

**For The Half Year &
Quarter Ended
December
31, 2025**

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Company Profile

BOARD OF DIRECTORS

NAEEM ULLAH GHAURI

Chairman/Non-Executive Director

SALIM ULLAH GHAURI

Chief Executive Officer/Executive Director

OMAR SHAHAB GHAURI

Executive Director

VASEEM ANWAR

Non-Executive Director

HAMNA GHAURI

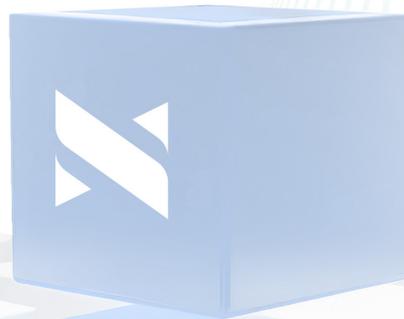
Non-Executive Director

NOMAN HUSSAIN

Independent Director

HUMA FAKHAR

Independent 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
Lahore

SHARE REGISTRAR

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5-C, LDA Flats, 2nd Floor,
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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
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Lahore Ring Road,
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Director's 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 December 31, 2025.

GENERAL OVERVIEW

Chinese leasing company went live with Transcend Finance in Indonesia

NETSOL announced the successful go-live of its Transcend Finance platform for a leading Chinese leasing company, marking the customer's official launch of operations in the Indonesian market. The client, known for offering a wide range of leasing solutions across sectors including equipment leasing, asset financing and commercial leasing, has deployed NETSOL's Transcend Finance for its retail operations, alongside a customized funding system designed to support their unique operational needs in Indonesia. This go-live marked the completion of a greenfield implementation, enabling the customer to build entirely new processes free of legacy constraints.

NETSOL was chosen by Sonic Automotive to power next-gen digital retail experience

NETSOL announced its selection by Sonic Automotive, a Fortune 500 automotive and powersports dealership group, to lead a discovery engagement focused on defining the requirements and roadmap for a next-generation omnichannel digital retail platform powered by NETSOL's Transcend Retail. This strategic engagement supports Sonic Automotive's continued investment in digital innovation by defining a scalable platform architecture that enhances customer experience and dealer operations across its EchoPark Automotive operations.

NETSOL's Transcend Retail signed two US dealer groups

The company announced new dealership deployments of its digital automotive retail platform Transcend Retail at Porsche North Houston, part of Indigo Auto Group, as well as Jim Shorkey Nissan, part of Jim Shorkey Auto Group. For Porsche North Houston, the deployment was completed in under five weeks, underscoring the platform's flexibility, scalability and ease of implementation. The implementation for Jim Shorkey Nissan marked another milestone in NETSOL's expansion in the North American market, where dealers and finance providers are under increasing pressure to modernize retail experiences and drive operational efficiency.

NETSOL signed a \$50 million, four-year contract extension with a tier-one global auto captive

The company signed a \$50 million contract extension with a tier-one global auto captive, a long-standing customer with whom NETSOL has maintained a strategic partnership since 1996. The total contract value is expected to be recognized over the four-year term and will support recurring revenue. The agreement extends the customer's use of Transcend Finance and includes maintenance and licensing fees. The new contract builds on NETSOL's earlier multi-country engagement, originally announced in 2015, when a contract was signed for over \$100 million, under which NETSOL successfully implemented its platform across 12 markets.

NETSOL celebrated over 25 years of being listed on Nasdaq with Opening Bell Ceremony

Commemorating 25 years of being listed on Nasdaq, NETSOL Technologies Inc.'s Founder and Chief Executive Officer Najeeb Ghauri, along with senior company leaders and others, rang the Nasdaq Opening Bell on December 18, 2025, at the Nasdaq MarketSite in Times Square, New York City. This honor also recognized the company's long-standing contributions to global technology innovation.

FINANCIAL PERFORMANCE

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

STAND-ALONE FINANCIAL STATEMENTS	Oct-Dec	Oct-Dec	Jul-Dec	Jul-Dec
	2025	2024	2025	2024
	(PKR in 000's)		(PKR in 000's)	
Revenue	2,391	2,255	4,635	4,154
Gross profit	907	946	1,680	1,587
Net profit/ (loss)	218	(27)	267	170
EPS/ (LPS) – basic (in PKR)	2.52	(0.31)	3.11	1.93
EPS/ (LPS) – diluted (in PKR)	2.50	(0.31)	3.08	1.90
EBITDA per share – diluted (in PKR)	3.40	0.61	4.73	2.76

Revenues during the quarter ended December 31, 2025 increased by 6% compared to the revenues posted in the same quarter of previous fiscal year. The company generated net revenue of PKR 2,391 million, primarily driven by services and subscription & support revenue, as compared to PKR 2,255 million during the corresponding period last year. On the services side, revenue increased to PKR 987 million from PKR 805 million last year, mainly due to implementation, system upgrades and customization work for customers. In addition to it, Subscription and Support revenue clocked in at PKR 1,405 million as compared to PKR 1,451 million during the corresponding period of the previous fiscal year.

Gross Margins during the period clocked in at PKR 907 million as compared to the corresponding period where margins were recorded at PKR 946 million. The Company closed the quarter with a net profit of PKR 218 million, compared to a net loss of PKR 27 million in the comparable period. The net profit for the current period includes currency exchange gain of PKR 24 million, as compared to a foreign exchange loss of PKR 278 million reported in the corresponding period of the last fiscal year. The Company reported basic and diluted earnings per share of PKR 2.52 & 2.50 in comparison of loss of PKR 0.31 per share in the corresponding period. The company posted net EBITDA profit of PKR 3.40 per diluted share compared to PKR 0.61 in the comparable period

On half yearly basis, Company posted net revenues of PKR 4,635 million compared to PKR 4,154 million in the corresponding period. Gross Margins during the period clocked in at PKR 1,680 million as compared to the corresponding period where margins were recorded at PKR 1,587 million. The Company posted a net profit after tax of PKR 267 million in comparison of PKR 170 million during the same period last year. Basic & diluted earnings per share for the half year ended December 31, 2025 were PKR 3.11 & 3.08 respectively in comparison of PKR 1.93 & 1.90 in the corresponding period. Half year EBITDA profit for the current period was PKR 4.73 per share compared to PKR 2.76 per share in the preceding period. During the half year ended December 31, 2025, the Company transferred 1,346,330 treasury shares to eligible employees under the Company's Stock Option Scheme at a grant price of PKR 77.84 per share, pursuant to the special resolution passed at the Extraordinary General Meeting held on December 31, 2024.

The Company also consolidates financial results of its wholly owned subsidiaries "NETSOL Innovation (Pvt) Limited" and "NETSOL Ascent Middle East Computer Equipment Trading LLC" and wholly owned sub-subsidiary "NETSOL Institute of Artificial Intelligence (Pvt) Limited". Net consolidated revenues for the quarter ended December 31, 2025 were PKR 3,225 million compared to PKR 2,283 million in the same period of fiscal 2025. Consolidated gross profit for the quarter was PKR 1,571 million as compared to PKR 922 million in the same period last year. On consolidated basis, the company posted net consolidated profit of PKR 644 million in the current quarter compared to loss of PKR 77 million posted in the same period last year. Basic and diluted earnings per share for the quarter ended December 31, 2025 were PKR 7.44 and PKR 7.38 compared to basic and diluted loss per share of 0.88 and PKR 0.87 in the same period of last fiscal year.

Future Outlook

The company continues to strengthen its position as a trusted partner for financial institutions worldwide through Transcend Finance, its flagship platform that enables lenders, captives and commercial financiers to manage the complete finance lifecycle with intelligence and precision, while optimizing their operations, driving efficiency and scaling with confidence.

At the same time, Transcend Retail, NETSOL's digital automotive retail platform, is rapidly gaining adoption among leading dealer group and dealerships in the United States, transforming the car-buying experience and helping dealers operate smarter, more profitable businesses.

Alongside these cornerstone offerings, NETSOL will continue to promote Transcend Marketplace, Transcend Consultancy and Transcend AI Labs, creating a comprehensive ecosystem that addresses the end-to-end needs of both the financial and automotive retail sectors.

The company's healthy sales pipeline reflects strong market demand and the continued expansion of its client base across Tier-1, Tier-2 and Tier-3 organizations. NETSOL's strategic approach ensures that businesses of all sizes can access scalable, innovative and industry-leading solutions tailored to their specific needs.

By continuing to sponsor, exhibit and actively participate in leading global industry events in North America, Europe, APAC and now the Middle East, NETSOL reinforces its commitment to thought leadership, collaboration and innovation. These engagements allow the company to stay ahead of emerging trends, deepen relationships with existing clients and cultivate new partnerships.

These events provide valuable opportunities to showcase the full power of the company's Transcend Platform, engage directly with customers and prospects, and share insights on the latest trends in the industry.

Beyond product promotion, NETSOL will continue to invest in innovation, operational excellence and strategic partnerships. By leveraging the Transcend Platform and its AI-driven capabilities, the company empowers clients to unlock efficiencies, improve decision-making and achieve sustainable growth in a rapidly evolving market.

