NETSOL

ANNUAL REPORT

2026

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Company Profile

BOARD OF DIRECTORS

NAEEM ULLAH GHAURI
Chairman/Non-Executive Director

SALIM ULLAH GHAURI
Chief Executive Officer/Executive Director

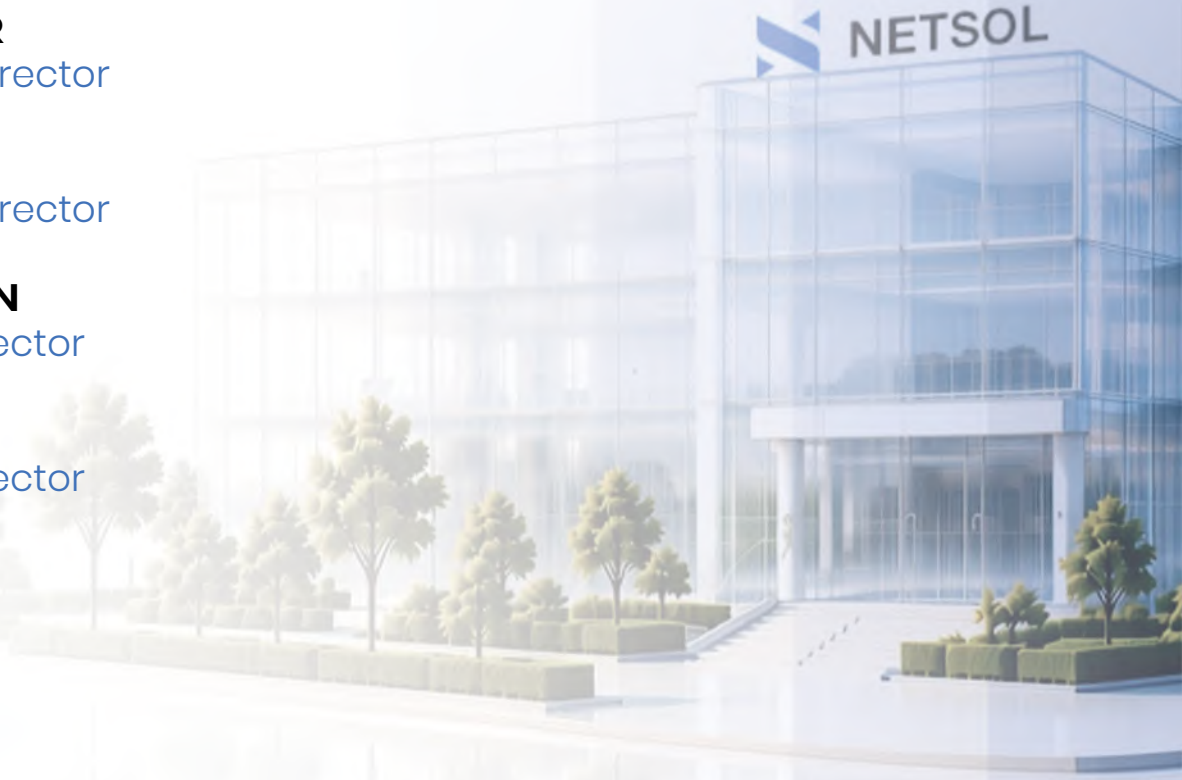
OMAR SHAHAB GHAURI
Executive Director

VASEEM ANWAR
Non-Executive Director

HAMNA GHAURI
Non-Executive Director

NOMAN HUSSAIN
Independent Director

HUMA FAKHAR
Independent Director



COMPANY SECRETARY

SEHRISH

AUDITORS

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants
7th Floor, Gulmohar Trade Center,
8 F, Main Market, Gulberg II,
Lahore 54660, Pakistan

LEGAL ADVISOR

CORPORATE LAW ASSOCIATES
1st Floor Queen's Centre
Shahra-e-Fatima Jinnah
Lahore

SHARE REGISTRAR

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

BANKERS

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

CONTACT DETAILS

REGISTERED OFFICE
NETSOL IT Village
(Software Technology Park)
Lahore Ring Road,
Ghazi Road Interchange,
Lahore Cantt. 54792,
Pakistan
Tel: +92-42-111-44-88-00,
+92-42-35727096-7
Fax: +92-42-35701046,
35726740

RAWALPINDI OFFICE
House No. 04, Safari Villas,
Bahria Town, Rawalpindi
Tel: +92-51-5707011
Fax: +92-51-5595376

KARACHI OFFICE
43/1/Q, Amna Villa # 1
Block # 06. P.E.C.H.S,
Karachi-75400
Tel: +92-21-111-638-765
Fax: +92-21-3431-3464

WEB PRESENCE
www.netsolpk.com
info@netsolpk.com
corporate@netsolpk.com

01

Vision & Mission

Vision Statement

To be the leading global provider of IT solutions & services in every market we serve by leveraging our worldwide footprint, driving sustainable growth, increasing shareholder value, and fostering a culture of excellence for our employees.

The leading & world class provider

We will continue to invest in top-quality talent, certifications, processes, infrastructure and product development.

In each market

We will focus individually on each market, while growing globally.

Creating strong growth potential

We will invest in capacity building, research and development, and emerging technology markets..

By leveraging our global positioning

We will fully harness our global solutions', customer base, presence and expertise.

Increasing shareholders' value

We aim to provide above average and superior returns to our shareholders.

Mission Statement

To be the premier solutions provider to the global finance and leasing industry. We will build on our market-leading position in APAC and expand our strong presence in Europe & the US to drive continued growth from our current generation of finance & leasing solutions while scaling our next-generation platform. We will harness our world-class software development capabilities to create new intellectual property in business segments where we can deliver meaningful value. We are committed to inspiring, training & rewarding our employees to be the best in their fields.

Major Customers

China

- Mercedes-Benz Auto Finance China, Ltd
- Mercedes-Benz Leasing Co., Ltd
- Toyota Motors Finance China Co., Ltd
- Stellantis Automotive Finance Co., Ltd
- Fortune Auto Finance Co. Ltd
- BYD Auto Finance Company Ltd
- NETSOL Technologies (Beijing) Co., Ltd

Thailand

- Mercedes-Benz Mobility (Thailand) Co., Ltd
- Nissan Leasing (Thailand) Co., Ltd
- NETSOL Technologies (Thailand) Ltd

Australia

- Mercedes Benz Financial Services Australia Pty Ltd
- Mercedes-Benz Financial Services New Zealand Ltd
- Daimler Truck Financial Services Australia
- Pepper Group Ltd
- NETSOL Technologies Australia Pty Ltd

Hong Kong

- Mercedes-Benz Financial Services Hong Kong Ltd
- BMW Financial Services Hong Kong Ltd

Japan

- Mercedes-Benz Finance Co. Ltd
- Daimler Truck Financial Services Asia Co., Ltd

Germany

- Mercedes-Benz Mobility AG Germany

Malaysia

- Mercedes-Benz Services Malaysia Sdn Bhd

South Africa

- Mercedes-Benz Financial Services, South Africa
- Daimler Truck Financial Services South Africa (Ptv)

Indonesia

- PT. Orico Balimor Finance Indonesia

Singapore

- Mercedes-Benz Financial Services Singapore Ltd

Korea

- Mercedes-Benz Financial Services Korea Ltd

Taiwan

- Mercedes-Benz Financial Services Taiwan Ltd

US

- NETSOL Technologies Americas

UK

- NETSOL Technologies Europe Ltd
- Ascent Europe Ltd

Pakistan

- Khyber Pakhtunkhwa Revenue Mobilization & Public Resource Management Program

Global Offices

Pakistan
Lahore | Karachi
Rawalpindi

USA
Encino | Austin

UK
Horsham

China
Beijing | Tianjin

Indonesia
Jakarta

Thailand
Bangkok

Australia
Sydney

UAE
Dubai

Quality Focus

We are committed to continuously improving the effectiveness of our quality management system through:

- Effective implementation of software measurement programs
- Developing & maintaining a skilled & motivated resource base
- Regular assessments against international standards
- Reviewing & enhancing quality objectives
- Monitoring & enhancing customer satisfaction

Our focus in quality engineering and process improvement has been imperative in ensuring excellence of operations and customer satisfaction. We are also continuously investing in software process improvement and ISO authorized trainings for our teams.

Our Quality Standards

NETSOL has successfully undergone an audit for SOC 2 Type 2 compliance through A-LIGN, a U.S.-based audit firm and trusted technology-enabled security and compliance partner for over 2,500 global organizations. In addition to SOC 2 Type 2, NETSOL was also audited for ISO 27001, ISO 20000, and ISO 9001 certifications.

These certifications and audits highlight NETSOL's ongoing commitment to safe-guarding its client data while implementing international best practices for information security.

Core Products and Services

Transcend™ Platform

NETSOL delivers its solutions through the Transcend™ Platform, a unified, API-first technology platform for the asset finance, leasing and automotive retail markets. The platform is designed for deployment in the cloud or in customer-managed environments, to integrate with existing customer and third-party systems through open APIs, and to operate under the regulatory, audit and data-residency requirements applicable to financial institutions. Artificial intelligence is embedded within the platform and is applied in capabilities such as credit decisioning, document processing, portfolio analytics, collection intelligence and lifecycle servicing. The platform also enables customers to develop and deploy agents that operate on their own data within their own environments, subject to the same access, audit and data-residency controls that apply across the platform.

The Company's principal offerings are as follows:

Retail

Transcend™ Retail is a digital retail platform for vehicle sales. It gives the buyer a single continuous purchase experience, from configuring a vehicle and valuing a trade-in to reviewing transparent payment and finance options and completing the transaction, whether that takes place online, in the showroom or across both. The buyer and the dealership work on the same deal in parallel rather than in separate systems, and either side can pick up where the other left off. The platform is configured to the brand standards of the manufacturer or dealer group and provides visibility and administrative control across the retail network. It is used by automotive manufacturers and dealer groups.

Finance

Transcend™ Finance is the Company's platform for lenders and lessors. It comprises three core solutions: Originations, Servicing and Wholesale Finance. Together these span the finance and leasing lifecycle from application through end of contract, and support auto, equipment, fleet and receivables portfolios across both retail and commercial products. The platform supports multiple legal entities, currencies and jurisdictions on a single system, and is configured to each customer's products, pricing and credit policy rather than custom-built. Partner-facing portals extend origination and servicing to the intermediaries in a customer's distribution network.

Our Leadership

Omar Shahab Ghauri
Chief Operating Officer

Kamran Khalid
Chief Product & Delivery Officer

Dario Morelli
Vice President AI

Boo-Ali Siddiqui
Director Finance/CFO

Khurram S. Rana
Chief Human Resource Officer

Sehrish Ishtiaq
Company Secretary

Syed Umer Qadri
Deputy Global Head of Sales

Abbas Leghari
Head of BD & SMO

M. Abdul Wahab
Chief Internal Auditor

Erik Wagner
Chief Marketing Officer

Fawad Ghauri
VP APAC-Growth

Usman Idrees
Global EVP - Financial Planning & Business Management

Humera Mirza
SVP Business Information Management

Irfan Zulfiqar Lodhi
Director Delivery Transcend

Naheed Kausar Haq
Head of Services, Planning & Facilitation

Asif Zafar
Head of Network Operations & Services

Mohsin Hanif
Head of Employee Services & Procurement

Naeem Sultan
Head of Legal Affairs

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02

Business Review

Chairman's Review Report

Naeem Ullah Ghauri

Chairman

Dear Shareholders,

On behalf of the Board of Directors of NETSOL Technologies Limited, I am pleased to present the Chairman's Review for Fiscal Year 2026. While our Chief Executive Officer outlines the operational and financial milestones achieved this past year, my focus as Chairman is to share the Board's perspective on our strategic direction, corporate governance, risk stewardship and long-term value creation.

Board oversight and strategic alignment

Throughout FY26, the Board maintained rigorous oversight of NETSOL's strategic priorities, ensuring that operational momentum translated into long-term capital discipline and sustainable balance sheet strength.

Leadership execution: The Board retains absolute confidence in CEO Salim Ghauri and the executive management team. Their disciplined execution across global operating regions has expanded our customer footprint while maintaining robust operational margins.

Strategic direction-setting: Over the past four quarters, the Board actively steered key strategic calls—authorizing targeted capital reallocation toward high-margin, SaaS-driven recurring revenues and supporting expansion across Tier-1 auto finance and enterprise equipment leasing segments.

Board perspective on the AI transformation

The Board views the rapid rise of Artificial Intelligence not merely as a tech trend, but as a structural shift that will separate legacy providers from future market leaders.

Multi-year R&D endorsement: The Board explicitly sanctioned a deliberate increase in R&D investment to shift NETSOL from traditional software development cycles into an AI-native engineering model.

Capital allocation for innovation: We view the continued expansion of Transcend AI Labs and the commercialization of AI-enabled solutions, such as our next-generation credit decisioning engine, as essential investments. This multi-year strategy safeguards our enterprise moat while unlocking exponential scalability for FY27 and beyond.

Risk oversight and governance standards

High-growth technology shifts require equally robust risk management frameworks. During the fiscal year, the Board's governance, audit and risk committees focused on reinforcing three critical pillars:

Ethical AI and compliance governance: Establishing strict oversight mechanisms around AI model integrity, data privacy and regulatory compliance across diverse global jurisdictions.

Cybersecurity and resilience: Enhancing enterprise cyber resilience and multi-cloud infrastructure safeguards to protect client operations and uphold industry certification standards.

Fiscal prudence and risk mitigation: Rigorously evaluating foreign exchange sensitivity, global macroeconomic pressures and capital expenditure allocations to ensure financial stability through changing market cycles.

Looking ahead to FY27

Entering the new fiscal year, the Board stands firmly united behind management's strategic roadmap. NETSOL's foundation, built on deep domain expertise, early AI adoption and strong client relationships, positions the company to capture expanding global market share. We remain fully committed to delivering sustainable earnings growth and long-term capital growth for our investors.

Acknowledgments

I wish to extend my profound appreciation to my fellow Directors for their strategic wisdom and steady counsel throughout the year.

My sincere gratitude also goes to our Chief Executive Officer and the executive leadership team for their principled guidance and commitment to operational excellence. Finally, on behalf of the Board, I thank our shareholders, institutional partners and global clients for their trust in NETSOL's strategic direction.

Naeem Ullah Ghauri
Chairman
Lahore
September 28, 2026

CEO's Message

Salim Ghauri

CEO

Dear Shareholders,

FY26 has been a rewarding year for NETSOL, marked by strong revenue growth, an expanding customer base and continued momentum across our global operations. I am proud of what our teams have achieved together. Across our markets, we have seen encouraging signs of growth, deeper engagement with existing customers and the continued acquisition of new business, all of which reflect the strength of our Transcend Platform, our people and our long-term strategy.

As we look ahead, we recognize that the technology industry is standing at an inflection point. AI is set to fundamentally reshape how businesses operate, how software is built and how value is delivered to customers. This shift will create significant opportunities for organizations that are prepared to embrace it, but it will also bring new challenges that demand foresight, discipline and sustained investment. At NETSOL, we intend to meet this moment head-on, not with hesitation, but with clarity and conviction about the direction we need to take.

We are committing to a substantial increase in investment in R&D, with a particular focus on AI and on equipping our teams with the skills, tools and mindset needed for what comes next. This is not a short-term initiative, nor is it a reactive response to industry trends. We are undertaking a deliberate and structured transition from a traditional, human-led development cycle to one that is increasingly AI-driven, where intelligent systems augment and accelerate the work our teams do every day. This transformation will require time, patience and sustained investment, and we see the next three years as a defining period for NETSOL, one in which the decisions we make today will determine how well-positioned we are for the future.

We are approaching this transition thoughtfully, ensuring that as we evolve our development model, we continue to protect the quality, reliability and continuity that our customers depend on.

Central to this journey is our continued investment in Transcend AI Labs, our dedicated innovation hub for exploring and developing the next generation of AI capabilities. Through this initiative, we are building AI-enabled products and embedding intelligent components into our existing solutions, including our AI-enabled credit decisioning engine within Transcend Finance. These are not incremental upgrades; they represent a new generation of solutions built to think, learn and adapt alongside the businesses we serve. We believe that our AI Labs will become an increasingly important engine of innovation for NETSOL in the years ahead, allowing us to experiment, iterate and bring new capabilities to market faster than ever before.

As we move forward, our focus will be on understanding how AI can be applied meaningfully, both within our own organization and in the value we deliver to our customers. This means investing not only in technology, but in people, ensuring our teams are equipped with the knowledge and confidence to work alongside AI-driven tools and processes. We see this as an ongoing process of learning, experimentation and refinement, and we are committed to approaching it with the same discipline and rigor that has defined our growth to date. The years ahead will require us to remain agile, to keep listening closely to our customers and to stay focused on building solutions that genuinely solve real-world problems in asset finance and leasing, alongside digital retail.

I want to thank every member of the NETSOL family, across Pakistan and all our regional support and delivery centers worldwide, for their continued dedication, resilience and hard work this past year. None of what we have achieved would be possible without their commitment to excellence. The road ahead promises to be an exciting one, with multiple years of growth on the horizon and I have every confidence that our people will once again rise to meet it, just as they always have.

Salim Ullah Ghauri
CEO
Lahore
September 28, 2026

Global Marketing Activities

The NETSOL Team at Finnovex 2025 in Riyadh, KSA, where NETSOL participated as a Networking Sponsor.

The NETSOL Team at the AFIA Conference 2025 in Sydney, Australia.

The NETSOL Team at the OTO Group Ekiden Race for Share 2025 (charity run) in Tangerang, Indonesia.

The NETSOL Europe Team at the GlobalData Automotive Europe Conference and Awards 2025 in Munich, Germany.

The NETSOL Team at the ELFA Innovation Lab Conference and Exhibition in Denver, Colorado.

The NETSOL Europe Team at the Leaseurope Annual Convention 2025 in Cascais, Portugal.

The NETSOL high-level delegation with others at the Auto Finance Summit 2025 in Las Vegas, Nevada.

The NETSOL US Team at the Digital Dealer Conference and Expo 2025 in Las Vegas, Nevada.

The NETSOL Team at the ELFA Annual Convention 2025 at the Marco Island Beach Resort in Florida.

The NETSOL Leadership Team and others at the Nasdaq Opening Bell Ceremony at Times Square NYC commemorating 26 years since NETSOL first listed on the exchange.

The NETSOL Indonesia Team at the Halal Bihalal and APPI Members Meeting 2026 in Jakarta, Indonesia.

The NETSOL Europe Team at the Finance Connect Summer Conference 2026 in London, England.

The NETSOL Team with a guest at the 'China-Indonesia International Seminar on Financial Leasing' in Beijing, China.

The NETSOL US Team at the NADA Show 2026 in Las Vegas, Nevada.

The NETSOL Team at Auto Finance Summit East 2026 in Nashville, Tennessee.

The NETSOL Thailand Team at the Thai Hire-Purchase Association's (THPA) Dinner Talk 2026 in Bangkok, Thailand.

Activities During the Year

Mr. Stetson Sanders,US Counsel general Lahore and Mr. William A. Campbell visited NETSOL.

Mr. Timothy Kane, Australian High Comissioner visited NETSOL

Ms. Natalie A. Baker, Chargé d'affaires visited NETSOL.

HE Mr. Sun Yan Consul General of China in Lahore, visited NETSOL.

Dr. Charlon visited NETSOL.

Mr. Ben Warrington, Head of the Lahore Office of the British High Commission, visited NETSOL.

National Institute of Public Administration delegation visited NETSOL.

NETSOL Shareholders Meeting.

Honoring our high-performing employees for their exceptional performance, dedication, and contribution to the Company's success.

Eid Celebration.

Honoring our high-performing employees for their exceptional performance, dedication, and contribution to the Company's success.

Annual Breakfast

Mango Bash

Independence Day

NETSOL Umrah Draw Winners

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03

Financial Highlights

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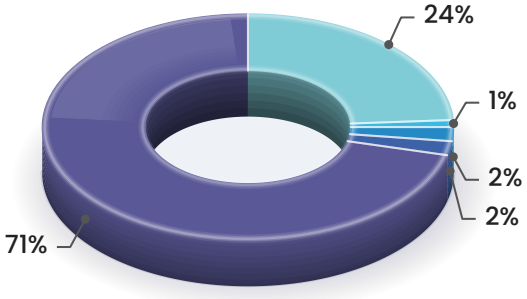
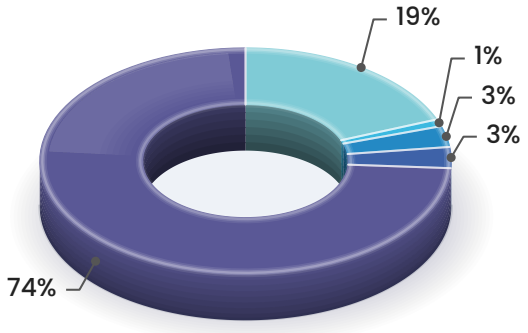
Statement of Value Addition

	2026	% age	2025	% age
		Rupees in '000'		
VALUE ADDITION				
Revenue	10,476,405		9,018,961	
Other Income	339,566		837,296	
	10,815,971		9,856,257	
Less Operating & General Expenses	2,706,671		2,707,168	
Value Added	8,109,300	100%	7,149,089	100%
VALUE DISTRIBUTION				
To Employee				
Salaries & other employee benefits	5,781,040	71%	5,305,637	74%
To Government				
Income & other taxes	187,936	2%	235,994	3%
To Financial Institutions				
As markup on borrowings	163,427	2%	227,716	3%
To Charitable Institution	48,140	1%	34,964	1%
To Provider for Maintenance & Expansion of Assets				
Depreciation / Amortization	249,804		313,851	
Retained Income	1,678,953		1,030,927	
	1,928,757	24%	1,344,778	19%
	8,109,300		7,149,089	



2026



2025

- To Employee
- To Provider for Maintenance & Expansion of Assets
- To Charitable Institution
- To Financial Institutions
- To Government

Six Years' Summary

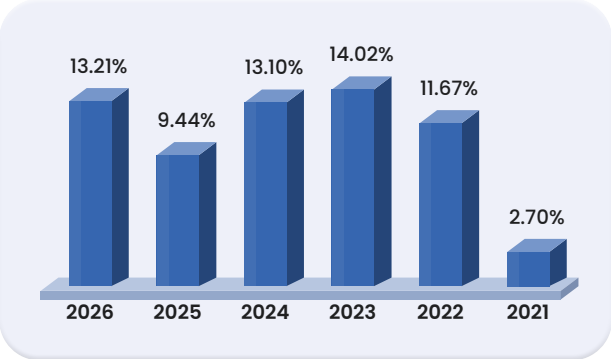
	2026	2025	2024	2023	2022	2021
			Rupees in '000'			
FIXED CAPITAL EXPENDITURE						
Tangible	1,435,583	1,225,066	1,216,236	1,514,209	1,613,215	1,599,438
Intangibles	576,385	-	-	40,386	333,890	627,393
	2,011,968	1,225,066	1,216,236	1,554,595	1,947,104	2,226,831
LONG TERM INVESTMENT	537,218	537,218	537,218	52,281	30,063	208,582
LONG TERM CONTRACT ASSETS	585,094	20,846	52,637	-	-	-
LONG TERM LOANS TO EMPLOYEES	6,431	8,590	22,860	4,392	7,891	3,552
WORKING CAPITAL	9,648,896	9,145,349	8,738,419	7,623,439	5,942,484	4,762,877
NET ASSETS EMPLOYED	12,789,607	10,937,069	10,567,370	9,234,707	7,927,542	7,201,843
EQUITY & LIABILITIES						
SHAREHOLDER'S EQUITY	12,713,580	10,918,311	10,562,679	9,167,434	7,827,036	7,103,817
NON CURRENT LIABILITIES	76,027	18,758	4,691	67,273	100,506	98,026
TOTAL FUNDS INVESTED	12,789,607	10,937,069	10,567,370	9,234,707	7,927,542	7,201,843
REVENUE FROM CONTRACTS WITH CUSTOMERS-NET	10,476,405	9,018,961	9,280,647	7,670,181	6,116,638	4,947,559
COST OF REVENUE	5,986,934	5,434,938	5,116,773	5,408,017	4,011,650	3,147,147
GROSS PROFIT	4,489,471	3,584,023	4,163,874	2,262,164	2,104,988	1,800,412
OPERATING EXPENSES	2,810,518	2,553,096	2,779,715	976,930	1,191,768	1,608,825
NET PROFIT FOR THE YEAR	1,678,953	1,030,927	1,384,159	1,285,234	913,220	191,587
EARNING PER SHARE	19.45	11.89	15.76	14.63	10.19	2.13
RESERVES & SHARE CAPITAL						
Reserves	11,815,211	10,016,074	9,664,297	8,269,052	6,928,654	6,205,435
Share Capital	898,369	898,369	898,369	898,369	898,369	898,369

Key Financial Ratios

		2026	2025	2024	2023	2022	2021
Working Capital	Rupees in thousand	9,648,896	9,145,349	8,738,419	7,623,439	5,942,484	4,762,877
Gross Profit	%	42.85	39.74	44.87	29.49	34.41	36.39
Net Profit Margin	%	16.03	11.43	14.91	16.76	14.93	3.87
Return on Equity	%	13.21	9.44	13.10	14.02	11.67	2.70
Return on Assets	%	9.48	7.23	9.63	10.04	8.61	2.00
Debtor Turnover	Times	1.40	1.57	1.75	1.36	2.45	3.00
Current Ratio	Times	2.96	3.76	3.30	3.14	3.22	3.00
Earnings Per Share	Rupees	19.45	11.89	15.76	14.63	10.19	2.13
Book Value Per Share	Rupees	146.65	128.23	120.25	104.37	89.11	79.07
Outstanding No. of Shares	Shares	86,690,659	85,146,672	87,836,923	87,836,923	87,836,923	89,836,923

