nets

Empowering The Future

Driving Sustainable Growth



1st Quarter Report

For the period ended September 30, 2026

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DIRECTORS' REPORT

Dear Members,

The Directors take pleasure in presenting the condensed interim financial statements for the first quarter ended September 30, 2026. The first quarter's financial performance and operational developments reviewed herein reflect the Company's commitment to its strategic goals and the challenging economic environment.

Company Overview and Principal Activities

NETS International Communication Limited continues to give exceptional performance in the telecommunications and IT solutions sectors, providing cutting-edge services and related products. Our diversified portfolio of services, including sale and support of allied telecommunication equipment, remains integral to achieving sustainable growth.

Financial Performance (Highlights)

- Revenue: Rs. 471 million – showing strong resilience against market fluctuations and economic pressures.
- Gross Profit: Rs. 93 million – reflecting effective cost control and operational efficiency.
- Net Profit: Rs. 8.9 million – resulting in Earnings Per Share (EPS) of Rs. 0.24.

Corporate Governance and Compliance

The Board affirms its commitment to the highest standards of corporate governance and regulatory compliance. During the first quarter, the Board regularly reviewed risk management frameworks to ensure alignment with business strategies and market conditions.

Future Outlook

Looking ahead, the Directors remain cautiously optimistic about the medium-term prospects. Strategic initiatives aimed at expanding market share, diversifying service offerings and capitalizing on technological advancements are underway. The Company continues to monitor macroeconomic factors, regulatory changes, and competitive landscape to navigate challenges and seize growth opportunities.

Appreciation and Acknowledgements

The Directors extend their sincere gratitude to the dedicated management and staff whose commitment has been central to achieving these results under challenging conditions. We also thank our shareholders for their unwavering support and confidence in NETS International Communication Limited.

Signed on behalf of the Board,

Chief Executive Officer	**Director**

Dated: October 30, 2026

ڈائریکٹرز رپورٹ

معزز اراکین،

ڈائریکٹرز 30 ستمبر 2026 کو ختم ہونے والی پہلی سہ ماہی کے مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔ اس رپورٹ میں زیرِ جائزہ پہلی سہ ماہی کی مالی کارکردگی اور آپریشنل پیش رفت، کمپنی کی اپنے اسٹریٹجک اہداف سے وابستگی اور مشکل معاشی ماحول کی عکاسی کرتی ہے۔

کمپنی کا جائزہ اور بنیادی سرگرمیاں

نیٹس انٹرنیشنل کمیونیکیشن لمیٹڈ ٹیلی کمیونیکیشن اور آئی ٹی سلوشنز کے شعبوں میں جدید ترین خدمات اور متعلقہ مصنوعات کی فراہمی کے ذریعے غیر معمولی کارکردگی کا مظاہرہ جاری رکھے ہوئے ہے۔ ہماری خدمات کا متنوع پورٹ فولیو، بشمول متعلقہ ٹیلی کمیونیکیشن آلات کی فروخت اور معاونت، پائیدار ترقی کے حصول میں کلیدی حیثیت رکھتا ہے۔

مالی کارکردگی (نمایاں نکات)

- آمدنی: 471 ملین روپے – جو مارکیٹ کے اتار چڑھاؤ اور معاشی دباؤ کے مقابلے میں مضبوط استقامت کی عکاس ہے۔
- مجموعی منافع: 93 ملین روپے – جو مؤثر لاگت کنٹرول اور آپریشنل استعداد کی عکاسی کرتا ہے۔
- خالص منافع: 8.9 ملین روپے – جس کے نتیجے میں فی حصص آمدنی (EPS) 0.24 روپے رہی۔

کارپوریٹ گورننس اور ضوابط کی تعمیل

بورڈ کارپوریٹ گورننس اور ریگولیٹری تعمیل کے اعلیٰ ترین معیارات سے اپنی وابستگی کا اعادہ کرتا ہے۔ پہلی سہ ماہی کے دوران بورڈ نے رسک مینجمنٹ فریم ورک کا باقاعدگی سے جائزہ لیا تاکہ کاروباری حکمتِ عملی اور مارکیٹ کے حالات سے اس کی ہم آہنگی کو یقینی بنایا جا سکے۔