With a focus on delivering cutting-edge solutions, actionable insights and unparalleled support, NETSOL is poised to further expand its global footprint and solidify its leadership across the industries in which it operates. The company's unified approach, combining technology, consultancy and AI expertise, ensures that clients can navigate the future

with confidence while benefiting from transformative solutions that drive long-term value.

Looking forward, NETSOL is confident that its focus on Transcend Finance, Transcend Retail and the broader Transcend ecosystem will continue to fuel growth, foster industry leadership and deliver sustainable value for clients, partners and stakeholders around the world.

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

**Salim Ullah Ghauri**

Chief Executive Officer

**Omar Shahab Ghauri**

Director

February 12, 2026

ڈائریکٹرز رپورٹ

ہمیں خوشی ہے کہ نیٹ سول ٹیکنالوجیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کی 31 دسمبر 2025ء کو ختم ہونے والے عرصہ کے لئے مالیاتی گوشوارے بشمول مجموعی مالیاتی گوشوارے پیش کر رہے ہیں۔

عمومی جائزہ: (General Overview)

چائیز لیزنگ کمپنی انڈونیشیا میں Transcend Finance کے ساتھ live یوٹی

نیٹ سول نے معروف چینی لیزنگ کمپنی کے لئے اپنے Transcend Finance پلیٹ فارم کو کمپانی سے live کیا جس سے صارف انڈونیشیا کی مارکیٹ میں اپنے آپریٹرز کے باقاعدہ آغاز کے قابل ہوا۔ کلائنٹ جو ایکو پینٹ لیزنگ، ایسٹ فنانسنگ اور کمرشل لیزنگ جیسے شعبوں میں لیزنگ سلوشنز کی وسیع رینج پیش کرنے کے لئے جانا جاتا ہے نے نیٹ سول کے ٹرانسینڈ فنانس کا اپنے ریشیل آپریٹرز کے لئے اطلاق کیا ہے جس میں کسٹمائزر ڈیفنڈنگ سٹم شامل ہے جو انڈونیشیا میں ان کی منفرد آپریٹرز ضروریات کو سپورٹ کرنے کے لئے تیار کیا گیا ہے۔ یہ Go-Live ہونے کا عمل گرین فیلڈ اطلاق کی تکمیل کی عکاسی کرتا ہے جس سے صارف پابندیوں سے پاک بالکل نئے پروڈیوسرز تیار کرنے کے قابل ہوا۔

اپنے next-gen کے ڈیجیٹل ریشیل تجربہ کو مضبوط کرنے کے لئے Sonic Automotive نے نیٹ سول کا انتخاب کیا

نیٹ سول نے Fortune 500 automotive ور پاور پیورٹس ڈیلر شپ گروپ Sonic Automotive کی جانب سے اپنے انتخاب کا اعلان کیا تاکہ نیٹ سول کے Transcend Retail سے لیس next-generation کے اومنی چینل ڈیجیٹل ریشیل پلیٹ فارم کے تقاضوں اور روڈ میپ کو وسعت دینے کی غرض سے discovery کے ساتھ تعلق میں رہنمائی کر سکے۔ یہ اسٹریٹجک شمولیت قابل تجدید پلیٹ فارم آرٹیکلر کو بہتر بنا کر Sonic Automotive کو ڈیجیٹل ارتراع میں جاری سرمایہ کاری میں سہارا دیتی ہے جو اس کے EchoPark Automotive آپریٹرز میں صارف تجربہ اور ڈیلر آپریٹرز کو بہتر بناتی ہے۔

نیٹ سول کے Transcend Retail نے دو امریکی ڈیلر گروپوں کے معاہدہ کیا

کمپنی نے Indigo Auto Group کی ایک شاخ Porsche North Houston اور Jim Shorkey کی ایک Jim Shorkey Nissan میں اپنے ڈیجیٹل آٹوموٹیو ریشیل پلیٹ فارم کی نئی ڈیلر شپ کے اطلاق کا اعلان کیا۔ Porsche North Houston کے لئے پانچ مہینوں سے کم عرصہ میں اطلاق مکمل ہوا جو بیٹ فارم کی پیک، وسعت پذیری، اطلاق میں آسانی کی عکاسی کرتا ہے۔ Jim Shorkey Nissan کے لئے اطلاق کے باعث نیٹ سول کی شمالی امریکی منڈیوں میں توسیع جیسے ایک سنگ میل کو عبور کیا۔ جہاں ڈیلرز ڈیلر فنانس کی خدمات فراہم کرنے والے ریشیل تجربہ کی جدت سازی اور آپریٹرز کا کارکردگی میں پیش رفت کے لئے کافی دیا ہے۔

نیٹ سول نے tier-one global auto captive کے ساتھ 50 ملین ڈالر مالیت کا چار سالہ توسیعی معاہدہ کیا

کمپنی نے tier-one global auto captive کے ساتھ 50 ملین ڈالر کا توسیعی معاہدہ کیا جو ایک طویل مدتی صارف ہے جس کے ساتھ نیٹ سول نے سال 1996ء سے ایک اسٹریٹجک شراکت داری کر رکھی ہے۔ معاہدے کی کل مالیت عرصہ چار برس میں پوری ہونے کی توقع ہے جس سے آمدنی کو برقرار رکھنے میں مدد ملے گی۔ معاہدہ صارف کی جانب سے Transcend Finance کے استعمال میں توسیع کا معاہدہ ہے جس میں ڈیجیٹل بحال اور انسٹنگ فیس شامل ہے۔ نئے معاہدے سے نیٹ سول کو ماضی میں کثیر ملک روابط کو قائم کرنے میں مدد ملی جس کا اعلان دراصل سال 2015ء میں ہوا تھا اور اس وقت 100 ملین ڈالر کے معاہدے پر دستخط ہوئے تھے جس کے تحت نیٹ سول نے 12 منڈیوں میں اپنے پلیٹ فارم کا کامیابی سے اطلاق کیا۔

نیٹ سول نے Opening Bell Ceremony کے ساتھ Nasdaq میں اسٹاک کا 25 سالہ جشن منایا

Nasdaq میں اسٹاک کے 26 برس مکمل ہونے کی یاد میں نیٹ سول ٹیکنالوجیز انکارپوریشن کے بانی اور چیف ایگزیکٹو آفیسر نجیب غوری اور نیٹ سول کی لیڈرز اور دیگر ان نے ٹائمز سکوئر نیو یارک سٹی میں واقع Nasdaq مارکیٹ سائبرٹ میں 18 دسمبر 2025ء کو Nasdaq اور پینگ تیل بجائی۔ اس اعزاز سے عالمی ٹیکنالوجی جدت میں کمپنی کے طویل مدتی کردار کو سراہا گیا۔

مالیاتی کارکردگی: (Financial Performance)

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

انفرادی مالیاتی گوشوارے

تھریٹ	اکتوبر تا دسمبر 2025ء	اکتوبر تا دسمبر 2024ء	جولائی تا دسمبر 2025ء	جولائی تا دسمبر 2024ء
محصولات (ملین میں)	2,391	2,255	4,635	4,154
خام منافع (ملین میں)	907	946	1,680	1,587
صافی نفع / نقصان (ملین میں)	218	(27)	267	170
منافع / نقصان فی حصص بنیادی (روپوں میں)	2.52	(0.31)	3.11	1.93
منافع / نقصان فی حصص تخمیل شدہ (روپوں میں)	2.50	(0.31)	3.08	1.90
'EBITDA' فی حصص تخمیل شدہ (روپوں میں)	3.40	0.61	4.73	2.76

31 دسمبر 2025ء کو ختم ہونے والی سماہی کے دوران محصولات میں بچھلے مالی سال کی اسی سماہی میں درج ہونے والی محصولات کے مقابلے میں 6 فیصد کی کمی واقع ہوئی۔ کمپنی گزشتہ سال کے اسی عرصے کے دوران 2,255 ملین روپے کے مقابلے میں 2,391 ملین روپے کی خالص محصولات حاصل کی ہیں، جو بنیادی طور پر خدمات اور سوسکریشن اور سپورٹ کی محصولات پر مبنی ہے۔ خدمات کی مد میں، کمپنی کی محصولات گزشتہ مالی سال کی اسی سماہی میں 805 ملین روپے سے بڑھ کر 987 ملین روپے موجودہ سماہی میں درج کی ہیں، جس کی بنیادی وجہ عمل درآمد، سٹم اپ گریڈ اور صارفین کے لیے حسب ضرورت کام ہے۔ اس کے علاوہ سوسکریشن اور سپورٹ کی محصولات گزشتہ مالی سال کی اسی مدت کے دوران 1,451 ملین روپے کے مقابلے میں 1,405 ملین روپے تک درج کی گئی۔