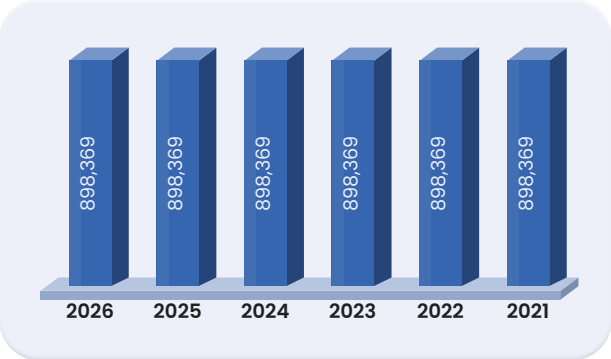
Financial Summary

RETURN ON EQUITY

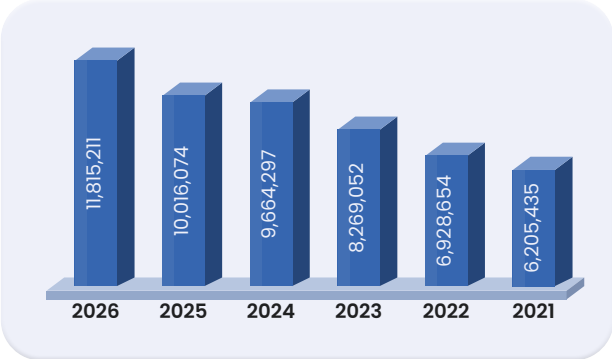


RETURN ON ASSETS

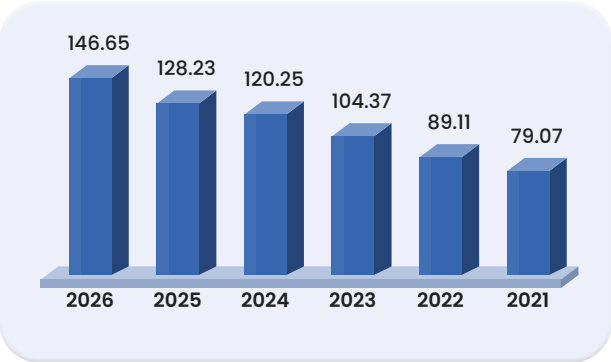
SHARE CAPITAL (PKR '000')



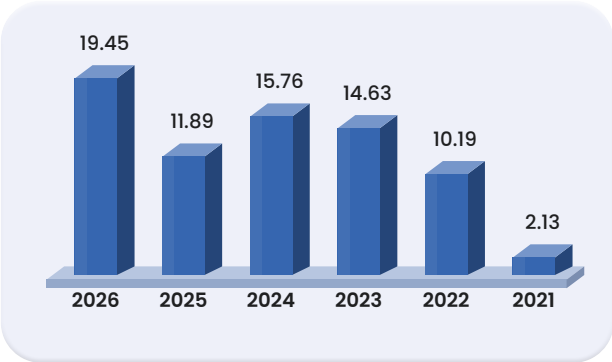
RESERVES (PKR '000')



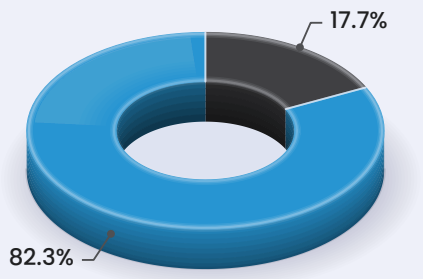
BOOK VALUE PER SHARE (PKR)



EARNING PER SHARE (PKR)



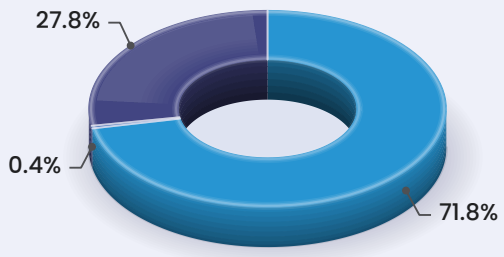
Assets



Rs. 17,709 million

- Non-current Assets
- Current Assets

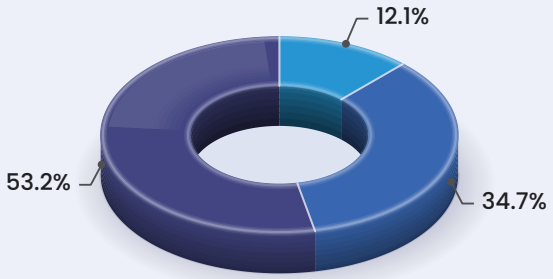
Equity & Liabilities



Rs. 17,709 million

- Share Capital and Reserves
- Non-Current Liabilities
- Current Liabilities

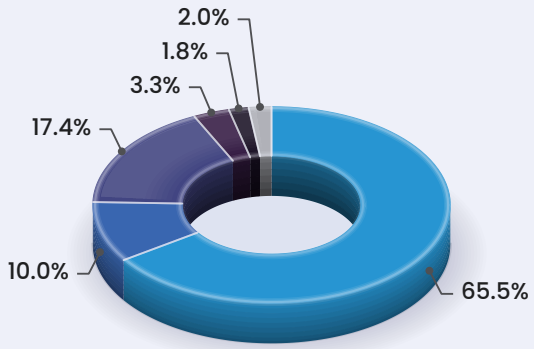
Revenue



Rs. 10,476 million

- Subscription and Support
- Services
- License

Expenses



Rs. 9,137 million

- Cost of Revenue
- Selling and Promotion Expenses
- Administrative Expenses
- Other Operating Expenses

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04

Human Capital Division

Human Capital Division

We have strengthened our commitment to growth, learning, and employee well-being, building a skilled and engaged workforce aligned with our long-term vision and prepared for the evolving global technology landscape.

Talent Acquisition and Strategic Initiatives:

In FY2025-26, we successfully integrated 174 new team members and welcomed back 27 re joiners, a testament to our strong employer brand. Our Summer Internship Program received an overwhelming response, with over 1445 applications and over 444 internees inducted. Leveraging AI driven technology, we streamlined our recruitment process, ensuring efficiency and fairness in selection. Strategically, we enhanced our talent acquisition efforts with a focus on key senior hires, bolstering leadership and expertise within the company. Our newly implemented Strategic Hiring initiative is designed to align recruitment efforts with our organizational goals, ensuring a stronger, future ready workforce.

Over the past year, our Talent Acquisition team has driven several key strategic initiatives aimed at strengthening our workforce and positioning the company for sustained growth. These initiatives have focused on enhancing our ability to attract, engage, and retain top talent while aligning closely with our organizational goals

Key Diversity, Equity & Inclusion (DEI) Hiring Programs

Our recruitment process has been enhanced to foster greater diversity and inclusion. We introduced bias-reduction training for hiring managers and expanded outreach to underrepresented talent pools.

Talent Pipeline Development

Attended 10 career fairs at various top universities thus strengthening our partnerships resulting in a robust talent pipeline. Internship program has been launched to nurture future talent. More than 400 internships offered.

Recruitment Technology Integration

We implemented advanced applicant tracking systems and AI-driven sourcing tools. These technologies have improved screening efficiency, reduced time-to-fill, and enhanced data-driven decision-making.

Improved Offer Acceptance Rate

The application and interview processes were streamlined resulting in a 50% reduction in time to-hire. Enhancing candidate experience has resulted in 82% improved offer acceptance rate.

Workforce Planning Alignment

Close collaboration with business units allowed for proactive workforce planning. Talent acquisition strategies were aligned with future business growth projections and evolving market demands.

Workforce Diversity Metrics & Reporting

We established comprehensive diversity hiring goals supported by real-time reporting dashboards. We aim to reach 35% female ratio by 2030. This year we hire 20% Females. These insights enable continuous refinement of recruitment strategies and help reduce unconscious bias.

Skills-Based Hiring Initiative

Strategic shift towards skills and competency based hiring over traditional qualifications.

Learning and Development

During the year, 1363 Distinct Trainees were equipped with soft skills, technical and domain concepts in 670 training sessions, covering 958 training hours and reaching employees across all levels.

Over the past year, we have introduced following new initiatives designed to strengthen learning, build capability, and create more engaging development opportunities.

- Role-Based Training Program
- Governance Team (Client Services) – Marketplace & Product Training
- Tech Masterclass: Fortnightly Expert Series
- Uplift Foundation Program
- Gamified Micro—Bit Learning
- All Hands (All Halls)
- NIAI Soft Skills Training Program
- Department Focused & Skill Centric Programs

Employee Engagement and Well-being

Our employee engagement activities and health initiatives have continued to foster a positive and collaborative work environment. We have supported employee well-being through health camps, wellness consultations, and mental health resources.

These initiatives reflect our deep commitment to maintaining a healthy, engaged workforce.

- 5 Engagement Activities
- 5 Health & Wellness

Engagement Activities Details:

- NPL-7 Cricket Tournament 2025
- Eid ul Fitr 2026
- Cultural Day 2026
- Annual Breakfast 2026
- Plantation Drive

Health & Wellness Details:

Organized 20 health camps across the year with a dedicated focus on health and mental well being.

Health Initiatives:

- Hepatitis B & C Screening Camp with PK&LI
- Pre-Ramadan Vitals Screening Camp
- CCL Health and Wellness Camp
- GlamBee Free Skin Camp
- Bone Density Medical Camp

Vision for Growth

Our human capital strategies will continue to align with the company's growth ambitions, ensuring our workforce is prepared to lead in an ever evolving industry. By embracing technologies such as Artificial Intelligence, automation, and data analytics—alongside continuous investment in our people. We are confident in our ability to drive future success and sustain a dynamic, high-performing workplace.

NETSOL Institute Of Artificial Intelligence

The first cohort of the NETSOL Institute of Artificial Intelligence (NIAI) commenced in June 2025, marking the start of NETSOL's formal commitment to developing future-ready technology talent. Registered as NETSOL Institute of Artificial Intelligence (Pvt.) Ltd., the Institute was established to close the distance between what academia produces and what industry requires, developing top-tier AI and technology professionals through specialized programs aligned to current industry needs and international accreditation standards.

In November 2025, NETSOL signed a Memorandum of Understanding with the National Vocational and Technical Training Commission (NAVTTC) to deliver 1,600 fully funded scholarships in high-demand technology fields under the 'National AI Upskilling Initiative,' a component of the Prime Minister's Youth Skill Development Program. The agreement was signed by NAVTTC Executive Director Muhammad Aamir Jan and NETSOL Pakistan's Chief Executive Officer Salim Ghauri.

NIAI concentrates on three high-demand disciplines: AI and ML, big data analytics techniques and cybersecurity. Each runs as an intensive three-month program built around applied, hands-on work rather than theory alone. The AI and ML track covers the full project lifecycle, from foundations through to deployment on real datasets. The big data analytics techniques track focuses on practical data engineering and analytics skills using industry-standard tools and real-world datasets. The cybersecurity track is structured around the EC-Council Certified Ethical Hacker credential.

Training is delivered by industry-experienced practitioners selected for their deep technical expertise and real-world experience. This practical approach helps bridge the gap between industry and academia by enabling participants to learn directly from professionals who have designed, built and managed production-grade systems, complementing academic knowledge with hands-on industry insight.

Cohort sizes vary by intake rather than following a fixed structure. The first NAVTTC-affiliated cohort comprised 176 students, while the second cohort is expected to enroll more than 500 students, reflecting the growing scale and reach of the program as it matures.

Cohorts are taught through in-person training across NETSOL's own campus and partner venues in Lahore, giving participants an immersive learning environment and direct access to faculty. As the initiative matures, NETSOL intends to extend NIAI to additional cities across Pakistan, broadening access to industry-focused AI education and deepening the national technology talent pipeline.

Core Values

Respect & humility

We treat everyone with kindness and understanding, valuing diverse perspectives and learning from every interaction.

Adaptability

We proactively anticipate and respond to our customers' evolving needs in a fast-changing global economy.

Honesty & integrity

We ensure transparency and trustworthiness in our communications and decisions.

Customer success

We work relentlessly to overcome challenges and deliver solutions that ensure our customers are successful.

Innovation

We foster a culture of curiosity and continuous improvement, transcending today's limits with technology.

Code of Conduct

We remain committed to ongoing investments in the highest quality of human resources, streamlined processes, cutting-edge infrastructure and progressive product development. Uncompromising integrity and professionalism have been the cornerstones of NETSOL's business since its inception. In all that we do, we support and uphold a set of core values and principles.

Our future growth depends on each of us understanding these values and principles and continuously demonstrating the uncompromising integrity and professionalism that is the foundation of our company. The Code of Conduct sets forth the standard for how we work together to develop and deliver products, how we protect the values of NETSOL and how we work with customers, suppliers and others. All of us at NETSOL must abide by the Code while conducting any official business. The Code affirms our six principles of conduct:

All employees of the company and other personnel should avoid situations where personal interests could conflict, or appear to conflict, with the interests of their employer.

NETSOL does not permit bribery in any form while dealing with the company's business.

All directors and employees and other personnel must observe the laws and regulations in letter and spirit.

Directors, management, other employees and personnel must not use price sensitive/inside information for their personal advantage.

All employees and personnel must maintain the confidentiality of price sensitive information.

NETSOL requires competition in the marketplace and compliance with anti-trust and competition rules.

Introduction

The National Incubation Center for Aerospace Technologies (NICAT) is Pakistan's first vertical-specific incubator, built to accelerate ventures in aerospace, defense-tech, and frontier technology. Backed by the Ministry of IT & Telecom through Ignite – National Technology Fund, and delivered by a NETSOL-led consortium in partnership with NASTP, Air University, and PAC Kamra, NICAT is strategically embedded at the core of Pakistan's aerospace, defense-tech, and deep-tech innovation ecosystem. NICAT's leadership is committed to upholding the ethos and standards worthy of NETSOL's global brand.

Impact Numbers

Cumulative NICAT impact figures across all cohorts (1–7) to date, verified against the official Performance Report:

Metric	Cumulative Total
Startup applications received	**5.1k+**
Startups incubated	**120**
Revenue generated	**PKR 6.4+ B**
Investment committed	**PKR 4.1+ B**
Events	**800+**
Jobs created	**27k+**
Females empowered	**7.2k+**
National + international awards	**114**

With these impact numbers, NICAT has become the third highest revenue-generating National Incubation Center (NIC) in the country, despite being an entire cycle younger than most other NICs. NICAT also continues to be the top performer based on the management KPIs set by Ignite.

Key Highlights of the Year

- **AeroFusion 2026:** NICAT's flagship aerospace innovation event scaled from 2 to a full 3-day national programme (4–6 June 2026), drawing 400+ attendees, NASA representation, 24 hackathon/research finalists from 9+ universities, and a fireside chat with Pakistan's first zero-gravity astronaut.
- **Investor Connect 2026:** A closed-door, online summit (26 February 2026) convening 37 elite investors and industry observers, including Accelerating Asia Ventures, Zayn VC, Sarmayacar, Indus Valley Capital, and Gobi Partners, across 8 pitching startups. The summit generated 29 confirmed investment/partnership requests (79% conversion) and saw NICAT startup Nexerin secure a $2 million investment commitment.
- **Uraan AI Techathon 1.0:** Held as part of Indus AI Week (9–15 February 2026) in collaboration with the Ministry of Planning, Development & Special Initiatives and P@SHA, NICAT hosted Pakistan's first national AI-focused Techathon, uniting students, professionals, and researchers to develop innovative AI solutions, with Ahsan Iqbal, Federal Minister for Planning, Development & Special Initiatives, in attendance.
- **Meet & Greet with Ali Dar:** NICAT hosted Ali Dar, Advisor to the Chief Minister of Punjab on AI & Special Initiatives, for a session with Cohort 7 founders and the NICAT team, fostering direct policy-ecosystem dialogue and aligning NICAT's aerospace/deep-tech mandate with the provincial government's AI and digital transformation agenda.

Showcase Startups

The Stars of NICAT, a representative cross-section of startups that stood out this year through commercial traction, investment, and national and international engagement, with figures verified against the official Performance Report:

Startup	Cohort	Highlight
Dynasys Network	C2	Technology-first satellite communication network operator delivering advanced connectivity and IoT solutions at scale; PKR 391M+ revenue generated; recipient of the HBL P@SHA ICT Award and secured an export partnership with Azerbaijan.
Veyn Pvt Ltd	C5	AI-powered Call Quality Evaluation System automating call scoring, multilingual transcription, and CRM-integrated insights for BPOs, banks, and telecoms; PKR 112.5M+ revenue generated; exhibited at the E3 CX Conference in Riyadh, Saudi Arabia.
RLabs	C6	XR + simulation platform powered by LLMs, accelerating development by up to 75% and enabling 4x faster defense projects with global partners including Airbus and Kongsberg/USN; PKR 150.6M+ revenue generated, backed by PKR 30M in funding.
IFS (Imagineering Fast Solutions)	C6	Drone manufacturing, turnkey engineering solutions, and defense brokerage; PKR 535.13M revenue generated, bridging innovation with operational excellence across aerospace and defense.
Kalam 4 Solutions Pvt Ltd	C1	Agricultural drone technology delivers accessible, cost-effective data-driven insights to optimize decision-making and enhance crop productivity; PKR 846M+ revenue generated, led by founder Rozeena Saleha.
RedMarker	C2	AI-enabled assessment platform for EdTech, optimizing the evaluation lifecycle to improve institutional accuracy, efficiency, and decision-making; PKR 190.6M+ revenue generated, with PKR 436M investment committed.
Nexerin	C6	Autonomous drone-swarm platform with modular payloads, GPS-free navigation, and secure mesh networking for defense, advertising, and emergency-response use cases; secured a PKR 1.11B+ (~$2M) investment commitment, including via Investor Connect 2026.
AIDE AI	C6	End-to-end assignment lifecycle platform automating grading — including bulk handwritten and diagram-based evaluations — with dedicated dashboards for teachers, students, and parents; PKR 42M investment committed.
CoBlack Corp	C7	World's first fully automated AI job-application platform, sourcing roles and submitting tailored applications automatically; PKR 27M+ investment committed, with $2.03M+ investment raised from international investors.
Space Research Center (SRC)	C6	Satellite-based platform advancing research and education in space technology, enabling hands-on learning and real-world application of aerospace concepts; PKR 12.2M+ revenue generated, PKR 8.4M investment committed.
Clima Coating	C4	Advanced thin-film coatings enhancing aerospace performance through lightweight protection against extreme environmental conditions and reduced wear and friction; PKR 179M revenue generated, PKR 455M investment committed.

NICAT on the Global Stage

Team members and portfolio startups represented NICAT internationally this year:

- Zujajah Khalid (Head of PR & Marketing) represented NICAT at DWC Doha, engaging GSMA-led platforms and global telecom/innovation leaders.
- Lybah Tariq (Assistant Manager, Community & Events) travelled to Istanbul, Türkiye, on a Flat6Labs-led ecosystem capacity-building study tour.
- Veyn Pvt Ltd (Cohort 5) exhibited at the E3 Customer Experience Conference in Riyadh, Saudi Arabia.
- Sahl (Cohort 6) participated in Biban and Seamless KSA, global tech and fintech forums in Saudi Arabia.

Media Presence

NICAT's programming and startups received national coverage across the following outlets this year: Hum +News, ROZ TV, Samaa News, 24 News (Akash), Suno News, ARY News, GEO News, Azad Digital News, Daily BBC Report, Aaj Pakistan News, Neo Digital, Bol News, Hmari Web, Azad Urdu, Waqt News, Abtak News.

NICAT Intelligence

This year marked the debut of NICAT Intelligence, NICAT's proprietary AI-enabled operations framework, unifying automated data entry and approvals, live cohort reporting, and real-time monitoring dashboards into a single system that replaced fragmented manual administrative processes across the organization.

Women Inclusion

NICAT hosted "Women in the Ecosystem," launching an ongoing community for women across Pakistan's entrepreneurial and technology landscape. Led by Dr. Shagufta Jabeen alongside Zujajah Khalid and Lybah Tariq, the initiative has evolved into a standing part of NICAT's ecosystem-building work, offering networking, mentorship, and workshops for women founders and professionals.

NIC Lahore

NIC Lahore continued to strengthen Pakistan's startup ecosystem through incubation, mentorship, investor access, strategic partnerships, competitions, and international exposure. Our startups made notable progress across AI, HealthTech, EdTech, FinTech, ClimateTech, Sustainability, Manufacturing, Mobility, and Digital Technology.

2026 IMPACT AT A GLANCE

57+
Startup Achievements & Recognitions

PKR 60M
Investment secured by BarqRaftar Technologies

USD 300K
Investment raised by VoltShare

18,000+
Teams competed in Hult Prize 2026, with Organic Converter reaching the Top 1,500

30+
Competitions, awards, accelerators & showcases

Global Reach
Startups represented Pakistan across the USA, Canada, Japan, Saudi Arabia, UAE, Türkiye, Thailand, South Korea and beyond.

Investment & Funding

NICL startups attracted significant investment and funding opportunities, including:

- BarqRaftar Technologies — PKR 60M angel investment + Bank Alfalah partnership.
- VoltShare — USD 300K investment for North American expansion + Futurpreneur & BDC funding.
- MottoVest — UAE investment for production expansion.
- Tripper — Six-figure USD investment.
- Recycle Bin — PKR 500K challenge funding.
- Paymo — PKR 700K grant.
- ReLife — PKR 1M grant.

Awards & Recognition

NICL startups continued to excel nationally and internationally, with notable wins including:

- Hsieh AI — Connected Pakistan Excellence Awards & 10Pearls Intelligence Competition
- Organic Converter — 2nd Place, STEM All Pakistan + Top 1,500 at Hult Prize 2026
- Robotronics — 3rd Position, SheXcelerate
- MyPath — GIKI Softcom Champion + AI Wrapper Competition 2nd Runner-Up
- PakLawAssist — AI Wrapper Competition Winner
- Green Upshot — World Startup Championship Winner, Climate Tech Category
- ClassNotes — Winner at Startupper of the Year, Pakistan Startup Cup & TiE Austin Global Pitch
- U.N.I — 3rd Place at Red Bull Basement & COLABS Pitch2Win
- Markhor3D — P@SHA ICT Awards Runner-Up
- ReLife — 3rd Position, Hult Prize Pakistan
- Paymo — 2nd Prize, Allied Bank Fintech Hackathon
- PecoDrop — Climate Gala Green Award Winner

TAKING PAKISTANI STARTUPS GLOBAL

- NICL startups expanded their international footprint through leading platforms including Plug and Play Silicon Valley & China, SusHi Tech Tokyo, LEAP Saudi Arabia, GITEX Dubai, Web Summit Doha, AstroLabs Riyadh, MassChallenge, South Summit Korea, Bangkok Business Challenge, and GITEX AI Asia Singapore.
- Startups including VoltShare, Blainy, RFIDify, Minderfly, Markhor3D, Robotronics, IELTS Karo, MottoVest, TekzoTech/Etrya, Heyeve and OctiLearn represented NIC Lahore and Pakistan on global platforms.
- These opportunities connected founders with international investors, accelerators, markets, mentors and strategic partners.

BUILDING PAKISTAN'S AI FUTURE

AI remained a key area of innovation, with NICL startups participating in the National AI Wrapper Competition, Indus AI Week, 10Pearls Intelligence Competition, GITEX AI Asia, AI accelerators and hackathons.

Startups including Hsieh AI, Heyeve, MyPath, PakLawAssist, Blainy and AI Geo Navigators are developing technology-driven solutions across multiple sectors and markets.

STRATEGIC PARTNERSHIPS

NICL startups strengthened their commercial and ecosystem connections through partnerships including:

- Health Card × Summit Pakistan
- BarqRaftar × Bank Alfalah
- Green Upshot × Jazz
- Tripper × Switch
- Thingsty × GCC Partner

These collaborations are helping startups move from incubation to investment, partnerships, market access and scale.

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05

Governance

Board of Directors

Naeem Ullah Ghauri
Chairman -
Non-Executive Director

Naeem Ghauri is the Co-Founder and President of NETSOL Technologies Inc. and also serves as the Chairman of NETSOL Technologies Pakistan. Prior to NETSOL, Mr. Ghauri was Project Director for Mercedes-Benz Finance Ltd., where he supervised over 200 project managers, developers, analysts and users in nine European countries. He earned his degree in computer science from the University of Brighton in England. Naeem Ghauri envisions AI as a transformative force in enterprise technology and has been instrumental in positioning NETSOL as an AI-first organization. His leadership has accelerated the integration of advanced AI capabilities across NETSOL's product ecosystem, driving innovation and future-readiness. He was honored with the coveted 'IT Entrepreneur of the Year' award at the Pakistan Achievement Awards International 2025 in London, England on August 14, 2025 – a momentous recognition of his relentless pursuit of innovation, global excellence and transformative leadership in the tech world.

Salim Ullah Ghauri
Chief Executive
Officer

Salim Ullah Ghauri began his entrepreneurial journey over 40 years ago, but his most notable success came in 1996 with the founding of NETSOL Technologies, where he continues to serve as CEO. A globally recognized IT entrepreneur, Salim Ghauri is widely regarded as a pioneer in Pakistan's technology landscape. During his time abroad, he deeply felt the need to contribute his expertise to Pakistan's growing IT sector. Motivated by a strong sense of patriotism, he envisioned a future where Pakistan would lead in the global IT arena. This vision led to the establishment of NETSOL Technologies, which proudly became the first company in Pakistan to achieve CMMI Level 5 certification. In addition to his corporate achievements, Salim Ghauri currently serves as the Honorary Consul of Australia for Punjab and has also chaired the Federal Government's ICT Task Force. Over the years, he has been invited multiple times by Prime Ministers and Presidents of Pakistan to advise on the country's IT strategy and development. He has held several key leadership roles, including former Chairman of the Pakistan Software Houses Association for IT and ITES (P@SHA, and has made significant contributions to the American Business Forum (ABF). Salim Ghauri also served as President of TiE Lahore and sits on the board of the British Business Centre. He is also a certified director by the Pakistan Institute of Corporate Governance.

