 346,952 | 869,929 | 177,445 | 64,271 |
| Income tax | | - | - | - | - |
| Net Profit for the Period | | 346,952 | 869,929 | 177,445 | 64,271 |
| Earnings Per Share - Basic and Diluted | 19 | | | | |
| - Basic | | 3.98 | 9.90 | 2.06 | 0.73 |
| - Diluted | | 3.92 | 9.84 | 2.03 | 0.72 |

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For the Nine Months Ended & Quarter Ended March 31, 2025

| | Nine Months ended March 31 | | Quarter ended March 31 | |
|---|----------------------------|---------|------------------------|--------|
| | 2025 | 2024 | 2025 | 2024 |
| | (Un-audited) | | | |
| | Rupees in Thousands | | | |
| Net Profit for the Period | 346,952 | 869,929 | 177,445 | 64,271 |
| Other Comprehensive Income for the period | | | | |
| Items that may be re-classified subsequently to profit or loss | - | - | - | - |
| Items that will not be re-classified subsequently to profit or loss | - | - | - | - |
| | - | - | - | - |
| Total Comprehensive Income for the Period | 346,952 | 869,929 | 177,445 | 64,271 |

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)

For the Nine Months Ended March 31, 2025

| | Mar 31 2025 | Mar 31 2024 |
|---|---------------------|--------------------|
| | (Un-audited) | |
| | Rupees in Thousands | |
| Profit before final taxes and income tax | 533,944 | 1,003,814 |
| Adjustments for: | | |
| - Depreciation - own assets | 231,624 | 263,525 |
| - Depreciation of right of use assets | 607 | 1,791 |
| - Amortization of intangible assets | - | 40,386 |
| - Gain on disposal of property and equipment | (980) | (707) |
| - Foreign exchange loss | 10,395 | 310,165 |
| - Finance cost | 177,310 | 234,290 |
| - Interest income | (434,215) | (394,925) |
| - Employee share option compensation expense | 4,349 | 8,875 |
| - Provision for expected credit losses | 178,547 | 77,143 |
| | 167,637 | 540,543 |
| Operating profit before working capital changes | 701,581 | 1,544,357 |
| <i>Decrease / (Increase) in current assets</i> | | |
| - Trade debts | 683,144 | (1,288,517) |
| - Contract assets | (749,190) | (633,281) |
| - Loans and advances | 44,818 | (40,452) |
| - Deposits and short term prepayments | (106,486) | 5,669 |
| - Other receivables | (63,124) | 917 |
| - Due from related parties | 106,038 | (264,964) |
| <i>(Decrease) / Increase in current liabilities</i> | | |
| - Trade and other payables | 163,964 | 15,107 |
| - Contract liabilities | (1,264,053) | 904,075 |
| Cash (Used in) Operations | (1,184,889) | (1,301,446) |
| Levy / final tax paid | (212,204) | (155,523) |
| Dividend paid | (262,782) | (19) |
| | (474,986) | (155,542) |
| Net Cash (Used in) / Generated from Operating Activities | (958,294) | 87,369 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payment for acquisition of property and equipment | (176,987) | (85,478) |
| Proceeds from disposal of property and equipment | 1,005 | 35,396 |
| Short term investments | (200,000) | - |
| Advance against capital expenditure | (64,545) | (3,082) |
| Interest received | 434,215 | 394,925 |
| Net Cash (Used in) / Generated from Investing Activities | (6,312) | 341,761 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Treasury share reserve | (419,988) | - |
| Share deposit money | (13) | - |
| Repayment of lease liabilities | (1,017) | (3,221) |
| Repayment of long term loan | (12,043) | (63,489) |
| Short term borrowing - net | 443,994 | (233,846) |
| Long term advances - net | 2,565 | 7,665 |
| Net Cash Generated from / (Used in) Financing Activities | 13,498 | (292,891) |
| Net (Decrease) / Increase in Cash and Cash Equivalents | (951,108) | 136,239 |
| Cash and cash equivalents at the beginning of the period | 4,647,055 | 2,631,171 |
| Cash and Cash Equivalents at the End of the Period | 3,695,947 | 2,767,410 |

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the Nine Months Ended March 31, 2025

| Particulars | Share Capital | Reserves | | | | Total Reserves | Share Deposit Money | Total Equity |
|---|---------------|------------------------|--|---------------|-----------------------|----------------|---------------------|--------------|
| | | Capital Reserve | | | Revenue Reserve | | | |
| | | Treasury share reserve | Employee share option compensation reserve | Share premium | Unappropriated Profit | | | |
| Rupees in Thousands | | | | | | | | |
| Balance as at June 30, 2023 | 898,369 | (184,739) | 253,701 | 304,167 | 7,895,923 | 8,269,052 | 13 | 9,167,434 |
| Net profit for the period | - | - | - | - | 869,929 | 869,929 | - | 869,929 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 869,929 | 869,929 | - | 869,929 |
| Employee share option reserve | - | - | 8,875 | - | - | 8,875 | - | 8,875 |
| Balance as at March 31, 2024 | 898,369 | (184,739) | 262,576 | 304,167 | 8,765,852 | 9,147,856 | 13 | 10,046,238 |
| Balance as at June 30, 2024 | 898,369 | (184,739) | 264,787 | 304,167 | 9,280,082 | 9,664,297 | 13 | 10,562,679 |
| Net profit for the period | - | - | - | - | 346,952 | 346,952 | - | 346,952 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | 346,952 | 346,952 | - | 346,952 |
| Payment of final dividend for the year ended June 30, 2024 @ Rs 3 per share | - | - | - | - | (263,511) | (263,511) | - | (263,511) |
| Employee share option reserve | - | - | 4,349 | - | - | 4,349 | - | 4,349 |
| Buy Back of shares during the period | - | (419,988) | - | - | - | (419,988) | - | (419,988) |
| Forfeited share deposit money | - | - | - | - | - | - | (13) | (13) |
| Balance as at March 31, 2025 | 898,369 | (604,727) | 269,136 | 304,167 | 9,363,523 | 9,332,099 | - | 10,230,468 |

The annexed notes 1 to 25 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UN-CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
For the Nine Months Ended & Quarter Ended March 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Technologies Limited ('the Company'), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (now The Companies Act, 2017) as a Private Company Limited by shares, was later on converted into Public Limited Company and subsequently listed on Pakistan Stock Exchange on August 26, 2005. The Company is domiciled in Pakistan and is principally engaged in the development and sale of computer software and allied services in Pakistan as well as abroad.

Geographical locations and addresses of its business units are as follows:

| Address/Location | Purpose |
|--|-------------------------------------|
| 1 NetSol IT Village,(Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan. | Registered office and business unit |
| 2 43/1/Q, Amna Villa 1, Block-6, PECHS Karachi Pakistan. | Branch office |
| 3 House No. 4, Safari villas 1, Bahria Town, Rawalpindi. Pakistan. | Branch office |

NetSol IT Village, (Software Technology Park) also includes House No. 4, House No. 5, House No. 6, House No. E - 20, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.

The Company is also using the branch office of its parent company, situated at Sentral Senayan 2 Building, 16th Floor, Asia Afrika Street No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 10270, Indonesia.

The Company is a majority owned subsidiary of NetSol Technologies Inc. USA.

2. BASIS OF PREPARATION

2.1 Separate financial statements

These financial statements are condensed, interim, un-consolidated financial statements (un-audited) of the Company. Condensed consolidated interim financial statements of the Company are prepared separately.

2.2 Statement of compliance

These condensed, interim, un-consolidated financial statements (un-audited) are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 (the 'Act') and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

These condensed, interim, un-consolidated financial statements are un-audited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2024.

2.3 Basis of measurement

These condensed, interim, un-consolidated financial statements (un-audited) have been prepared under the historical cost convention using accrual basis of accounting, except for revaluation of certain financial instruments at fair value as disclosed in respective accounting policies or notes.

2.4 Functional and presentation currency

These condensed, interim, un-consolidated financial statements (un-audited) are presented in Pakistani Rupee, which is the Company's functional currency as well its presentation currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted for the preparation of these condensed, interim, un-consolidated financial statements (un-audited) are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2024.