اس مدت کے دوران مجموعی مارجن 907 ملین روپے پر جبکہ گزشتہ مدت کے دوران یہ مارجن 946 ملین روپے درج کیا گیا تھا۔ کمپنی نے موازنہ مدت کے 27 ملین روپے کا نفع نقصان کے مقابلے میں 218 ملین روپے کا نفع منافع درج کیا۔ کمپنی نے گزشتہ مدت کے دوران 278 ملین روپے کرنسی تبادلے کے خسارے کے مقابلے میں موجودہ مدت کے نفع منافع میں 24 ملین روپے کا کرنسی تبادلے میں اضافہ شامل کیا ہے۔ کمپنی نے گزشتہ مدت کے بنیادی اور تخمیل شدہ 0.31 روپے فی حصص خسارہ کے مقابلے میں اس سماہی کے لئے 2.52 اور 2.50 روپے فی حصص منافع درج کیا ہے۔ کمپنی نے گزشتہ عرصے سے 0.61 روپے کے مقابلے میں 3.40 روپے تخمیل شدہ فی حصص خالص EBITDA منافع درج کیا ہے۔

ششماہی بنیاد پر، 4,154 ملین روپے کی خالص محصولات کے مقابلے میں 4,635 ملین روپے کی خالص محصولات درج کی ہیں۔ اس مدت کے دوران مجموعی مارجن 1,680 ملین روپے درج کیا گیا جو کہ گزشتہ مدت میں یہ مارجن 1,587 ملین روپے درج کیا گیا تھا۔ کمپنی نے گزشتہ سال کی اسی مدت کے دوران 170 ملین روپے کے مقابلے میں 267 ملین روپے کا بعد از ٹیکس منافع درج کیا۔ 31 دسمبر 2025ء کو ختم ہونے والے ششماہی کے لئے فی حصص بنیادی اور تخمیل شدہ آمدنی بالترتیب گزشتہ مدت میں 1.93 اور 1.90 روپے کے مقابلے میں بالترتیب 3.11 اور 3.08 روپے درج کی ہے۔ موجودہ مدت ششماہی کے لئے EBITDA منافع 4.73 روپے فی حصص درج کیا ہے جو گزشتہ مدت میں 2.76 روپے فی حصص تھا۔ 31 دسمبر 2025ء کو ختم ہونے والی ششماہی مدت کے دوران، کمپنی نے کمپنی کے اسٹاک آفیشن سیکم کے تحت اہل ملازمین کو 77.84 روپے فی حصص کی گرانٹ قیمت پر 1,346,330 ٹریڈرز کی حصص منتقل کئے، جو کہ 31 دسمبر 2024ء کو منعقد ہونے والے غیر معمولی اجلاس عام میں منظور کی گئی خصوصی قرارداد کے مطابق تھا۔

کمپنی نے اپنے مکمل ملکیتی ذیلی ادارے "نیٹ سول انوویشن (پرائیویٹ) لمیٹڈ"، "نیٹ سول اینینٹ ڈیل ایسٹ ایکویٹی ٹریڈنگ ایل ایل سی" اور اس کے مکمل ملکیتی ذیلی ادارہ "نیٹ سول آئی ٹی ٹی آف انڈیا (پرائیویٹ) لمیٹڈ" کے مجموعی مالیاتی گوشوارے شامل کر دیئے ہیں۔ 31 دسمبر 2025ء کے ختم ہونے والی سماہی کیلئے مجموعی محصولات 3,225 ملین روپے ہیں جو 2024ء مالی سال کی مدت میں 2,283 ملین روپے درج کی گئی تھی۔ مجموعی خام منافع گزشتہ مالی سال کی اسی سماہی کے 922 ملین روپے کے مقابلے میں موجودہ سماہی میں 1,571 ملین روپے ہے۔ مجموعی بنیاد پر، کمپنی نے گزشتہ سال کی اسی مدت میں 77 ملین روپے نفع مجموعی خسارہ کے مقابلے میں موجودہ سماہی میں 644 ملین روپے کا نفع مجموعی منافع درج کیا ہے۔ 31 دسمبر 2025ء کو ختم ہونے والی سماہی کے لئے فی بنیادی اور تخمیل شدہ آمدنی، گزشتہ مدت میں 0.88 اور 0.87 روپے فی حصص خسارہ کے مقابلے میں 7.44 اور 7.38 روپے بنیادی اور تخمیل شدہ فی حصص منافع درج کیا ہے۔

مستقبل کا منظر نامہ: (Future Outlook)

کمپنی اپنے فلگ شپ پبلٹ فارم Transcend Finance کے ذریعے مالیاتی اداروں کے لئے با اعتبار شراکت دار کی حیثیت سے اپنی پوزیشن کو مزید مضبوط کر رہی ہے تاکہ قرض دہندگان، کپوز اور تجارتی سرمایہ دار اپنے آپریٹنگ کو بہتر بنا کر اور اعتماد کے ساتھ کارروائی اور وسعت پذیری کو بڑھا کر اپنے مکمل مالیاتی لائف سائیکل کا

ذہانت اور درست انداز میں انتظام کریں۔

اسی دوران، نیٹ سول کا automotive retail اور Transcend Retail معروف امریکہ کے معروف ڈیلر گروپس اور ڈیلر شپس میں تیزی سے مقبولیت حاصل کر رہا ہے جس سے کار کی خریداری کے تجربہ میں جدت آئی اور ڈیلرز کو درست انداز میں کام کرنے میں مدد ملی جس سے ان کے کاروبار میں مددگار نتائج بخش ہوئے۔

ان بہترین پیشکشوں کے علاوہ نیٹ سول Transcend Marketplace اور Transcend Consultancy اور Transcend AI Labs کو فروغ دینے کا عمل جاری رکھے ہوئے ہے جس سے ایک جامع ایکوسسٹم قائم ہوا جو مالیاتی اور آٹو میٹیورٹیبل شعبوں کی تمام تر ضروریات کو پورا کرتا ہے۔

کینیڈا کی مضبوط فروخت منڈی کی زائد طلب کی عکاسی کرتی ہے جس سے Tier-1, Tier-2 اور Tier-3 اداروں میں اس کے کلائنٹس میں اضافہ جاری ہے۔ نیٹ سول کا اسٹریٹجک طریق عمل یعنی بنانا ہے کہ وسعت پذیر، جدید اور انڈسٹری سے منسوب حل ہر جگہ کے کاروبار کی خصوصی ضروریات کے عین مطابق ہیں۔

شمالی امریکہ، یورپ، APAC اور مشرق وسطیٰ، نیٹ سول میں سرفہرست عالمی انڈسٹری اینٹس میں تعاون، ہمتا بندی اور فعال شرکت کو جاری رکھ کر نیٹ سول خیالات میں رہنمائی، شراکت داری اور جدت کے لئے عزم کا بھرپور اعادہ کرتا ہے۔ یہ روابط کینیڈا کو ابھرتے ہوئے رجحانات میں سرفہرست رہنے، موجودہ کلائنٹس کے ساتھ تعلقات کو گہرا کرنے اور نئی شراکت داریاں قائم کرنے میں مدد دیتے ہیں۔

یہ اینٹس کینیڈا کے Transcend پلیٹ فارم کی بھرپور طاقت کی نمائندگی، صارفین اور امکانات سے بلاواسطہ رابطہ سازی اور انڈسٹری کے تازہ ترین رجحانات پر اپنی رائے دینے کا قیمتی موقع فراہم کرتے ہیں۔

پروڈکٹ کی ترقی کے علاوہ نیٹ سول جدت، آپریشنل عمدگی اور اسٹریٹجک شراکت داریوں میں سرمایہ کاری جاری رکھے گا۔ Transcend پلیٹ فارم اور AI سے لیس استعداد کو بڑھا کر کینیڈا کلائنٹس کو کارکردگی نکھارنے، فیصلہ سازی کو بہتر کرنے اور تیزی سے بدلتی ہوئی مارکیٹ میں پائیدار مزاحمت حاصل کرنے میں مدد دیتی ہے۔

عالمی معیار کے حل، قابل عمل آراء اور غیر متزلزل حمایت کی فراہمی پر توجہ دیتے ہوئے نیٹ سول عالمی سطح پر اپنے قدم جمانے اور جن صنعتوں میں کینیڈا کام کرتی ہے وہاں اپنی قیادت کو مضبوط کرنے کے لئے بالکل تیار ہے۔ کینیڈا کی ایسا نقطہ نظر، ٹیکنالوجی، کنسلٹنسی اور AI تجربہ کو یکجا کرنا قیمتی بناتا ہے کہ کلائنٹس جدید سولوشنز سے مستفید ہو کر اعتماد کے ساتھ مستقبل میں داخل ہوں جس سے طویل مدتی فائدہ پہنچتا ہے۔

مستقبل میں، نیٹ سول پر اعتماد ہے کہ Transcend Finance، Transcend Retail، اور نو سیتی Transcend ecosystem توجہ کے ذریعے ترقی میں مزید پیش رفت، انڈسٹری لیڈرشپ کی مضبوطی اور دنیا بھر میں کلائنٹس، شراکت داروں اور شیئر ہولڈرز کو پائیدار نتائج کی فراہمی جاری رہے گی۔

اعتراف (Acknowledgement)

بورڈ آف ڈائریکٹرز کینیڈا 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 جس نے کینیڈا کو یہ نتائج حاصل کرنے کے قابل بنایا۔ بورڈ کینیڈا کے تمام ملازمین اور ایگزیکٹوز کا 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 مخلصانہ کوششیں جاری و ساری رہیں گی۔

از طرف بورڈ آف ڈائریکٹرز



مر شہاب غوری
(ڈائریکٹر)



سایم اللہ غوری
(چیف ایگزیکٹو آفیسر)

لاہور

12 فروری 2026ء



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NETSOL TECHNOLOGIES LIMITED

REPORT ON REVIEW OF CONDENSED INTERIM UN-CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim un-consolidated statement of financial position of **NETSOL TECHNOLOGIES LIMITED** ("the Company") as at December 31, 2025 and the related condensed interim un-consolidated statement of profit or loss, condensed interim un-consolidated statement of comprehensive income, condensed interim un-consolidated statement of changes in equity, and condensed interim un-consolidated statement of cash flows, and notes to the condensed interim un-consolidated financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim un-consolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim un-consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

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

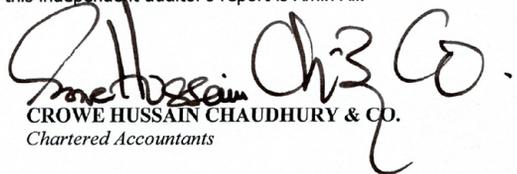
Conclusion

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

Other Matter

Pursuant to the requirement of Section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim un-consolidated statement of profit or loss and condensed interim un-consolidated statement of comprehensive income for the three months period ended December 31, 2025 have not been reviewed by us.