Omar Shahab Ghauri
Executive Director

Omar Ghauri is the COO of NETSOL Technologies Ltd. As COO, he is managing and leading all of the company's operations. With over 22 years of vast and extensive experience in the IT industry, Omar is committed to driving an innovative, impactful and diligent team. Omar's journey with NETSOL started off as a Business Analyst in 2004 where he analyzed and refined the business and functional requirements of new projects. In 2007, he became the Service Manager for NFS (NETSOL's flagship product at the time) where his prime responsibility was to ensure customer satisfaction and bridge the gap between customers and development teams. Since 2008, he has advanced up the career ladder with exceptional zeal and determination, ultimately taking charge of NFS. His career, which includes both senior and junior roles, clearly demonstrates his extensive skill set, encompassing everything from leadership to strategic thinking. Omar holds a Bachelor's degree in Computer Information Systems (CIS) from James Madison University, USA, and is also a certified director by the Pakistan Institute of Corporate Governance.

Vaseem Anwar
Non-Executive Director

Vaseem Anwar has been actively and rigorously involved in the engineering and construction industry, closely witnessing its dynamic growth in Pakistan. Renowned for his leadership abilities and strong work ethic, he has proven to be an exceptional Chief Executive within the organization. After completing his early education, he moved to the United States for higher studies. Vaseem earned a B.S. degree in Economics and Construction Management from the University of California, Berkeley. He then pursued an MBA from Stanford University. Following his academic journey, he joined Echo West International. Under Vaseem's visionary leadership and 20 years of management experience in design, planning, construction, construction management and real estate development, the firm has achieved sustained growth in both Pakistani and international markets. Vaseem is also a certified director by the Pakistan Institute of Corporate Governance.

Hamna Ghauri
Non-Executive Director

Hamna Ghauri is the force behind Nadoz Greenz. Her vision was to build a brand committed to offering natural, nutritious food grown without synthetic and potentially harmful pesticides, herbicides or fertilizers. Driven by dedication, hard work and a deep passion for sustainability, Hamna turned this vision into reality by launching Nadoz Greenz in 2011. Following the success of her farming venture, she began extensively researching organic makeup products, which led to the launch of the brand Amayl in 2016. With over a decade of experience working with oil drillers and construction companies, Hamna combined her professional background with a desire to give back to the community. This commitment led to the creation of Organic Green Earth – an initiative focused on community well-being through tree planting and sustainable practices. Hamna holds a Bachelor's degree in Accounting and Finance from the Lahore School of Economics (LSE) and is also a certified director by the Pakistan Institute of Corporate Governance.

Noman Hussain
Independent Director

Noman Hussain is a distinguished business executive with more than 20 years of experience in corporate leadership, strategic expansion and governance. He serves as Group Director of Dawn Group, where he has overseen the transformation of the business into a diversified and progressive enterprise with operations in bakery, frozen foods and allied sectors. Under his leadership, Dawn Bread has grown into the largest producer and distributor of bakery products in Pakistan, supplying multinational fast-food chains such as KFC, McDonald's, Burger King, Hardee's and Subway, as well as numerous leading local brands. He was instrumental in conceiving and launching Bread and Beyond, a premium bakery chain which has established a strong presence in major urban centers. He also directed the development of Dawn Frozen Foods and its international co-brand Doughstory, expanding into North America, Europe, South Africa, Australia and the Middle East. In addition, Noman is a Director at AB Mauri Pakistan, a joint venture specializing in yeast and bakery ingredients. He holds a Master of Business Administration from the University of Bridgeport, USA and a Bachelor of Business Administration from James Madison University, USA. He is a member of the Young Presidents' Organization (YPO) and several prominent trade and industry associations. His broad experience, financial acumen and governance insight contribute significantly to the effectiveness of the Board. He is also a certified director by the Institute of Charted Accountants of Pakistan.

Huma Fakhar
Independent Director

Huma Fakhar is a Cambridge graduate and a prominent businesswoman. She has been recognized with several prestigious honors, including the 2023 Global Inspirational Award (UK), the Hum National Women Leaders Award and the Fatima Jinnah Lifetime Award. She is the founder of Map Capital and Map Services Group, with a focus on rice and commodity exports. Map Capital also invests in the food and technology sectors. The firm is set to launch its first Saudi-based initiative – the AgriReWild Climate Fund in Riyadh – aimed at supporting regenerative agriculture and dairy. She serves as an independent director at NETSOL Technologies and Nestlé Pakistan's Dairy and Rural Development Foundation (DRDF). Through her efforts, one million Pakistani women dairy farmers have been empowered. She is also the author of Dhoodh-Darya: Pakistan's Dairy Development Vision. Huma is the founder of the Pakistan-Malaysia Businesswomen Forum and has held leadership roles in multiple business councils and forums involving Pakistan, India, Afghanistan and international think tanks. She has also been appointed as the Chairperson of the Ministry of Finance Government of Pakistan s Khadijah Project, an initiative aimed at promoting and facilitating digital import and export activities for women-owned businesses across Pakistan. Her work spans national image building, trade facilitation and collaboration with entities such as SALIC and the Saudi Sovereign Fund. She has participated in high-profile food sector events backed by GCC royalty and has represented Pakistan at global platforms, including the Riyadh Economic Forum and White House trade summits.

Directors' Report

On behalf of the Board of Directors, we are pleased to present the 30th Annual Report of NETSOL Technologies Limited ('NETSOL' or the 'Company') along with the audited financial statements for the year ended June 30, 2026 and the auditors' report thereon.

PRINCIPAL ACTIVITIES, DEVELOPMENT AND PERFORMANCE OF THE COMPANY

NETSOL China signed a strategic agreement at the SCO Summit 2025

NETSOL China participated at the Shanghai Cooperation Organization (SCO) Summit in Tianjin, China, where it signed a strategic cooperation agreement with Tianjin Binhai Smart Group Co., Ltd. and the Dongjiang Free Trade Port Zone Government. The partnership will focus on two strategic initiatives: integrated financial services for the automotive industry and cross-border data services.

The Shanghai Cooperation Organization (SCO) is a political, economic and security alliance founded in 2001 to promote mutual cooperation and economic integration across Eurasia.

Pakistan-based NETSOL teams support Chinese leasing company's expansion into 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 customer, known for offering a wide range of leasing solutions across sectors including equipment leasing, asset financing and commercial leasing, 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 launched its AI-native credit decisioning engine

The company launched its next-generation AI-enabled credit decisioning engine designed to revolutionize the credit underwriting process. Built as an AI-native solution, it streamlines and enhances the credit evaluation lifecycle by automating manual tasks, accelerating decision times and improving underwriting accuracy.

From gathering data across multiple sources to processing documents and performing in-depth financial analysis, the AI-enabled engine empowers credit and funding analysts to work smarter, faster and with greater precision, while also embracing a human-in-the-loop approach, ensuring critical oversight at every stage of the decision-making process.

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 1997. 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.

Tier-one US-based auto captive went live in China on NETSOL's Transcend Finance in a $10M+ deal

A tier-one US-based auto captive finance company went live with NETSOL's Transcend Finance platform in China under a contract valued at over $10 million. This implementation marked a significant step forward in the client's modernization and technology-driven growth. They are an existing client of NETSOL's, using its technology solutions in the United States.

With a growing portfolio of premier clients in China, including global OEMs, captives and local finance companies, NETSOL has solidified its reputation as the partner of choice for organizations seeking innovation, compliance and scalability in automotive finance operations.

Toyota Leasing Thailand upgraded to the latest Wholesale Finance System on NETSOL's Transcend Finance platform

Toyota Leasing Thailand, a valued customer of more than two decades, successfully upgraded to the latest version of NETSOL's Wholesale Finance System (WFS) – a core module within its Transcend Finance platform. The upgrade expands Toyota Leasing Thailand's use of NETSOL's platform and reinforces NETSOL's ability to support leading automotive finance operations across Asia-Pacific.

Toyota Leasing Thailand had been operating on an earlier version of WFS, which supports wholesale financing operations. With the upgrade, the customer now moves to the latest version of the solution on Transcend Finance's AI-enabled, API-first architecture.

NETSOL Technologies Inc. announced new partnership with Applicon Financial Solutions to accelerate Nordic expansion

The company announced a strategic partnership with Applicon Financial Solutions, a Stockholm-based fintech advisory and IT services firm. The collaboration is designed to accelerate NETSOL's regional growth and support banks, finance companies and specialist lenders across the Nordics in modernizing their core technology platforms.

By combining the strength of its Transcend Finance platform and decades of asset finance expertise with Applicon's deep local knowledge and transformation consulting capabilities, the partnership creates a powerful proposition for Nordic lenders seeking to modernize operations, accelerate digital transformation and drive sustainable growth.

FINANCIAL PERFORMANCE

Stand-alone financial statements	30-Jun-26 (Rs. in '000')	30-Jun-25 (Rs. in '000')	%age change
Revenue from customers	10,476,405	9,018,961	16%
Gross Profit	4,489,471	3,584,023	25%
Net Profit	1,678,953	1,030,927	63%
Earnings per share – basic (PKR)	19.45	11.89	
Earnings per share – diluted (PKR)	19.29	11.71	
EBITDA per share – diluted (PKR)	22.78	14.84	

During the FY 2025-26, the topline of the Company increased by 16% compared to the revenue posted in the previous fiscal year. The company generated net revenue of PKR 10,476 million as compared to PKR 9,019 million in the preceding year. The revenue stream for the current year is fueled with the additional one-time and non-recurring license revenue of PKR 1,273 million to current customers as compared to PKR 55 million in the preceding year. On the services side, the Company also recorded a handsome amount of PKR 3,630 million in comparison to PKR 3,702 million in the corresponding year for implementation, enhancement and customization in the systems deployed at customer sites. Meanwhile, subscription and support revenue clocked in at PKR 5,574 million as compared to PKR 5,262 million in the preceding fiscal year. This growth is primarily driven by customers transitioning into the maintenance phase following successful project implementations.

Gross Margins during the period clocked in at PKR 4,489 million as compared to the corresponding period where margins were recorded at PKR 3,584 million. The Company posted a net profit after tax of PKR 1,679 million compared to PKR 1,031 million in the comparable period. This profitability has translated basic and diluted earnings per share to clock in at PKR 19.45 & 19.29 in comparison of PKR 11.89 & 11.71 in the corresponding period. The Company posted net EBITDA profit of PKR 22.78 per diluted share compared to PKR 14.84 in the corresponding year.

The Company also consolidates financial results of its wholly owned subsidiaries "NETSOL Innovation (Pvt) Limited", "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 year ended June 30, 2026, were PKR 12,510 million compared to PKR 9,905 million in fiscal 2025. Consolidated gross profit for the year was PKR 6,161 million compared to PKR 4,354 million in last year. On a consolidated basis, the company posted net consolidated profit of PKR 2,352 million in the current year compared to PKR 1,385 million in last year. Basic and diluted earnings per share for the year ended June 30, 2026, were PKR 27.25 and 27.01 respectively in comparison to PKR 15.97 and 15.74 last year.

DIVIDEND

The Board of Directors of the Company, in their meeting held on September 28, 2026, has proposed a final cash dividend of 15% i.e Rs.1.5 per share for the year ended June 30, 2026, for the approval of members at Annual General Meeting.

FUTURE OUTLOOK

As we enter the new financial year, NETSOL Technologies Limited remains focused on maintaining a steady and sustainable growth trajectory, supported by its established capabilities, long-standing customer relationships and its important role within the global NETSOL Group.

Pakistan continues to serve as a key technology, software development and talent hub for the Group. The depth and quality of our engineering and technology capabilities remain central to the development, implementation and support of NETSOL's solutions across its international markets. We intend to continue strengthening these capabilities while maintaining an appropriate balance between investment, operational efficiency and evolving business requirements.

The Company's priorities for the year ahead remain centered on disciplined execution, continued enhancement of our products and platforms, effective delivery of existing customer commitments and supporting the Group's growth across its key markets. We will continue to invest selectively in technology, including artificial intelligence, automation and the skills required to support the next generation of NETSOL's products and services. At the same time, management will maintain a continued focus on productivity, resource utilization and cost discipline.

The broader operating environment remains subject to macroeconomic and geopolitical uncertainty, including movements in inflation, interest rates and foreign exchange rates, as well as differing economic conditions across the international markets in which the Group operates. These factors may continue to influence customer decision-making, project timelines and the Company's reported results. Accordingly, we will remain prudent in the deployment of resources and responsive to changing market conditions.

Against this backdrop, the Board remains focused on sustainable rather than short-term growth. Our objective is to build progressively on the

Company's existing business base, deepen our capabilities as a technology and delivery center for the NETSOL Group and continue improving the efficiency and quality of our operations.

With an experienced workforce, established technology platforms and a strong position within the Group's global delivery model, NETSOL Technologies Limited enters the new financial year with a stable foundation. We remain committed to disciplined execution, continuous improvement and the creation of sustainable long-term value for our shareholders, customers and employees.

KEY RISKS AND MITIGATION MEASURES, AND FUTURE TRENDS SHAPING THE COMPANY'S DEVELOPMENT AND PERFORMANCE

This section outlines the company's principal risks and uncertainties it faces, and the key trends that may influence its future development, performance, and position. It also highlights the proactive measures adopted to mitigate these risks, ensuring the company remains resilient and well-positioned for sustainable growth in an evolving business environment.

1. STRATEGIC RISK

In order to manage its strategic risks, NETSOL regularly identifies and keeps track of the latest trends in the dynamic and evolving global finance and leasing space. By working on important technologies that have gained traction in the industry, NETSOL ensures that its clients remain a step ahead in the market and most importantly, have a futureproof business.

2. OPERATIONAL RISKS

The company carefully and constantly assesses and analyzes the market and the global industry in which it operates. With Business Continuity Plans in place, the company continues to ensure zero disruption to its operations in the event of pandemics, natural disasters or other circumstances. The global NETSOL team continues to ensure uninterrupted services to its clients across the world.

3. CYBER SECURITY THREATS

Given the increasing prevalence, sophistication, and transnational nature of cybercrimes, organizations must implement rigorous, multilayered security controls to safeguard their Information and Communications Technology (ICT) infrastructure. In addition to being an ISO 27001 certified company, NETSOL has established advanced security protocols/controls designed to ensure the confidentiality, integrity, and availability of data belonging to the company, its clients, and its employees. These controls include enterprise-grade intrusion prevention and detection systems (IPS/IDS), next-generation firewalls, strong encryption mechanisms for data at rest and in transit, access controls based on the principles of least privilege and need-to-know, and the enforced use of secure communication protocols such as TLS for data transmission.

NETSOL has successfully attained SOC 2 Type I and SOC 2 Type II compliance through an independent audit conducted by A-LIGN, a globally recognized technology-enabled security and compliance partner serving over 2,500 organizations worldwide. The audit validated the effectiveness of security controls across NETSOL's global facilities, including operations in California (USA), London (England), Beijing (China), Sydney (Australia), and Lahore (Pakistan). This achievement reinforces NETSOL's position as a trusted partner in delivering secure, compliant, and resilient technology solutions to its global customer base. The SOC 2 Type II certification underscores NETSOL's unwavering commitment to protecting client and customer data by demonstrating sustained adherence to the American Institute of Certified Public Accountants (AICPA) Trust Services Criteria.

4. FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to foreign currency risk on trade debts, some payables and revenues which are entered in a currency other than Pak Rupee. The majority of the revenue of the Company comes from contracts in currencies other than Pak Rupees. The Company also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

5. LIQUIDITY RISK

Liquidity risk reflects an enterprise's inability to raising funds to meet its commitments. The Company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. We however follow an effective cash management and planning policy to ensure ready availability of funds and to take appropriate actions for any new requirements.

6. INTEREST RATE RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from bank, term deposits and deposits in profit and loss/saving accounts with banks and investments in mutual funds.

MAIN TRENDS AND FACTORS LIKELY TO AFFECT THE FUTURE DEVELOPMENT, PERFORMANCE AND POSITION OF THE COMPANY BUSINESS:

TAILWINDS: PAKISTAN'S IT INDUSTRY GROWTH

Pakistan's IT and IT-enabled services sector remains one of the country's fastest-growing export industries. As referenced earlier in this report, the sector recorded record export earnings during FY26, reinforcing Pakistan's position as a globally competitive delivery hub. For NETSOL, this momentum translates into a deeper local talent pool, growing institutional support and continued validation of Pakistan as a strategic base for software engineering and global delivery.

OPERATIONS AND WORKFORCE IN PAKISTAN

NETSOL employed resources globally, with the majority of its technical and development personnel based in Pakistan, which continues to serve as the company's principal technology development and delivery center. During the year, the company con-

tinued to invest in employee training, professional development and leadership initiatives to build a skilled, future-ready workforce across the organization.

TALENT RETENTION AND WAGE INFLATION

Pakistan's technology sector continues to experience strong competition for skilled talent, compounded by elevated domestic inflation, which has placed sustained upward pressure on wages across the industry. Retaining experienced engineers and domain specialists requires continued investment in competitive compensation and career development. NETSOL remains focused on talent retention, recognizing its Pakistan workforce is central to its global delivery capability and position.

INVESTMENT IN RESEARCH AND DEVELOPMENT

NETSOL's investment in research and development is substantially concentrated in Pakistan, where the majority of the company's engineering and product development talent is based. This investment spans AI and ML, API-first architecture, cloud services and data engineering, reinforcing Pakistan's role not only as a delivery center, but as the primary hub for NETSOL's technology innovation and platform development going forward.

COMPETITIVE LANDSCAPE

NETSOL's Pakistan operations compete with other established and emerging technology delivery destinations across the region. The company's four decades of domain expertise and its position as the company's principal delivery center provide meaningful differentiation. NETSOL continues to strengthen this position through sustained investment in talent, infrastructure and platform capabilities based in Pakistan.

IMPACT OF COMPANY'S BUSINESS ON THE ENVIRONMENT

As the global conversation around environmental responsibility continues to intensify, businesses of all kinds are being held to a higher standard of accountability and rightly so. NETSOL, as a worldwide technology solutions provider, operates with an inherently lower environmental footprint than manufacturing or industrial enterprises. Nevertheless, the company takes its environmental responsibilities seriously and is committed to operating in a manner that is conscious of its impact on the planet.

NETSOL recognizes that meaningful environmental stewardship extends beyond the direct operations of the business. As a global technology provider whose platforms are deployed across more than 30 countries, the company has a unique opportunity to drive positive environmental outcomes not only within its own operations, but across the broader ecosystem of clients, partners and markets it serves.

A core dimension of this contribution is the role that NETSOL's Transcend Platform plays in enabling clients to digitize and automate processes that have historically relied on paper, physical documentation and manual workflows. By accelerating the transition to fully digital, end-to-end asset financing and auto retail operations, NETSOL supports its clients in reducing paper consumption, lowering their operational carbon footprint and building leaner, more sustainable business processes. The environmental benefits of this digital shift, while difficult to quantify in aggregate, are real and meaningful, and they scale with every new client deployment and platform upgrade.

Internally, NETSOL continues to build on the progress made in reducing its own environmental impact. The company remains focused on minimizing waste, improving energy efficiency across its global offices and embedding environmentally conscious practices into its day-to-day operations. As NETSOL formalizes its broader ESG framework in the period ahead, environmental commitments will form a central and measurable pillar of that strategy, with clear targets, structured reporting and board-level accountability.

CHANGES DURING FINANCIAL YEAR CONCERNING NATURE OF THE BUSINESS OF THE COMPANY OR OF ITS SUBSIDIARIES AND JOINT OPERATION

The nature of Company's business , as well as that of its subsidiaries and joint operations , has remained unchanged.

CORPORATE SOCIAL RESPONSIBILITY

The "Sustainability at a Glance" section of the report outlines the Company's CSR/Community development activities and initiatives.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board holds ultimate responsibility for establishing and maintaining robust internal controls over financial reporting. Our independent internal audit department reports functionally to the Board Audit Committee and administratively to the CEO. Each year, the Board Audit Committee approves the audit plan, which is based on an annual assessment of key operating areas. The internal audit department provides recommendations to address any control lapses, which are taken up by the management to remediate control lapses. Observations are shared quarterly with the Board Audit Committee, the CEO, and the relevant divisional management.

The role of the internal audit function continues to evolve in response to events, risks, and regulatory changes impacting the Company, ensuring that its mandate remains aligned with organizational objectives. Our internal controls are designed to offer reasonable assurance regarding the reliability of our financial reporting and the preparation of external financial statements in accordance with International Financial Reporting Standards (IFRS). However, due to the inherent limitations of any internal control system, management acknowledges that there may be limitations in the effectiveness of these controls, and thus only reasonable assurance can be provided. Nonetheless, the Company maintains an effective internal control framework, characterized by clear structures, defined authority limits, accountabilities, and well-established policies

and procedures for review processes.

The Board of Directors has reviewed the adequacy of the Company's internal financial controls. Based on the review carried out by management, the internal audit function and the Board Audit Committee, the Board considers that the Company has maintained an adequate system of internal financial controls commensurate with the nature and size of its operations. The controls are subject to continuous monitoring and improvement in response to changes in the Company's operations, risks and regulatory requirements.

STATEMENT OF COMPLIANCE

The statement of compliance under the Listed Companies (Code of Corporate Governance), Regulations 2019 is attached with this report.

DIRECTORS' REMUNERATION

The Company does not pay remuneration to non-executive directors including the independent directors' except fee for attending the meetings. The Company will reimburse or may incur expenses on travelling and accommodation of Directors in relation to attending of Board and its Committees meetings. Aggregate amount of remuneration of executive directors, including their salary, perquisites, benefits and performance-linked incentives are disclosed in the annexed financial statements.

EMPLOYEE STOCK OPTION SCHEME & TREASURY SHARES

During the FY ended June 30, 2026, the Company transferred 1,543,987 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.

During the year, the Company approved a new Employee Stock Option Scheme (ESOS) under which eligible employees of the Company may be granted options to subscribe for up to 5,000,000 ordinary shares. The options will vest in two equal tranches over two years from the date of grant, with the grant price determined at a 50% discount to the closing market price of the Company's shares on the Pakistan Stock Exchange on the trading day immediately preceding the date of grant, subject to applicable laws and the terms of the Scheme. No options were granted under the Scheme during the year.

DIVERSITY, EQUITY & INCLUSION (DE&I)

At NETSOL, we strongly believe that diversity, equity, and inclusion (DE&I) are essential for building a healthy workplace and for the long-term success of our company. A diverse team brings together people with different ideas, experiences, and ways of thinking. This helps us to be more creative, make better decisions, and find innovative solutions for our clients.

Over the past year, we continued to focus on creating an inclusive environment where everyone feels welcome and respected. We have supported women in leadership roles and encouraged them to lead their teams with confidence. Our zero-discrimination policy ensures that no one is treated unfairly because of their gender, background, or beliefs. We also provide several facilities for our employees, including safe transport, maternity leave, anti-harassment policies, and in-house health support, to make their work life easier and more secure.

As an equal opportunity employer, we also focus on hiring differently-abled individuals and giving them the tools and support they need to succeed. Throughout the year, we organized workshops, mentorship programs, and awareness sessions to help employees understand the importance of diversity and inclusion and to encourage open communication.

At NETSOL, we believe that creating a workplace where everyone is valued and has equal opportunities is not only the right thing to do but also an important step towards innovation, growth, and long-lasting success.

COMPOSITION OF THE BOARD

Composition of the Board of Directors is in compliance with the requirement of Listed Companies (Code of Corporate Governance), Regulations 2019 which is given below:

The total number of directors is seven (07) as per the following:

Gender	Number
Male	05
Female	02

Composition of the Board is given below:

Category	Number
Independent Directors	02
Non-executive Directors	03
Executive Directors	02

NAME OF THE DIRECTORS

Following are the Board members of the Company as at June 30, 2025:

- Mr. Naeem Ullah Ghauri
- Mr. Salim Ullah Ghauri
- Mr. Vaseem Anwar
- Mr. Noman Hussain
- Ms. Hamna Ghauri
- Ms. Huma Fakhar
- Mr. Omar Ghauri

During the year ended June 30, 2026, five (05) board meetings were held.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Attendance during the year is set out below:

The Board has also formed sub-committees that have significantly contributed in achieving desired objectives. These committees include:

Director	Board	Audit	HR & RC	SC
Mr. Naeem Ullah Ghauri	5			
Mr. Salim Ullah Ghauri	5		1	2
Mr. Vaseem Anwar	5	4		
Mr. Noman Hussain	5	4		
Ms. Hamna Ghauri	5		1	2
Ms. Huma Fakhar	5	4	1	2
Mr. Omar Ghauri	4			

AUDIT COMMITTEE

The Board of Directors, in compliance with the Code of Corporate Governance, has established an Audit Committee comprising of the following three (03) members:

Names of Directors	Designation
Mr. Noman Hussain	Chairperson
Mr. Vaseem Anwar	Member
Ms. Huma Fakhar	Member

Audit Committee duly reviewed and approved all quarterly, half yearly and annual financial statements before their submission to the board of directors and publication.

During the year, ended June 30, 2026, four (04) meetings of the Audit Committee were held.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

In compliance with the Code of Corporate Governance, the Board has also established a Human Resource and Remuneration Committee to provide recommendations to the Board regarding selection, evaluation and compensation of key management positions. The current committee comprises of the following members:

Names of Directors	Designation
Ms. Huma Fakhar	Chairperson
Ms. Hamna Ghauri	Member
Mr. Salim Ullah Ghauri	Member

During the year ended June 30, 2026, the Committee held one (01) meeting to discuss & approve the matters falling under the terms of reference of the Committee.