3.1. Standards, interpretations and amendments to approved accounting standards that are effective in the current year:

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on or after July 01, 2024, but are neither relevant nor have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed, interim, un-consolidated financial statements (un-audited).

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

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

| | Had there been no change in accounting policy | Impact of change in accounting policy | After incorporating effects of change in accounting policy |
|--|---|---------------------------------------|--|
| Rupees in Thousands | | | |
| <i>Effect on condensed, interim, un-consolidated statement of profit or loss</i> | | | |
| For the nine months ended March 31, 2025 (Un-audited) | | | |
| Final tax / levies | - | 186,992 | 186,992 |
| Profit before tax | 533,944 | (186,992) | 346,952 |
| Taxation | (186,992) | - | - |
| | 346,952 | (186,992) | 346,952 |
| Profit after tax | 346,952 | - | 346,952 |
| | Had there been no change in accounting policy | Impact of change in accounting policy | After incorporating effects of change in accounting policy |
| Rupees in Thousands | | | |
| <i>Effect on condensed, interim, un-consolidated statement of profit or loss</i> | | | |
| For the nine months ended March 31, 2024 (Un-audited) | | | |
| Final tax / levies | - | 133,885 | 133,885 |
| Profit before tax | 1,003,814 | (133,885) | 869,929 |
| Taxation | (133,885) | - | - |
| | 869,929 | (133,885) | 869,929 |
| Profit after tax | 869,929 | - | 869,929 |

The related changes to the condensed, interim, un-consolidated statement of cash flows (un-audited) with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

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

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed, interim, un-consolidated financial statements.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed, interim, un-consolidated financial statements (un-audited) in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In preparing these condensed, interim, un-consolidated financial statements (un-audited), the judgments, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the Company for the year ended June 30, 2024.

5. PROPERTY AND EQUIPMENT

| | | Mar 31 2025 (Un-audited) | Jun 30 2024 (Audited) |
|--|-------|--------------------------------|-----------------------------|
| | NOTE | Rupees in Thousands | |
| Operating fixed assets | 5.1 | 1,157,833 | 1,208,998 |
| Right of use assets | 5.2 | - | 4,104 |
| Advance against capital expenditure | | 67,679 | 3,134 |
| | | 1,225,512 | 1,216,236 |
| 5.1. Operating fixed assets | | | |
| Opening written down value | | 1,208,998 | 1,505,829 |
| Additions during the period / year | 5.1.1 | 180,484 | 119,677 |
| Disposals during the period / year | 5.1.2 | (25) | (76,566) |
| | | 1,389,457 | 1,548,940 |
| Depreciation charge for the period / year | | (231,624) | (339,942) |
| | | 1,157,833 | 1,208,998 |
| 5.1.1 Following is the detail of additions / transfers during the period: | | | |
| At cost | | | |
| Furniture and fixtures | | 734 | 4,464 |
| Vehicles | | 3,847 | 41,537 |
| Office equipment | | 14,578 | 3,300 |
| Computer equipment and installations | | 109,595 | 36,786 |
| Air conditioners | | 3,653 | 1,060 |
| Generators | | - | 4,675 |
| Computer softwares | | 48,077 | 27,855 |
| | | 180,484 | 119,677 |

5.1.2 Following is the detail of disposals during the period

| | March-31 (Un-audited) | | | June-30 (Audited) | | |
|--------------------------------------|--------------------------|-----------|--------------------|----------------------|-----------|--------------------|
| | Cost | Acc. Dep. | Written Down Value | Cost | Acc. Dep. | Written Down Value |
| | Rupees in Thousands | | | | | |
| Furniture and Fixtures | 594 | 582 | 12 | 19,113 | 18,931 | 182 |
| Vehicles | 1,429 | 1,416 | 13 | 136,745 | 60,414 | 76,331 |
| Computer equipment and installations | 131 | 131 | - | 340 | 287 | 53 |
| Generator | - | - | - | 14,145 | 14,145 | - |
| | 2,154 | 2,129 | 25 | 170,343 | 93,777 | 76,566 |

| | Mar 31 2025 (Un-audited) | Jun 30 2024 (Audited) |
|---|--------------------------------|-----------------------------|
| | Rupees in Thousands | |
| 5.2 Right of use assets | | |
| Opening written down value | 4,104 | 8,380 |
| Disposals during the period / year | (3,497) | (2,030) |
| | 607 | 6,350 |
| Depreciation charge for the period / year | (607) | (2,246) |
| | - | 4,104 |

6. INTANGIBLE ASSETS

NetSol Financial Suite and NFS - Ascent have been fully amortized; however, the Company is still generating revenues from the sale of its licenses, provision of allied services and maintenance.

7. TRADE DEBTS

| | NOTE | Mar 31 2025 (Un-audited) | Jun 30 2024 (Audited) |
|--|------|--------------------------------|-----------------------------|
| | | Rupees in Thousands | |
| Related Parties | | | |
| Considered good - unsecured | 7.1 | 3,907,965 | 4,645,262 |
| Considered doubtful - unsecured | | 303,848 | 278,192 |
| | | 4,211,813 | 4,923,454 |
| Other Parties | | | |
| Considered good - unsecured | | 655,903 | 649,940 |
| Considered doubtful - unsecured | | 6,998 | 2,405 |
| | | 662,901 | 652,345 |
| Less: Provision against expected credit losses | | (310,846) | (280,597) |
| | | 4,563,868 | 5,295,202 |

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

| | | |
|---|-----------|-----------|
| NetSol Technologies (Thailand) Limited | 5,651 | 61,866 |
| NetSol Technologies (Beijing) Co., Ltd. | 2,738,842 | 3,267,132 |
| NetSol Technologies Australia Pty Limited | 546,897 | 715,896 |
| NetSol Technologies Americas Inc. | 226,502 | 416,650 |
| NetSol Technologies Europe Limited | - | 2,015 |
| Ascent Europe Limited | 693,921 | 433,302 |
| Tianjin NuojinZhiCheng Co., Ltd. | - | 26,593 |
| | 4,211,813 | 4,923,454 |

| 8. DEPOSITS AND SHORT TERM PREPAYMENTS | | NOTE | Mar 31 2025 (Un-audited) | Jun 30 2024 (Audited) |
|--|---|------|--------------------------------|-----------------------------|
| | | | Rupees in Thousands | |
| Considered good - unsecured | | | | |
| | Security deposits | | 6,511 | 3,589 |
| | Prepayments | | 212,629 | 109,065 |
| | | | 219,140 | 112,654 |
| 9. Other Receivables | | | | |
| | Guarantee margin | | 15,337 | 7,000 |
| | Other receivables - considered good | | 101,805 | 47,018 |
| | | | 117,142 | 54,018 |
| 10. DUE FROM RELATED PARTIES | | | | |
| Considered good - unsecured | | | | |
| | Parent | 10.1 | | |
| | NetSol Technologies Inc. | | - | 96,687 |
| | Associates | 10.1 | | |
| | NetSol Technologies Americas Inc. | | 51,544 | 103,556 |
| | NetSol Connect (Private) Limited | | 19,077 | 13,858 |
| | NetSol Technologies (Thailand) Limited | | - | 27,938 |
| | NetSol Technologies (Beijing) Co., Ltd. | | 221,715 | 260,490 |
| | OTOZ Thailand Limited | | 17,006 | 28,398 |
| | Tianjin NuojinZhiCheng Co., Ltd. | | - | 70 |
| | Wholly owned Subsidiary | 10.2 | | |
| | NetSol Innovation (Private) Limited | | 123,740 | 9,615 |
| | | | 433,082 | 540,612 |
| 10.1 These relate to the normal course of business of the Company and are interest free. | | | | |
| 10.2 These relate to the normal course of business of the Company and interest @ 6 months KIBOR is charged on the outstanding balance at the end of each month. | | | | |
| 11. Short Term Investments | | | | |
| | Askari Bank Limited | 11.1 | 200,000 | - |
| 11.1 These carry markup ranging from 7% to 12% per annum (June 30, 2024 : Nil) and have maturity of one month from the date of initial recognition with auto rollover. The lien is marked in favour of Lahore High Court on the term deposit receipt. | | | | |

12. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| Mar 31 2025 | Jun 30 2024 | | Mar 31 2025 | Jun 30 2024 |
|-------------------------------|----------------|--|---------------------|----------------|
| (Un-audited) | (Audited) | | (Un-audited) | (Audited) |
| Number of shares in Thousands | | | Rupees in Thousands | |
| 42,686 | 42,686 | Ordinary shares of Rs. 10 each fully paid in cash | 426,862 | 426,862 |
| 47,151 | 47,151 | Ordinary shares of Rs. 10 each allotted as fully paid bonus shares | 471,507 | 471,507 |
| 89,837 | 89,837 | | 898,369 | 898,369 |

12.1 Number of shares outstanding as at the reporting date:

| | | |
|--|---------|---------|
| Opening balance | 89,837 | 89,837 |
| Treasury shares of Rs. 10 each purchased at market value | (4,690) | (2,000) |
| Closing balance | 85,147 | 87,837 |

12.2 NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 69.76% (June 30, 2024: 67.62%) of issued capital of the Company. The percentage has been calculated after taking into account the impact of treasury shares.

12.3 The share capital includes 4,690,251 ordinary shares (5.22% of its outstanding ordinary shares) held as treasury shares by the Company out of which 2,000,000 were bought back in financial year 2022 and 2,690,251 were bought back during the current period. These treasury shares are held in CDC blocked account in frozen form. These are not entitled to any voting right, cash dividend or any other distribution made by the Company. No sale or disposal of treasury shares has been made during the financial year.

13. LONG TERM FINANCES - SECURED

| | | | |
|--|------|---------|----------|
| Loan obligation | 13.1 | 5,307 | 15,820 |
| Less: Current portion of long term financing | | (5,307) | (13,124) |
| | | - | 2,696 |

13.1 This represents finance facilities obtained from time to time, from First Habib Modaraba, for purchase of various vehicles. The facility is repayable in 36 equal monthly installments. This facility carries mark up rates ranging between 13.39% to 21.49% (June 30, 2024: 22.71% to 24.16%) per annum. These facilities are secured through lien marking in favour of financial institutions.

14. SHORT TERM BORROWINGS

| | | |
|--|-----------|-----------|
| Askari Bank Limited - ERF - II | 500,000 | 500,000 |
| Samba Bank Limited - ERF - II | 380,000 | 380,000 |
| Habib Metropolitan Bank Limited - Istisna / Al Bai - Islamic Banking | 1,300,000 | 700,000 |
| | 2,180,000 | 1,580,000 |

14.1 All the terms and conditions are the same as those already disclosed in the annual financial statements for the year ended June 30, 2024.

15. CONTINGENCIES AND COMMITMENTS**15.1 Contingencies**

Mr. Ahsan Zubair, a former employee of the Company, had filed a case in 2013 for the recovery of damages for malicious prosecution before the Honourable Civil Court in Lahore in which he had sought damages amounting to Rs. 500 million. The case was filed five years after a complaint was lodged by the Company with the Federal Investigation Agency regarding the unauthorised use of its intellectual property by a company formed by Mr. Ahsan Zubair and his partner, who was also a former employee of the Company.

The learned Civil Court passed an order partially allowing damages to the tune of Rs. 200 million. The Company, being aggrieved by the decision, filed an appeal with the Honourable Lahore High Court. The Honourable Court on October 3, 2024, suspended the decree and judgment passed against the Company upon submission of a surety equal to the decretal amount, which was duly provided by the Company in the form of a bank guarantee. The case is still pending adjudication in the Lahore High Court.

In light of the facts and circumstances of the case particularly the fact that the case was time barred which was ignored by the Honourable Civil Court, the outcome of the case is expected to be in favor of the Company. Therefore, no provision has been incorporated in these financial statements.

15.2 Commitments

- (i) Bank guarantees have been issued amounting to Rs. 289.16 million (June 30, 2024: Rs. 60.93 million) against performance of various contracts, to Honourable Lahore High Court, to LESCO and to Standard Chartered Bank Pakistan (Limited) against its corporate credit cards.
- (ii) The Company has a capital commitment of Rs. 64.37 million as at March 31, 2025 (June 30, 2024: Rs. 1.32 million).

| | | Nine months ended Mar 31 | | Quarter ended Mar 31 | |
|---|-----------|--------------------------|-----------|----------------------|------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | (Un-audited) | | | |
| | | Rupees in Thousands | | | |
| 16. Revenue from Contracts with Customers - Net | | | | | |
| Disaggregation of revenue from contract with customers | | | | | |
| Set out below is the disaggregation of the Company's revenue from contracts with customers: | | | | | |
| Export Revenue | | | | | |
| License | - | 632,564 | - | 80,644 | |
| Services | 2,478,696 | 2,850,887 | 1,037,093 | 985,188 | |
| Subscription and Support | 3,920,124 | 3,447,673 | 1,240,617 | 1,168,260 | |
| | 6,398,820 | 6,931,124 | 2,277,710 | 2,234,092 | |
| Local Revenue | | | | | |
| Services | 24,068 | 31,208 | 10,848 | 4,639 | |
| Subscription and Support | 21,946 | 29,553 | - | 9,291 | |
| Less: Sales tax | (3,750) | (2,838) | (1,496) | (822) | |
| | 42,264 | 57,923 | 9,352 | 13,108 | |
| | 6,441,084 | 6,989,047 | 2,287,062 | 2,247,200 | |
| 16.1 Timing of revenue recognition: | | | | | |
| At point in time | - | 632,564 | - | 80,644 | |
| Over the time | 6,441,084 | 6,356,483 | 2,287,062 | 2,166,556 | |
| | 6,441,084 | 6,989,047 | 2,287,062 | 2,247,200 | |
| 17. OTHER INCOME | | | | | |
| Income from financial assets | | | | | |
| Profit on bank deposits | 91,451 | 53,856 | 17,446 | 15,503 | |
| Profit on short term investments | 335,692 | 285,739 | 59,436 | 83,335 | |
| Interest income from related party | 7,072 | 55,330 | 3,080 | 20,486 | |
| | 434,215 | 394,925 | 79,962 | 119,324 | |
| Income from non-financial assets | | | | | |
| Gain on foreign currency translation | - | - | 96,760 | - | |
| Gain on disposal of property and equipment | 980 | 707 | 904 | 702 | |
| Rental income | 1,575 | 1,575 | 525 | 525 | |
| Other Income | 115 | - | 115 | - | |
| | 2,670 | 2,282 | 98,304 | 1,227 | |
| | 436,885 | 397,207 | 178,266 | 120,551 | |

| | | Nine months ended Mar 31 | | Quarter ended Mar 31 | |
|--------------------------|------|--------------------------|------------|----------------------|------------|
| | NOTE | 2025 | 2024 | 2025 | 2024 |
| | | (Un-audited) | | | |
| | | Rupees in Thousands | | | |
| | | | (Restated) | | (Restated) |
| 18. Final Taxes / Levies | | | | | |
| Final taxes / levies | 18.1 | 97,771 | 63,821 | 20,735 | 16,857 |
| International tax effect | | 89,496 | 70,845 | 18,147 | 19,080 |
| Prior year adjustment | | (275) | (781) | (275) | - |
| | | 186,992 | 133,885 | 38,607 | 35,937 |

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

18.2 For exporters of IT and IT enabled services, export income is taxable under FTR at 0.25% of the export remittances realized through normal banking channels. However, tax as per applicable rates is charged to the income of the Company generated from sources other than export income.