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


CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: February 13, 2026
UDIN: RR2025100515X1kw0zeB

Condensed Interim Un-Consolidated Financial Statements

For the Half Year & Quarter Ended December 31, 2025



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

As at December 31, 2025

		Dec 31 2025	Jun 30 2025
	NOTE	Unaudited	Audited
Rupees in Thousands			
ASSETS			
Non Current Assets			
Property and equipment	5	1,294,333	1,225,066
Long term investments	6	537,218	537,218
Long term contract assets		23,966	20,846
Long term loans to employees		7,370	8,590
		1,862,887	1,791,720
Current Assets			
Trade debts	7	6,525,346	5,740,008
Contract assets		2,113,107	1,997,736
Loans and advances		65,721	42,041
Deposits and short term prepayments		187,038	226,057
Other receivables		146,075	127,085
Due from related parties	8	592,480	362,685
Prepaid tax asset		83,415	70,468
Short term investments		200,000	200,000
Cash and bank balances		2,782,383	3,696,726
		12,695,565	12,462,806
Total Assets		14,558,452	14,254,526
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 200,000 (June 30, 2025: 200,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up capital	9	898,369	898,369
Reserves		10,388,297	10,016,074
Share deposit money		-	3,868
Shareholders' Equity		11,286,666	10,918,311
Non Current Liabilities			
Long term financing	10	72,161	13,343
Long term advances		12,135	5,415
		84,296	18,758
Current Liabilities			
Trade and other payables		858,680	972,870
Contract liabilities		107,977	151,621
Short term borrowings	11	2,180,000	2,180,000
Current portion of long term financing		36,295	8,428
Unclaimed dividend		4,538	4,538
		3,187,490	3,317,457
Contingencies and commitments	12	-	-
Total Equity and Liabilities		14,558,452	14,254,526

The annexed notes 1 to 22 form an integral part of these condensed interim un-consolidated financial statements (un-audited).


DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

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

For The Half Year & Quarter Ended December 31, 2025

	NOTE	Half Year Ended December 31		Quarter Ended December 31	
		2025	2024	2025	2024
		(Un-audited)		(Un-audited)	
		Rupees in Thousands		Rupees in Thousands	
Revenue from contracts with customers - net	13	4,635,346	4,154,022	2,391,115	2,255,142
Cost of revenue		(2,955,559)	(2,567,190)	(1,483,737)	(1,308,996)
Gross profit		1,679,787	1,586,832	907,378	946,146
Selling and promotional expenses		(452,624)	(393,272)	(224,897)	(209,295)
Administrative expenses		(788,925)	(750,261)	(398,843)	(375,072)
		(1,241,549)	(1,143,533)	(623,740)	(584,367)
Operating profit		438,238	443,299	283,638	361,779
Other operating expenses		(184,187)	(351,329)	(92,818)	(386,156)
Finance cost		(94,421)	(129,457)	(47,617)	(60,692)
Other income	14	164,162	355,379	105,306	145,574
		(114,446)	(125,407)	(35,129)	(30,274)
Profit before Final Taxes and Income Tax		323,792	317,892	248,509	60,505
Final tax / levies	15	(56,367)	(148,385)	(30,837)	(87,842)
Profit / (Loss) before Income Tax		267,425	169,507	217,672	(27,337)
Income tax		-	-	-	-
Net Profit / (Loss) for the Period		267,425	169,507	217,672	(27,337)
Earnings / (Loss) Per Share - Basic and Diluted	16				
- Basic		3.11	1.93	2.52	(0.31)
- Diluted		3.08	1.90	2.50	(0.31)

The annexed notes 1 to 22 form an integral part of these condensed interim un-consolidated financial statements (un-audited).


 DIRECTOR


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For The Half Year & Quarter Ended December 31, 2025

	Half Year Ended December 31 2025		Quarter Ended December 31 2025	
	2024		2024	
	(Un-audited)		(Un-audited)	
	Rupees in Thousands		Rupees in Thousands	
Net Profit / (Loss) for the Period	267,425	169,507	217,672	(27,337)
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/(loss) for the Period	267,425	169,507	217,672	(27,337)

The annexed notes 1 to 22 form an integral part of these condensed interim un-consolidated financial statements (un-audited).


DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For The Half Year Ended December 31, 2025

Particulars	Share Capital	Reserves				Total Reserves	Share Deposit Money	Total Equity
		Capital Reserve			Revenue Reserve			
		Share Premium	Employee Share Option Compensation Reserve	Treasury Share Reserve	Unappropriated Profit			
Rupees in Thousands								
Balance as at June 30, 2024	898,369	304,167	264,787	(184,739)	9,280,082	9,664,297	13	10,562,679
Net profit for the period	-	-	-	-	169,507	169,507	-	169,507
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	169,507	169,507	-	169,507
Transactions with owners of the equity								
Payment of final dividend for the period ended June 30, 2024	-	-	-	-	(263,511)	(263,511)	-	(263,511)
Employee share option reserve	-	-	4,349	-	-	4,349	-	4,349
Balance as at December 31, 2024	898,369	304,167	269,136	(184,739)	9,186,078	9,574,642	13	10,473,024
Balance as at June 30, 2025	898,369	304,167	269,136	(604,727)	10,047,498	10,016,074	3,868	10,918,311
Net profit for the period	-	-	-	-	267,425	267,425	-	267,425
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	267,425	267,425	-	267,425
Transactions with owners of the equity								
Re-issue of treasury shares against stock options to employees	-	390	(19,953)	124,361	-	104,798	(104,798)	-
Share deposit money received - net	-	-	-	-	-	-	100,930	100,930
Balance as at December 31, 2025	898,369	304,557	249,183	(480,366)	10,314,923	10,388,297	-	11,286,666

The annexed notes 1 to 22 form an integral part of these condensed interim un-consolidated financial statements (un-audited).



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

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

For The Half Year Ended December 31, 2025

		December 31 2025	December 31 2024
		(Un-audited)	
	NOTE	Rupees in Thousands	
Profit before final taxes and income tax		323,792	317,892
Adjustments for:			
- Depreciation - own assets	5.1	130,534	152,188
- Depreciation of right of use assets		-	607
- Gain on disposal of operating fixed assets		(21,969)	(76)
- Foreign exchange loss - net	14	24,594	107,155
- Finance cost		91,245	127,007
- Interest income		(137,730)	(354,253)
- Effect of discounting of long term contract assets		(3,413)	-
- Employee share option compensation expense		-	4,349
- Provision for expected credit losses		29,130	56,286
		112,391	93,263
Operating profit before working capital changes		436,183	411,155
Decrease / (Increase) in current assets			
- Trade debts	7	(747,767)	479,556
- Contract assets		(206,220)	35,329
- Loans and advances		(22,460)	56,695
- Deposits and short term prepayments		39,019	(114,286)
- Other receivables		(5,531)	(94,344)
- Due from related parties	8	(229,795)	93,508
(Decrease) / Increase in current liabilities			
- Trade and other payables		(94,534)	174,039
- Contract liabilities		(43,342)	(1,367,488)
Cash used in Operations		(1,310,630)	(736,991)
Levy / final tax paid	15	(69,314)	(167,949)
Dividend paid		-	(262,712)
Finance cost paid		(111,356)	(132,221)
		(180,670)	(562,882)
Net cash used in Operating Activities		(1,055,117)	(888,718)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment	5.1	(166,701)	(122,612)
Proceeds from disposal of property and equipment	5.1	21,990	76
Short term investments		-	(200,000)
Advance against capital expenditure	5.2	(33,121)	(40,544)
Interest received		124,271	359,808
Net cash used in Investing Activities		(53,561)	(3,272)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share deposit money - net		100,930	-
Repayment of lease liabilities		-	(1,017)
Long term financing obtained		98,161	-
Repayment of long term financing	10	(11,476)	(7,016)
Short term borrowing - net	11	-	600,000
Long term advances - net		6,720	1,710
Net Cash generated from Financing Activities		194,335	593,677
Net Decrease in Cash and Cash Equivalents		(914,343)	(298,313)
Cash and cash equivalents at the beginning of the period		3,696,726	4,647,055
Cash and Cash Equivalents at the End of the Period		2,782,383	4,348,742

The annexed notes 1 to 22 form an integral part of these condensed interim un-consolidated financial statements (un-audited).


DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

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

For The Half Year Ended December 31, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

NetSol Technologies Limited ("the Company"), was 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 converted into a 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 (un-audited) of the Company are prepared separately.

2.2 Statement of compliance

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

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

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

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, 2025.

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.

2.4 Functional and presentation currency

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

3. Material Accounting Policy Information

The Company's accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements (un-audited) are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2025.

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, 2025.

5. Property and Equipment

		Dec 31 2025	Jun 30 2025
	NOTE	(Un-audited)	(Audited)
Rupees in Thousands			
Operating fixed assets	5.1	1,207,680	1,171,534
Advance against capital expenditure	5.2	86,653	53,532
		1,294,333	1,225,066
5.1. Operating fixed assets			
Opening written down value		1,171,534	1,208,998
Additions during the period / year - cost	5.1.1	166,701	279,045
Disposals during the period / year - net book value		(21)	(3,265)
		1,338,214	1,484,778
Depreciation charge for the period / year		(130,534)	(313,244)
		1,207,680	1,171,534

5.1.1 Following is the detail of additions during the period / year:

At cost			
Furniture and fixtures		6,538	3,921
Vehicles		114,648	24,794
Office equipment		4,616	15,514
Computer equipment		39,508	125,849
Air conditioners		1,111	3,848
Generators		280	-
Computer softwares		-	105,119
		166,701	279,045

5.2. This primarily represents the advance paid for the solar system to be installed at the Company's premises.

6. Long Term Investments	NOTE	Dec 31 2025 (Un-audited)	Jun 30 2025 (Audited)
Rupees in Thousands			
At cost			
NetSol Innovation (Private) Limited	6.1	515,000	515,000
NetSol Ascent Middle East Computer Equipment Trading LLC.	6.2	22,218	22,218
		537,218	537,218
<p>6.1 NetSol Innovation (Private) Limited is a wholly owned subsidiary of the Company which is incorporated in Pakistan. The principal place of business of subsidiary is situated at NetSol IT Village, (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt. Pakistan. The main objective of the investee company is to engage in the business of providing software development & allied IT services. The Company holds 51.5 million (June 30, 2025: 51.5 million) fully paid ordinary shares of Rs. 10 each i.e. 99.999% (June 30, 2025: 99.999%) in this subsidiary.</p> <p>6.2 This represents 300 ordinary shares of AED 1,000 each, representing 100% (June 30, 2025: 100%) shares in the wholly owned subsidiary NetSol Ascent Middle East Computer Equipment Trading LLC. The subsidiary is incorporated in Dubai (U.A.E). The main objective of the investee Company is to provide services related to computer systems and communication equipment and softwares. Principal place of the business of the subsidiary is Dubai (U.A.E).</p>			
7. Trade Debts	NOTE	Dec 31 2025 (Un-audited)	Jun 30 2025 (Audited)
Rupees in Thousands			
Related Parties			
Considered good - unsecured	7.1	5,668,481	5,007,875
Considered doubtful - unsecured		174,376	225,827
		5,842,857	5,233,702
Other Parties			
Considered good - unsecured		856,865	732,133
Considered doubtful - unsecured		102,628	102,054
		959,493	834,187
Less: Provision for expected credit losses		(277,004)	(327,881)
		6,525,346	5,740,008
7.1 Amount receivable from related parties are as under:			
NetSol Technologies (Beijing) Co., Ltd.		3,473,981	3,013,655
Ascent Europe Limited		923,527	992,898
NetSol Technologies Americas Inc.		675,863	796,046
NetSol Technologies Australia Pty Limited		392,443	425,819
NetSol Ascent Middle East Computer Equipment Trading LLC.		292,122	-
NetSol Technologies (Thailand) Limited		53,974	-
NetSol Technologies Europe Limited		30,947	5,284
		5,842,857	5,233,702

	NOTE	Dec 31 2025 (Un-audited)	Jun 30 2025 (Audited)
Rupees in Thousands			
8. Due from Related Parties			
Considered good – unsecured			
Associates	8.1		
NetSol Technologies Americas, Inc.		41,222	54,595
NetSol Connect (Private) Limited		14,642	17,455
NetSol Technologies (Beijing) Co., Ltd.		113,923	115,741
Wholly owned Subsidiary			
NetSol Innovation (Private) Limited	8.2	318,064	174,178
NetSol Ascent Middle East Computer Equipment Trading LLC.	8.1	102,179	-
NetSol Institute of Artificial Intelligence (Private) Limited	8.1	2,450	716
		592,480	362,685

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

8.2 This represents loan provided to the Company for meeting working capital requirements and this amount carries interest @ 6 months KIBOR on the outstanding balance at the end of each month.

8.3 Balances with related parties are maintained on a running account basis; therefore, age analysis of amounts due from related parties is not practically possible.

9. Issued, Subscribed and Paid up Capital

	Dec 31 2025 (Un-audited)	Jun 30 2025 (Audited)		Dec 31 2025 (Un-audited)	Jun 30 2025 (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

9.1 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)	(4,690)
Re-issue of treasury shares against stock options to employees	1,346	-
Closing balance	86,493	85,147

9.2 NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 68.67% (June 30, 2025: 69.76%) of issued capital of the Company. The percentage has been calculated after taking into account the impact of treasury shares.

9.3 There are 1.65 million (June 30, 2025: 3 million) outstanding options to subscribe for ordinary shares of the Company granted under the employee share option scheme. During the year, 1.35 million shares (June 30, 2025: Nil) were issued against options exercised by the eligible employees.

9.4 The share capital includes 3.34 million ordinary shares (June 25: 4.69 million) held as treasury shares by the Company. 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. During the period, 1.35 million (June 30, 2025: Nil) treasury shares are re-issued against employee stock options scheme.

	NOTE	Dec 31 2025 (Un-audited)	Jun 30 2025 (Audited)
Rupees in Thousands			
10. LONG TERM FINANCES			
Loan obligation	10.1	108,456	21,771
Less: Current portion of long term financing		(36,295)	(8,428)
		72,161	13,343

10.1 This represents finance facilities obtained from time to time, from First Habib Modaraba (the modaraba), for purchase of various vehicles. The facility is repayable in 36 equal monthly installments. This facility carries mark up at rates ranging between 11.92% to 12.40% (June 30, 2025: 12.27% to 21.49%) per annum. These facilities are secured through lien mark in favour of the Modaraba.

11. 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	1,300,000
		2,180,000	2,180,000

11.1 All the terms and conditions of short-term borrowings are the same as those already disclosed in the annual financial statements for the year ended June 30, 2025 except as specifically disclosed here;

11.2 Export Refinance Facility Part II (ERF-II) is available from Bank of Punjab amounting Rs. 200 million (2025 : Nil), availed Rs. Nil. Running Finance facility / Finance Against Packing Credit (FAPC)/ Export Refinance Post Shipment Part I/II / EXIM Bank Part I/II /EXIM Bank EFS Part II/ SBP Rupee based Discounting/ FE 25 (Pre/Post shipment) facilities are also available as sublimits of ERF.

Mark up on ERF facility is charged at SBP rate + 0.5% and markup on running finance facility is charged at 3 months KIBOR + 1% per annum. These are secured by first joint pari passu charge on present and future assets, mortgage on property of the Company. The due balance is payable bi-annually.

12. Contingencies and Commitments

12.1 Contingencies

12.1.1 There is no significant change in contingencies from the preceding annual published financial statements of the Company for the year ended June 30, 2025, except the following;

On January 10, 2025, the Company filed a writ petition before the Islamabad High Court challenging the vires of Section 4C of the Income Tax Ordinance, 2001. The petition was admitted and a stay order was granted. Subsequently, the Inland Revenue Department filed an Intra-Court Appeal (ICA) before the Division Bench of the Islamabad High Court, which was later transferred to the Supreme Court of Pakistan, now to the Federal Constitutional Court of Pakistan pursuant to an order of the Constitutional Bench.

Subsequent to the reporting date, the Federal Constitutional Court of Pakistan decided the matter in favour of the Inland Revenue Department, holding that the levy of Super Tax under Section 4C of the Income Tax Ordinance, 2001 is constitutionally valid and applicable from tax year 2022 onwards.

The management has evaluated the applicability of Super Tax to the Company and is of the view that the Company's income is covered under the final tax regime in accordance with Section 154 of the Income Tax Ordinance, 2001 and therefore, does not fall within the scope of Section 4C. However, the detailed order of the Court is awaited and subject to the contents and implications thereof, if the decision adversely affects the Company's position, the Company would file a review petition against the aforesaid decision after consultation with its legal counsel.

Based on the current status of the matter and management's assessment, supported by the opinion of the tax consultant, no provision of super tax has been recognized in these financial statements.

12.2 Commitments

- (i) Bank guarantees have been issued amounting to Rs. 339.24 million (June 30, 2025: Rs. 264.44 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. 55.41 million as at December 31, 2025 (June 30, 2025: Rs. 73.90 million).