RISK MANAGEMENT COMMITTEE

The Board has also established a Risk Management Committee to provide recommendations to the Board regarding identification, assessment and mitigation of the risks. Highlighted risks are prioritized according to their impact and likelihood, with remedial actions being devised accordingly. The current committee comprises of the following members:

Names of Directors	Designation
Mr. Noman Hussain	Chairperson
Mr. Vaseem Anwar	Member
Mr. Omar Ghauri	Member

NOMINATION COMMITTEE

The Board has also established a Nomination Committee which comprises of the following members:

Names of Directors	Designation
Mr. Salim Ullah Ghauri	Chairperson
Mr. Naeem Ullah Ghauri	Member
Mr. Omar Ghauri	Member

SUSTAINABILITY COMMITTEE

The Board has also established a Sustainability Committee, which comprises of the following members:

Names of Directors	Designation
Ms. Hamna Ghauri	Chairperson
Ms. Huma Fakhar	Member
Mr. Salim Ullah Ghauri	Member

During the year ended June 30, 2026, the Committee held two (02) meetings to discuss & approve the matters falling under the terms of reference of the Committee.

PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES

The Board of Directors is responsible for leading the company, ensuring its long-term success, and protecting the interests of shareholders and stakeholders. As required by the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board evaluates its overall performance, the work of its committees, and the contributions of each Director to the company's growth.

This evaluation helps identify the skills needed on the Board, review the roles of its members, and highlight areas for improvement. To do this, the Human Resource & Remuneration Committee shared a questionnaire with all Board members to gather their feedback. Based on the responses and the overall review, the performance of the Board, its Committees, and individual Directors has been found to be satisfactory and effective.

The Board's evaluation covered its own performance, the performance of its committees and the individual performance of directors.

The Board also reviewed the Chief Executive Officer's performance against the financial and non-financial objectives approved for the year and found it satisfactory.

DIRECTORS' TRAINING PROGRAM

BOARD OF DIRECTORS

Six (06) of the Directors have obtained Directors' Training Program (DTP) certification whereas One (01) member of the Board is exempted from DTP by virtue of requisite qualification and experience of serving on the board of a listed company.

REVIEW OF RELATED PARTY TRANSACTIONS

All related party transactions during the current financial year were placed before the Board Audit Committee for its review and then to the Board for their approval. There are no materially significant related party transactions made by the Company with Directors or Key Managerial Personnel which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders.

HOLDING COMPANY

NetSol Technologies Inc., 16000 Ventura Blvd, Suite 770, Encino, CA 91436, USA holds majority of the shareholding of the Company.

APPOINTMENT OF AUDITORS

The present external auditors' Messrs Crowe Hussain Chaudhury & Co., Chartered Accountants retire and being eligible, offer themselves for reappointment. The Board of Directors has endorsed the recommendation of the Audit Committee for the reappointment of Messrs Crowe Hussain Chaudhury & Co., as the auditors for the financial year ending June 30, 2027 on such terms and conditions and remuneration as may be decided. The external auditors have confirmed that they have been given satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and are registered with Audit Oversight Board of Pakistan. They have further confirmed that their firm is in compliance with International Federation of Accountants' (IFAC) guidelines on

Code of Ethics as adopted by the ICAP. The external auditors have not been appointed to provide other services except in accordance with the Listing Regulations.

PATTERN OF SHAREHOLDING

A statement of the general pattern of shareholding as at June 30, 2026 along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework and the statement of purchase and sale of shares by directors, executives and their spouse including minor children during the fiscal year 2026 is annexed herewith.

CORPORATE BRIEFING SESSION (CBS)

The Company held one (01) Corporate Briefing Session (CBS) during the year under review.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have taken place between the end of the financial year and the date of this report, except as disclosed in this report, if any.

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation for the continued support by its respected shareholders, valued customers, government agencies and financial institutions. The Board also expresses its appreciation for the services, loyalty and efforts being continuously rendered by all the employees of the Company and hope that they will continue with same efforts in future.

On behalf of the Board

Salim Ullah Ghauri
Chief Executive Officer

Omar Ghauri
Director

Lahore
September 28, 2026

ڈائریکٹرز کی رپورٹ

ہمیں خوشی ہے کہ ازطرف بورڈ آف ڈائریکٹرز نیٹ سول ٹیکنالوجیز لمیٹڈ (''نیٹ سول'' یا ''دی کمپنی'') کے تیسویں سالانہ آڈٹ شدہ مالیاتی گوشوارے جس کا اختتام 30 جون 2026ء کو ہوا، مع آڈیٹرز رپورٹ پیش کر رہے ہیں۔

کمپنی کی کارکردگی اور ترقی کی بنیادی سرگرمیاں

- **نیٹ سول چائنا نے SCO سمٹ 2025ء میں ایک اسٹریٹجک معاہدہ پر دستخط کئے**

11 جولائی 2025ء کو نیٹ سول چائنا نے تیانجن چین میں منعقد ہونے والے شنگھائی کارپوریشن آرگنائزیشن (SCO) سمٹ میں شرکت کی جہاں تیانجن بنہائی سمارٹ گروپ کمپنی لمیٹڈ اور ڈونگ جیانگ فری ٹریڈ پورٹ زون گورنمنٹ کے ساتھ اسٹریٹجک شراکت داری پر دستخط کئے گئے۔ شراکت دار میں دو اسٹریٹجک اقدامات یعنی آٹو موٹیو انڈسٹری کے لئے انٹیگریٹڈ مالیاتی خدمات اور کراس بارڈر ڈیٹا خدمات کو زیر غور لایا جائے۔

شنگھائی تعاون تنظیم (SCO) ایک سیاسی، اقتصادی اور سکیورٹی اتحاد ہے جس کی بنیاد 2001ء میں یوریشیا (Eurasia) میں باہمی تعاون اور اقتصادی انضمام کو فروغ دینے کے لیے رکھی گئی تھی۔

- **انڈونیشیا میں چائنیز لیزنگ کمپنی کی توسیع کے لئے پاکستان میں قائم نیٹ سول کی ٹیمیں معاونت کر رہی ہیں**

نیٹ سول نے معروف چینی لیزنگ کمپنی کے لئے اپنے ٹرانسیند فائنس پلیٹ فارم کو کامیابی سے go-live کیا جو انڈونیشیائی مارکیٹ میں صارفین کے آپریشنز کا باضابطہ افتتاح ہے۔ یہ صارف ایکوپمنٹ لیزنگ، ایسٹ فائنسنگ اور کمرشل لیزنگ جیسے شعبوں میں لیزنگ سالیوشنز کی وسیع رینج پیش کرنے کے لئے مشہور ہے۔ جس نے انڈونیشیا میں اپنی منفرد آپریشنل ضروریات میں معاونت کے لئے اپنے ریٹیل آپریشنز اور کسٹمائزڈ فنڈنگ سسٹم میں نیٹ سول کے ٹرانسیند فائنس کا اطلاق کیا ہے۔

go-live آپریشن گرین فیلڈ اطلاق کی تکمیل کی عکاسی کرتا ہے جس سے صارف قدیمی پابندیوں سے پاک بالکل نئے پروسیس کی تعمیر کے لئے صارف کو قابل بناتا ہے۔

- **نیٹ سول نے اپنا ذاتی کریڈٹ ڈیسیژننگ انجن متعارف کرایا ہے**

کمپنی نے کریڈٹ تحریر کرنے کے عمل کو مزید نکھارنے کے لئے اپنے نیکسٹ جنریشن AI پر مبنی کریڈٹ ڈیسیژننگ (Credit Decisioning) انجن کو متعارف کرایا ہے۔ کلی ملکیتی AI سلوشن کے طور پر تیار یہ انجن مینوئل کاموں کی آٹومیشن، فیصلہ سازی کی رفتار میں اضافہ اور انڈر رائٹنگ ایکوریسی میں بہتری کے ذریعے کریڈٹ تخمینہ کے لائف سائیکل کو رواں کرتا اور اس کی استعداد کو بڑھاتا ہے۔

متعدد ذرائع سے ڈیٹا کے حصول سے لے کر دستاویزات کی پروسیسنگ اور تفصیلاً مالیاتی جائزہ تک AI پر مبنی انجن کریڈٹ اور فنڈنگ تجزیہ کاروں کو فطری تقاضوں سے ہم آہنگ کر کے محتاط انداز میں مزید حاضر جوابی اور تیزی سے کام کرنے کے قابل بناتا ہے تاکہ فیصلہ سازی کے عمل کے ہر مرحلہ میں تنقیدی جائزہ کو یقینی بنایا جا سکے۔

- **نیٹ سول نے Tier-I عالمی آٹو کمپنی کے ساتھ 50 ملین ڈالر مالیت کے چار سالہ توسیعی معاہدہ پر دستخط کئے**

نیٹ سول نے Tier-I عالمی آٹو کمپنی کے ساتھ 50 ملین ڈالر مالیت کے چار سالہ توسیعی معاہدہ پر دستخط کئے جس کے ساتھ سال 1996ء سے نیٹ سول کی طویل اسٹریٹجک شراکت داری چلی آ رہی ہے۔ معاہدے کی کل رقم چار سال کے عرصہ میں پوری ہونے کی توقع ہے جو موجودہ آمدنی میں معاونت فراہم کرے گی۔ یہ معاہدہ صارف کو ٹرانسیند فنانس (Transcend Finance) کے استعمال میں مزید تقویت دیتا ہے جس میں دیکھ بھال اور لائسنسنگ فیس بھی شامل ہے۔

تجدیدی معاہدہ مختلف ممالک کے ساتھ ابتدائی روابط کی ایک کڑی ہے جو کہ سال 2015ء میں طے پائے تھے۔ اُس وقت یہ معاہدہ 100 ملین ڈالر سے زائد پر طے پایا تھا جس کے تحت نیٹ سول نے 12 منڈیوں میں اپنے پلیٹ فارم کا اطلاق کیا۔

- **Tier-I امریکی آٹو کمپنی 10 ملین ڈالر سے زائد مالیت کے معاہدہ کے تحت چین میں نیٹ سول کے Transcend Finance پر live ہوئی**

10 ملین ڈالر سے زائد مالیت کے معاہدہ کے تحت Tier-I امریکی آٹو فائنس کمپنی چین میں نیٹ سول کے ٹرانسیند فنانس (Transcend Finance) پر live ہوئی۔ یہ اطلاق کلائنٹ کی جدت اور ٹیکنالوجی پر مبنی نمو میں ایک اہم سنگ میل ثابت ہوا۔ یہ نیٹ سول کے پرانے کلائنٹ ہیں جو امریکہ میں کمپنی کے ٹیکنالوجیز سلوشن استعمال کر رہے ہیں۔

چین میں عالمی OEMs، کمپنیوں اور مقامی فنانس کمپنیوں پر مشتمل اعلیٰ درجے کے کلائنٹس کے بڑھتے ہوئے پورٹ فولیو کے ساتھ نیٹ سول نے آٹو میٹو فنانس آپریشنز میں جدت، کمپلائنس اور سکیل ایبلٹی (scalability) تلاش کرنے والے اداروں کے لئے ترجیحی شراکت دار کی حیثیت سے اپنی ساکھ کو مضبوط کیا ہے۔

- **ٹویوٹا لیزنگ تھائی لینڈ نے نیٹ سول کے ٹرانسیند فنانس پلیٹ فارم پر تازہ ترین ہول سیل فنانس سسٹم کی تجدید کی**

دو دہائیوں سے زائد عرصہ سے قائم ہمارے ایک معزز صارف ٹویوٹا لیزنگ تھائی لینڈ نے نیٹ سول کے ہول سیل فنانس سسٹم (WFS)- جو کمپنی کے ٹرانسیند فنانس (Transcend Finance) پلیٹ فارم میں ایک بنیادی ماڈیول ہے جس نے تازہ ترین ورژن کو اپ ڈیٹ کیا۔ یہ تجدید نیٹ سول کے پلیٹ فارم کو استعمال کرنے کی ٹویوٹا لیزنگ تھائی لینڈ کی استعداد میں اضافہ کرتا ہے اور ایشیا پیسیفک میں سرفہرست آٹو موٹیو فنانس آپریشنز کی معاونت کے لئے نیٹ سول کی استعداد کو اعادہ کرتی ہے۔

ٹویوٹا لیزنگ تھائی لینڈ WFS کے پرانے ورژن پر کام کر رہی تھی جو ہول سیل فنانسنگ آپریشنز میں کام آتا تھا۔ اپ گریڈ کی مدد سے کسٹمر ٹرانسیند فنانس (Transcend Finance) کے AI پر مبنی API فرسٹ آرکیٹیکچر پر سلوشن کے تازہ ترین ورژن میں منتقل ہو چکا ہے۔

■ **نیٹ سول ٹیکنالوجیز انکارپوریٹڈ نے Nordic خطے میں وسعت کو رفتار دینے کے لئے ایپلی کان فنانشل سلوشن کے ساتھ نئی شراکت داری کا اعلان کیا**

کمپنی نے سٹاک ہوم کی فن ٹیک (fintech) ایڈوائزری اور آئی ٹی سروسز فرم کے ساتھ اسٹریٹجک شراکت داری کا اعلان کیا۔نیٹ سول کی علاقائی ترقی کو بڑھانے اور Nordics خطے میں اپنے مرکزی ٹیکنالوجی پلیٹ فارمز میں بینکوں، فنانس کمپنیوں اور سپیشلسٹ لینڈرز کی معاونت کے لئے اس شراکت داری کو قائم کیا گیا۔

اپنے ٹرانسینڈ فنانس پلیٹ فارم کی مضبوطی اور ایپلی کان کے گہرے مقامی علم اور ٹرانسفارمیشن کنسلٹنگ صلاحیتوں کی مدد سے ایسٹ فنانس میں دہائیوں کے تجربہ کے ساتھ یہ شراکت داری اپنے آپریشنز میں جدت، ڈیجیٹل ٹرانسفارمیشن کی رفتار کو بڑھانے اور پائیدار نمو کو فروغ دینے کے لئے Nordic خطے کے لینڈرز کے لئے ایک مربوط سکیم بناتی ہے۔

مالیاتی کارکردگی (Financial Performance)

مالیاتی گوشوارے

جداگانہ مالیاتی گوشوارے	30 جون 2026ء ('000') روپے	30 جون 2025ء ('000') روپے	فیصد میں تبدیلی
صارفین سے محصولات	10,476,405	9,018,961	(16%)
خام منافع	4,489,471	3,584,023	(25%)
نقد منافع	1,678,953	1,030,927	(63%)
منافع فی حصص۔ بنیادی (پاکستانی روپے)	19.45	11.89	
منافع فی حصص۔ تحلیل شدہ (پاکستانی روپے)	19.29	11.71	
EBITDA فی حصص۔ تحلیل شدہ (روپے)	22.78	14.84	

مالی سال 26-2025 کے دوران، کمپنی کی ٹاپ لائن میں پچھلے مالی سال میں درج کی گئی محصولات کے مقابلے میں 16 فیصد کا اضافہ ہوا۔ کمپنی نے گذشتہ سال کے اسی مدت کے دوران 9,019 ملین روپے کے مقابلے 10,476 ملین روپے کی خالص محصولات درج کی ہیں ۔موجودہ سال کے لیے محصولات کے سلسلے کی بڑی وجہ موجودہ صارفین سے حاصل ہونے والی 1,273 ملین روپے کی اضافی یکمشت اور غیر اعادہ پذیر (non-recurring) لائسنس محصولات ہے، جبکہ گذشتہ سال یہی محصولات 55 ملین روپے تھی۔ خدمات محصولات کی مد میں، کمپنی نے اپنی متعلقہ سائٹس پر deployed systems میں اضافہ اور تخصیص کے لیے گذشتہ مالی سال میں 3,702 ملین روپے کے مقابلے میں 3,630 ملین روپے کی شاندار محصولات درج کی۔اس کے علاوہ سبسکرپشن اور سپورٹ محصولات گذشتہ مالی سال کے 5,262 ملین روپے کے مقابلے 5,574 ملین روپے تک درج کی ہیں۔ یہ نمو بنیادی طور پر منصوبوں کے کامیاب نفاذ کے بعد بحالی کے مرحلے میں داخل ہونے والے صارفین کی وجہ سے کارفرما ہے۔

اس سال کے دوران مجموعی مارجنز 4,489 ملین روپے تک درج کیے گے جبکہ گذشتہ سال میں یہ مارجنز 3,584 ملین روپے تک درج کیے گے تھے۔ کمپنی نے گذشتہ سال 1,031 ملین روپے کے مقابلے میں 1,679 ملین روپے کا بعد از ٹیکس نقد منافع درج کیا ہے ۔اس منافع نے بنیادی اور تحلیل شدہ فی حصص بالترتیب 11.89 اور 11.71 روپے کے مقابلے میں 19.45 او 19.29 روپے منافع درج کیا۔کمپنی نے گذشتہ عرصے کے 14.84 روپے تحلیل شدہ فی حصص کے مقابلے میں 22.78 روپے فی حصص کا خالص EBITDA منافع درج کیا ہے۔

کمپنی نے اپنے مکمل ملکیتی ذیلی ادارے ''نیٹ سول انوویشن (پرائیویٹ) لمیٹڈ''، ''نیٹ سول ایسنٹ مڈل ایسٹ ایکوپمنٹ ٹریڈنگ ایل ایل سی'' اور اس کے مکمل ملکیتی ذیلی ادارہ ''نیٹ سول انسٹی ٹیوٹ آف آرٹیفیشل انٹیلی جنس (پرائیویٹ) لمیٹڈ'' کے مجموعی مالیاتی گوشوارے شامل کر دیئے ہیں۔ 30 جون 2026ء کے ختم ہونے والے سال کیلئے نقد مجموعی محصولات گذشتہ سال کے 9,905 ملین روپے کے مقابلے میں 12,510 ملین روپے ہے۔ مجموعی خام منافع گزشتہ سال کے 4,354 ملین روپے کے مقابلے موجودہ سال میں 6,161 ملین روپے ہے۔ مجموعی بنیاد پر، کمپنی نے گذشتہ سال کی اسی مدت میں 1,385 ملین روپے نقد مجموعی منافع کے مقابلے میں موجودہ سال میں 2,352 ملین روپے کا نقد مجموعی منافع درج کیا ہے۔ 30 جون 2026ء کو ختم ہونے والے سال کے لیئے فی بنیادی اور تحلیل شدہ آمدنی، گذشتہ سال میں بالترتیب 15.97 اور 15.74 روپے فی حصص منافع کے مقابلے اس سال میں بالترتیب 27.25 اور 27.01 روپے فی حصص منافع درج کیا ہے۔

منافع منقسمہ (Dividend)

کمپنی کے بورڈ آف ڈائریکٹرز نے 28 ستمبر 2026ء کو منعقدہ اپنے اجلاس میں، 30 جون 2026ء کو ختم ہونے والے سال کے لیے 15 فیصد یعنی 1.50 روپے فی حصص کا حتمی نقد منافع منقسمہ تجویز پیش کی ہے، تاکہ سالانہ اجلاس عام میں ممبران سے اس کی منظوری لی جا سکے۔

مستقبل کا نقطۂ نظر (Future Outlook)

جیسا کہ ہم نئے مالیاتی سال میں داخل ہو چکے ہیں، نیٹ سول ٹیکنالوجیز لمیٹڈ اپنی مستقل استعداد، صارفین کے ساتھ دیرینہ تعلقات اور نیٹ سول کے عالمی گروپ میں اپنے کلیدی کردار کی مدد سے اپنی مستحکم اور پائیدار ترقی کی رفتار کو برقرار رکھنے پر گامزن ہے۔

پاکستان گروپ کے لیے ٹیکنالوجی، سافٹ ویئر ڈویلپمنٹ اور قابلیت کے ایک اہم مرکز کے طور پر اپنی خدمات سرانجام دے رہا ہے۔ ہماری انجینئرنگ اور ٹیکنالوجی کی صلاحیتوں کا معیار اور وسعت، بین الاقوامی منڈیوں میں نیٹ سول کے سلوشنز کی تیاری، اطلاق اور معاونت کے لیے مرکزی حیثیت رکھتی ہے۔ ہم سرمایہ کاری، آپریشنل کارکردگی اور بدلتے ہوئے کاروباری تقاضوں کے درمیان مناسب توازن برقرار رکھتے ہوئے اپنی اس استعداد کو مضبوط بنانے کا عزم رکھتے ہیں۔

آئندہ سال کے لیے کمپنی کی ترجیحات میں مربوط انجام دہی، اپنی مصنوعات اور پلیٹ

فارمز میں لگاتار بہتری، موجودہ صارفین سے کئے گئے وعدوں کی مؤثر تکمیل اور مرکزی منڈیوں میں گروپ کی ترقی میں معاونت شامل ہیں۔ ہم ٹیکنالوجی بشمول artificial intelligence، آٹومیشن اور نیٹ سول کی مصنوعات و خدمات کی next generation کی معاونت کے لیے درکار مہارتوں میں مخصوص بنیادوں پر سرمایہ کاری جاری رکھیں گے۔ علاوہ ازیں، انتظامیہ پیداواری صلاحیت، وسائل کے استعمال اور اخراجات میں نظم و ضبط پر بھرپور توجہ دیتی رہے گی۔

وسیع تر کاروباری ماحول بدستور کلی اقتصادی اور جغرافیائی وسیاسی غیر یقینی صورتحال سے متاثر ہوسکتا ہے، جس میں مہنگائی، شرح سود اور غیر ملکی شرح مبادلہ میں اتار چڑھاؤ کے علاوہ ان بین الاقوامی منڈیوں کے متضاد معاشی حالات شامل ہیں جہاں گروپ کام کرتا ہے۔ یہ عوامل صارفین کی فیصلہ سازی، پروجیکٹ ٹائم لائنز اور کمپنی کے رپورٹ شدہ نتائج پر ممکنہ اثرات مرتب کرتے رہیں گے۔ لہٰذا، ہم وسائل کے استعمال میں محتاط رویہ اپنائیں گے اور مارکیٹ کے بدلتے ہوئے حالات کے مطابق فوری ردعمل دیں گے۔

اس پس منظر میں، بورڈ قلیل مدتی نمو کے بجائے پائیدار ترقی پر توجہ مرکوز رکھے ہوئے ہے۔ ہمارا مقصد کمپنی کی موجودہ کاروباری ساکھ کو بتدریج وسعت دینا نیٹ سول گروپ کے لیے ٹیکنالوجی اور ڈیلیوری مرکز کے طور پر اپنی صلاحیتوں کو مزید مستحکم کرنا اور اپنے آپریشنز کی کارکردگی اور معیار کو بہتر بنانا ہے۔

تجربہ کار افرادی قوت، مستحکم ٹیکنالوجی پلیٹ فارمز اور گروپ کے عالمی ڈیلیوری ماڈل میں مضبوط پوزیشن کے ساتھ، نیٹ سول ٹیکنالوجیز لمیٹڈ مضبوط بنیاد کے ساتھ نئے مالیاتی سال میں داخل ہوئی ہے۔ ہم مربوط انجام دہی، لگاتار بہتری اور اپنے حصہ داران، صارفین اور ملازمین کو پائیدار اور طویل مدتی فائدہ پہنچانے کے اپنے عزم کا اعادہ کرتے ہیں۔

بنیادی خطرات اور ان کے تدارک کے لئے اقدامات اور مستقبل کے رجحانات جو کمپنی کی ترقی اور کارکردگی کو ایک نئی جہت دیتے ہیں

اس حصے میں کمپنی کو درپیش بنیادی خطرات اور بے یقینی کی صورتحال اور مستقبل میں کمپنی کی ترقی، کارکردگی اور پوزیشن پر ممکنہ طور پر اثر انداز ہونے والے اہم رجحانات کا احاطہ کیا گیا ہے۔ اس حصہ میں خطرات کے تدارک کے لئے کئے جانے والے قبل از وقت اقدامات کی بھی نشاندہی کی گئی ہے تاکہ بدلتے ہوئے کاروباری ماحول میں پائیدار نمو کے لئے کمپنی ثابت قدم رہ سکے۔

1۔ اسٹریٹجک رسک

اپنے اسٹریٹجک خطرات کو ختم کرنے کے لئے نیٹ سول انتہائی متحرک اور تبدیل ہوتے ہوئے عالمی فنانس اور لیزنگ ماحول میں تازہ ترین رجحانات کی نشاندہی کرتا اور باقاعدہ نگرانی رکھتا ہے۔ انڈسٹری میں سرایت کر جانے والی اہم ٹیکنالوجیز پر کام کر کے نیٹ سول یقینی بناتا ہے کہ اس کے کلائنٹس مارکیٹ میں ایک قدم آگے رہیں اور خصوصی طور پر ان کے کاروبار کا مستقبل محفوظ رہ سکے۔

2۔ آپریشنل رسک

کمپنی مستقل مزاجی سے تفصیلاً منڈی اور عالمی انڈسٹری کا جائزہ لیتی ہے جہاں یہ کام کرتی ہے۔ کاروبار کو جاری رکھنے کے موجودہ منصوبوں کے ساتھ کمپنی عالمی وباؤں، قدرتی آفات یا دیگر نامساعد حالات میں اپنے آپریشنز کو بلاتعطل جاری رکھتی ہے۔ نیٹ سول کی عالمی ٹیمیں دنیا بھر میں اپنے کلائنٹس کو بلاتعطل خدمات کی فراہمی کو یقینی بنانے کے لئے کوشاں ہیں۔