مستقبل کا منظرنامہ

مستقبل کے حوالے سے ڈائریکٹرز درمیانی مدت کے امکانات کے بارے میں محتاط طور پر پُرامید ہیں۔ مارکیٹ شیئر میں اضافے، خدمات کے دائرۂ کار کو متنوع بنانے اور تکنیکی ترقی سے استفادہ کرنے کے لیے اسٹریٹجک اقدامات جاری ہیں۔ کمپنی چیلنجز سے نمٹنے اور ترقی کے مواقع سے فائدہ اٹھانے کے لیے کلی معاشی عوامل، ریگولیٹری تبدیلیوں اور مسابقتی ماحول پر مسلسل نظر رکھے ہوئے ہے۔

اظہارِ تشکر

ڈائریکٹرز انتظامیہ اور عملے کی انتھک محنت پر ان کا تہہِ دل سے شکریہ ادا کرتے ہیں، جن کی لگن مشکل حالات میں ان نتائج کے حصول میں کلیدی حیثیت کی حامل رہی۔ ہم اپنے شیئر ہولڈرز کا بھی ان کی غیر متزلزل حمایت اور نیٹس انٹرنیشنل کمیونیکیشن لمیٹڈ پر اعتماد کے لیے شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز،

چیف ایگزیکٹو آفیسر	ڈائریکٹر

مورخہ: 30 اکتوبر 2026

NETS International Communication Limited
Condensed Interim Statement of Financial Position

As at September 30, 2026

	Notes	September 30, 2026 (Un-audited) (Rupees)	June 30, 2026 (Audited) (Rupees)
ASSETS			
Non-current assets			
Property, plant and equipment	4	93,460,485	95,746,794
Deferred taxation-net		32,888,789	35,092,468
Contract assets		111,136,823	111,136,823
Long term advances and deposits		4,542,397	5,642,107
		242,028,493	**247,618,192**
Current assets			
Stock in trade		91,520,187	21,236,709
Trade receivables		161,273,722	296,529,457
Contract assets		76,219,845	59,444,020
Loan, advances and other receivables		616,800,123	564,100,121
Deposits and prepayments		69,657,267	58,763,133
Short term investments		24,400,000	24,400,000
Cash and bank balances		13,104,205	44,769,680
		1,052,975,349	**1,069,243,120**
TOTAL ASSETS		**1,295,003,844**	**1,316,861,312**
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized Share Capital:			
40,000,000 ordinary shares of Rs.10 each		400,000,000	400,000,000
Issued, subscribed and paid-up share capital		367,575,960	367,575,960
Loan from director		7,000,000	7,000,000
Unappropriated profits		148,740,873	139,787,210
Total equity		**523,316,834**	**514,363,170**
Non-current liabilities			
Lease liabilities		2,894,820	4,887,486
Deferred liabilities		123,000,175	120,879,193
Contract liabilities		21,367,034	29,295,488
Long term loan - secured		4,238,000	7,401,333
		151,500,028	**162,463,500**
Current liabilities			
Trade and other payables		373,519,218	386,307,748
Contract liabilities		5,855,980	5,697,876
Short term borrowing - secured		216,587,154	225,212,464
Accrued markup		10,143,447	7,773,779
Current portion of long term loan		10,000,000	10,000,000
Current portion of lease liabilities		4,081,183	5,042,775
		620,186,982	**640,034,642**
Contingencies and commitments		-	-
TOTAL EQUITY AND LIABILITIES		**1,295,003,844**	**1,316,861,312**

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

NETS International Communication Limited
Condensed Interim Statement of Profit or Loss

For the period ended September 30, 2026 (Un-audited)

	Notes	September 30, 2026 (Rupees)	September 30, 2025 (Rupees)
Revenue - net		471,367,377	376,573,251
Cost of revenue		(377,899,523)	(272,704,833)
Gross profit		**93,467,855**	**103,868,418**
Selling and distribution expenses		(20,016,775)	(12,196,893)
Administrative expenses		(52,335,331)	(61,168,028)
Other operating expenses		(483,057)	(150,656,467)
		(72,835,163)	**(224,021,388)**
Other operating income		5,277,976	163,277,408
Profit from operations		**25,910,668**	**43,124,438**
Other income		11,993,769	-
Finance cost		(8,212,651)	(5,001,816)
Profit before levies and income tax		**29,691,786**	**38,122,622**
Levies		(10,405,484)	-
Profit before income tax		**19,286,302**	**38,122,622**
Taxation		(10,332,638)	(7,838,572)
Profit after taxation		**8,953,663**	**30,284,050**
Earnings per share - basic and diluted		**0.24**	**0.82**