19. Earnings Per Share - Basic and Diluted

| | Nine months ended Mar 31 | | Quarter ended Mar 31 | |
|--|--------------------------|---------|----------------------|---------|
| | 2025 | 2024 | 2025 | 2024 |
| (Un-audited) | | | | |
| Rupees in Thousands | | | | |
| Profit attributable to ordinary shareholders | 346,952 | 869,929 | 177,445 | 64,271 |
| Weighted average number of ordinary shares (Basic) | | | | |
| Issued ordinary shares at beginning of the period | 89,837 | 89,837 | 89,837 | 89,837 |
| Less: weighted average number of treasury shares held by the Company | (2,589) | (2,000) | (3,810) | (2,000) |
| Weighted average number of ordinary shares as at March 31, | 87,248 | 87,837 | 86,027 | 87,837 |
| Earnings per share - basic | 3.98 | 9.90 | 2.06 | 0.73 |
| Weighted average number of ordinary shares (Diluted) | | | | |
| Weighted average number of ordinary shares (Basic) | 87,248 | 87,837 | 86,027 | 87,837 |
| Effect of share options | 1,327 | 540 | 1,416 | 821 |
| Weighted average number of ordinary shares (diluted) | 88,575 | 88,377 | 87,443 | 88,658 |
| Earnings per share - diluted | 3.92 | 9.84 | 2.03 | 0.72 |

20. Transactions with Related Parties

Related parties comprise the parent company, subsidiary companies, associated companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Outstanding balances at the reporting date are unsecured. There have been no guarantees provided or received for any related party receivables or payables and vice versa.

Details of significant transactions with related parties other than those disclosed elsewhere in these condensed, interim, un-consolidated financial statements (un-audited) are as follows:

| | | Nine months ended Mar 31 | |
|-------------------------------|---|--------------------------|-----------|
| | | 2025 | 2024 |
| | | (Un-audited) | |
| | | Rupees in Thousands | |
| Relationship with the Company | Nature of Transactions | | |
| Subsidiary | Admin and IT services | 1,800 | 1,800 |
| | Rental income | 900 | 900 |
| | Mark-up income | 7,073 | 55,330 |
| Associated undertaking | Rental charges | 675 | 675 |
| | Provision of services | 2,763,065 | 2,041,195 |
| | Purchase of services | 34,963 | 35,232 |
| Parent | Dividend | 178,190 | - |
| Key management personnel | Salaries and benefits | 264,143 | 249,925 |
| | Retirement benefits | 11,084 | 9,993 |
| | Commission paid | 11,151 | 13,595 |
| Post employment benefit | Contribution to defined contribution plan | 145,066 | 130,414 |

21. Capital Management

The primary objective of the Company's management is to ensure that it maintains a strong credit rating and healthy capital ratios while continue as going concern in order to support its business and maximize shareholders value.

There has been no change in the capital management policies during the period, consequently this condensed, interim, un-consolidated financial statements (un-audited) does not include all the information and disclosures as required in the annual financial statements.

22. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(i) Financial Risk Factors

The Company's activities expose it to a variety of financial risks namely market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. There has been no change in the risk management policies during the period, consequently this condensed unconsolidated interim financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements.

(ii) Fair Value of Financial Assets and Liabilities

The carrying values of all financial assets and liabilities reflected in this condensed, interim, un-consolidated financial statements (un-audited) approximate to their fair values.

23. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements / reclassifications have been made in these financial statements.

24. DATE OF AUTHORIZATION FOR ISSUE

These condensed, interim, un-consolidated financial statements (un-audited) for the nine months ended March 31, 2025 were approved and authorised for issuance by the Board of Directors on 30th April 2025.

25. Figures

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Condensed Consolidated Financial Statements

For the Nine Months Ended & Quarter
Ended March 31, 2025

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

As at March 31, 2025

| | | Mar 31 2025 (Un-audited) | Jun 30 2024 (Audited) |
|---|------|--------------------------------|-----------------------------|
| | NOTE | Rupees in Thousands | |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property and equipment | 5 | 1,228,229 | 1,221,182 |
| Intangible assets | 6 | - | - |
| Long term contract assets | | 57,965 | 52,637 |
| Long term loans to employees | | 8,789 | 22,860 |
| | | 1,294,983 | 1,296,679 |
| CURRENT ASSETS | | | |
| Trade debts | 7 | 4,595,912 | 5,326,984 |
| Contract assets | | 2,460,011 | 1,787,247 |
| Loans and advances | 8 | 82,487 | 118,428 |
| Deposits and short term prepayments | | 222,551 | 116,701 |
| Other receivables | | 117,342 | 54,026 |
| Due from related parties | 9 | 309,342 | 514,396 |
| Prepaid tax asset | | 60,884 | 35,730 |
| Short term investments | 10 | 200,000 | - |
| Cash and bank balances | | 3,736,386 | 4,669,162 |
| | | 11,784,915 | 12,622,674 |
| TOTAL ASSETS | | 13,079,898 | 13,919,353 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 200,000,000 (June 30, 2024: 200,000,000) ordinary shares of Rs. 10 each | | 2,000,000 | 2,000,000 |
| Issued, subscribed and paid up capital | 11 | 898,369 | 898,369 |
| Reserves | | 8,808,121 | 9,208,065 |
| Share deposit money | | - | 13 |
| Shareholders' Equity | | 9,706,490 | 10,106,447 |
| NON CURRENT LIABILITIES | | | |
| Long term financing | 12 | - | 2,696 |
| Long term advances | | 4,560 | 1,995 |
| | | 4,560 | 4,691 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 977,696 | 763,340 |
| Contract liabilities | | 201,292 | 1,446,955 |
| Short term borrowings | 13 | 2,180,000 | 1,580,000 |
| Current portion of non-current liabilities | | 5,307 | 14,096 |
| Unclaimed dividend | | 4,553 | 3,824 |
| | | 3,368,848 | 3,808,215 |
| CONTINGENCIES AND COMMITMENTS | 14 | - | - |
| TOTAL EQUITY AND LIABILITIES | | 13,079,898 | 13,919,353 |

The annexed notes 1 to 25 form an integral part of these condensed interim consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

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

For the Nine Months Ended & Quarter Ended March 31, 2025

| | | Nine Months ended March 31 | | Quarter ended March 31 | |
|---|------|----------------------------|-------------|------------------------|-------------|
| | NOTE | 2025 | 2024 | 2025 | 2024 |
| (Un-audited) | | | | | |
| Rupees in Thousands | | | | | |
| | | (Restated) | | | (Restated) |
| Revenue from contracts with customers - net | 15 | 6,609,011 | 7,215,676 | 2,399,985 | 2,325,064 |
| Cost of revenue | | (4,156,323) | (4,118,259) | (1,480,947) | (1,334,154) |
| Gross profit | | 2,452,688 | 3,097,417 | 919,038 | 990,910 |
| Selling and promotional expenses | | (655,843) | (595,175) | (225,505) | (206,663) |
| Administrative expenses | | (1,120,100) | (1,081,282) | (359,910) | (369,320) |
| | | (1,775,943) | (1,676,457) | (585,415) | (575,983) |
| Operating profit | | 676,745 | 1,420,960 | 333,623 | 414,927 |
| Other operating expenses | | (458,483) | (665,640) | (204,320) | (384,719) |
| Finance cost | | (181,380) | (238,098) | (51,414) | (78,980) |
| Other income | 16 | 429,277 | 341,915 | 175,530 | 100,158 |
| | | (210,586) | (561,823) | (80,204) | (363,541) |
| Profit before Final Taxes and Income Tax | | 466,159 | 859,137 | 253,419 | 51,386 |
| Final tax / levies | 17 | (187,297) | (136,299) | (38,693) | (37,793) |
| Profit before Income Tax | | 278,862 | 722,838 | 214,726 | 13,593 |
| Income tax | | - | - | - | - |
| Net Profit for the Period | | 278,862 | 722,838 | 214,726 | 13,593 |
| Earnings Per Share - Basic and Diluted | 18 | | | | |
| - Basic | | 3.20 | 8.23 | 2.50 | 0.15 |
| - Diluted | | 3.15 | 8.18 | 2.46 | 0.15 |