3۔ سائبر سکیورٹی خطرات

سائبر کرائمز کی بڑھتی ہوئی موجودگی اور بین الاقوامی نوعیت کو مدنظر رکھتے ہوئے ادارے مربوط اور مختلف درجوں پر مبنی سکیورٹی کنٹرولز کا اطلاق کرتی ہے تاکہ وہ اپنی معلومات اور کمیونی کیشنز ٹیکنالوجی (ICT) انفراسٹرکچر کی حفاظت کر سکیں۔ ISO 27001 سرٹیفائیڈ کمپنی بننے کے علاوہ نیٹ سول نے رازداری، سالمیت اور کمپنی، اس کے کلائنٹس اور ملازمین سے منسوب ڈیٹا کی دستیابی کو یقینی بنانے کے لئے جدید سکیورٹی پروٹوکولز/کنٹرولز وضع کئے ہیں۔ ان کنٹرولز میں انٹرپرائز گریڈ مداخلت کے تدارک اور کھوج کا نظام (IDS/IPS)، next-generation فائر والز، ساقط اور متحرک ڈیٹا کے لئے مضبوط encryption، غیر اہم اور معلوم کرنے کی ضرورت کے اصول پر مبنی رسائی کے کنٹرولز، اور ڈیٹا کی منتقلی کے لئے TLS جیسے محفوظ کمیونی کیشن پروٹوکولز کا استعمال شامل ہے۔

دنیا بھر میں 2,500 سے زائد اداروں کو خدمات فراہم کرنے والے عالمی سطح پر معروف ٹیکنالوجی پر مبنی سکیورٹی اور کمپلائنس پارٹنر A-LIGN کے آزادانہ عمل میں لائے گئے آڈٹ کے ذریعے نیٹ سول نے SOC 2 Type I اور SOC 2 Type II کمپلائنس کامیابی سے حاصل کی ہے۔ آڈٹ نے نیٹ سول کے عالمی مراکز بشمول کیلیفورنیا (امریکہ)، لندن (انگلینڈ)، بیجنگ (چین)، سڈنی (آسٹریلیا)، اور لاہور (پاکستان) میں سکیورٹی کنٹرولز کے متاثر کن ہونے کی توثیق کی ہے۔ یہ کامیابی اپنے عالمی صارفین کو محفوظ، کمپلائنٹ اور لچکدار ٹیکنالوجی سلوشنز فراہم کرنے میں بھروسہ مند شراکت دار کی حیثیت سے نیٹ سول کی پوزیشن کو مضبوط کرتی ہے۔ SOC 2 Type II سرٹیفکیشن صارفین اور کلائنٹس کے ڈیٹا کی حفاظت کی جانب نیٹ سول کے غیر متزلزل عزم کی توثیق کرتی ہے جو کہ امریکی انسٹی ٹیوٹ آف سرٹیفائیڈ پبلک اکاؤنٹنٹس (AICPA) ٹرسٹ سروسز معیار کی تعمیل کا اظہار ہے۔

4۔ غیر ملکی زرمبادلہ رسک

غیر ملکی زرمبادلہ کا خطرہ اُس وقت پیدا ہوتا ہے جب واجب الوصول اور واجب الادا رقوم کا لین دین غیر ملکی کرنسی میں ہو۔ کمپنی پاکستانی روپے کے علاوہ دیگر ممالک کی کرنسی میں تجارتی قرضوں، واجب الادا رقوم اور آمدنی کی بابت غیر ملکی کرنسی کے خطرہ کا سامنا کر رہی ہے۔ کمپنی کی زیادہ تر آمدنی پاکستانی روپے کے علاوہ دیگر کرنسیوں میں کئے گئے معاہدوں سے آتی ہے۔ کمپنی سرمایہ زیر کار کے لئے غیر ملکی کرنسی میں تبدیل کئے جانے والے کیش اور کیش کے مساوی انسٹرومنٹس کی بھی مالک ہے۔

5۔ لیکویڈٹی رسک

اپنی ضروریات کو پورا کرنے کے لئے ناکافی رقوم کے باعث ایک ادارہ لیکویڈٹی رسک سے دوچار ہوتا ہے۔ کمپنی بنیادی طور پر مالیاتی اثاثہ جات اور واجبات میں فرق کے باعث لیکویڈٹی رسک کا شکار ہوتی ہے۔ البتہ ہم نے رقوم کی بروقت دستیابی اور پیدا ہونے والی ضروریات کے لئے مناسب اقدامات کو یقینی بنا کر ایک مؤثر کیش مینجمنٹ اور پلاننگ پالیسی وضع کر رکھی ہے۔

6۔ شرح سود کا خطرہ

شرح سود کا خطرہ ایسا رسک ہے جب مارکیٹ کی شرح سود میں تبدیلی کے باعث کسی مالیاتی انسٹرومنٹ کے ممکنہ کیش فلو کی فیئر ویلیو میں فرق آئے گا۔ شرح سود کا خطرہ بینکوں سے قلیل و طویل مدتی قرضوں، ٹرم ڈیپازٹس اور بینکوں میں موجود نفع ونقصان کے سیونگ اکاؤنٹس اور میوچل فنڈز میں سرمایہ کاری سے سامنے آتا ہے۔

کمپنی کاروبار کی آئندہ ترقی، کارکردگی اور پوزیشن پر ممکنہ اثر انداز ہونے والے بنیادی رجحانات اور عوامل

ترقی کے محرکات: پاکستان کی آئی ٹی انڈسٹری میں نمو

پاکستان کی آئی ٹی اور آئی ٹی پر مبنی خدمات کا شعبہ ملک کی تیزی سے ترقی کرنے والی برآمدی انڈسٹریز میں سے ایک ہے۔ جیسا کہ رپورٹ میں ابتدائی طور پر حوالہ دیا گیا ہے مذکورہ شعبے نے مالیاتی سال 2026ء کے دوران تاریخی برآمدی آمدنی ظاہر کی ہے جو عالمی سطح پر مسابقتی ڈیلیوری مرکز کے طور پر پاکستان کی پوزیشن کو مزید مضبوط کرتا ہے۔ نیٹ سول کے لئے، یہ momentum مقامی سطح پر صلاحیت کے حامل افراد میں اضافہ، ادارہ جاتی معاونت میں توسیع اور سافٹ ویئر انجینئرنگ اور گلوبل ڈیلیوری کے لئے پاکستان کو ایک اسٹریٹجک مرکز کی حیثیت سے روشناس کرائے گا۔

پاکستان میں آپریشنز اور افرادی قوت

30 جون 2026ء تک نیٹ سول نے عالمی سطح پر تقریباً 1,494 کلی وقتی ملازمین کو بھرتی کیا جب کہ اس کے زیادہ تر ٹیکنیکل اور ڈیویلپمنٹ عملہ پاکستان سے تعلق رکھتا ہے جو کمپنی کی بنیادی ٹیکنالوجی ڈیویلپمنٹ اور ڈیلیوری مرکز کی حیثیت سے خدمات پیش کر رہا ہے۔ رواں برس کے دوران، کمپنی نے ملازمین کی تربیت، پروفیشنل ڈیویلپمنٹ اور لیڈرشپ اقدامات پر بھرپور سرمایہ صرف کیا تاکہ ادارے بھر میں ماہر اور مستقبل کے لئے تیار افرادی قوت کو تیار کیا جا سکے۔

قابل افراد کو برقرار رکھنا اور تنخواہ میں اضافہ

ملکی سطح پر مہنگائی میں اضافہ کے ساتھ ساتھ پاکستان کے ٹیکنالوجی شعبہ میں ماہر افراد کے لئے شدید مسابقتی ماحول جاری ہے جس کے باعث مذکورہ انڈسٹری میں تنخواہ کے تعین پر شدید دباؤ بڑھا ہے۔ ماہر انجینئرز اور ڈومین سپیشلسٹ کو برقرار رکھنے کے لئے مسابقتی معاوضہ اور کیریئر ڈیویلپمنٹ میں متواتر سرمایہ کاری درکار ہے۔ نیٹ سول قابل افراد کو برقرار رکھنے اور پاکستان میں اپنی ورک فورس کی خدمات کو عالمی سطح پر پیش کردہ صلاحیتوں اور اس کی پوزیشن کے لئے مرکزی ستون کی حیثیت سے سراہنے پر بھرپور توجہ دے رہا ہے۔

ریسرچ اور ڈیویلپمنٹ میں سرمایہ کاری

ریسرچ اور ڈیویلپمنٹ میں نیٹ سول کی سرمایہ کاری کا منبع پاکستان میں ہے جہاں کمپنی کا انجینئرنگ اور پروڈکٹ ڈیویلپمنٹ کا قابل عملہ کام کر رہا ہے۔ یہ سرمایہ کاری AI اور ML، API فرسٹ آرکیٹیکچر، کلاؤڈ سروسز اور ڈیٹا انجینئرنگ تک محدود ہے جو نہ صرف ڈیلیوری سنٹر بلکہ نیٹ سول کی ٹیکنالوجی انوویشن اور پلیٹ فارم ڈیویلپمنٹ کے لئے بنیادی مرکز کے طور پر پاکستان کے کردار کو نمایاں کرتی ہے۔

مسابقتی ماحول

نیٹ سول کمپنی کے پاکستان میں آپریشنز کا مقابلہ خطے میں دیگر قائم اور ابھرتی ہوئی ٹیکنالوجی ڈیلیوری مراکز سے جاری ہے۔ کمپنی کا چار دہائیوں پر محیط ڈومین تجربہ اور کمپنی کے مرکزی ڈیلیوری سنٹر کے طور پر اس کی پوزیشن نیٹ سول کو دیگر کمپنیوں سے منفرد بناتا ہے۔ نیٹ سول پاکستان میں قابل افراد، انفراسٹرکچر اور پلیٹ فارم کی استعداد میں مربوط سرمایہ کاری کے ذریعے اپنی پوزیشن کو مزید مضبوط بنا رہی ہے۔

ماحول پر کمپنی امور کے اثرات

ماحولیاتی ذمہ داری کی بابت عالمی سطح پر سوچ وچار میں شدت آنے پر ہر قسم کے کاروباری امور کے حامل ادارے جواب دہ ہیں لہٰذا نیٹ سول بھی اس معاملے میں جواب دہ ہے۔ عالمی سطح پر ٹیکنالوجی کے حل فراہم کرنے والے ادارے کی حیثیت سے نیٹ سول مینوفیکچرنگ اور انڈسٹریل اداروں کی نسبت نیٹ سول کے کاروباری امور ماحول پر بہت کم اثرات مرتب کرتے ہیں۔ علاوہ ازیں، کمپنی اپنی ماحولیاتی ذمہ داریوں کو بہت سنجیدگی سے لیتی ہے اور کرۂ ارض میں اپنے اثرات سے مکمل باخبر رہ کر کام کرنے کے لئے پرعزم ہے۔

نیٹ سول اس امر کو تسلیم کرتی ہے کہ مربوط ماحولیاتی نگرانی کو اس کے کاروباری امور پر ترجیح دی جائے۔ عالمی سطح ٹیکنالوجی خدمات فراہم کرنے والے ادارے کی حیثیت سے، جس کے پلیٹ فارمز 30 سے زائد ممالک میں ڈپلائے کئے گئے ہیں، کمپنی کمپنی نہ صرف اپنے کاروباری امور میں مثبت ماحولیاتی نتائج حاصل کرنے کے لئے پرامید ہے بلکہ غیر ملکی کلائنٹس، شراکت دروں اور منڈیوں کے ایکوسسٹم میں بھی اس کے اطلاق کے لئے پیش پیش ہے۔

کمپنی کے کردار کا بنیادی حصہ نیٹ سول کے ٹرانسینڈ پلیٹ فارم کا عمل ہے جو کلائنٹس کو پروسیس ڈیجیٹائز اور آٹومیٹ کرنے میں مدد کرتا ہے جہاں ماضی میں کاغذی پروسیس ودستاویزات اور مینوئل ورک فلوز پر انحصار کیا جاتا تھا۔ مکمل ڈیجیٹل، اینڈ ٹو اینڈ ایسٹ فنانسنگ اور آٹو ریٹیل آپریشنز میں تبدیلی کو تیز کر کے نیٹ سول اپنے کلائنٹس کو کاغذ کے استعمال، آپریشنل کاربن فٹ پرنٹس میں کمی اور انتہائی آسان اور پائیدار کاروباری پروسیسز کو بروئے کار لانے میں مدد کرتا ہے۔ اس طرح ڈیجیٹل انقلاب کے ماحولیاتی فوائد، جس کا مجموعی طور پر اندازہ لگانا مشکل ہے، حقیقی اور بامعنی ہیں جس میں ہر نئے کلائنٹ پر ڈپلائمنٹ اور پلیٹ فارم اپ گریڈ کے ساتھ نکھار

آتا ہے۔

داخلی سطح پر، نیٹ سول اپنے ماحولیاتی اثرات کو کم کرنے کی کوششیں جاری رکھے ہوئے ہے۔ کمپنی اپنے عالمی دفاتر میں ویسٹ میں کمی اور توانائی کی کھپت میں بہتری بھرپور توجہ دے رہی ہے جو اس کے روزمرہ کے کاروباری امور میں ماحولیاتی لحاظ سے باشعور رہنے کی عکاسی کرتی ہے۔ نیٹ سول اگلے دورانیہ میں وسیع تر ESG فریم ورک کو مزید مربوط بنا رہا ہے جس کے نتیجے میں واضح اہداف، ساختی رپورٹنگ اور بورڈ کی سطح پر جواب دہی کے ساتھ ماحولیاتی اہداف اس حکمت عملی کا مرکزی ستون ثابت ہوں گے۔

کمپنی یا اس کی ذیلی کمپنیوں اور جوائنٹ آپریشنز کے کاروبار کی نوعیت کی بابت مالیاتی سال کے دوران تبدیلیاں

کمپنی اور اس کی ذیلی کمپنیوں اور جوائنٹ آپریشنز کے کاروبار کی نوعیت میں کوئی تبدیلی واقع نہ ہوئی ہے۔

کاروباری وسماجی ذمہ داری

بورڈ کا "Sustainablity at a Glance" کا شعبہ کمپنی کی کارپوریٹ سماجی ذمہ داری (CSR) اور کمیونٹی کی ترقیاتی سرگرمیوں اور اقدامات کا احاطہ پیش کرتا ہے۔

داخلی مالیاتی کنٹرولز کی وسعت پذیری

بورڈ مالیاتی رپورٹنگ پر ٹھوس داخلی مالیاتی کنٹرولز کے قیام اور برقراری کے لئے قطعی ذمہ دار ہے۔ ہمارا خودمختار داخلی آڈٹ ڈیپارٹمنٹ بورڈ عملی انداز میں آڈٹ کمیٹی اور انتظامی لحاظ سے CEO کو رپورٹ کرتا ہے۔ ہر سال، بورڈ آڈٹ کمیٹی آڈٹ پلان کی منظوری دیتی ہے جو اہم آپریٹنگ شعبوں کے سالانہ جائزہ کی بنیاد پر ہوتا ہے۔ داخلی آڈٹ ڈیپارٹمنٹ کنٹرول میں خامیوں سے نبرد آزما ہونے کے لئے سفارشات فراہم کرتا ہے جنہیں انتظامیہ کنٹرول میں خامیوں کو دور کرنے کے لئے اپناتی ہے۔ بورڈ آڈٹ کمیٹی، CEO اور متعلقہ ڈویژنل مینجمنٹ کے ساتھ سہ ماہی بنیادوں پر مشاہدات پر تبادلۂ خیال کیا جاتا ہے۔

داخلی آڈٹ فنکشن کا کام کمپنی پر اثر انداز ہونے والے واقعات، خطرات اور ریگولیٹری تبدیلیوں کے نتیجے میں لگاتار تبدیل ہوتا رہتا ہے تاکہ یقینی بنایا جاسکے کہ اس کے اختیارات ادارہ جاتی مقاصد کے عین مطابق ہوں۔ ہماری فنانشل رپورٹنگ کی معتبری اور بین الاقوامی مالیاتی رپورٹنگ اصولوں (IFRS) کے مطابق میں بیرونی مالیاتی گوشواروں کی تیاری کی بابت معقول یقین دہانی کرانے کے لئے داخلی کنٹرول وضع کئے گئے ہیں۔ البتہ، کسی بھی داخلی کنٹرول سسٹم میں موجود پابندیوں کے باعث انتظامیہ تسلیم کرتی ہے کہ ان کنٹرول کے متاثر کن ہونے میں رکاوٹیں آسکتی ہیں لہٰذا صرف معقول یقین دہانی ہی کرائی جاسکتی ہے۔ علاوہ ازیں، کمپنی ایک مؤثر داخلی کنٹرول فریم ورک کی بھی حامل ہے جس کی خصوصیات میں شفاف ڈھانچے، اختیارات پر طے شدہ حدود، جواب دہی اور جائزے کے لئے ٹھوس پالیسیاں اور طریقہ ہائے کار شامل ہیں۔

تعمیل کی بابت اعلامیہ

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے تحت کمپلائنس کا بیان رپورٹ ہذا کے ساتھ لف ہے۔

ڈائریکٹرز کا معاوضہ

کمپنی نان ایگزیکٹو ڈائریکٹرز بشمول خودمختار ڈائریکٹرز کو اجلاس میں شرکت کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی۔ بورڈ یا اس کی کمیٹیوں کے اجلاس میں شرکت پر کمپنی ڈائریکٹرز کو سفر اور رہائش پر اٹھنے والے اخراجات کی ادائیگی کرے گی۔ ایگزیکٹو ڈائریکٹرز کے معاوضہ کی کل رقم بشمول ان کی تنخواہ، مراعات اور کارکردگی پر مبنی دیگر مراعات کی تفصیلات کا ذکر منسلک مالیاتی گوشواروں میں کیا گیا ہے۔

ایمپلائی اسٹاک آپشن اسکیم اور ٹریژری حصص

30 جون 2026ء کو اختتام پذیر سال کے دوران کمپنی نے 31 دسمبر 2024ء کو منعقدہ غیر معمولی اجلاس عام میں منظور شدہ خصوصی قرارداد کی پیروی میں 77.84 روپے فی حصص کی گرانٹ پرائس پر کمپنی کی اسٹاک آپشن اسکیم کے تحت اہل ملازمین کو 1,543,987 ٹریژری حصص منتقل کئے ہیں۔

رواں برس کے دوران، کمپنی نئی ایمپلائی اسٹاک آپشن اسکیم (ESOS) منظور کی ہے جس کے تحت کمپنی کے اہل ملازمین کو 5,000,000 عمومی حصص تک سبسکرائب کرنے کی اجازت ہوگی۔ اس آپشن پر گرانٹ کی تاریخ سے عرصہ دو برس کے اندر دو مساوی اقساط میں عمل کیا جاسکے گا۔ جب کہ گرانٹ پرائس کا تعین مروجہ قوانین اور اسکیم کے ضوابط سے مشروط گرانٹ کی تاریخ کے فوری بعد ٹریڈنگ کے دن پاکستان اسٹاک ایکسچینج پر کمپنی حصص کی بند مارکیٹ پرائس پر 50% رعائت پر کیا جائے گا۔ رواں برس کے دوران اسکیم کے تحت کسی آپشن کی اجازت نہیں دی گئی۔

تنوع، نصف اور شمولیت (DE&I)

نیٹ سول میں، ہم کام کا صحت مند ماحول قائم کرنے اور اپنی کمپنی کی طویل مدتی کامیابی کے لئے تنوع، نصف اور شمولیت (DE&I) پر پختہ یقین رکھتے ہیں۔ ایک متنوع ٹیم مختلف تخیلات، تجربات اور سوچ کے حامل افراد کو اکٹھا کرتی ہے۔ اس طرح ہمیں مزید تخلیقی، بہتر فیصلہ سازی اور اپنے کلائنٹس کے لئے جدید حل تلاش کرنے میں مدد ملتی ہے۔

گذشتہ برس میں، ہم نے ایک خصوصی ماحول قائم کرنے پر توجہ دی جہاں تمام افراد کی حوصلہ افزائی اور احترام کیا جاتا ہے۔ ہم نے قائدانہ فرائض میں خواتین کی حمایت کی ہے اور اعتماد کے ساتھ اپنی ٹیموں کی رہنمائی کے لئے ان کی حوصلہ افزائی کی ہے۔ ہماری غیر امتیازی سلوک کی پالیسی یقینی بناتی ہے کہ جنس، پس منظر اور اعتقاد کے باعث کسی ساتھ غیر منصفانہ سلوک روا نہ رکھا جائے۔ ہم اپنے ملازمین بشمول محفوظ نقل و حرکت، زچگی کی رخصت، انسداد ہراسگی پالیسیوں اور مراکز کے اندر صحت کی سپورٹ کے لئے کئی سہولیات بھی فراہم کرتے ہیں تاکہ کام کے دوران زندگی آسان اور مزید محفوظ ہوسکے۔

مساوی مواقع فراہم کرنے والے آجر کی حیثیت سے ہم معذور افراد کی بھرتی پر بھی توجہ دیتے ہیں اور کامیابی کے لئے ہم انہیں معقول وسائل اور سپورٹ بھی دیتے ہیں۔ رواں برس، تنوع اور شمولیت کی اہمیت پر ملازمین میں آگاہی بیدار کرنے اور وسیع رابطہ سازی کو فروغ دینے

کے لئے ہم نے ورکشاپس، مینٹورشپ پروگرامز اور آگاہی سیشنز کا انعقاد کیا۔

نیٹ سول میں ہم کام کا ایسا ماحول قائم کرنے پر یقین رکھتے ہیں جہاں تمام افراد کی قدر کی جائے اور انہیں مساوی مواقع دیئے جائیں جو کہ نہ صرف درست عمل ہے بلکہ جدت، ترقی اور طویل اور پائیدار کامیابی کے لئے اہم اقدامات بھی ہیں۔

بورڈ کی ترکیب

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے تقاضوں کی تعمیل میں بورڈ آف ڈائریکٹرز کی ترکیب حسب ذیل ہے:

ڈائریکٹرز کی کل تعداد (07) ہے جو مندرجہ ذیل پر مشتمل ہیں:

جنس	تعداد
مرد	05
خاتون	02

بورڈ کی ترکیب حسب ذیل ہے:

کیٹگری	تعداد
خودمختار ڈائریکٹرز	02
نان-ایگزیکٹو ڈائریکٹرز	03
ایگزیکٹو ڈائریکٹرز	02

ڈائریکٹرز کے نام

30 جون 2026ء تک کمپنی کے بورڈ اراکین مندرجہ ذیل ہیں:

- جناب نعیم اللہ غوری
- جناب سلیم اللہ غوری
- جناب وسیم انور
- جناب نعمان حسین
- محترمہ حمنہ غوری
- محترمہ ہما فخر
- جناب عمر غوری

30 جون 2026ء کو اختتام پذیر سال کے دوران بورڈ کے پانچ (05) اجلاس طلب کئے گئے

بورڈ نے ذیلی کمیٹیاں بھی تشکیل دی ہیں جنہوں نے طے شدہ مقاصد حاصل کرنے میں اہم کردار ادا کیا ہے۔ ان کمیٹیوں میں مندرجہ ذیل شامل ہیں:

بورڈ اور کمیٹی اجلاسوں میں شرکت

سال کے دوران شرکت کی تفصیلات ذیل میں دی گئی ہے:

ڈائریکٹر	بورڈ میٹنگ اٹینڈنگ	آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمونریشن کمیٹی	سسٹین ایبلٹی کمیٹی
جناب نعیم اللہ غوری	5	-	-	-
جناب سلیم اللہ غوری	5	-	1	2
جناب وسیم انور	5	4	-	-
جناب نعمان حسین	5	4	-	-
محترمہ حمنہ غوری	5	-	1	2
محترمہ ہما فخر	5	4	1	2
جناب عمر غوری	4	-	-	-

بورڈ نے ذیلی کمیٹیاں بھی تشکیل دی ہیں جنہوں نے مطلوبہ اہداف کے حصول میں نمایاں کردار ادا کیا ہے۔ ان کمیٹیوں میں شامل ہیں:

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس کی تعمیل میں مندرجہ ذیل تین (03) اراکین پر مشتمل ایک آڈٹ کمیٹی قائم کی ہے:

نام ڈائریکٹر	عہدہ
جناب نعمان حسین	چیئرپرسن
جناب وسیم انور	رکن
محترمہ ہما فخر	رکن

آڈٹ کمیٹی بورڈ آف ڈائریکٹرز کو پیش کرنے اور اشاعت سے قبل تمام سہ ماہی، نصف سالہ اور سالانہ مالیاتی گوشواروں کا جائزہ لیتی اور ان کی منظوری دیتی ہے۔

30 جون 2026ء کو اختتام پذیر سال کے دوران آڈٹ کمیٹی کے چار (04) اجلاس منعقد ہوئے۔

ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HUMAN RESOURCE AND REMUNERATION COMMITTEE)

کوڈ آف کارپوریٹ گورننس کی تعمیل میں بورڈ نے ایک ہیومن ریسورس اینڈ ریمونریشن کمیٹی قائم کی ہے جو بورڈ کو اہم انتظامی عہدوں کے انتخاب، جائزے اور معاوضے کی بابت بورڈ کو سفارشات دیتی ہے۔ حالیہ کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے:

نام ڈائریکٹر	عہدہ
محترمہ ہما فخر	چیئرپرسن
محترمہ حمنہ غوری	رکن
جناب سلیم اللہ غوری	رکن

30 جون 2026ء کو اختتام پذیر سال کے دوران کمیٹی کی شرائط کے ماتحت آنے والے امور پر بحث اور منظوری کے لئے کمیٹی کا ایک (01) اجلاس منعقد ہوا۔

رسک مینجمنٹ کمیٹی (RISK MANAGEMENT COMMITTEE)

بورڈ نے ایک رسک مینجمنٹ کمیٹی قائم کی ہے جو بورڈ کو خطرات کی نشاندہی، جائزے اور تدارک کی بابت بورڈ کو سفارشات دیتی ہے۔ بتائے گئے خطرات کو ان کے اثرات اور وقوع پذیر ہونے کے امکانات کے مطابق ترجیح دی جاتی ہے اور اس بابت اصلاحی اقدامات وضع کئے جاتے ہیں۔ حالیہ کمیٹی مندرجہ ذیل اراکین پر مشتمل ہے:

نام ڈائریکٹر	عہدہ
جناب نعمان حسین	چیئرپرسن
جناب وسیم انور	رکن
جناب عمر غوری	رکن

نامزدگی کمیٹی (NOMINATION COMMITTEE)

بورڈ نے مندرجہ ذیل اراکین پر مشتمل ایک نامزدگی کمیٹی بھی تشکیل دی ہے:

نام ڈائریکٹر	عہدہ
جناب سلیم اللہ غوری	چیئرپرسن
جناب نعیم اللہ غوری	رکن
جناب عمر غوری	رکن

سسٹین ایبلٹی کمیٹی (SUSTAINABILITY COMMITTEE)

بورڈ نے مندرجہ ذیل اراکین پر مشتمل ایک سسٹین ایبلٹی کمیٹی بھی قائم کی ہے:

نام ڈائریکٹر	عہدہ
محترمہ حمنہ غوری	چیئرپرسن
محترمہ ہما فخر	رکن
جناب سلیم اللہ غوری	رکن

30 جون 2026ء کو اختتام پذیر سال کے دوران کمیٹی کی شرائط کے ماتحت آنے والے امور پر بحث اور منظوری کے لئے کمیٹی کا دو (02) اجلاس منعقد ہوا۔

بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز کمپنی کی قیادت کرنے کے لئے ذمہ دار ہے جس میں طویل مدتی کامیابی، حصصداران اور اسٹیک ہولڈرز کے مفادات کی حفاظت کو یقینی بنایا جاتا ہے۔ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ضوابط، 2019ء کے مطابق بورڈ اپنی مجموعی کارکردگی، کمیٹیوں کے کام اور کمپنی کی ترقی میں ہر ڈائریکٹر کے کردار کا جائزہ لیتا ہے۔

اس جائزے سے بورڈ کو درکار مہارت کی نشاندہی، اپنے اراکین کے فرائض کا جائزہ اور بہتری کے حامل شعبوں کی نشاندہی میں مدد ملتی ہے۔ اس عمل کے لئے، ہیومن ریسورس اینڈ ریمونریشن کمیٹی نے تمام بورڈ اراکین کی رائے لینے کے لئے ایک سوالنامہ تقسیم کیا ہے۔ جوابات اور مجموعی جائزے کی بنیاد پر بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی تسلی بخش اور متاثر کن پائی گئی ہے۔

ڈائریکٹرز کا ٹریننگ پروگرام

بورڈ آف ڈائریکٹرز

چھ (06) ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام (DTP) سرٹیفکیشن حاصل کی ہے جب کہ ایک (01) بورڈ رکن کو درکار قابلیت اور لسٹڈ کمپنی کے بورڈ میں خدمات کے تجربہ کی بنا پر DTP سے مستثنیٰ قرار دیا گیا۔

متعلقہ پارٹی کے لین دین کا جائزہ

رواں مالیاتی سال کے دوران متعلقہ پارٹی کے ساتھ کی جانے والی تمام ترٹرانزیکشنز کو جائزے اور بعد ازاں منظوری کے لئے بورڈ کے سامنے رکھا گیا۔ ڈائریکٹرز اور اہم انتظامی عملے کے ساتھ کمپنی نے کوئی ایسی متعلقہ پارٹی ٹرانزیکشن نہیں کی ہے جو کمپنی کے مفاد کے ساتھ ٹکرائے یا جس کے لئے حصص داران کی منظوری درکار ہو۔

ہولڈنگ کمپنی

نیٹ سول ٹیکنالوجیز انکارپوریٹڈ، 16000 وینچورا بولیوارڈ، سوئیٹ 770، اینسینو، کیلیفورنیا 91436 امریکہ کمپنی کی زیادہ تر شیئر ہولڈنگ کی مالک ہے۔

آڈیٹرز کی تقرری

حالیہ بیرونی آڈیٹرز میسرز کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس ریٹار ہو چکے اور اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے ممکنہ طے شدہ شرائط وضوابط اور معاوضہ پر 30 جون 2027ء کو اختتام پذیر مالیاتی سال کے لئے میسرز کرو حسین چوہدری اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز دوبارہ تقرری کے لئے آڈٹ کمیٹی کی سفارشات کو تسلیم کیا ہے۔ بیرونی آڈیٹرز نے توثیق کی ہے کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کے کوالٹی کنٹرول جائزہ پروگرام کے تحت تسلی بخش ریٹنگ دی گئی ہے اور یہ آڈٹ اوورسائٹ بورڈ آف پاکستان میں رجسٹرڈ ہیں۔ انہوں نے مزید توثیق کی ہے ان کی فرم ICAP کی جانب سے اپنائی گئی ضابطہ اخلاق پر بین الاقوامی فیڈریشن آف اکاؤنٹنٹس (IFAC) کی ہدایات پر عمل کرتی ہے۔ بیرونی آڈیٹرز کو لسٹنگ ضوابط میں درج خدمات کے علاوہ کسی اور خدمات کے لیئے تعینات نہیں کیا گیا ہے۔

شیئر ہولڈنگ کا پیٹرن

30 جون 2026ء تک جنرل پیٹرن آف شیئر ہولڈنگ اور شیئر ہولڈرز کے مخصوص درجوں کا پیٹرن آف شیئر ہولڈنگ جس کا اظہار رپورٹنگ فریم ورک کے تحت ضروری ہے اور مالیاتی سال 2026ء کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے اہل خانہ بشمول نابالغ بچوں کی جانب سے حصص کی خرید وفروخت کا بیان لف ہذا ہیں۔

مابعدواقعات(SUBSEQUENT EVENTS)

مالیاتی سال کے اختتام اور رپورٹ ہذا کی تاریخ اجراء کے درمیان کمپنی کی مالیاتی حالت پر اثر انداز ہونے والی کوئی بھی مادی تبدیلی یا معاہدہ قائم نہ ہوا ہے ماسوائے ان کے جن کا ذکر رپورٹ ہذا میں کیا گیا ہے۔(اگر کوئی ہوں)

اعتراف (Acknowledgement)

بورڈ آف ڈارئریکٹرز کمپنی کے حصص داران، قابلِ قدر صارفین، سرکاری اداروں اور مالیاتی اداروں کی طرف سے حمایت کے لیے ان کی تعریف کرتا ہے اور خراجِ تحسین پیش کرتا ہے۔ بورڈ کمپنی کے تمام ملازمین کا ان کی خدمات، وفاداری اور ان کی مسلسل کوششوں کی قدر کرتا ہے اور انھیں بھی خراجِ تحسین پیش کرتا ہے اور اُمید کرتا ہے کہ مستقبل میں بھی ان کی مخلصانہ کوششیں جاری وساری رہیں گی۔

ازطرف بورڈ آف ڈائریکٹرز:

سلیم اللہ غوری
(چیف ایگزیکٹو آفیسر)

عمر غوری
(ڈائریکٹر)

لاہور
مورخہ: 28 ستمبر 2026ء

Crowe Hussain Chaudhury & Co.
7th Floor, Gul Mohar Trade Centre,
8-F, Main Market, Gulberg II,
Lahore-54660, Pakistan
Main +92-42-3575 9223-5
www.crowe.pk

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

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of NetSol Technologies Limited ("the Company") for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Lahore
Dated: September 29, 2026
UDIN: CR202610051Kxqi59tp0

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

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Statement of Compliance with the Code of Corporate Governance

For the Year Ended June 30, 2026

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are 07 as per the following:

Gender	Number
Male	05
Female	02

2. Composition of the Board is as follows:

Category	Names
Independent Directors*	Ms. Huma Fakhar
	Mr. Noman Hussain
Non-executive Directors	Mr. Vaseem Anwar
	Mr. Naeem Ullah Ghauri
	Ms. Hamna Ghauri
Executive Directors	Mr. Omar Shahab Ghauri
	Mr. Salim Ullah Ghauri
Female Directors	Ms. Hamna Ghauri
	Ms. Huma Fakhar

**The Board comprised of minimum number of members which is seven (7) hence it fulfills the requirement of minimum two (2) independent directors and the fraction (0.33) for independent directors has not been rounded up as one. Further, the existing independent directors have the requisite skills and knowledge to take independent decisions;*

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with the dates on which they were approved or amended has been maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/Shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board of directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. Six (06) of the Directors have obtained Directors' Training Program (DTP) certification whereas One (01) member of the Board is exempted from DTP by virtue of requisite qualification and experience of serving on the board of a listed company.

10. During the year, there was no change in the position of CFO, Company Secretary and Head of Internal Audit and their remuneration and terms and conditions of employment. Their appointments, remuneration and terms and conditions were previously approved by the Board of Directors as per the requirements of the relevant Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed following Committees comprising of members given below:

12.1 **Audit Committee (AC)**

12.1.1 Mr. Noman Hussain (Independent Director)

Chairperson

12.1.2 Mr. Vaseem Anwar (Non-executive Director)

Member

12.1.3 Ms. Huma Fakhar (Independent Director)

Member

12.2 **Human Resource & Remuneration Committee (HR&RC)**

12.2.1 Ms. Huma Fakhar (Independent Director)

Chairperson

12.2.2 Ms. Hamna Ghauri (Non-executive Director)

Member

12.2.3 Mr. Salim Ullah Ghauri (Executive Director)

Member

12.3 **Risk Management Committee (RMC)**

12.3.1 Mr. Noman Hussain (Independent Director)

Chairperson

12.3.2 Mr. Vaseem Anwar (Non-executive Director)

Member

12.3.3 Mr. Omar Shahab Ghauri (Executive Director)

Member

12.4 **Nomination Committees (NC)**

12.4.1 Mr. Salim Ullah Ghauri (Executive Director) –

Chairperson

12.4.2 Mr. Omar Shahab Ghauri (Executive Director) –

Member

12.4.3 Mr. Naeem Ullah Ghauri (Non-Executive Director)

Member

12.5 **Sustainability Committees (SC)**

12.5.1 Ms. Hamna Ghauri (Non-executive Director)

Chairperson

12.5.2 Ms. Huma Fakhar (Independent Director)

Member

12.5.3 Mr. Salim Ullah Ghauri (Executive Director)

Member

13. The terms of reference of the aforesaid /committees have been formed, documented and advised to the Committee for compliance.

14. The frequency of meetings of the Committees were as per following:

a) Audit Committee: Quarterly meetings during the financial year ended June 30, 2026;

b) Human Resource and Remuneration Committee: Yearly and as per requirement;

c) Sustainability Committee: Bi-annually and a per requirement;

15. The Board has set up an effective internal audit function, comprising professionals who are suitably qualified and experienced for the purpose and are conversant with the business, policies and procedures of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

NAEEM ULLAH GHAURI
Chairman

Lahore
September 28, 2026

Pattern of Shareholding

As at June 30, 2026

No. of Shareholders	From	To	Total
3788	1	100	131,795
2564	101	500	800,456
1303	501	1000	1,102,062
1880	1001	5000	4,516,840
338	5001	10000	2,536,164
101	10001	15000	1,272,298
67	15001	20000	1,192,790
40	20001	25000	945,872
23	25001	30000	638,318
8	30001	35000	275,216
10	35001	40000	388,750
6	40001	45000	260,600
18	45001	50000	884,195
5	50001	55000	268,954
3	55001	60000	178,067
7	60001	65000	442,593
3	65001	70000	208,000
2	70001	75000	141,800
1	75001	80000	76,000
1	80001	85000	82,740
2	85001	90000	179,700
3	90001	95000	274,605
5	95001	100000	496,000
1	100001	105000	105,000
1	105001	110000	109,900

No. of Shareholders	From	To	Total
1	110001	115000	110,500
1	115001	120000	115,773
3	125001	130000	388,384
1	130001	135000	131,947
3	145001	150000	450,000
2	150001	155000	309,562
1	160001	165000	163,194
1	180001	185000	183,213
1	185001	190000	185,299
5	195001	200000	997,000
1	200001	205000	202,000
1	205001	210000	206,900
1	220001	225000	220,988
1	235001	240000	235,259
1	240001	245000	245,000
1	245001	250000	249,500
1	495001	500000	500,000
2	690001	695000	1,385,366
1	890001	895000	892,577
1	895001	900000	900,000
1	1080001	1085000	1,083,939
1	1320001	1325000	1,321,295
1	16445001	16450000	16,450,000
1	42250001	42255000	42,254,248
10,214			**86,690,659**

In addition to the above, NETSOL Technologies Limited holds 3,146,264 Treasury shares

Information required as per Code of Corporate Governance

For the Year Ended June 30, 2026
Incorporation No. 0037024

S.No.	Categories of Share Holders	Number of Share-holders	Physical Shares	CDC	Shares Held	% of Capital	Total
1	**Directors, CEO & their spouse and minor children:**						
	Mr. Salim Ullah Ghauri	1	-	1,321,295	1,321,295	1.52	
	Mr. Vaseem Anwar	1	550	-	550	0.00	
	Mr. Omar Shahab Ghauri	1	-	385,259	385,259	0.44	
	Mr. Noman Hussain	1	-	500	500	0.00	
	Ms. Hamna Ghauri	1	-	600	600	0.00	
	Mr. Naeem Ullah Ghauri	1	550	-	550	0.00	
	Ms. Huma Fakhar	1	-	500	500	0.00	
	Ms. Tahira Salim Ghauri	1	-	89,700	89,700	0.10	1,798,954
2	**Associated Companies, undertakings and related parties**						
	NETSOL Technologies Inc.	1	42,254,248	17,142,409	59,396,657	68.52	59,396,657
3	**Banks, DFI & NBFC, Insurance Co.,Takaful, Modaraba and Pension Funds/Other Funds**						
	Banks and Financial Institutions	2	-	5,172	5,172	0.01	
	Modarabas	1	-	5,000	5,000	0.01	
	Investment Companies	3	-	89,282	89,282	0.10	
	Insurance Companies	1	-	35,615	35,615	0.04	
	Other Funds	3	-	27,000	27,000	0.03	162,069
4	**Public Sector Cos. & Corporation**	65	-	2,769,782	2,769,782	3.20	2,769,782
5	**Mutual Funds**						
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	-	12,500	12,500	0.01	12,500
6	**General Public**						
	a. Local	10,128	77,282	22,472,306	22,549,588	26.01	22,549,588
	b. Foreign	1	1,109	-	1,109	0.00	1,109
	Total	**10,214**	**42,333,739**	**44,356,920**		**100**	**86,690,659**

In addition to the above, NETSOL Technologies Limited holds 3,146,264 Treasury shares.

Shareholders holding five percent or more voting interest in the Company

NETSOL Technologies Inc.	59,396,657	68.52

Trading in shares during the year 2026

No trade in the shares of the Company was carried out by the CEO, Directors,CFO, Company Secretary their spouses and minor children during the year except the following:

Directors, Executives & Spouses
Mr. Salim Ullah Ghauri,CEO/Executive Director purchased 505,000 and Sold 200,000 Shares
Mr. Omar Shahab Ghauri,COO/Executive Director purchased 573,750 and Sold 444,000 Shares.
Mr. Boo-Ali,CFO purchased 28,760 and Sold 28,760 Shares.
Ms. Sehrish,Company Secretary purchased 6,500 and Sold 6,500 Shares.
Mr. Muhammad Abdul Wahab Hafeez,Chief Internal Auditor purchased 9,100 and Sold 9,100 Shares.
Ms. Tahira Salim Ghauri,Spouse of the CEO purchased 85,700 Shares.

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06

SustAInability at a Glance

Overview

The evolving expectations of investors, regulators, customers and other stakeholders have increased the importance of understanding how sustainability-related matters may influence a company's strategy, operations and financial performance. For NETSOL Technologies, these considerations are particularly relevant in the context of a technology-driven business operating across multiple markets, where developments in areas such as climate, human capital, technology, data and responsible business practices can influence long-term resilience and value creation.

This section provides a concise overview of NETSOL's sustainability-related disclosures for the financial year ended June 30, 2026, covering the Company's sustainability governance, strategy, sustainability-related risks and opportunities, and related risk management processes.

The disclosures presented in this section are derived from NETSOL's Sustainability Report 2026, which has been prepared in accordance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, issued by the International Sustainability Standards Board (ISSB). The Sustainability Report has also been developed with reference to the SECP ESG Guidelines and the applicable SASB Standards for the Software & IT Services industry. Where applicable, the disclosures have also been mapped to the United Nations Sustainable Development Goals (SDGs).

Detailed sustainability-related financial disclosures will be presented in the Sustainability Report 2026, which will be made available on the Company's website upon publication. Access the page through the link below.

https://www.netsolpk.com

As this is NETSOL's first reporting period applying IFRS S1 and IFRS S2, the Company has utilized the applicable transition relief under IFRS S1 and has therefore not presented comparative information for sustainability-related disclosures. This first reporting cycle establishes the Company's initial reporting baseline and provides a foundation for progressively enhancing the scope, depth and comparability of future sustainability disclosures.

2026 Sustainability Highlights

Sustainable Operations

12%
of total energy consumption from on-site renewable generation

27.2%
reduction in purchased electricity in second half of the year due to solar installation

0.12 tCO_2e
Scope 1 & 2 emissions intensity per million rupees of revenue

1.35 GJ
energy intensity per million rupees of revenue

Empowering People

7,157
total learning hours completed by employees

264
new employees hired

20.2%
of employee promotions awarded to women

PKR 18.7m
invested in employee training and development

Responsible Leadership

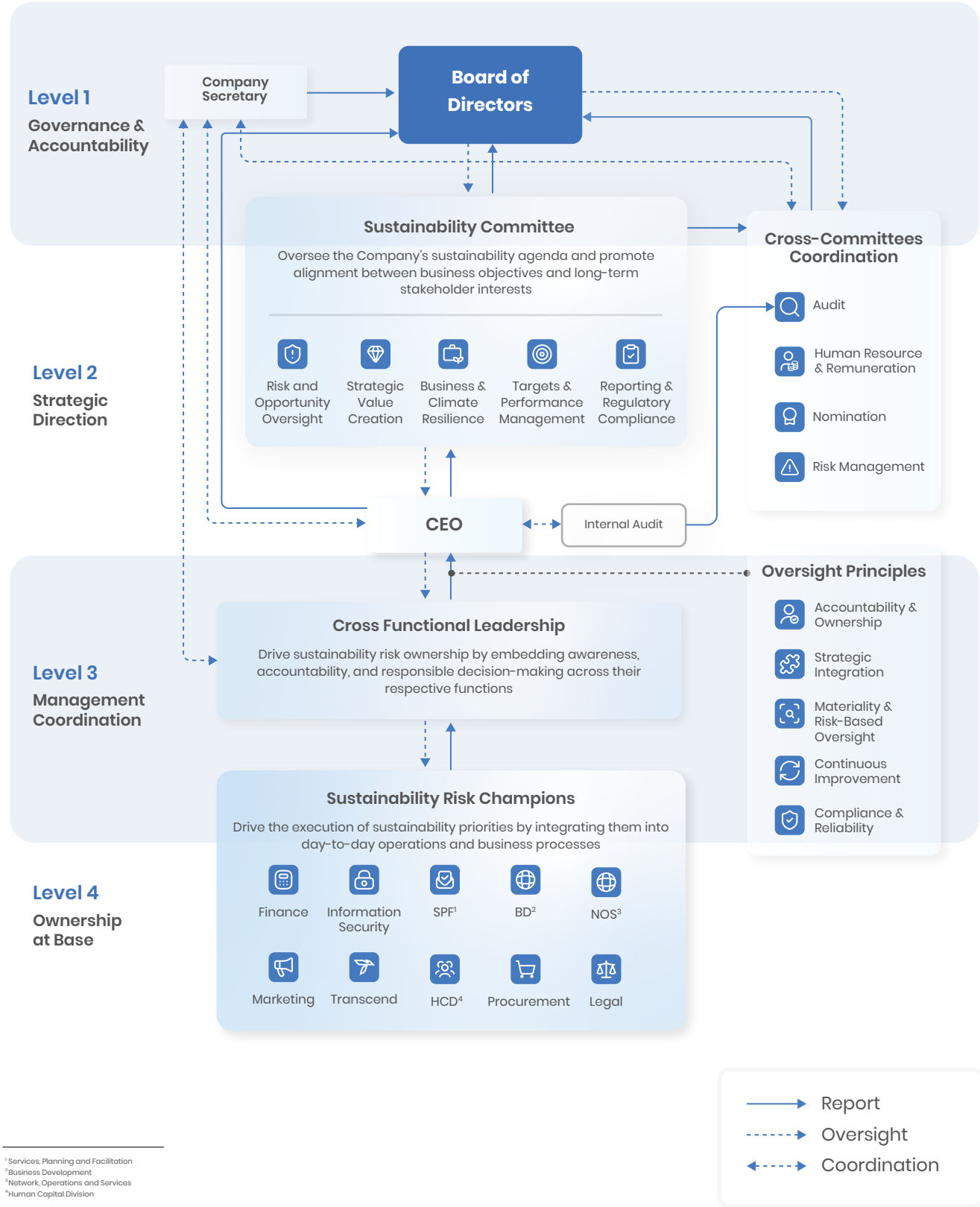
5:2
gender diversity ratio of Board of Directors

67%
women representation in Sustainability Committee

Zero
data breaches identified

Zero
corruption cases identified

Sustainability Oversight



[1] Services, Planning and Facilitation
[2] Business Development
[3] Network, Operations and Services
[4] Human Capital Division

Board's Skills and Competencies

	Naeem Ullah Ghauri	Salim Ullah Ghauri	Vaseem Anwar	Noman Hussain	Hamna Ghauri	Huma Fakhar	Omar Shahab Ghauri
Digital Transformation, Technology and Cybersecurity	■	■	□	■	□	■	■
Corporate Management and Reporting	■	■	■	■	■	■	■
Enterprise Risk Management and Business Resilience	■	■	■	■	□	■	■
Human Capital Management	■	■	■	■	□	■	■
Governance, Leadership and Oversight	■	■	■	■	■	■	■
Strategic Planning and Decision Making	■	■	■	■	■	■	■
Sales Strategy and Market Positioning	■	■	■	■	■	■	■
Financial Strategy and Capital Management	■	■	■	■	■	■	■
Global Business Knowledge	■	■	■	■	□	■	■
Legal, Regulatory and Ethical Compliance	■	■	■	■	□	■	■
Stakeholder and Investor Relations	■	■	■	■	□	■	■
ESG and Decarbonization	□	□	□	□	■	■	□

Capability Status

■ **Mature** (Strong expertise and experience)

□ **Developing** (Growing capabilities and experience)

Sustainability Strategy

Innovation and Artificial Intelligence

Leveraging innovation and artificial intelligence to strengthen technology leadership, enhance solutions and efficiency, and enable long-term value creation.

People and Talent Excellence

Skilled and future-ready talent, supported by strong capabilities and a culture that drives innovation, enables retention, and supports evolving business needs.

Growth and Market Expansion

Strong customer relationships, a growing market presence, and the ability to capitalize on new business opportunities and evolving market needs.

NETSOL

Operational and Technology Resilience

Business continuity supported by reliable technology, resilient energy supply, and a robust supply chain capable of responding to disruptions.

Trust and Governance

Strong governance, ethical business practices, regulatory compliance, cybersecurity, data privacy, and responsible Artificial Intelligence governance to safeguard stakeholder trust and reinforce accountability.

Climate Transition and Sustainable Growth

Resilience to climate and market shifts, supported by low-carbon transition readiness, sustainable business practices, and evolving demand for sustainable products and solutions.

Strategic Time Horizons

Short-Term

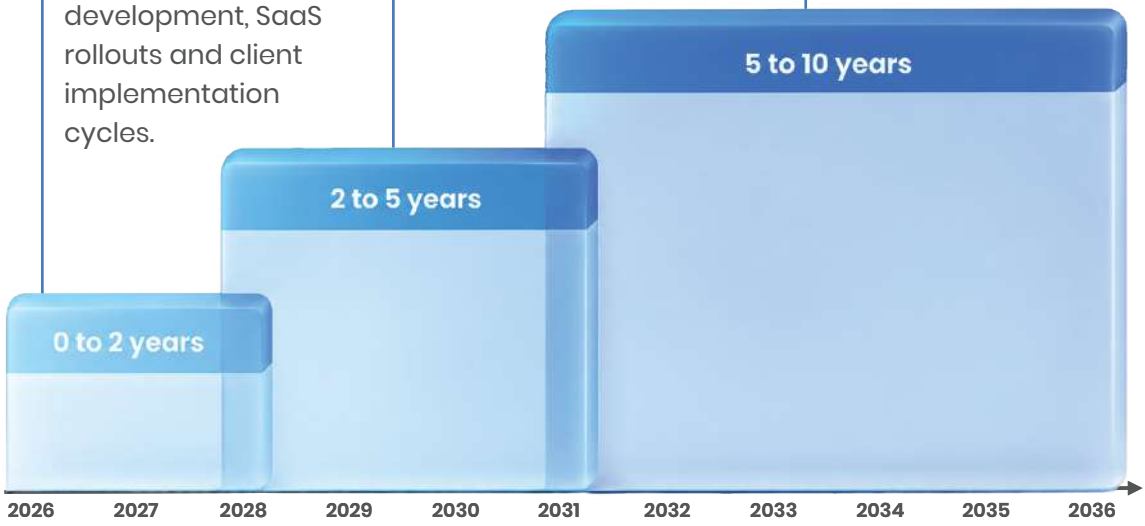
Represents the period of greatest management visibility and operational influence, aligned with budgeting, forecasting, product development, SaaS rollouts and client implementation cycles.

Medium-Term

Aligns with NETSOL's strategic planning and major initiative execution cycles, covering platform modernization, cloud migration and multi-year investments, with a focus on measurable targets, capital allocation and business growth.

Long-Term

Reflects the lifecycle of NETSOL's core finance and leasing platforms and captures longer-term technological, competitive and regional developments.



