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

	NOTE	Dec 31 2025 Unaudited	Jun 30 2025 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		Quarter ended December 31	
	2025	2024	2025	2024
	(Un-audited)		(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 (Un-audited)	Dec 31 2024
	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 L.L.C.
- NetSol Institute of Artificial Intelligence (Private) Limited

NetSol Technologies Limited ("the Holding Company"), incorporated in Pakistan on August 22, 1996 under the repealed Companies Ordinance, 1984, (Now The Companies Act, 2017) as a Private company limited by shares, was later on converted into Public Limited Company and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

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

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

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

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

NetSol Innovation (Private) Limited ("the subsidiary Company" or "Subsidiary") is incorporated in Pakistan as a private limited company and is a wholly owned 99.999% (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

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

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 freezed 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 agaisnt 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.

	NOTE	Dec 31 2025 (Un-audited)	Jun 30 2025 (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,		Quarter ended December 31,	
	2025	2024	2025	2024
	(Un-audited) Rupees in Thousands		(Un-audited) 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:

		Half Year ended December 31	
		2025	2024
		(Un-audited) Rupees in Thousands	
Relationship with the Company	**Nature of Transactions**		
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	2024
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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