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

NETS International Communication Limited
Condensed Interim Statement of Comprehensive Income

For the period ended September 30, 2026 (Un-audited)

	September 30, 2026 (Rupees)	September 30, 2025 (Rupees)
Profit after taxation	8,953,663	30,284,050
Other comprehensive income		
Items that will not be reclassified to profit or loss;		
Actuarial gain on defined benefit plan - net of deferred tax	-	-
Total comprehensive income for the year	**8,953,663**	**30,284,050**

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

NETS International Communication Limited
Condensed Interim Statement of Cash Flows

For the period ended September 30, 2026 (Un-audited)

	Notes	September 30, 2026 (Rupees)	September 30, 2025 (Rupees)
Cash generated from operations	5	**19,705,270**	**2,777,840**
Levies and income tax paid		(23,109,471)	(11,055,561)
Gratuity paid		(3,856,513)	(3,663,900)
Finance cost paid		(5,498,307)	(7,380,317)
Net cash used in operating activities		**(12,759,021)**	**(22,099,777)**
Cash flows from investing activities			
Additions to property, plant and equipment		(3,818,877)	(5,137,817)
Net cash used in investing activities		**(3,818,877)**	**(5,137,817)**
Cash flows from financing activities			
Repayment of long term loan		(3,163,333)	(2,316,334)
Short term financing - net		1,042,382	30,218,687
Running finance facility - net		(9,667,692)	-
Interest paid on lease liabilities		(344,675)	-
Principal repayment of lease liabilities		(2,954,261)	(879,004)
Net cash generated from/(used in) financing activities		**(15,087,578)**	**27,023,350**
Net increase/(decrease) in cash and cash equivalents		**(31,665,476)**	**2,563,595**
Cash and cash equivalents at the beginning of the year		44,769,680	33,319,649
Cash and cash equivalents at the end of the year		**13,104,205**	**35,883,244**

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

NETS International Communication Limited
Condensed Interim Statement of Changes in Equity

For the period ended September 30, 2026 (Un-audited)

	Issued, subscribed and paid-up capital	Capital Reserves Loan from director	Revenue Reserves Unappropriated profits	Total
		(Rupees)		
Balance as at July 01, 2025	**367,575,960**	**-**	**94,600,913**	**462,176,873**
Profit after tax for the year	-	-	30,284,050	30,284,050
Other comprehensive income	-	-	-	-
Balance as at September 30, 2025	**367,575,960**	**-**	**124,884,963**	**492,460,923**
Balance as at July 01, 2026	**367,575,960**	**7,000,000**	**139,787,210**	**514,363,170**
Profit after tax for the year	-	-	8,953,663	8,953,663
Other comprehensive income	-	-	-	-
Balance as at September 30, 2026	**367,575,960**	**7,000,000**	**148,740,873**	**523,316,833**

The annexed notes 1 to 8 form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

NETS International Communication Limited
Notes to the Condensed Interim Financial Statements

For the period ended September 30, 2026 (Un-audited)

1 Legal status and nature of business

NETS International Communication Limited ("the Company"), incorporated in Pakistan on November 22, 2022 under the Companies Act 2017 as a Private Company Limited by shares, was later on converted into Public Limited Company and subsequently listed on GEM Board of Pakistan Stock Exchange on May 26, 2025. The Company is domiciled in Pakistan and is principally engaged in the telecommunication, IT solutions and sale of allied services in Pakistan as well as abroad.

1.1 Geographical location and addresses of business units of the Company are as under:

Business Units	Address
Head Office	Office No. 3, Level 8, Arfa Software Technology Park, 346-B Ferozpur Road, Lahore
Regional Office	Office No. 212 & 216, 2nd Floor, ISE Tower, 55 Jinnah Avenue, Blue Area, Islamabad
Regional Office	Office No. 706–707, 7th Floor, Hill Trade Centre, Shaheed-e-Millat Road, Karachi

2 Basis of preparation and statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

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

Where the provisions of and directives issued under the Act differ from the Accounting standards, the provisions of and directives issued under the Act have been followed.