The annexed notes 1 to 25 form an integral part of these condensed interim consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the Nine Months Ended & Quarter Ended March 31, 2025

| | Nine Months ended March 31 | | Quarter ended March 31 | |
|---|----------------------------|---------|------------------------|--------|
| | 2025 | 2024 | 2025 | 2024 |
| | (Un-audited) | | | |
| | Rupees in Thousands | | | |
| Net Profit for the Period | 278,862 | 722,838 | 214,726 | 13,593 |
| Other Comprehensive Income for the period | | | | |
| Items that may be re-classified subsequently to profit or loss | - | - | - | - |
| - Exchange differences on translation of foreign operation | 344 | (395) | 355 | (63) |
| Items that will not be re-classified subsequently to profit or loss | - | - | - | - |
| | 344 | (395) | 355 | (63) |
| Total Comprehensive Income for the Period | 279,206 | 722,443 | 215,081 | 13,530 |

The annexed notes 1 to 25 form an integral part of these condensed interim consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

For the Nine Months Ended March 31, 2025

| | Mar 31 2025 | Mar 31 2024 |
|---|---------------------|--------------------|
| | (Un-audited) | |
| | Rupees in Thousands | |
| Profit before final taxes and income tax | | |
| Adjustments for: | 466,158 | 859,137 |
| - Depreciation - own assets | 234,417 | 266,780 |
| - Depreciation of right of use assets | 607 | 1,791 |
| - Amortization of intangible assets | - | 40,386 |
| - Gain on disposal of property and equipment | (980) | (707) |
| - Foreign exchange loss | 9,989 | 312,170 |
| - Finance cost | 177,310 | 234,290 |
| - Interest income | (427,507) | (340,533) |
| - Employee share option compensation expense | 4,349 | 8,875 |
| - Provision for expected credit losses | 178,547 | 77,143 |
| | 176,732 | 600,195 |
| Operating profit before working capital changes | 642,891 | 1,459,332 |
| <i>Decrease / (Increase) in current assets</i> | | |
| - Trade debts | 682,932 | (1,291,566) |
| - Contract assets | (816,835) | (646,799) |
| - Loans and advances | 50,012 | (40,474) |
| - Deposits and short term prepayments | (105,850) | 3,149 |
| - Other receivables | (63,316) | 906 |
| - Due from related parties | 203,562 | (110,530) |
| <i>(Decrease) / Increase in current liabilities</i> | | |
| - Trade and other payables | 194,627 | 33,406 |
| - Contract liabilities | (1,245,825) | 904,722 |
| Cash (Used in) Operations | (1,100,693) | (1,147,186) |
| Levy / final tax paid | (212,449) | (158,097) |
| Dividend paid | (262,782) | (19) |
| | (475,231) | (158,116) |
| Net Cash (Used in) / Generated from Operating Activities | (933,033) | 154,030 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payment for acquisition of property and equipment | (177,550) | (87,514) |
| Proceeds from disposal of property and equipment | 1,005 | 35,396 |
| Short term investments | (200,000) | - |
| Advance against capital expenditure | (64,545) | (3,082) |
| Interest received | 427,507 | 340,533 |
| Net Cash (Used in) / Generated from Investing Activities | (13,583) | 285,333 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Treasury share reserve | (419,988) | - |
| Share deposit money | (13) | - |
| Repayment of lease liabilities | (1,017) | (3,221) |
| Repayment of long term loan | (11,791) | (63,489) |
| Short term borrowing - net | 443,742 | (233,846) |
| Long term advances - net | 2,565 | 7,665 |
| Net Cash Generated from / (Used in) Financing Activities | 13,498 | (292,891) |
| Net (Decrease) / Increase in Cash and Cash Equivalents | (933,118) | 146,472 |
| Net foreign exchange difference | 342 | (397) |
| Cash and cash equivalents at the beginning of the period | 4,669,162 | 2,633,066 |
| Cash and Cash Equivalents at the End of the Period | 3,736,386 | 2,779,141 |

The annexed notes 1 to 25 form an integral part of these condensed interim consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For the Nine Months Ended March 31, 2025

| Particulars | Share Capital | Reserves | | | | | Total Reserves | Share Deposit Money | Total Equity |
|---|---------------|------------------------|--|---------------|--------------------------------------|-----------------------|----------------|---------------------|--------------|
| | | Capital Reserve | | | | Revenue Reserve | | | |
| | | Treasury share reserve | Employee share option compensation reserve | Share premium | Foreign currency translation reserve | Unappropriated Profit | | | |
| Rupees in Thousands | | | | | | | | | |
| Balance as at June 30, 2023 | 898,369 | (184,739) | 254,359 | 304,167 | 925 | 7,619,595 | 7,994,307 | 13 | 8,892,689 |
| Net profit for the period | - | - | - | - | - | 722,838 | 722,838 | - | 722,838 |
| Other comprehensive income for the period | - | - | - | - | (395) | - | (395) | - | (395) |
| Total comprehensive income for the period | - | - | - | - | (395) | 722,838 | 722,443 | - | 722,443 |
| Employee share option reserve | - | - | 8,875 | - | - | - | 8,875 | - | 8,875 |
| Balance as at March 31, 2024 | 898,369 | (184,739) | 263,234 | 304,167 | 530 | 8,342,433 | 8,725,625 | 13 | 9,624,007 |
| Balance as at June 30, 2024 | 898,369 | (184,739) | 265,445 | 304,167 | 544 | 8,822,648 | 9,208,065 | 13 | 10,106,447 |
| Net profit for the period | - | - | - | - | - | 278,862 | 278,862 | - | 278,862 |
| Other comprehensive income for the period | - | - | - | - | 344 | - | 344 | - | 344 |
| Total comprehensive income for the period | - | - | - | - | 344 | 278,862 | 279,206 | - | 279,206 |
| Payment of final dividend for the year ended June 30, 2024 @ Rs 3 per share | - | - | - | - | - | (263,511) | (263,511) | - | (263,511) |
| Buy Back of shares during the period | - | (419,988) | - | - | - | - | (419,988) | - | (419,988) |
| Employee share option reserve | - | - | 4,349 | - | - | - | 4,349 | - | 4,349 |
| Forfeited share deposit money | - | - | - | - | - | - | - | (13) | (13) |
| Balance as at March 31, 2025 | 898,369 | (604,727) | 269,794 | 304,167 | 888 | 8,837,999 | 8,808,121 | - | 9,706,490 |

The annexed notes 1 to 25 form an integral part of these condensed interim consolidated financial statements (un-audited).



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

For the Nine Months Ended & Quarter Ended March 31, 2025

1. THE COMPANY AND ITS OPERATIONS

NetSol Group consists of:

- NetSol Technologies Limited
- NetSol Innovation (Private) Limited
- NetSol Ascent Middle East Computer Equipment Trading L.L.C.
- NetSol Institute of Artificial Intelligence (Private) Limited

NetSol Technologies Limited ("the Holding Company"), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (Now The Companies Act, 2017) as a Private company limited by shares, was later on converted into Public Limited Company and subsequently listed on Pakistan Stock Exchange on August 26, 2005. The Company is domiciled in Pakistan and is principally engaged in the development and sale of computer software and allied services in Pakistan as well as abroad.

Geographical locations and addresses of its business units are as follows:

| Address/Location | Purpose |
|--|-------------------------------------|
| 1 NetSol IT Village,(Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan. | Registered office and business unit |
| 2 43/1/Q, Amna Villa 1, Block-6, PECHS Karachi, Pakistan. | Branch office |
| 3 House No. 4, Safari Villas 1, Bahria Town, Rawalpindi, Pakistan. | Branch office |
| 4 Office # 6, 4th Floor Clover Bay, Unit 407-412 Business Bay Dubai. UAE. | Subsidiary Office |

NetSol IT Village, (Software Technology Park) also includes House No. 4, House No. 5, House No. 6, House No. E - 20, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.

NetSol Ascent Middle East Computer Equipment Trading L.L.C. is incorporated in Dubai Emirate as a limited liability company. NetSol Technologies Limited owns 100% of its shareholding. The subsidiary is engaged in the business of development and sale of computer systems and communication equipment and software.