	Half Year Ended December 31		Quarter Ended December 31	
	2025	2024	2025	2024
	(Un-audited)		(Un-audited)	
	Rupees in Thousands		Rupees in Thousands	

13. 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

- Services	1,793,196	1,441,603	977,207	799,303
- Subscription and Support	2,822,455	2,679,507	1,404,535	1,438,259
	4,615,651	4,121,110	2,381,742	2,237,562

Local Revenue

- Services	22,847	13,220	10,873	6,117
- Subscription and Support	-	21,946	-	12,553
- Less: Sales tax	(3,152)	(2,254)	(1,500)	(1,090)
	19,695	32,912	9,373	17,580
	4,635,346	4,154,022	2,391,115	2,255,142

13.1 Revenue has been recognized over time for both local and export sales during the period.

14. Other Income

Income from financial assets

Profit on bank deposits and short term investments	14.1	124,249	350,261	53,748	141,879
Interest income from related party		13,481	3,992	7,999	3,094
		137,730	354,253	61,747	144,973

Income from non-financial assets

Gain on foreign currency translation		-	-	24,167	-
Gain on disposal of operating fixed assets		21,969	76	17,165	76
Rental income		1,050	1,050	525	525
Effect of discounting of long term contract assets		3,413	-	1,702	-
		26,432	1,126	43,559	601
		164,162	355,379	105,306	145,574

- 14.1** Profit is earned under both conventional mark-up arrangement and Shariah compliant arrangement. It includes Rs. 98.31 million (December 31, 2024: 308.30 million) profit earned on Shariah compliant bank deposits & investments.
- 14.2** Income is earned under conventional advance arrangement with related party and Rs. 13.48 million (December 31, 2024: 3.99 million) interest is earned on it.

15. Final Taxes / Levies

- 15.1** 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.
- 15.2** 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.

16. Earnings Per Share – Basic and Diluted

	Half Year Ended December 31,		Quarter Ended December 31	
	2025	2024	2025	2024
	(Un-audited)		(Un-audited)	
	Rupees in Thousands		Rupees in Thousands	
Profit/(loss) attributable to ordinary shareholders	267,425	169,507	217,672	(27,337)
Weighted average number of ordinary shares (Basic)				
Issued ordinary shares at beginning of the period	85,147	89,837	85,425	89,837
Less: weighted average number of treasury shares held by the Company	823	(2,000)	1,054	(2,000)
Weighted average number of ordinary shares as at Dec 31,	85,970	87,837	86,479	87,837
Earnings/(loss) per share - basic	3.11	1.93	2.52	(0.31)
Weighted average number of ordinary shares (Diluted)				
Weighted average number of ordinary shares (Basic)	85,970	87,837	86,479	87,837
Effect of share options	980	1,280	710	1,314
Weighted average number of ordinary shares (Diluted)	86,950	89,117	87,189	89,151
Earnings/(loss) per share - Diluted	3.08	1.90	2.50	(0.31)

17. 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:

		Half Year Ended December 31	
		2025	2024
		(Un-audited)	
Relationship with the Company	Nature of Transactions	Rupees in Thousands	
Subsidiary	Admin and IT services	1,200	1,200
	Rental income	600	600
	Mark-up income	13,481	3,992
Associated undertaking	Rental charges	450	450
	Provision of services	2,242,182	1,677,225
	Purchase of services	25,505	23,508
Parent	Dividend	-	178,190
Key management personnel	Salaries and benefits	201,811	177,148
	Retirement benefits	8,215	7,374
	Commission paid	23,876	7,834
Post employment benefit	Contribution to defined contribution plan	112,853	94,743

18. 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 a 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 these condensed, interim, un-consolidated financial statements (un-audited) does not include all the information and disclosures as required in the annual financial statements.

19. 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.

20. Shariah Screening Disclosures by Company Listed on Islamic Index

	NOTE	Dec 31 2025 (Un-audited)	Jun 30 2025 (Audited)
Rupees in Thousands			
Shariah compliant bank deposits/bank balances		2,375,700	2,166,070
Financing obtained as per Islamic mode	11	1,408,456	1,321,771

	NOTE	Half Year Ended December 31,	
		2025	2024
		(Un-audited)	
Rupees in Thousands			
Revenue earned from a Shariah compliant business segment	13	4,635,346	4,154,022
Profit earned from Shariah compliant bank deposits/ bank balances	14	98,310	308,300
Profit paid on Islamic mode of financing		55,920	62,570
Interest earned on any conventional loan or advance	14	13,480	3,990
Interest / markup accrued on any conventional loan or advance	14	35,330	65,670
Relationship with Shariah compliant banks	11		
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non compliant income:			
i) Gain on sale of operating fixed assets		21,969	76
ii) Rental income		1,050	1,050

20.1 Relationship with Shariah-compliant banks

Name	Relationship
Habib Metropolitan Bank Limited	Funded / Non-funded facility & Bank balance
First Habib Modaraba	Funded facility
Meezan Bank Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
Al Barakah Bank Limited	Bank balance
Bank Alfalah Limited	Bank balance

21. Subsequent Events

There are no subsequent events to be disclosed.

22. Date of Authorization for Issue

These condensed, interim, un-consolidated financial statements (un-audited) for the half-year ended December 31, 2025 were approved and authorised for issuance by the Board of Directors of the Company on February 12, 2026.



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

Condensed Interim Consolidated Financial Statements

For the Half Year & Quarter Ended December 31, 2025



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

As at December 31, 2025

		Dec 31 2025	Jun 30 2025
	NOTE	Unaudited	Audited
Rupees in Thousands			
ASSETS			
Non Current Assets			
Property and equipment	5	1,331,753	1,227,112
Long term contract assets		156,129	143,058
Long term loans to employees		7,370	8,590
		1,495,252	1,378,760
Current Assets			
Trade debts	7	6,528,907	5,869,134
Contract assets		2,748,781	2,542,057
Loans and advances	8	85,151	42,111
Deposits and short term prepayments		189,820	229,351
Other receivables		152,452	127,131
Due from related parties	9	169,787	187,791
Prepaid tax asset		-	19,668
Short term investments		200,000	200,000
Cash and bank balances		3,683,040	3,767,897
		13,757,938	12,985,140
Total Assets		15,253,190	14,363,900
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital 200,000 (June 30, 2025: 200,000) ordinary shares of Rs. 10 each		2,000,000	2,000,000
Issued, subscribed and paid up capital	10	898,369	898,369
Reserves		10,734,955	9,922,818
Share deposit money		-	3,868
Shareholders' Equity		11,633,324	10,825,055
Non Current Liabilities			
Long term financing	11	72,161	13,343
Long term advances		12,135	5,415
		84,296	18,758
Current Liabilities			
Trade and other payables		1,157,533	1,173,792
Contract liabilities		112,722	153,329
Short term borrowings	12	2,180,000	2,180,000
Provision for taxation-net		25,332	-
Current portion of long term financing		55,445	8,428
Unclaimed dividend		4,538	4,538
		3,535,570	3,520,087
Contingencies and commitments	13	-	-
Total Equity and Liabilities		15,253,190	14,363,900

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


DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

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

For The Half Year & Quarter Ended December 31, 2025

	NOTE	Half year ended December 31		Quarter ended December 31	
		2025	2024	2025	2024
		(Un-audited)		(Un-audited)	
		Rupees in Thousands		Rupees in Thousands	
Revenue from contracts with customers - net	14	5,767,506	4,209,026	3,224,881	2,283,128
Cost of revenue		(3,217,728)	(2,675,375)	(1,653,877)	(1,361,452)
Gross profit		2,549,778	1,533,651	1,571,004	921,676
Selling and promotional expenses		(617,474)	(430,337)	(321,167)	(223,847)
Administrative expenses		(936,976)	(760,190)	(476,898)	(380,398)
		(1,554,450)	(1,190,527)	(798,065)	(604,245)
Operating profit		995,328	343,124	772,939	317,431
Other operating expenses		(213,197)	(351,517)	(92,896)	(387,863)
Finance cost		(94,763)	(129,967)	(47,723)	(61,059)
Other income	15	153,943	351,106	97,249	142,249
		(154,017)	(130,378)	(43,370)	(306,673)
Profit before Final Taxes and Income Tax		841,311	212,746	729,569	10,758
Final tax / levies	16	(123,032)	(148,604)	(86,024)	(87,911)
Profit/(loss) before Income Tax		718,279	64,142	643,545	(77,153)
Income tax		-	-	-	-
Net Profit/(loss) for the Period		718,279	64,142	643,545	(77,153)
Earnings/(loss) Per Share - Basic and Diluted	17				
- Basic		8.35	0.73	7.44	(0.88)
- Diluted		8.26	0.72	7.38	(0.87)

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


 DIRECTOR


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
For The Half Year & Quarter Ended December 31, 2025

	Half year ended December 31 2025 2024 (Un-audited)		Quarter ended December 31 2025 2024 (Un-audited)	
	Rupees in Thousands		Rupees in Thousands	
Net Profit/(Loss) for the Period	718,279	64,142	643,545	(77,153)
Other Comprehensive Income for the period				
Items that may be re-classified subsequently to profit or loss	-	-	-	-
- Exchange differences on translation of foreign operation	(10,940)	(11)	(8,508)	(12)
Items that will not be re-classified subsequently to pro fit or loss	-	-	-	-
	(10,940)	(11)	(8,508)	(12)
Total Comprehensive Income/(loss) for the Period	707,339	64,131	635,037	(77,165)