3 Material accounting policy information

The accounting policies used in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2026.

4 Property, plant and equipment

	Notes	September 30, 2026 (Un-audited) (Rupees)	June 30, 2026 (Audited) (Rupees)
Operating fixed assets	4.1	80,306,869	80,616,641
Right-of-use assets	4.2	13,153,616	15,130,153
		93,460,485	**95,746,794**

4.1 Operating fixed assets

As at 30-09-2026 (Un-audited)										
Particulars	Cost				Rate %	Depreciation				Net Book Value as at Sep 30, 2026
	As at July 01, 2026	Addition during the year	Disposal	As at Sep 30, 2026		Accumulated Depreciation as at July 01, 2026	Depreciation for the year	Disposal	Accumulated Depreciation as at Sep 30, 2026	
Operating Fixed Assets										
Plant and machinery	3,857,229	-	-	3,857,229	15%	1,006,893	107,766	-	1,114,660	2,742,569
Furniture & fixture	6,035,761	-	-	6,035,761	10%	953,452	128,102	-	1,081,554	4,954,207
Office equipment	7,968,055	970,879	-	8,938,934	10%	1,274,351	171,907	-	1,446,259	7,492,675
Vehicles	46,052,102	-	-	46,052,102	20%	11,679,976	1,732,732	-	13,412,707	32,639,394
Leasehold improvements	10,738,956	-	-	10,738,956	10%	510,506	257,813	-	768,318	9,970,638
Computers & equipments	34,557,451	2,847,998	-	37,405,448	30%	13,167,734	1,730,330	-	14,898,064	22,507,385
Sep-26	**109,209,553**	**3,818,877**	**-**	**113,028,430**	**-**	**28,592,912**	**4,128,650**	**-**	**32,721,561**	**80,306,869**

As at 30-06-2026 (Audited)										
Particulars	Cost				Rate %	Depreciation				Net Book Value as at June 30, 2026
	As at July 01, 2025	Addition during the year	Disposal	As at June 30, 2026		Accumulated Depreciation as at July 01, 2025	Depreciation for the year	Disposal	Accumulated Depreciation as at June 30, 2026	
Operating Fixed Assets										
Plant and machinery	3,857,229	-	-	3,857,229	15%	503,893	503,000	-	1,006,893	2,850,336
Furniture & fixture	4,480,412	1,555,348	-	6,035,761	10%	430,143	523,309	-	953,452	5,082,309
Office equipment	6,275,758	1,844,413	(152,116)	7,968,055	10%	628,118	673,961	(27,728)	1,274,351	6,693,703
Vehicles	46,052,102	-	-	46,052,102	20%	3,086,944	8,593,032	-	11,679,976	34,372,126
Leasehold improvements	-	10,738,956	-	10,738,956	10%	-	510,506	-	510,506	10,228,450
Computers & equipments	20,924,559	13,681,255	(48,364)	34,557,451	30%	6,277,636	6,909,585	(19,487)	13,167,734	21,389,717
Jun-26	**81,590,060**	**27,819,973**	**(200,480)**	**109,209,553**	**-**	**10,926,733**	**17,713,393**	**(47,215)**	**28,592,912**	**80,616,641**

4.2 Right-of-use assets (ROUA)

As at 30-09-2026 (Un-audited)										
Particulars	Cost				Rate / Year	Depreciation				Net Book Value as at Sep 30, 2026
	As at July 01, 2026	Addition during the year	Disposal	As at Sep 30, 2026		Accumulated Depreciation as at July 01, 2026	Depreciation for the year	Disposal	Accumulated Depreciation as at Sep 30, 2026	
Right-of-use Assets										
Office building	11,794,771	-	-	11,794,771	3	3,931,590	1,610,202	-	5,541,792	6,252,979
Vehicles	11,952,256	-	-	11,952,256	20%	4,685,284	366,335	-	5,051,619	6,900,637
Sep-26	**23,747,027**	**-**	**-**	**23,747,027**	**-**	**8,616,875**	**1,976,537**	**-**	**10,593,411**	**13,153,616**