The Company's time horizons have been determined through a structured assessment of the nature, timing, and expected duration of sustainability- and climate-related risks and opportunities, taking into consideration the Company's business model, strategic objectives, financial and operational planning cycles, capital allocation and investment horizons, asset and technology lifecycles and product development.

The assessment also considers the anticipated timing over which identified sustainability- and climate-related risks and opportunities may reasonably be expected to materialize and affect the Company's cash flows, access to finance, cost of capital, financial position, financial performance, or broader enterprise value. Accordingly, the defined short-, medium-, and long-term horizons are intended to reflect the periods over which such risks and opportunities are expected to emerge, evolve, or potentially influence the Company's strategy, business model, and financial outlook.

The Transition Imperative

Emerging Transition Ambition

Our approach to climate transition is currently under development and will evolve as our understanding, data and capabilities mature.

Foundations for Transition

Governance & Accountability

- Define roles and responsibilities
- Integrate into risk and planning processes
- Build internal capabilities
- Enhance oversight as the approach matures

Climate Risk & Resilience

- Assess physical and transition risks
- Strengthen business continuity and technology resilience
- Consider scenario analysis
- Integrate into enterprise risk management

Emissions & Data Baseline

- Improve Scope 1 and 2 emissions data
- Progressively assess relevant Scope 3 categories
- Establish baseline to inform priorities
- Enhance data quality and monitoring over time

Potential Transition Initiatives

01 Efficient Digital Infrastructure

- Improve energy efficiency of IT infrastructure
- Explore cloud & data centre efficiency
- Consider energy efficiency in future technology procurement

02 Lower-Carbon Operations

- Assess renewable electricity options
- Improve building efficiency
- Reduce business travel where possible
- Explore lower-carbon commuting & mobility

03 Responsible Technology & Procurement

- Integrate environmental considerations in procurement
- Engage key suppliers
- Consider supplier emissions data
- Explore lifecycle & efficiency aspects

04 Climate-Resilient Operations

- Assess exposure of critical infrastructure
- Strengthen redundancy & continuity
- Consider climate risks in future planning
- Evaluate adaptation measures where material

05 Climate-Enabled Products & Solutions

- Explore how our solutions can support customers' efficiency
- Consider sustainability features in product development
- Identify opportunities to support customers' climate-related needs

Our Emerging Transition Architecture

Efficient Digital Infrastructure > Lower-Carbon Operations > Technology & Procurement > Value Chain Transition > Climate Resilience & Adaptation

Supported by governance, data and capability development

Path Forward

Establish Baseline > **Identify Priorities** > **Evaluate Initiatives** > **Define Targets & Roadmap** > **Implement & Monitor**

Establish Baseline	Identify Priorities	Evaluate Initiatives	Define Targets & Roadmap	Implement & Monitor
Improve emissions, energy and climate-risk data	Assess material risks, dependencies and opportunities	Assess feasibility, expected impact & business relevance	Develop appropriate targets, timelines & responsibilities where supported by evidence	Progressively implement priority actions and track performance

Sustainability and Climate-related Risks and Opportunities Portfolio

Risks	Expected Occurrence	Value Chain Relevance (Upstream / Own Operations / Downstream)	Impact on Capitals
R1 Talent Availability and Retention	Short-term	Own Operations, Downstream	Financial, Human, Intellectual
R2 Supply Chain Due Diligence	Medium-term	Upstream, Own Operations, Downstream	Financial, Social
R3 Energy Supply Disruptions	Short-term	Own Operations, Downstream	Financial, Manufactured
R4 IT Infrastructure Modernization	Long-term	Own Operations, Downstream	Financial, Manufactured, Intellectual
R5 AI Governance	Short-term	Upstream, Own Operations, Downstream	Financial, Social, Intellectual
R6 Regulatory Compliance	Long-term	Own Operations, Downstream	Financial, Social
R7 Cybersecurity and Data Privacy	Long-term	Upstream, Own Operations, Downstream	Financial, Social, Intellectual
R8 Extreme Weather Events	Short-term	Upstream, Own Operations, Downstream	Financial, Human, Manufactured
R9 Air Quality	Short-term	Own Operations, Downstream	Manufactured, Human, Natural
R10 Transition to Low Carbon Economy	Medium-term	Upstream, Own Operations, Downstream	Financial, Manufactured
R11 Carbon Tax	Long-term	Upstream, Own Operations, Downstream	Financial, Manufactured

Short-term (0 to 2 years) | Medium-term (2 to 5 years) | Long-term (5 to 10 years) | Occurrence Not Expected

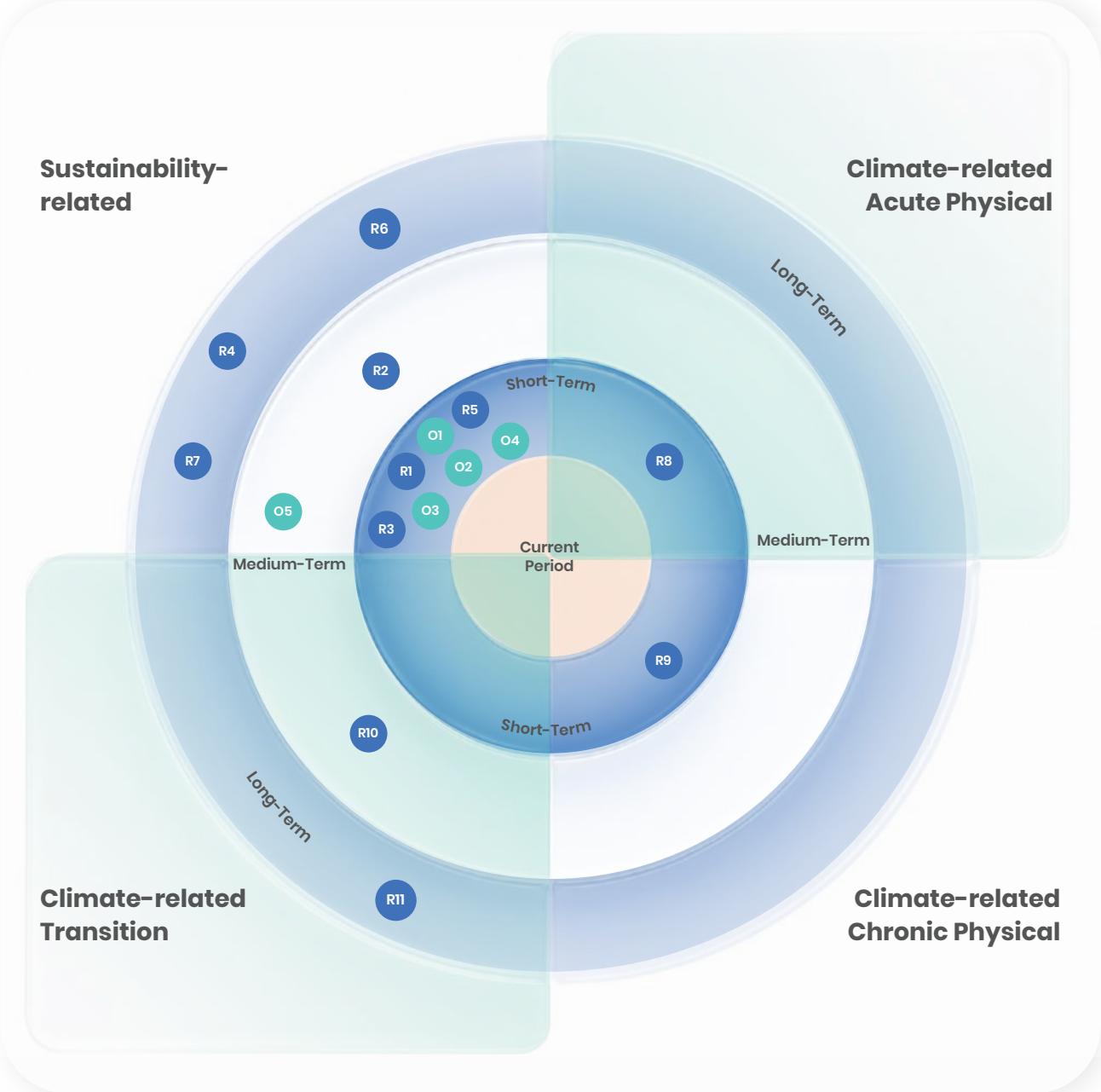
Business Model Capitals Financial | Human | Intellectual | Social | Natural | Manufactured

Opportunities	Expected Occurrence	Value Chain Relevance (Upstream / Own Operations / Downstream)	Impact on Capitals
O1 Future Skills Readiness	Short-term	Own Operations, Downstream	Financial, Social, Human
O2 Customer Centricity	Short-term	Own Operations, Downstream	Financial, Social, Human
O3 Expansion into Underserved Markets	Short-term	Own Operations, Downstream	Financial, Social, Manufactured
O4 Innovation and Emerging Tech	Short-term	Own Operations, Downstream	Financial, Intellectual
O5 Sustainable Product	Medium-term	Upstream, Own Operations, Downstream	Financial, Social, Intellectual

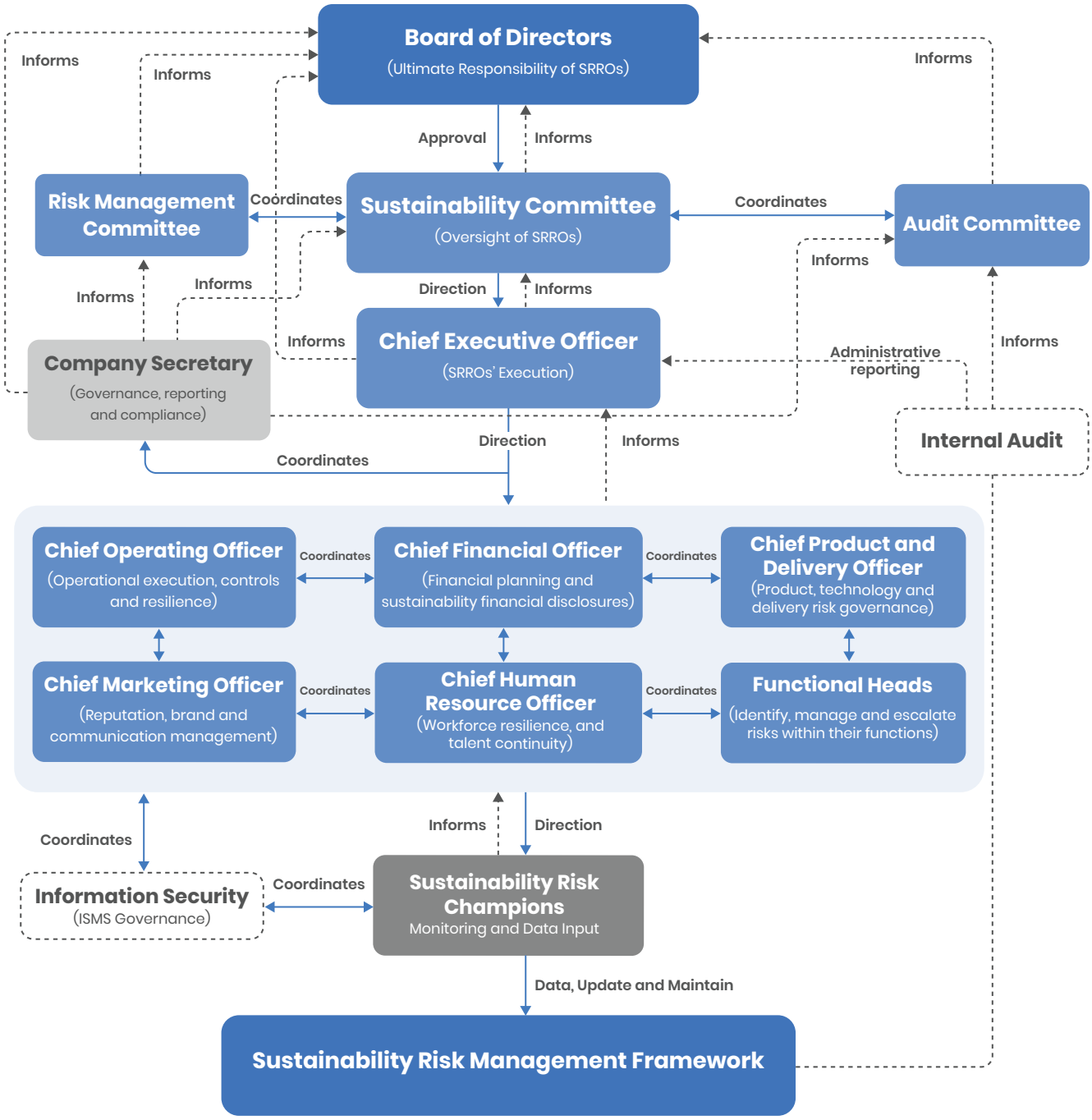
Short-term (0 to 2 years) | Medium-term (2 to 5 years) | Long-term (5 to 10 years) | Occurrence Not Expected

Business Model Capitals Financial | Human | Intellectual | Social | Natural | Manufactured

Risk and Opportunity Radar



Risk Governance Framework



Governance, Accountability and Responsible Technology

Strong governance underpins how NETSOL conducts its business, manages risk, and supports the creation of sustainable long-term value. As a technology-driven organization operating in an increasingly interconnected environment, the Company's governance framework extends beyond traditional oversight to encompass ethical conduct, responsible risk management, information security, technology resilience, and organizational accountability.

Data Protection and Responsible Information System

NETSOL protects information through a combination of secure access, data privacy and information-handling controls. Access to IT systems is managed on a need-to-know basis, supported by multi-factor authentication, password controls, access reviews, and safeguards for privileged accounts. Our Data Privacy Policy and Privacy Impact Assessments support responsible management of personal information, while Data Transference & Protection Policy establishes controls for the secure storage, access and transfer of sensitive and business-critical information, including through backups, removable media and email.

Zero

Identified Leaks, Thefts or Loss of Customer Data

Zero

Substantiated Customer Privacy Complaints

Encryption

Adding an Essential Layer of Protection

Protects Data at Rest	Confidential information on laptops, desktops and removable media are to be appropriately encrypted
Protects Data in Transit	Information transmitted across untrusted networks are to be encrypted
Special Protection for Personal Information	Additional safeguards reduce the risk of unauthorized disclosure during storage and transmission

Controls Around Cryptographic Technology

NETSOL manages cryptographic keys across their lifecycle, from secure generation and authorized distribution to protection, revocation, archiving and destruction. Controls safeguard keys against loss, misuse and unauthorized access, with compromised keys promptly revoked and retired keys securely archived or destroyed when no longer required.

Addressing Tech Vulnerabilities

- Continuous Monitoring
- Regular Backups & Snapshots
- Automated Scripts & Azure DevOps Pipelines
- Restore/Redeploy in Alternate AWS Region

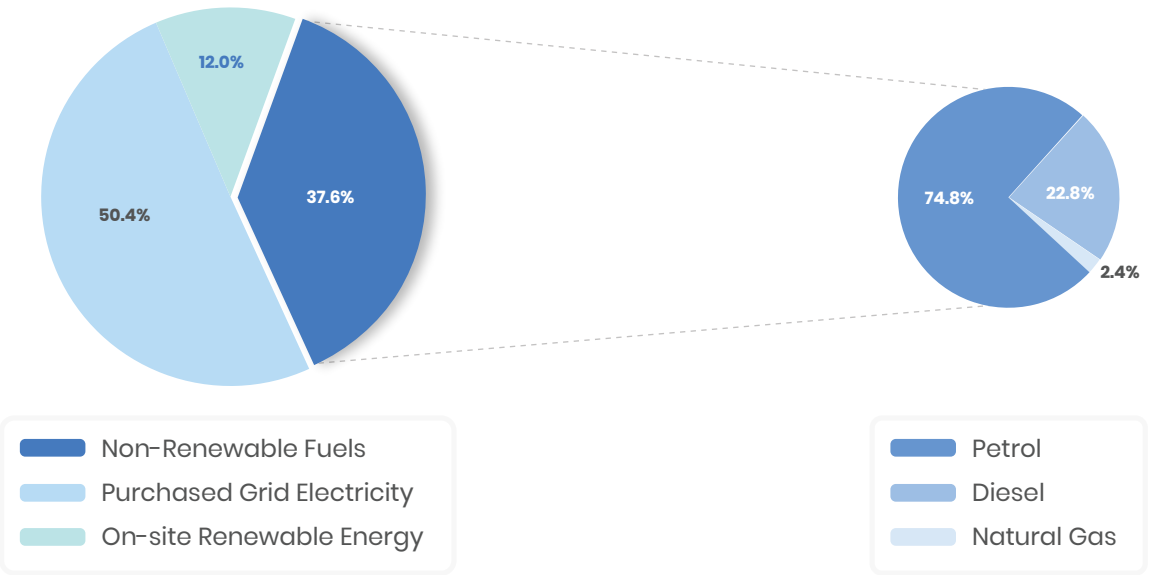
ISO 27001 | ISO 20000-1 | ISO 9001 | SOC 2 TYPE 2 | ISO 27005

Sustainable Operations

Energy

NETSOL's energy consumption was primarily associated with the operation of its development centers and offices, standby power systems supporting business continuity during grid interruptions, and the vehicle fleet used for employee and business mobility. Total energy consumption for the year amounted to 14,169 GJ. As a services-based organization, NETSOL's energy profile is predominantly driven by workplace operations, information technology infrastructure, mobility requirements and standby power, rather than energy-intensive manufacturing or production activities. Electricity constitutes a significant component of the Company's operational energy demand, supplemented by fuel consumption associated with standby power generation and vehicle operations.

Our Energy Profile



Emissions

NETSOL has completed its first comprehensive greenhouse gas inventory, covering Scope 1 and Scope 2 emissions together with the applicable Scope 3 categories across its value chain. The inventory has been prepared in accordance with the GHG Protocol using an operational control approach. The Company's emissions profile has been predominantly driven by value chain activities rather than its directly controlled operations, consistent with its asset-light, software-led business model and the absence of manufacturing or physical product distribution activities. Employee commuting has represented the largest source of emissions, making employee mobility the Company's most significant emissions driver and a key area for potential emissions reduction.

During the year, NETSOL introduced on-site solar generation, marking an initial step towards diversifying its energy mix and reducing reliance on purchased grid electricity and diesel-based standby generation. This initiative provides a foundation for further renewable energy deployment and energy-efficiency measures, with the objective of progressively improving energy performance, strengthening operational resilience and reducing the environmental footprint associated with the Company's energy consumption.

3,926 tCO_2e

NETSOL's total GHG Emissions for FY26

Scope 1

473 tCO_2e

Represents 12.1% of total emissions

Scope 2

785 tCO_2e

Represents 20% of total emissions

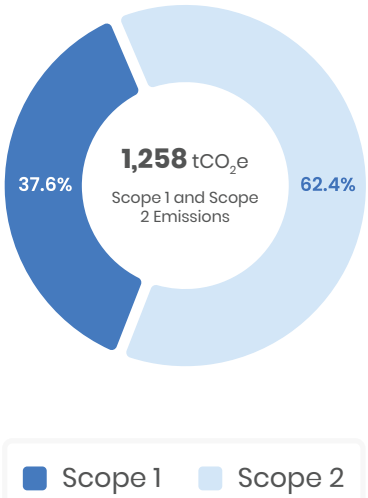
Scope 3

2,668 tCO_2e

Represents 67.9% of total emissions

Applicable Scope 3 Categories

- Purchased Goods and Services
- Capital Goods
- Fuel- and Energy-Related Activities
- Upstream Transportation & Distribution
- Business Travel
- Employee Commuting



Empowering People

Building a skilled, engaged and future-ready workforce

Zero

Days Away, Restricted or Transferred
Work-related Ill Health Cases
Safety-related Incident Cases

1,075
Total Employees

1,057
Full-Time Employees

18
Contracted Employees

264
New Hires and Employee Turnover

9
Differently-abled people in workforce

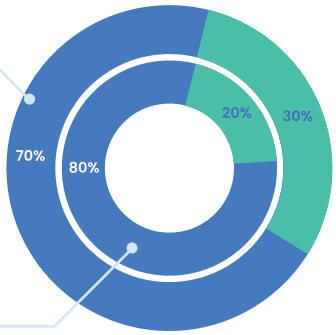
NETSOL's people are central to its ability to deliver technology solutions, support clients across markets and sustain innovation. As a technology-driven organization, the Company's workforce combines early-career professionals with experienced employees across operational, technical, managerial and leadership roles. NETSOL's approach to workforce management focuses on attracting relevant capabilities, supporting employee development and maintaining the talent required to deliver business objectives.

Attracting and Retaining Diverse Talent

NETSOL continues to attract talent across career stages, with younger professionals comprising the largest share of new hires, while supporting the recruitment, retention and development of a diverse workforce. The Company promotes fair employment practices and monitors workforce trends to strengthen representation and employee experience.

Outer circle of this chart represents **total employee turnover** breakdown by gender

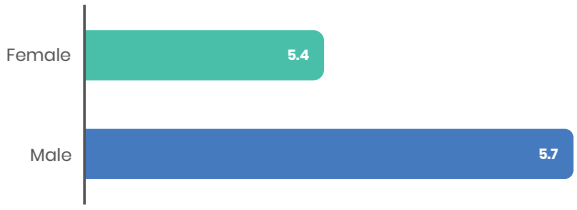
Inner circle of this chart represents **total new hires** in NETSOL, breakdown by gender



Female Employees
Male Employees

Learning, Development and Future Skills

Average Hours of Training Per Employee



7,157
Training Hours Delivered

PKR 18.7m
Invested in Employee Development

Employee Benefits

- Insurance & Healthcare
- Life Benefits
- Retirement Benefits
- Stock Ownership
- Well-being Support

Gender Pay Gap Statement

NETSOL Technologies Limited is committed to building an inclusive and equitable workplace where diverse perspectives fuel innovation and every employee is valued, respected, and supported. As a people-driven technology organization, NETSOL seeks to create an environment where talent can thrive, opportunities are accessible on an equitable basis, and individuals are empowered to contribute and grow irrespective of gender.

In line with this commitment, the gender pay gap calculation for the year ended June 30, 2026 has been prepared and presented in accordance with the requirements of the circular issued by the Securities and Exchange Commission of Pakistan (SECP).

Gender Pay Gap calculated for year ended June 30, 2026

Mean Gender Pay Gap	Median Gender Pay Gap
28.4%	21.2%

Salim Ullah Ghauri
Chief Executive Officer

Date: June 30, 2026

Community Development

NETSOL Technologies Limited supports community development through initiatives aligned with local needs and opportunities to create meaningful social impact. The Company engages with relevant institutions and community partners to identify areas where its support can contribute to improved access to education, social development, and community well-being. Through these engagements, NETSOL seeks to direct its community investments towards initiatives that address identified needs and generate positive outcomes for the communities in which it operates.

During FY26, NETSOL Technologies Limited invested PKR 102.43 million in community development initiatives across Pakistan, supporting organizations and initiatives focused on creating positive and lasting community impact.

62.59%
Education

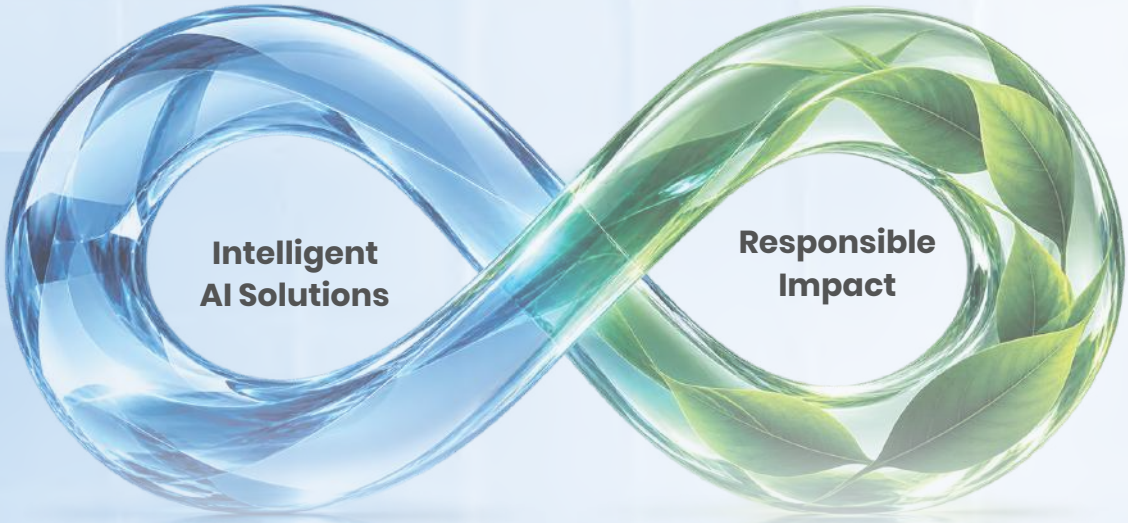
0.50%
Healthcare / Humanitarian Support

34.37%
Community Welfare & Social Support

1.07%
Disaster Relief

1.46%
Others

AI-FIRST.
FUTURE-READY.
SUSTAINABLE BY INNOVATION.



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07

Notice of Annual General Meeting

Notice of Annual General Meeting

Wednesday, October 28, 2026
11:00 AM
In-person NETSOL Registered Office and through Zoom

NOTICE IS HEREBY GIVEN THAT the 30th Annual General Meeting ("AGM") of the shareholders of NETSOL Technologies Limited (the "Company") will be held on October 28, 2026 at 11:00 A.M at the Registered Office of the Company situated at NetSol IT Village (Software Technology Park) Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt., and through video link facility to transact the following ordinary business:

1. To receive, consider and adopt the annual audited separate and consolidated financial statements of the Company for the year ended June 30, 2026 along with Reports of Directors, Chairman and Auditors thereon.