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


DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
For The Half Year Ended December 31, 2025

Particulars	Share Capital	Reserves					Total Reserves	Share Deposit Money	Total Equity
		Capital Reserve				Revenue Reserve			
		Share Premium	Employee share option compensation reserve	Treasury Share Reserve	Foreign Currency Translation Reserve	Unappropriated Profit			
Rupees in Thousands									
Balance as at June 30, 2024	898,369	304,167	265,445	(184,739)	544	8,822,648	9,208,065	13	10,106,447
Net profit for the period	-	-	-	-	-	64,142	64,142	-	64,142
Other comprehensive loss for the period	-	-	-	-	(11)	-	(11)	-	(11)
Total comprehensive income for the period	-	-	-	-	(11)	64,142	64,131	-	64,131
Transactions with owners of the equity									
Dividend paid	-	-	-	-	-	(263,511)	(263,511)	-	(263,511)
Employee share option reserve	-	-	4,349	-	-	-	4,349	-	4,349
Balance as at December 31, 2024	898,369	304,167	269,794	(184,739)	533	8,623,279	9,013,034	13	9,911,416
Balance as at June 30, 2025	898,369	304,167	269,795	(604,727)	9,181	9,944,402	9,922,818	3,868	10,825,055
Net profit for the period	-	-	-	-	-	718,279	718,279	-	718,279
Other comprehensive loss for the period	-	-	-	-	(10,940)	-	(10,940)	-	(10,940)
Total comprehensive income for the period	-	-	-	-	(10,940)	718,279	707,339	-	707,339
Transactions with owners of the equity									
Re-issue of treasury shares against stock options to employees	-	390	(19,953)	124,361	-	-	104,798	(104,798)	-
Share deposit money received - net	-	-	-	-	-	-	-	100,930	100,930
Balance as at December 31, 2025	898,369	304,557	249,842	(480,366)	(1,759)	10,662,681	10,734,955	-	11,633,324

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



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

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

For The Half Year Ended December 31, 2025

	Dec 31 2025	Dec 31 2024
	(Un-audited)	
	Rupees in Thousands	
Profit before final taxes and income tax	841,311	212,746
Adjustments for:		
- Depreciation - own assets	131,246	154,225
- Depreciation of right of use assets	2,801	607
- Gain on disposal of property and equipment	(21,969)	(76)
- Foreign exchange loss - net	53,604	107,343
- Finance cost	91,245	127,007
- Interest income	(128,111)	(350,580)
- Effect of discounting of long term contract assets	(3,413)	-
- Employee share option compensation expense	-	4,349
- Provision for expected credit losses	29,130	56,286
	154,533	99,161
Operating profit before working capital changes	995,844	311,907
Decrease / (Increase) in current assets		
- Trade debts	(635,732)	476,418
- Contract assets	(319,240)	34,139
- Loans and advances	(41,820)	61,869
- Deposits and short term prepayments	39,531	(115,200)
- Other receivables	(11,862)	(88,788)
- Due from related parties	18,004	151,903
(Decrease) / Increase in current liabilities		
- Trade and other payables	(369)	204,464
- Contract liabilities	(40,305)	(1,329,884)
Cash (Used in) Operations	(991,793)	(605,079)
Levy / final tax paid	(78,409)	(168,109)
Finance cost	(111,356)	(132,221)
Dividend paid	-	(262,712)
	(189,765)	(563,042)
Net cash used in Operating Activities	(185,714)	(856,214)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property and equipment	(205,586)	(123,174)
Proceeds from disposal of property and equipment	21,990	76
Short term investments	-	(200,000)
Advance against capital expenditure	(33,121)	(40,544)
Interest received	114,652	350,580
Net Cash used in Investing Activities	(102,065)	(13,062)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share deposit money	100,930	-
Repayment of lease liabilities	(19,738)	(1,017)
Received against lease liabilities	38,888	-
Long term financing obtained	98,161	-
Repayment of long term financing	(11,476)	(7,016)
Short term borrowing - net	-	600,000
Long term advances - net	6,720	1,710
Net Cash generated from Financing Activities	213,485	593,677
Net decrease in Cash and Cash Equivalents	(74,294)	(275,599)
Net foreign exchange difference	(10,563)	(11)
Cash and cash equivalents at the beginning of the period	3,767,897	4,669,162
Cash and Cash Equivalents at the End of the Period	3,683,040	4,393,552

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


DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

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

For The Half Year Ended December 31, 2025

1. The Company and its Operations

NetSol Group (“the Group”) consists of:

- NetSol Technologies Limited
- NetSol Innovation (Private) Limited
- NetSol Ascent Middle East Computer Equipment Trading LLC.
- 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 LLC. 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% (2025: 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% (2025:100%) 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) 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, 2025.

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.

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, 2025.

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, 2025.

5. Property and Equipment

		Dec 31	Jun 30
		2025	2025
	NOTE	(Un-audited)	(Audited)
Rupees in Thousands			
Operating fixed assets	5.1	1,209,013	1,173,580
Right of use assets	5.2	36,087	-
Advance against capital expenditure	5.3	86,653	53,532
		1,331,753	1,227,112
5.1. Operating fixed assets			
Opening written down value		1,173,580	1,213,944
Additions during the period / year	5.1.1	166,698	279,610
Disposals during the period / year		(21)	(3,266)
		1,340,257	1,490,288
Depreciation charge for the period / year		(131,244)	(316,708)
		1,209,013	1,173,580

	NOTE	Dec 31 2025	Jun 30 2025
		(Un-audited)	(Audited)
Rupees in Thousands			
5.1.1	Following is the detail of additions / transfers during the period:		
	At cost		
	Furniture and fixtures	6,538	4,223
	Vehicles	114,648	24,794
	Office equipment	4,616	15,514
	Computer equipment and installations	39,505	126,112
	Air conditioners	1,111	3,848
	Generators	280	-
	Computer softwares	-	105,119
		166,698	279,610
5.2	Right of use assets		
	Opening written down value	-	4,104
	Additions during the period / year	38,888	-
	Disposals during the period / year	-	(3,497)
		38,888	607
	Depreciation charge for the period / year	(2,801)	(607)
		36,087	-
5.3	This primarily represents the advance paid for the solar system to be installed at the Company's premises.		
6.	Intangible Assets		
6.1	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	5,408,754	5,036,394
	Considered doubtful - unsecured	174,376	225,827
		5,583,130	5,262,221
	Other Parties		
	Considered good - unsecured	1,120,153	832,740
	Considered doubtful - unsecured	102,628	102,054
		1,222,781	934,794
	Less: Provision for expected credit losses	(277,004)	(327,881)
		6,528,907	5,869,134
7.1	Amount receivable from related parties included in trade debts (from exports) are as under:		
	NetSol Technologies (Thailand) Limited	53,974	-
	NetSol Technologies (Beijing) Co., Ltd.	3,473,981	3,013,655
	NetSol Technologies Australia Pty Limited	392,443	425,819
	NetSol Technologies Americas Inc.	675,863	796,046
	NetSol Technologies Europe Limited	63,342	33,803
	Ascent Europe Limited	923,527	992,898
		5,583,130	5,262,221

	NOTE	Dec 31 2025	Jun 30 2025
		(Un-audited)	(Audited)
		Rupees in Thousands	
8. Loans and Advances			
Considered good - unsecured			
Current portion of loans to executives		12,982	15,287
Advances to employees:			
- against salaries		765	1,439
- against expenses		71,404	25,385
		85,151	42,111
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			
Associates	9.1		
NetSol Technologies Americas Inc.		41,222	54,595
NetSol Connect (Private) Limited		14,642	17,455
NetSol Technologies (Beijing) Co., Ltd.		113,923	115,741
		169,787	187,791
9.1	These relate to the normal course of business of the Company and are interest free.		
9.2	Balances with related parties are maintained on a running account basis; therefore, age analysis of amounts due from related parties is not practically possible.		
10. Issued, Subscribed and Paid up Capital			
		Dec 31 2025	Jun 30 2025
		(Un-audited)	(Audited)
		Number of shares in Thousands	
		Dec 31 2025	Jun 30 2025
		(Un-audited)	(Audited)
		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
10.1 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)	(4,690)
Re-issue of treasury shares against stock options to employees		1,346	-
Closing balance		86,493	85,147
10.2	NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 68.67% (June 30, 2025: 69.76%) of issued capital of the Company. The percentage has been calculated after taking into account the impact of treasury shares.		
10.3	The share capital includes 3.34 million ordinary shares (June 25: 4.69 million) held as treasury shares by the Company. These treasury shares are held in CDC blocked account in frozened form. These are not entitled to any voting right, cash dividend or any other distribution made by the Company. During the period, 1.35 million treasury shares are disposed off against employee stock options scheme.		
10.4	There are 1.65 million (June 30, 2025: 3 million) outstanding options to subscribe for ordinary shares of the Company granted under the employee share option scheme. During the year, 1.35 million shares (June 30, 2025: Nil) were issued against options exercised by the eligible employees.		