NetSol Innovation (Private) Limited ("the subsidiary Company" or "Subsidiary") is incorporated in Pakistan as a private limited company and is a wholly owned 99.999% (2024: 99.999%) subsidiary of NetSol Technologies Limited. The subsidiary is engaged in the business of providing software development and allied IT services. Registered office of the subsidiary is situated at NetSol IT Village, Lahore Ring Road, Ghazi Road interchange, Lahore Cantt, Pakistan.

NetSol Institute of Artificial Intelligence (Private) Limited is incorporated in Pakistan as a private limited company and is a wholly owned 100% (2024: NIL) subsidiary of NetSol Innovation (Private) Limited. The subsidiary is principally engaged in the developing of globally competitive digital workforce by providing specialized education and certifications in high-demand technology areas and to run data processing centers, computer centers, software development centers, offices and to provide consultancy and data processing software development services and to impart training of electronic data processing, computer software and hardware to customers and others and to buy, sell, export, import of software, hardware and establishment of incidental infrastructural facilities.

The Company is also using the branch office of its parent company, situated at Sentral Senayan 2 Building, 16th Floor, Asia Afrika Street No. 8, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta, 10270, Indonesia.

The Company is a majority owned subsidiary of NetSol Technologies Inc. USA.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed, interim, consolidated financial statements (un-audited) are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 (the "Act") and have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

These condensed, interim, consolidated financial statements are un-audited and do not include all the disclosures and information required in the annual financial statements and should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2024.

2.2 Basis of measurement

These condensed, interim, consolidated financial statements (un-audited) have been prepared under the historical cost convention using accrual basis of accounting, except for revaluation of certain financial instruments at fair value as disclosed in respective accounting policies or notes.

2.3 Functional and presentation currency

These condensed, interim, consolidated financial statements (un-audited) are presented in Pakistani Rupee, which is the Company's functional currency as well its presentation currency.

3. Material Accounting Policy Information

The accounting policies adopted for the preparation of these condensed, interim, consolidated financial statements (un-audited) are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2024.

3.1 Standards, interpretations and amendments to approved accounting standards that are effective in the current year:

Certain standards, amendments and interpretations to approved accounting standards are also effective for accounting periods beginning on or after July 01, 2024, but are neither relevant nor have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed, interim, consolidated financial statements (un-audited).

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

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

| | Had there been no change in accounting policy | Impact of change in accounting policy | After incorpo- rating effects of change in accounting policy |
|---|---|---|---|
| Rupees in Thousands | | | |
| <i>Effect on condensed, interim, consolidated statement of profit or loss</i> | | | |
| For the nine months ended March 31, 2025 (Un-audited) | | | |
| Final tax / levies | - | 187,297 | 187,297 |
| Profit before tax | 466,159 | (187,297) | 278,862 |
| Taxation | (187,297) | - | - |
| | 278,862 | (187,297) | 278,862 |
| Profit after tax | 278,862 | - | 278,862 |

| | Had there been no change in accounting policy | Impact of change in accounting policy | After incorpo- rating effects of change in accounting policy |
|---|---|---|---|
| Rupees in Thousands | | | |
| <i>Effect on condensed, interim, consolidated statement of profit or loss</i> | | | |
| For the nine months ended March 31, 2024 (Un-audited) | | | |
| Final tax / levies | - | 136,299 | 136,299 |
| Profit before tax | 859,137 | (136,299) | 722,838 |
| Taxation | (136,299) | - | - |
| | 722,838 | (136,299) | 722,838 |
| Profit after tax | 722,838 | - | 722,838 |

The related changes to the condensed, interim, consolidated statement of cash flows (un-audited) with respect to the amount of profit before taxation have been made as well. There is no impact on profit after tax and earnings per share, basic and diluted.

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

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed, interim, consolidated financial statements.

The preparation of condensed, interim, consolidated financial statements (un-audited) in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In preparing these condensed, interim, consolidated financial statements (un-audited), the judgments, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the Company for the year ended June 30, 2024.

4. Use of Estimates and Judgements

The preparation of condensed, interim, consolidated financial statements (un-audited) in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In preparing these condensed, interim, consolidated financial statements (un-audited), the judgments, estimates and assumptions made by the management were the same as those that were applied to the preceding annual published financial statements of the Company for the year ended June 30, 2024.

5. PROPERTY AND EQUIPMENT

| | | Mar 31 2025 | Jun 30 2024 |
|-------------------------------------|------|----------------|----------------|
| | NOTE | (Un-audited) | (Audited) |
| Rupees in Thousands | | | |
| Operating fixed assets | 5.1 | 1,160,550 | 1,213,944 |
| Right of use assets | 5.2 | - | 4,104 |
| Advance against capital expenditure | | 67,679 | 3,134 |
| | | 1,228,229 | 1,221,182 |

| | | Mar 31 2025 | Jun 30 2024 | | | | |
|---|---|--------------------------|--------------------|------|--------------------------|--------------------|--------|
| | | (Un-audited) | (Audited) | | | | |
| | | Rupees in Thousands | | | | | |
| 5.1. | Operating fixed assets | | | | | | |
| | Opening written down value | 1,213,944 | 1,513,092 | | | | |
| | Additions during the period / year | 5.1.1 181,046 | 121,713 | | | | |
| | Disposals during the period / year | 5.1.2 (25) | (76,564) | | | | |
| | | 1,394,965 | 1,558,241 | | | | |
| | Depreciation charge for the period / year | (234,415) | (344,297) | | | | |
| | | 1,160,550 | 1,213,944 | | | | |
| 5.1.1 Following is the detail of additions / transfers during the period: | | | | | | | |
| At cost | | | | | | | |
| | Furniture and fixtures | 1,036 | 4,464 | | | | |
| | Vehicles | 3,847 | 41,537 | | | | |
| | Office equipment | 14,578 | 3,300 | | | | |
| | Computer equipment and installations | 109,856 | 38,822 | | | | |
| | Air conditioners | 3,653 | 1,060 | | | | |
| | Generators | - | 4,675 | | | | |
| | Computer softwares | 48,076 | 27,855 | | | | |
| | | 181,046 | 121,713 | | | | |
| 5.1.2 Following is the detail of disposals during the period | | | | | | | |
| | | Mar 31, 2025 | Jun 30, 2024 | | | | |
| | | (Un-audited) | (Audited) | | | | |
| | Cost | Accumulated Depreciation | Written Down Value | Cost | Accumulated Depreciation | Written Down Value | |
| Rupees in Thousands | | | | | | | |
| | Furniture and Fixtures | 594 | 582 | 12 | 19,113 | 18,931 | 182 |
| | Vehicles | 1,429 | 1,416 | 13 | 136,745 | 60,416 | 76,329 |
| | Computer equipment and installations | 131 | 131 | - | 340 | 287 | 53 |
| | Generator | - | - | - | 14,145 | 14,145 | - |
| | | 2,154 | 2,129 | 25 | 170,343 | 93,779 | 76,564 |
| | | | | | Mar 31 2025 | Jun 30 2024 | |
| | | | | | (Un-audited) | (Audited) | |
| | | | | | Rupees in Thousands | | |
| 5.2 | Right of use assets | | | | | | |
| | Opening written down value | | | | 4,104 | 8,380 | |
| | Disposals during the period / year | | | | (3,497) | (2,030) | |
| | | | | | 607 | 6,350 | |
| | Depreciation charge for the period / year | | | | (607) | (2,246) | |
| | | | | | - | 4,104 | |

| NOTE | Mar 31 2025 (Un-audited) | Jun 30 2024 (Audited) |
|---------------------|--------------------------------|-----------------------------|
| Rupees in Thousands | | |

6. INTANGIBLE ASSETS

NetSol Financial Suite and NFS - Ascent have been fully amortized; however, the Company is still generating revenues from the sale of its licenses, provision of allied services and maintenance.