As at 30-06-2026 (Audited)										
Particulars	Cost				Rate / Year	Depreciation				Net Book Value as at June 30, 2026
	As at July 01, 2025	Addition during the year	Disposal	As at June 30, 2026		Accumulated Depreciation as at July 01, 2025	Depreciation for the year	Disposal	Accumulated Depreciation as at June 30, 2026	
Right-of-use Assets										
Office building	-	11,794,771	-	11,794,771	3	-	3,931,590	-	3,931,590	7,863,181
Vehicles	11,952,256	-	-	11,952,256	20%	2,868,541	1,816,743	-	4,685,284	7,266,972
Jun-26	**11,952,256**	**11,794,771**	**-**	**23,747,027**	**-**	**2,868,541**	**5,748,333**	**-**	**8,616,875**	**15,130,153**

5 Cash generated from operations

	September 30, 2026 (Rupees)	September 30, 2025 (Rupees)
Profit before levies and income tax	**29,691,786**	**38,122,622**
Adjustment for non-cash charges and other items:		
Depreciation - Operating fixed asset and ROUA	6,105,186	5,863,309
Provision for Worker's Welfare Fund	432,384	778,013
Provision for Employee Benefit Obligation	5,977,495	8,578,051
Interest income on term deposit receipt	(615,014)	-
Provision for Expected Credit Loss (ECL) - Contract assets	50,673	3,603,869
Reversal of ECL - Trade receivables	(9,590,784)	-
Finance cost	8,212,651	5,001,816
Profit before working capital changes	**40,264,377**	**61,947,681**
Effect on cash flow due to working capital changes;		
Increase/(decrease) in trade and other payables	(13,220,915)	141,320,315
Decrease in contract liabilities	(7,928,454)	-
Increase in contract liabilities - current portion	158,104	-
Decrease in long term contract assets	-	1,639,711
Decrease in long term loan and advances	1,099,710	-
Decrease in trade receivables	144,846,518	199,692,638
(Increase)/decrease in stock in trade	(70,283,478)	87,079,208
Increase in contract assets - current portion	(16,826,498)	-
Increase in advances, deposits and prepayments	(10,279,120)	(105,136,262)
Increase in loan and advances	(48,124,974)	(383,765,451)
Cash generated from operations	**19,705,270**	**2,777,840**

6 Related party and related party transactions

The Company's related parties include its holding company, subsidiaries, associated undertakings, other group companies, directors, key management personnel, and post-employment benefit plans. The Company carries out transactions with these related parties in the normal course of business. Details of other related party transactions with related parties during the period are as follows.

Name of the Related Party	Relation with Related Parties	Nature of Transactions	Sep 30, 2026 Rupees	Sep 30, 2025 Rupees
NETS International Communication LLC - UAE	Common directorship	Purchases	53,456,477	-
NETS International Communication LLC - USA	Common shareholding	-	-	-
NETS International Holdings LLC - UK	Key management control	-	-	-
NETS International Limited - KSA	Key management control	-	-	-
NETS International Limited - UK	Common directorship	-	-	-
NETS International incorporation - Canada	Key management control	-	-	-
NETS International MMC - Azerbaijan	Key management control	-	-	-
Extravis (Private) Limited	Common directorship	Purchase	4,058,987	-
NETS International GmbH - Germany	Key management control	-	-	-

6.1 The details of outstanding balances with related parties are as follow:

Name of the Related Party	Relation with Related Parties	Nature of Transactions	Sep 30, 2026 Rupees	Sep 30, 2025 Rupees
NETS International Communication LLC - UAE	Common directorship	-	53,456,477	-
NETS International Communication LLC - USA	Common directorship	-	-	-
NETS International Holdings LLC - UK	Common directorship	-	-	-
NETS International Limited - KSA	Key management control	-	-	-
NETS International Limited - UK	Common directorship	-	-	-
NETS International incorporation - Canada	Key management control	-	-	-
Khalid Mehmood	Directorship	Loan from director	7,000,000	-
NETS International MMC - Azerbaijan	Key management control	-	-	-
Extravis (Private) Limited	Common directorship	Trade payable	5,293,648	-
NETS International GmbH - Germany	Key management control	-	-	-

7 Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on Oct 30, 2026.

8 General

Figures have been rounded off to the nearest Rupee unless otherwise stated.

Chief Executive Officer | **Chief Financial Officer** | **Director**