		Dec 31 2025	Jun 30 2025
	NOTE	(Un-audited)	(Audited)
Rupees in Thousands			
11. Long Term Finances – secured			
Loan obligation	11.1	108,456	21,771
Less: Current portion of long term financing		(36,295)	(8,428)
		72,161	13,343
11.1 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 11.92% to 12.40% (June 30, 2025: 12.27% to 21.49%) per annum. These facilities are secured through lien marking in favour of financial institutions.			
12. 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	1,300,000
		2,180,000	2,180,000

12.1 All the terms and conditions are the same as those already disclosed in the annual financial statements for the year ended June 30, 2025.

12.2 Export Refinance Facility Part II (ERF-II) is available from Bank of Punjab amounting Rs. 200 million (2025 : Nil), availed Rs. Nil.
Running Finance facility / Finance Against Packing Credit (FAPC)/ Export Refinance Post Shipment Part I/II / EXIM Bank Part I/II /EXIM Bank EFS Part II/ SBP Rupee based Discounting/ FE 25 (Pre/Post shipment) facilities are also available as a sublimit of ERF.
Mark up on ERF facility is charged at SBP rate + 0.5% and markup on running finance facility is charged at 3 months KIBOR + 1% per annum. These are secured by first joint pari passu charge on present and future assets, mortgage on property of the Company. The due balance is payable bi-annually.

13. Contingencies and Commitments

13.1 Contingencies

There is no significant change in contingencies from the preceding annual published financial statements of the Company for the year ended June 30, 2025, except the following; On January 10, 2025, the Company filed a writ petition before the Islamabad High Court challenging the vires of Section 4C of the Income Tax Ordinance, 2001. The petition was admitted and a stay order was granted. Subsequently, the Inland Revenue Department filed an Intra-Court Appeal (ICA) before the Division Bench of the Islamabad High Court, which was later transferred to the Supreme Court of Pakistan, now to the Federal Constitutional Court of Pakistan pursuant to an order of the Constitutional Bench.

Subsequent to the reporting date, the Federal Constitutional Court of Pakistan decided the matter in favour of the Federal Board of Revenue (FBR), holding that the levy of Super Tax under Section 4C of the Income Tax Ordinance, 2001 is constitutionally valid and applicable from tax year 2022 onwards.

The management has evaluated the applicability of Super Tax to the Company and is of the view that the Company's income is covered under the final tax regime in accordance with Section 154 of the Income Tax Ordinance, 2001 and therefore, does not fall within the scope of Section 4C. However, the detailed order of the Court is awaited and subject to the contents and implications thereof, if the decision adversely affects the Company's position, the Company intends to file a review petition against the aforesaid decision after consultation with its legal counsel.

Based on the current status of the matter and management's assessment, supported by the opinion of the tax consultant, no provision has been recognized in these financial statements.

13.2 Commitments

- (i) Bank guarantees have been issued amounting to Rs. 339.27 million (June 30, 2025: Rs. 264.44 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.55.41 million as at December 31, 2025 (June 30, 2025: Rs. 73.90 million).

	Half Year ended December 31		Quarter ended December 31	
	2025	2024	2025	2024
	(Un-audited)		(Un-audited)	
	Rupees in Thousands		Rupees in Thousands	
14. 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				
- Services	3,168,248	1,496,607	2,134,477	827,289
- Subscription and Support	2,579,563	2,679,507	1,081,031	1,438,259
	5,747,811	4,176,114	3,215,508	2,265,548
Local Revenue				
- Services	22,847	13,220	10,873	6,117
- Subscription and Support	-	21,946	-	12,553
- Less: Sales tax	(3,152)	(2,254)	(1,500)	(1,090)
	19,695	32,912	9,373	17,580
	5,767,506	4,209,026	3,224,881	2,283,128

14.1 Revenue has been recognized over time for both local and export sales during the period.

15. Other Income				
Income from financial assets				
Profit on bank deposits	69,844	74,324	55,644	13,791
Profit on short term investments	58,267	276,256	-	128,157
	128,111	350,580	55,644	141,948
Income from non-financial assets				
Gain on foreign currency translation	-	-	22,513	-
Gain on disposal of property and equipment	21,969	76	17,165	76
Rental income	450	450	225	225
Effect of discounting of long term contract assets	3,413	-	1,702	-
	25,832	526	41,605	301
	153,943	351,106	97,249	142,249

15.1 Profit is earned under both conventional mark-up arrangement and Shariah compliant arrangement. It includes Rs. 98.32 million profit earned on Shariah compliant bank deposits & investments.

16. 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.

17. Earnings Per Share - Basic and Diluted

	Half Year ended December 31, 2025		Quarter ended December 31, 2024	
	(Un-audited)		(Un-audited)	
	Rupees in Thousands		Rupees in Thousands	
Profit/(loss) attributable to ordinary shareholders	718,279	64,142	643,545	(77,153)
Weighted average number of ordinary shares (Basic)				
Issued ordinary shares at beginning of the period	85,147	89,837	85,425	89,837
Less: weighted average number of treasury shares held by the Company	823	(2,000)	1,054	(2,000)
Weighted average number of ordinary shares as at December 31,	85,970	87,837	86,479	87,837
Earnings/(loss) per share - basic	8.35	0.73	7.44	(0.88)
Weighted average number of ordinary shares (Diluted)				
Weighted average number of ordinary shares (Basic)	85,970	87,837	86,479	87,837
Effect of share options	980	1,280	710	1,314
Weighted average number of ordinary shares (diluted)	86,950	89,117	87,189	89,151
Earnings/(loss) per share - diluted	8.26	0.72	7.38	(0.87)

18. 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:

Relationship with the Company	Nature of Transactions	Half Year ended December 31	
		2025	2024
		(Un-audited)	
		Rupees in Thousands	
Associated undertaking	Rental charges	450	450
	Provision of services	2,243,554	1,719,854
	Purchase of services	25,505	23,508
Parent	Dividend	-	178,190
Key management personnel	Salaries and benefits	208,875	185,272
	Retirement benefits	8,577	7,631
	Commission paid	23,876	7,834
Post employment benefit	Contribution to defined contribution plan	117,075	98,881

19. 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.

20. 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.

21. Shariah Screening Disclosures by Company Listed on Islamic Index

	NOTE	Dec 31 2025 (Un-audited)	Jun 30 2025 (Audited)
Rupees in Thousands			
Financing obtained as per Islamic mode	12	1,408,456	1,321,771
Shariah compliant bank deposits/bank balances		2,375,840	2,166,070
Half year ended December 31			
2025			
Revenue earned from a Shariah compliant business segment	14	5,767,506	4,209,026
Profit earned from Shariah compliant bank deposits/ bank balances	15	98,310	308,300
Profit paid on Islamic mode of financing		55,920	62,570
Interest/markup accrued on any conventional loan or advance		35,330	65,670
Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non compliant income:			
i) Gain on sale of operating fixed assets		21,969	76
ii) Rental income		450	450

21.1 Relationship with Shariah-compliant banks

Name	Relationship
Habib Metropolitan Bank Limited	Funded / Non-funded facility & Bank Balance
First Habib Modaraba	Funded facility
Meezan Bank Limited	Bank balance
Dubai Islamic Bank Pakistan Limited	Bank balance
Al Barakah Bank Limited	Bank balance
Bank Alfalah Limited	Bank balance

22. Segment Revenues and Results

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

	Dec-25			
	PBS	PS	BPO	Total
Rupees in Thousands				
Revenue - net				
External sales				
Services	2,710,133	24,531	40,055	2,774,719
Subscription and Support	2,992,787	-	-	2,992,787
Total revenue	5,702,920	24,531	40,055	5,767,506
Cost of revenue	(3,050,504)	(137,462)	(29,762)	(3,217,728)
Segment results	2,652,416	(112,931)	10,293	2,549,778
Unallocated corporate expenses:				
Selling and promotional expenses				(617,474)
Administrative expenses				(936,976)
Other income				153,943
Other operating expenses				(213,197)
Finance cost				(94,763)
Final tax / levies				(123,032)
Profit after taxation				718,279

	Dec-24			
	PBS	PS	BPO	Total
Rupees in Thousands				
Revenue - net				
External sales				
Services	1,401,183	66,400	40,420	1,508,003
Subscription and Support	2,701,023	-	-	2,701,023
Total revenue	4,102,206	66,400	40,420	4,209,026
Cost of revenue	(2,532,966)	(107,585)	(34,824)	(2,675,375)
Segment results	1,569,240	(41,185)	5,596	1,533,651
Unallocated corporate expenses:				
Selling and promotional expenses				(430,337)
Administrative expenses				(760,190)
Other income				351,106
Other operating expenses				(351,517)
Finance cost				(129,967)
Final tax / levies				(148,604)
Profit after taxation				64,142

*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.

23. Subsequent Events

There are no subsequent events to be disclosed.

24. Date of Authorization for Issue

These condensed, interim, consolidated financial statements (un-audited) for the period ended December 31, 2025 were approved and authorised for issuance by the Board of Directors on February 12, 2026.

25. Figures

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



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



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