7. TRADE DEBTS

Related Parties

| | | |
|---------------------------------|-----------|-----------|
| Considered good - unsecured | 3,940,009 | 4,674,987 |
| Considered doubtful - unsecured | 303,848 | 278,192 |
| | 4,243,857 | 4,953,179 |

Other Parties

| | | |
|---------------------------------|---------|---------|
| Considered good - unsecured | 655,903 | 651,997 |
| Considered doubtful - unsecured | 6,998 | 2,405 |

| | | |
|--|-----------|-----------|
| | 662,901 | 654,402 |
| Less: Provision against expected credit losses | (310,846) | (280,597) |

| | | |
|--|-----------|-----------|
| | 4,595,912 | 5,326,984 |
|--|-----------|-----------|

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

| | | |
|---|-----------|-----------|
| NetSol Technologies (Thailand) Limited | 5,651 | 61,866 |
| NetSol Technologies (Beijing) Co., Ltd. | 2,738,842 | 3,267,132 |
| NetSol Technologies Australia Pty Limited | 546,897 | 715,896 |
| NetSol Technologies Americas Inc. | 226,502 | 422,801 |
| NetSol Technologies Europe Limited | 22,342 | 25,589 |
| Ascent Europe Limited | 693,921 | 433,302 |
| NetSol Ascent Middle East Computer Equipment Trading L.L.C. | 9,702 | - |
| Tianjin NuoJinZhiCheng Co., Ltd. | - | 26,593 |
| | 4,243,857 | 4,953,179 |

8. LOANS AND ADVANCES

Considered good - unsecured

| | | |
|--|--------|---------|
| Current portion of loans to executives | 20,234 | 19,369 |
| Advances to employees: | - | - |
| - against salaries | 3,453 | 2,350 |
| - against expenses | 58,800 | 96,709 |
| | 82,487 | 118,428 |

8.1 These advances are given to meet business expenses and are settled as and when the expenses are incurred.

9. DUE FROM RELATED PARTY

Considered good - unsecured

Parent

| | | |
|--------------------------|---|--------|
| NetSol Technologies Inc. | - | 80,086 |
|--------------------------|---|--------|

Associates

| | | |
|---|---------|---------|
| NetSol Technologies Americas Inc. | 51,544 | 103,556 |
| NetSol Connect (Private) Limited | 19,077 | 13,858 |
| NetSol Technologies (Thailand) Limited | - | 27,938 |
| NetSol Technologies (Beijing) Co., Ltd. | 221,715 | 260,490 |
| OTOZ Thailand Limited | 17,006 | 28,398 |
| Tianjin NuoJinZhiCheng Co., Ltd. | - | 70 |
| | 309,342 | 514,396 |

9.1 These relate to the normal course of business of the Company and are interest free.

10. Short Term Investments

| | | | |
|---------------------|------|---------|---|
| Askari Bank Limited | 10.1 | 200,000 | - |
|---------------------|------|---------|---|

10.1 These carry markup ranging from 7% to 12% per annum (June 30, 2024 : Nil) and have maturity of one month from the date of initial recognition with auto rollover. The lien is marked in favour of Lahore High Court on the term deposit receipt.

11. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| Mar 31 2025 | Jun 30 2024 | | Mar 31 2025 | Jun 30 2024 |
|-------------------------------|----------------|--|---------------------|----------------|
| (Un-audited) | (Audited) | | (Un-audited) | (Audited) |
| Number of shares in Thousands | | | Rupees in Thousands | |
| 42,686 | 42,686 | Ordinary shares of Rs. 10 each fully paid in cash | 426,862 | 426,862 |
| 47,151 | 47,151 | Ordinary shares of Rs. 10 each allotted as fully paid bonus shares | 471,507 | 471,507 |
| 89,837 | 89,837 | | 898,369 | 898,369 |

11.1 Number of shares outstanding as at the reporting date:

| | | |
|--|---------|---------|
| Opening balance | 89,837 | 89,837 |
| Treasury shares of Rs. 10 each purchased at market value | (4,690) | (2,000) |
| Closing balance | 85,147 | 87,837 |

11.2 NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 69.76% (June 30, 2024: 67.62%) of issued capital of the Company. The percentage has been calculated after taking into account the impact of treasury shares.

11.3 The share capital includes 4,690,251 ordinary shares (5.22% of its outstanding ordinary shares) held as treasury shares by the Company out of which 2,000,000 were bought back in financial year 2022 and 2,690,251 were bought back during the current period. These treasury shares are held in CDC blocked account in frozen form. These are not entitled to any voting right, cash dividend or any other distribution made by the Company. No sale or disposal of treasury shares has been made during the financial year.

12. LONG TERM FINANCES - SECURED

| | NOTE | Mar 31 2025 (Un-audited) | Jun 30 2024 (Audited) |
|--|------|--------------------------------|-----------------------------|
| Rupees in Thousands | | | |
| Loan obligation | 12.1 | 5,307 | 15,820 |
| Less: Current portion of long term financing | | (5,307) | (13,124) |
| | | - | 2,696 |

12.1 This represents finance facilities obtained from time to time, from First Habib Modaraba, for purchase of various vehicles. The facility is repayable in 36 equal monthly installments. This facility carries mark up rates ranging between 13.39% to 21.49% (June 30, 2024: 22.71% to 24.16%) per annum. These facilities are secured through lien marking in favour of financial institutions.

13. SHORT TERM BORROWINGS

| | | |
|--|-----------|-----------|
| Askari Bank Limited - ERF - II | 500,000 | 500,000 |
| Samba Bank Limited - ERF - II | 380,000 | 380,000 |
| Habib Metropolitan Bank Limited - Istisna / Al Bai - Islamic Banking | 1,300,000 | 700,000 |
| | 2,180,000 | 1,580,000 |

13.1 All the terms and conditions are the same as those already disclosed in the annual financial statements for the year ended June 30, 2024.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

Mr. Ahsan Zubair, a former employee of the Company, had filed a case in 2013 for the recovery of damages for malicious prosecution before the Honourable Civil Court in Lahore in which he had sought damages amounting to Rs. 500 million. The case was filed five years after a complaint was lodged by the Company with the Federal Investigation Agency regarding the unauthorised use of its intellectual property by a company formed by Mr. Ahsan Zubair and his partner, who was also a former employee of the Company.

The learned Civil Court passed an order partially allowing damages to the tune of Rs. 200 million. The Company, being aggrieved by the decision, filed an appeal with the Honourable Lahore High Court. The Honourable Court on October 3, 2024, suspended the decree and judgment passed against the Company upon submission of a surety equal to the decretal amount, which was duly provided by the Company in the form of a bank guarantee. The case is still pending adjudication in the Lahore High Court.

In light of the facts and circumstances of the case particularly the fact that the case was time barred which was ignored by the Honourable Civil Court, the outcome of the case is expected to be in favor of the Company. Therefore, no provision has been incorporated in these financial statements.

14.2 Commitments

- (i) Bank guarantees have been issued amounting to Rs. 289.16 million (June 30, 2024: Rs. 60.93 million) against performance of various contracts, to Honourable Lahore High Court, to LESCO and to Standard Chartered Bank Pakistan (Limited) against its corporate credit cards.
- (ii) The Company has a capital commitment of Rs. 64.37 million as at March 31, 2025 (June 30, 2024: Rs. 1.32 million).

| Nine Months ended Mar 31 | | Quarter ended Mar 31 | |
|--------------------------|------|----------------------|------|
| 2025 | 2024 | 2025 | 2024 |
| (Un-audited) | | | |
| Rupees in Thousands | | | |

15. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

Disaggregation of revenue from contract with customers

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Export Revenue

| | | | | |
|--------------------------|-----------|-----------|-----------|-----------|
| License | - | 632,564 | - | 80,644 |
| Services | 2,646,623 | 3,072,121 | 1,150,016 | 1,063,052 |
| Subscription and Support | 3,920,124 | 3,447,673 | 1,240,617 | 1,168,260 |
| | 6,566,747 | 7,152,358 | 2,390,633 | 2,311,956 |

Local Revenue

| | | | | |
|--------------------------|-----------|-----------|-----------|-----------|
| Services | 24,068 | 36,873 | 10,848 | 4,639 |
| Subscription and Support | 21,946 | 29,553 | - | 9,291 |
| Less: Sales tax | (3,750) | (3,108) | (1,496) | (822) |
| | 42,264 | 63,318 | 9,352 | 13,108 |
| | 6,609,011 | 7,215,676 | 2,399,985 | 2,325,064 |

15.1 Timing of revenue recognition:

| | | | | |
|------------------|-----------|-----------|-----------|-----------|
| At point in time | - | 632,564 | - | 80,644 |
| Over the time | 6,609,011 | 6,583,112 | 2,399,985 | 2,244,420 |
| | 6,609,011 | 7,215,676 | 2,399,985 | 2,325,064 |

| | Nine Months ended Mar 31 | | Quarter ended Mar 31 | |
|--|--------------------------|---------|----------------------|---------|
| | 2025 | 2024 | 2025 | 2024 |
| | (Un-audited) | | | |
| | Rupees in Thousands | | | |
| 16. OTHER INCOME | | | | |
| Income from financial assets | | | | |
| Profit on bank deposits | 91,815 | 54,794 | 17,491 | 15,896 |
| Profit on short term investments | 335,692 | 285,739 | 59,436 | 83,335 |
| | 427,507 | 340,533 | 76,927 | 99,231 |
| Income from non-financial assets | | | | |
| Gain on foreign currency translation | - | - | 97,358 | - |
| Gain on disposal of property and equipment | 980 | 707 | 904 | 702 |
| Rental income | 675 | 675 | 225 | 225 |
| Other Income | 115 | - | 115 | - |
| | 1,770 | 1,382 | 98,602 | 927 |
| | 429,277 | 341,915 | 175,529 | 100,158 |

17. Final Taxes / Levies

For exporters of IT and IT enabled services, export income is taxable under FTR at 0.25% of the export remittances realized through normal banking channels. However, tax as per applicable rates is charged to the income of the Company generated from sources other than export income.

18. EARNINGS PER SHARE - BASIC AND DILUTED

| | Nine months ended Mar 31 | | Quarter ended Mar 31 | |
|--|--------------------------|---------|----------------------|---------|
| | 2025 | 2024 | 2025 | 2024 |
| | (Un-audited) | | | |
| | Rupees in Thousands | | | |
| Profit attributable to ordinary shareholders | 278,862 | 722,838 | 214,726 | 13,593 |
| Weighted average number of ordinary shares (Basic) | | | | |
| Issued ordinary shares at beginning of the period | 89,837 | 89,837 | 89,837 | 89,837 |
| Less: weighted average number of treasury shares held by the Company | (2,589) | (2,000) | (3,810) | (2,000) |
| Weighted average number of ordinary shares as at March 31, | 87,248 | 87,837 | 86,027 | 87,837 |
| Earnings per share - basic | 3.20 | 8.23 | 2.50 | 0.15 |
| Weighted average number of ordinary shares (Diluted) | | | | |
| Weighted average number of ordinary shares (Basic) | 87,248 | 87,837 | 86,027 | 87,837 |
| Effect of share options | 1,327 | 540 | 1,416 | 821 |
| Weighted average number of ordinary shares (diluted) | 88,575 | 88,377 | 87,443 | 88,658 |
| Earnings per share - diluted | 3.15 | 8.18 | 2.46 | 0.15 |

19. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise the parent company, subsidiary companies, associated companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. The Company enters into transactions with related parties on the basis of mutually agreed terms. Outstanding balances at the reporting date are unsecured. There have been no guarantees provided or received for any related party receivables or payables and vice versa.

Details of significant transactions with related parties other than those disclosed elsewhere in these condensed, interim, consolidated financial statements (un-audited) are as follows:

| | | Nine Months ended Mar 31 | |
|-------------------------------|---|--------------------------|-----------|
| | | 2025 | 2024 |
| | | (Un-audited) | |
| | | Rupees in Thousands | |
| Relationship with the Company | Nature of Transactions | | |
| Associated undertaking | Rental charges | 675 | 675 |
| | Provision of services | 2,831,698 | 2,182,576 |
| | Purchase of services | 34,963 | 35,232 |
| Parent | Dividend | 178,190 | - |
| Key management personnel | Salaries and benefits | 275,262 | 254,247 |
| | Retirement benefits | 11,483 | 10,100 |
| | Commission paid | 11,151 | 14,517 |
| Post employment benefit | Contribution to defined contribution plan | 151,480 | 136,994 |

20. Capital Management

The primary objective of the Company's management is to ensure that it maintains a strong credit rating and healthy capital ratios while continue as going concern in order to support its business and maximize shareholders value.

There has been no change in the capital management policies during the period, consequently this condensed, interim, consolidated financial statements (un-audited) does not include all the information and disclosures as required in the annual financial statements.

21. Financial Risk Management and Financial Instruments

(i) Financial Risk Factors

The Company's activities expose it to a variety of financial risks namely market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. There has been no change in the risk management policies during the period, consequently this condensed consolidated interim financial statements (un-audited) do not include all financial risk management information and disclosures required in the annual financial statements.

(ii) Fair Value of Financial Assets and Liabilities

The carrying values of all financial assets and liabilities reflected in this condensed, interim, consolidated financial statements (un-audited) approximate to their fair values.

22. Corresponding Figures

Corresponding figures have been re-classified, re-arranged, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, no significant re-arrangements / reclassifications have been made in these financial statements.

23. SEGMENT REVENUES AND RESULTS

Following is an analysis of the Group's revenue and results by reportable segment.

| Mar-25 | | | | |
|--|-------------|-----------|----------|-------------|
| | PBS | PS | BPO | Total |
| Rupees in Thousands | | | | |
| Revenue - net | | | | |
| External sales | | | | |
| Services | 2,489,593 | 117,700 | 60,079 | 2,667,372 |
| Subscription and Support | 3,941,639 | - | - | 3,941,639 |
| Total revenue | 6,431,232 | 117,700 | 60,079 | 6,609,011 |
| Cost of revenue | (3,947,408) | (159,601) | (49,314) | (4,156,323) |
| Segment results | 2,483,824 | (41,901) | 10,765 | 2,452,688 |
| Unallocated corporate expenses: | | | | |
| Selling and promotional expenses | | | | (655,843) |
| Administrative expenses | | | | (1,120,100) |
| Other income | | | | 429,277 |
| Other operating expenses | | | | (458,483) |
| Finance cost | | | | (181,380) |
| Final tax / levies | | | | (187,297) |
| Profit after taxation | | | | 278,862 |

| Mar-24 | | | | |
|--|-------------|-----------|----------|-------------|
| | PBS | PS | BPO | Total |
| Rupees in Thousands | | | | |
| Revenue - net | | | | |
| External sales | | | | |
| License | 632,564 | - | - | 632,564 |
| Services | 2,806,542 | 238,626 | 61,298 | 3,106,466 |
| Subscription and Support | 3,476,646 | - | - | 3,476,646 |
| Total revenue | 6,915,752 | 238,626 | 61,298 | 7,215,676 |
| Cost of revenue | (3,847,393) | (226,409) | (44,457) | (4,118,259) |
| Segment results | 3,068,359 | 12,217 | 16,841 | 3,097,417 |
| Unallocated corporate expenses: | | | | |
| Selling and promotional expenses | | | | (595,175) |
| Administrative expenses | | | | (1,081,282) |
| Other income | | | | 341,915 |
| Other operating expenses | | | | (665,640) |
| Finance cost | | | | (238,098) |
| Final tax / levies | | | | (136,299) |
| Profit after taxation | | | | 722,838 |

***Key**

PBS = Product Based Solutions and Ancillary Services PS = Professional Services

BPO = Business Process Outsourcing

Segment assets and liabilities are not regularly provided to the CODM. The Group has elected as provided under IFRS 8 'Operating Segments' (amended) not to disclose a measure of segment assets or liabilities where these amounts are not regularly provided to the CODM.

24. DATE OF AUTHORIZATION FOR ISSUE

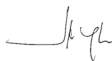
These condensed, interim, consolidated financial statements (un-audited) for the nine months ended March 31, 2025 were approved and authorised for issuance by the Board of Directors on 30th April 2025.

25. FIGURES

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



NETSOL TECHNOLOGIES LIMITED



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