   In accordance with Section 223 of the Companies Act, 2017 and pursuant to SECP SRO 389(I)/2023 dated March 21, 2023, the financial statements of the Company can be accessed through the following weblink and QR enabled code:

   https://www.netsolpk.com/investor-information

2. To declare and approve final cash dividend of Rs.1.5/- per share (i.e., @15%) as recommended by the board of directors.

3. To appoint Auditors of the Company for FY 2026-27 and to fix their remuneration. The shareholders are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s Crowe Hussain Chaudhury & Co. Chartered Accountants for appointment as auditors of the Company.

   By Order of the Board

   _____

   SEHRISH

   Company Secretary

   October 07, 2026

   Lahore

NOTE:

1. Share transfer books of the Company will remain closed from October 22, 2026 to October 28, 2026 (both days inclusive). Physical/ CDC transfers received in order at the Shares Registrar, M/s Vision Consulting Ltd., 5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore Tel: (92 42) 36283096, 36283097 and Fax: (+92 42) 36312550 by the close of business on October 21, 2026 will be treated in time, to the entitlements and to attend and vote at the meeting.

2. Shareholders are requested to notify the change of address, if any.

3. **Participation in the AGM**

   Pursuant to the requirement of Securities and Exchange Commission of Pakistan (SECP), Shareholders may wish to participate virtually in the AGM. For this purpose, the shareholders are requested to visit company's website for registration.

   In case of any queries, please feel free to email at: corporate@netsolpk.com

   Please note that registration for the meeting shall close at 06:00 pm on October 27, 2026 after which participants / shareholders shall be unable to register for the meeting. All participants / shareholders who would have registered within the prescribed timeline shall receive a meeting link and shall be able to access the meeting therefore, the Company emphasizes on timely registrations.

   Pursuant to SECP's circular no. 10 dated May 21, 2014 read with section 132(2) & 134(1)(b) of the Act, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a city, to participate in the AGM through video conference at least seven (7) days prior to the date of the AGM, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit it to the registered address of the Company at least seven (7) days before the date of AGM.

   I/We _____ of _____, being member(s) of NETSOL Technologies Limited holder _____ ordinary share(s) as per register folio no. _____ hereby opt for video conference facility at _____.

4. A member entitled to attend and vote at the general meeting may appoint another member as his/her proxy to attend and vote on his/her behalf through video link and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Annual General Meeting as are available to a Member. In order to be effective, proxies, complete in all respect, must be received at the registered office of the Company not less than 48 hours before the scheduled time of the meeting. Proxy Form in English and Urdu languages is attached herewith.

5. CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular 1 dated January 26, 2000:

A) For Attending the Meeting:

a) In case of individuals, the account holder or sub-account holder and/ or the persons whose shares are in group accounts and their registration details are uploaded as per CDC regulations shall authenticate their identity by showing their original computerized national identity cards (CNICs) or original passport at the time of attending the meeting.

b) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B) For Appointing Proxies:

a) In case of individuals, the account holder or sub-account holder and/ or persons whose shares are in group accounts and their registration details are uploaded as per CDC regulations, shall submit the proxy form as per the above requirements.

b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

c) Attested copies of CNICs or the passport of the beneficial owners and the proxy shall be furnished

with the proxy form.

d) The proxy shall attach attested copy of his/ her CNIC or passport to the company.

e) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted.

ATTENTION OF THE MEMBERS ARE DRAWN TO THE FOLLOWING MATTERS:

6. CNIC, IBAN for E-Dividend & Zakat

a) As per Section 242 of the Companies Act 2017, in case of a public listed company, any dividend payable in cash shall only be remitted through electronic mode directly into the bank account designated by the entitled members. Therefore, through this notice, all shareholders are requested to update their bank account No. (IBAN), CNIC & details in the Central Depository System through respective participants. In case of physical shares, the members shall provide bank account (IBAN) details to our Share Registrar, M/s Vision Consulting Ltd. Please ensure an early update of your particulars to avoid any inconvenience in future. e-Dividend mandate form is enclosed in the annual report and also available on the website of the Company, www.netsolpk.com. In case of non-submission, all future dividend warrants may be withheld.

b) Members are requested to submit declaration (CZ-50) as per Zakat & Ushr Ordinance 1980 for zakat exemption and to advise change in address, if any.

7. Deduction of Income Tax from Dividend at Revised Rates

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Withholding of tax on dividend based on 'Active' and 'Non-Active' status of Members shall be @ 15% and 30% respectively. 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (http://www.fbr.gov.pk/)and 'Non-Active' means a person whose name does not appear on the Active Taxpayers List.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on Active / Non-Active status of principal Member as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

All Members who hold shares with joint Members are requested to provide shareholding proportions of principal Member and Joint-Member(s) in respect of shares held by them to our share registrar, M/s Vision Consulting Limited before the close of business on October 21, 2026, as per the following format:

Name of Principal Member/ Joint Holders	Shareholding proportions (%)	CNIC No. (copy to be attached)	Folio /CDC Account No.	Total Shares	Signature

8. Unclaimed Dividend and/Shares:

The Company has previously discharged its responsibility under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach our Share Registrar to claim their outstanding dividend amounts and/ or undelivered share certificates.

9. Dissemination of Annual Audited Accounts and Notice of Annual General Meeting

As required under section 223(7) of the Companies Act 2017, the Company has placed the Audited Annual Separate and Consolidated Financial Statements for the year ended June 30, 2026 along with Auditors' and Directors' Reports thereon and Chairman's Review Report uploaded on Company's website which can be downloaded from the following link and QR enabled code:

https://www.netsolpk.com/investor-information

Further, in accordance with SRO 389(I)/2023 dated March 21, 2023, through which SECP has allowed the listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and web link instead of transmitting the same in the form of CD/DVD/USB, the Company had obtained shareholder's approval in its Extra-Ordinary General Meeting held on June 23, 2023.

In compliance with section 223(6) of the Companies Act, 2017 and SECP SRO 389(I)/2023 dated March 21, 2023, the Annual Report of the Company shall be circulated via email to those shareholders whose email addresses are present in the records/database of the CDC and Share Registrar. The members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar M/s Vision Consulting Limited, if the Member holds shares in physical form or, to the Member's respective Participant/ Investor Account Services, if shares are held in book entry form.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2026, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar M/s Vision Consulting Limited, if the Member holds shares in physical form or, to the Member's respective Participant/ Investor Account Services, if shares are held in book entry form.

10. Conversion of Physical Shares into the Book Entry From

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

The Members of the Company having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The Members may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the Members in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the Members may contact our Share Registrar, M/s Vision Consulting Limited.

11. **Proxy From**

    A Proxy Form is enclosed and is also available on the Company's Website.

12. **Statutory Code of Conduct at AGM**

    Shareholders are requested to observe the Statutory Code of Conduct at the AGM in accordance with Section 215 of the Companies Act, 2017 and Regulation 55 of the Companies Regulations, 2024, whereby shareholders are not permitted to exert influence or approach the Management directly for decisions, which may lead to creation of hurdles in the smooth functioning of the Management. As mentioned in these provisions, shareholders shall not bring material that may cause threat to participants or premises where the AGM is being held, confine themselves to the agenda items covered in the notice of the AGM and shall not conduct themselves in a manner to disclose any political affiliation.

13. **Prohibition on Distribution of Gifts and Shareholder Conduct:**

    In compliance with Section 185 of the Companies Act, 2017 and S.R.O 452(I)/2025 dated March 17, 2025 issued by SECP, shareholders are hereby informed that no gifts, in any form, shall be distributed at or in connection with the general meeting. Shareholders are also advised to observe decorum and meeting etiquette as prescribed in SECP's Guidelines for Professional Conduct in General Meeting.

Shareholders' Information

Registered Office

NETSOL IT Village (Software Technology Park)
Lahore Ring Road, Ghazi Road Interchange
Lahore Cantt.
54792, Pakistan
Tel: +92-42-111-44-88-00
Fax: +92-42-35726740, 35701046

Listing and Symbol

Equity shares of the company are listed & traded on Pakistan Stock Exchange Limited under the symbol "NETSOL".

Listing Fees

Annual listing fee for the financial year 2025-26 has been paid to Stock Exchange.

Dividend

The Board of Directors of the Company, in their meeting held on September 28,2026, has proposed a final cash dividend of 15% i.e Rs.1.5 per share for the year ended June 30,2026, for the approval of members at Annual General Meeting.

Book Closure Dates

Share Transfer Books of the Company will remain closed from 22nd October 2026 to 28th October 2026 (both days inclusive).

Shares Registrar

Vision Consulting Limited
5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore
Tel: +92-42-36283096,36283097
Fax: +92-42-36312550

The Share Registrar has online connectivity with Central Depository Company of Pakistan Limited (CDC). It undertakes all activities related to share transfers, transmission, issuance of duplicate/re-validated dividend warrants, issuance of duplicate/replaced share certificates, change of address and other related matters.

For assistance, shareholders may contact the following designated person of the Registrar:

Contact Person

Raza ul Mustafa Khan
Manager Shares

Investor Grievances

Contact Persons

Registrar

Raza ul Mustafa Khan-Manager Shares

Vision Consulting Limited 5-C, LDA Flats, 2nd Floor, Lawrence Road, Lahore. Tel: +92-42 36283096 & 36383097 Fax: +92-42 36312550
Email:shares@vcl.com.pk

Company

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

Service Standards

We have always endeavored to provide our valued investors with prompt services. Listed below are various services with their maximum time limit set out against each for their execution.

Sr.No.	Activities	For Request Received through post	Over the Counter
1	Transfer of Shares	15 days after receipt	15 days after receipt
2	Transmission of Shares	15 days after receipt	15 days after receipt
3	Issuance of duplicate share certificates	30 days after receipt	30 days after receipt
4	Change of Address	2 days after receipt	15 minutes

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08

Financial Statement

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Crowe Hussain Chaudhury & Co.
7th Floor, Gul Mohar Trade Centre,
8-F, Main Market, Gulberg II,
Lahore-54660, Pakistan
Main +92-42-3575 9223-5
www.crowe.pk

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NETSOL TECHNOLOGIES LIMITED

REPORT ON THE AUDIT OF THE UNCONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the annexed unconsolidated financial statements of **NETSOL TECHNOLOGIES LIMITED** (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2026, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2026 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
1. Revenue recognition	
Refer to notes 4.10 and 29 to the unconsolidated financial statements.	Our key audit procedures included the following:

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Key audit matters	How the matter was addressed in our audit
The Company has earned revenue of Rs. 10,476.41 million for the year ending June 30, 2026. The Company's revenue is derived from multiple revenue streams, as referred to in Note 29 to the accompanying unconsolidated financial statements, including license, rendering of services and subscription and support. Each stream has its own revenue recognition policy based on the nature of revenue and underlying contractual arrangements as referred to in Note 4.10. Certain contracts with customers require significant management judgment to determine the appropriate timing and method of revenue recognition. We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and inherent risk of material misstatement.	• Assessed the appropriateness of the Company's revenue recognition policies and their compliance with applicable accounting and reporting standards. • Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the design and operating effectiveness of those controls. • Tested a sample of transactions from multiple revenue streams against supporting documents, including contracts, invoices, time sheets, completion certificates and other relevant records. • Agreed revenue recorded to signed contracts and other supporting evidences. • Traced the recorded revenue to subsequent recoveries of customers as evidence of its collectability. • Evaluated management's key judgments in determining the timing and basis of revenue recognition, especially for complex contracts involving significant estimation. • Performed cut-off procedures on sales to ensure revenue has been recorded in the correct period. • Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and reporting standards.
2. Valuation of trade debts and contract assets	
Refer to notes 4.12, 4.13, 9, 11 and 12 to the unconsolidated financial statements. The Company's gross trade debts and contract assets as at June 30, 2026 are Rs. 7,726.48 million and Rs. 2,693.59 million respectively against which allowances for expected credit losses of Rs. 223.92 million and Rs. 155.13 million have been recognized. The loss allowance for expected credit losses (ECL model) on trade debts and contract assets has been recognized in the unconsolidated financial statements using the	Our key audit procedures included the following: • Evaluated management's process for applying the Expected Credit Loss (ECL) model to determine impairment losses on trade debts and contract assets. • Evaluated key judgments and estimates made by the Company's management in relation to the application of the ECL model. • Evaluated the ECL model for appropriateness of the methodology used and the arithmetical accuracy.

Key audit matters	How the matter was addressed in our audit
guidance included in IFRS 9 'Financial Instruments'. Determination of ECL provision for trade debts and contract assets requires significant judgment and assumptions including consideration of factors such as historical credit loss experience, time value of money and forward-looking macroeconomic information. We have considered this area as a key audit matter due to its size and the significant management judgement involved in its valuation.	• Checked the appropriateness of aging on a sample basis. • Circularized balance confirmation request for trade debts on sample basis and evaluated the responses received. • Traced subsequent clearance of balances outstanding as of June 30, 2026, on a sample basis. • Assessed financial impacts and appropriateness of disclosures made in the unconsolidated financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such

communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

Lahore
Dated: September 29, 2026
UDIN: AR202610051iBZ2plENY

Unconsolidated Statement of Financial Position

As at June 30, 2026

	NOTE	2026	2025
		Rupees in Thousands	
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	**1,435,583**	1,225,066
Intangible assets	7	**576,385**	-
Long term investments	8	**537,218**	537,218
Long term contract assets	9	**585,094**	20,846
Long term loans to employees	10	**6,431**	8,590
		3,140,711	1,791,720
CURRENT ASSETS			
Trade debts	11	**7,502,558**	5,740,008
Contract assets	12	**1,953,373**	1,997,736
Loans and advances	13	**142,969**	42,041
Deposits and short term prepayments	14	**117,286**	226,057
Other receivables	15	**124,982**	127,085
Due from related parties	16	**499,548**	362,685
Prepaid tax asset	17	**29,899**	70,468
Short term investment	18	**400,000**	200,000
Cash and bank balances	19	**3,797,791**	3,696,726
		14,568,406	12,462,806
TOTAL ASSETS		**17,709,117**	14,254,526

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

	NOTE	2026	2025
		Rupees in Thousands	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000 (2025: 200,000) ordinary shares of Rs. 10 each		**2,000,000**	2,000,000
Issued, subscribed and paid up capital	20	**898,369**	898,369
Reserves	21	**11,815,211**	10,016,074
Share deposit money		**-**	3,868
Shareholders' Equity		**12,713,580**	10,918,311
NON CURRENT LIABILITIES			
Long term financing	22	**57,862**	13,343
Lease liabilities	23	**-**	-
Long term advances	24	**18,165**	5,415
		76,027	18,758
CURRENT LIABILITIES			
Trade and other payables	25	**928,059**	972,870
Contract liabilities	26	**1,766,399**	151,621
Short term borrowings	27	**2,180,000**	2,180,000
Current portion of non current liabilities		**40,611**	8,428
Unclaimed dividends		**4,441**	4,538
		4,919,510	3,317,457
CONTINGENCIES AND COMMITMENTS	28	**-**	-
TOTAL EQUITY AND LIABILITIES		**17,709,117**	14,254,526

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

Unconsolidated Statement of Profit or Loss

For the Year Ended June 30, 2026

	NOTE	2026	2025
		Rupees in Thousands	
Revenue from contracts with customers - net	29	**10,476,405**	9,018,961
Cost of revenue	30	**(5,986,934)**	(5,434,938)
Gross profit		**4,489,471**	3,584,023
Selling and promotional expenses	31	**(909,774)**	(854,357)
Administrative expenses	32	**(1,590,167)**	(1,436,792)
		(2,499,941)	(2,291,149)
Operating Profit		**1,989,530**	1,292,874
Other operating expenses	33	**(298,780)**	(635,533)
Finance cost	34	**(163,427)**	(227,716)
Other income	35	**339,566**	837,296
		(122,641)	(25,953)
Profit before Final Taxes and Income Tax		**1,866,889**	1,266,921
Final tax / levies	36	**(187,936)**	(235,994)
Profit before Income Tax		**1,678,953**	1,030,927
Income tax		**-**	-
Net Profit for the Year		**1,678,953**	1,030,927
Earnings per Share	37		
- Basic		**19.45**	11.89
- Diluted		**19.29**	11.71

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Unconsolidated Statement of Comprehensive Income

For the Year Ended June 30, 2026

	2026	2025
	Rupees in Thousands	
Net Profit for the Year	**1,678,953**	1,030,927
Other comprehensive income		
Items that may be re-classified subsequently to profit or loss	-	-
Items that will not be re-classified subsequently to profit or loss	-	-
Total other comprehensive income	-	-
Total Comprehensive Income for the Year	**1,678,953**	1,030,927

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Unconsolidated Statement of Changes in Equity

For the Year Ended June 30, 2026

Particulars	Issued, sub-scribed and paid up capital	Capital Reserve			Revenue Reserve	Total Reserves	Share Deposit Money	Total Equity
		Share Premium	Employee Share Option Compensa-tion Reserve	Treasury Share Reserve	Unappropri-ated 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 year	-	-	-	-	1,030,927	**1,030,927**	-	**1,030,927**
Other comprehensive income for the year	-	-	-	-	-	**-**	-	**-**
Total comprehensive income for the year	-	-	-	-	1,030,927	**1,030,927**	-	**1,030,927**
Transactions with owners of the equity								
Payment of final dividend for the year ended June 30, 2024 @ Rs 3 per share	-	-	-	-	(263,511)	**(263,511)**	-	**(263,511)**
Employee share option reserve	-	-	4,349	-	-	**4,349**	-	**4,349**
Share deposit money received - net	-	-	-	-	-	**-**	3,855	**3,855**
Acquisition of treasury shares	-	-	-	(419,988)	-	**(419,988)**	-	**(419,988)**
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 year			-	-	1,678,953	**1,678,953**	-	**1,678,953**
Other comprehensive income for the year	-	-	-	-	-	**-**	-	**-**
Total comprehensive income for the year	-	-	-	-	1,678,953	**1,678,953**	-	**1,678,953**
Transactions with owners of the equity								
Re-issuance of treasury shares against stock options to employees	-	447	(22,881)	142,618	-	**120,184**	(120,184)	**-**
Share deposit money received - net	-	-	-	-	-	**-**	116,316	**116,316**
Balance as at June 30, 2026	**898,369**	**304,614**	**246,255**	**(462,109)**	**11,726,451**	**11,815,211**	**-**	**12,713,580**

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

Unconsolidated Statement of Cash Flows

For the Year Ended June 30, 2026

	NOTE	2026	2025
		Rupees in Thousands	
Profit before final taxes and income tax			
Adjustments for:		**1,866,889**	1,266,921
- Depreciation - own assets	6	**249,804**	313,244
- Depreciation of right of use assets	6	**-**	607
- Gain on disposal of property and equipment	35	**(24,403)**	(12,542)
- Foreign exchange loss / (gain)	33	**801**	(313,273)
- Finance cost	34	**157,746**	223,287
- Interest income	35	**(297,326)**	(502,486)
- Effect of discounting of long term contract asset	35	**(15,737)**	(6,780)
- Employee share option compensation expense		**-**	4,349
- Provision for expected credit losses	33	**78,170**	290,694
		149,055	(2,900)
Operating profit before working capital changes		**2,015,944**	1,264,021
Decrease / (Increase) in current assets			
- Trade debts	11	**(1,751,747)**	(271,286)
- Contract assets	9 & 12	**(586,418)**	(371,139)
- Loans and advances	10 & 13	**(98,769)**	85,379
- Deposits and short term prepayments	14	**108,771**	(113,403)
- Other receivables	15	**2,103**	(73,067)
- Due from related parties	16	**(136,863)**	177,927
Increase / (Decrease) in current liabilities			
- Trade and other payables	25	**(50,777)**	207,285
- Contract liabilities	26	**1,615,061**	(1,296,143)
		(898,639)	(1,654,447)
Cash generated from / (Used) in Operations		**1,117,305**	(390,426)
Finance cost paid		**(159,567)**	(210,606)
Levy / final tax paid	17	**(147,367)**	(271,113)
Dividend paid		**(97)**	(262,797)
		(307,031)	(744,516)
Net Cash Generated from / (Used in) Operating Activities		**810,274**	(1,134,942)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of property and equipment	6	**(390,249)**	(275,548)
Proceeds from disposal of property and equipment	6	**26,200**	15,807
Advance against acquisition of fixed assets and Capital work in progress	6	**(71,869)**	(50,398)
Expenditure on intangibles - under development	7	**(576,385)**	-
Short term investments	18	**(200,000)**	(200,000)
Interest received	35	**297,326**	502,486
Net Cash Used in Investing Activities		**(914,977)**	(7,653)
CASH FLOWS FROM FINANCING ACTIVITIES			
Acquisition of treasury shares	21	**-**	(419,988)
Share deposit money - net		**116,316**	3,855
Long term financing obtained	22	**106,688**	19,613
Repayment of long term financing	22	**(29,986)**	(13,662)
Repayment of lease liability	23	**-**	(972)
Long term advances - net	24	**12,750**	3,420
Short term borrowing obtained	27	**-**	600,000
Net Cash Generated from Financing Activities		**205,768**	192,266
Net Increase / (Decrease) in Cash and Cash Equivalents		**101,065**	(950,329)
Cash and cash equivalents at the beginning of the year	19	**3,696,726**	4,647,055
Cash and Cash Equivalents at the End of the Year	19	**3,797,791**	3,696,726

The annexed notes from 1 to 49 form an integral part of these unconsolidated financial statements.

DIRECTOR **CHIEF EXECUTIVE OFFICER** **CHIEF FINANCIAL OFFICER**

Notes to and forming part of the Unconsolidated Financial Statements

For the Year Ended June 30, 2026

1. The Company and its Operations

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 limited company. It was later converted into Public Limited Company and subsequently listed on Pakistan Stock Exchange on August 26, 2005. The Company is domiciled in Pakistan and is principally engaged in the development and sale of computer software and allied services in Pakistan as well as abroad.

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

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

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

The Company is also using the branch office of its parent company, situated at Sentral Senayan 2 Building, LT 16 Jl, Asia Afrika No. 8, Jakarta, 10270, Indonesia.

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

2. Basis of Preparation

2.1 Separate unconsolidated financial statements

These are separate unconsolidated financial statements of the Company. The consolidated financial statements of the Company are prepared separately.

2.2 Statement of compliance

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

- IFRS Accounting Standards 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 provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

2.3 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for valuation of certain financial instruments which are carried at fair value / amortized cost as disclosed in respective accounting policies or notes to the unconsolidated financial statements.

2.4 Functional and presentation currency

These unconsolidated financial statements are presented in Pak Rupee (Rs.), which is Company's functional as well as presentation currency. All financial information presented in Pak Rupee has been rounded off to the nearest Thousands rupees unless stated otherwise.

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard or Interpretation		Effective Date - Annual Periods
		Beginning on or After
- IAS 21	Lack of Exchangeability (Ammendments to IAS 21)	January 1, 2025
- IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	July 1, 2025
- IFRS S2	Climate-related Disclosures	July 1, 2025

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either irrelevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Standard or Interpretation		Effective Date - Annual Periods
		Beginning on or After
- 'IFRS 1, 7, 9, 10 and IAS 7	Annual Improvements to IFRS Accounting Standards	January 1, 2026
- IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
- IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
- IFRS 19	Subsidiaries without Public Accountability: Disclosures (Ammendments)	January 1, 2027
- IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
- IAS 28	Fair Value Option for Investments in Associates and Joint Venture (Amendments)	January 1, 2027

2.7 Other than the aforementioned standards, interpretations, and amendments, IASB has also issued the following standards, which have yet not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at the reporting date:

- **IFRS 01** First-time Adoption of International Financial Reporting Standards
- **IFRS 20** Regulatory Assets and Regulatory Liabilities
- **IFRIC 12** Service Concession Arrangement

The management believes that adoption of the new standards, amendments and interpretations, which are in issue but not yet effective, is not likely to have any material impact, on the recognition, measurement, presentation and disclosure of items in the financial statements for current and future periods and foreseeable future transactions.

3. Use of estimates and judgments

The preparation of unconsolidated financial statements in conformity with approved accounting and reporting 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, 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.

The areas involving higher degree of judgement or complexity included in these financial statements are as follows:

- Provision for expected credit losses on accounts receivable / contract assets - Note 4.17, 11 & 12
- Provision for taxation - Note 4.6
- Useful lives and recoverable amounts of depreciable assets - Note 4.1 & 6
- Useful lives of intangible assets - Note 4.2 & 7
- Contingencies - Note 4.8 & 28
- Leases - Note 5.1 & 23
- Revenue recognition - Note 4.10 & 29
- Long term investment - Note 4.18 & 8
- Fair value of employee share options - Note 4.5 & 21

4. Material Accounting Policy Information

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented except stated otherwise.

4.1 Property and equipment

(i) Owned assets

Property and equipment, except for freehold land, are stated at cost less accumulated depreciation and identified impairment losses (if any). Freehold land is stated at cost less any identified impairment loss.

Depreciation is charged by applying straight line method to write off the cost over the remaining useful life of the assets. Rates of depreciation are stated in note 6.1. Depreciation method, residual value and useful lives of assets are reviewed at least at each reporting date and adjusted if impact on depreciation is significant.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases when the asset is derecognized. Depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of property and equipment is removed from the statement of financial position upon scrapping or disposal or when no future economic benefit is expected from its use, scrapping or disposal.

Day to day maintenance and normal repairs are charged to profit or loss as and when incurred. Gain or loss on scrapping or disposal of assets, if any, is charged to profit or loss. Gain or loss on disposal of assets is the difference between the sale proceeds and the carrying amount of the asset disposed off.

(ii) Right of use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and identified impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated over the shorter of their estimated useful life and the lease term. Right-of-use assets are amortized over the useful life of the assets using straight line method at the rates given in note 6.2. Amortization on additions begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortization of an asset ceases when the asset is derecognized. Right-of-use assets are also subject to impairment.

(iii) Capital work in progress

Capital work in progress is stated at cost less any identified impairment losses. It represents expenditure incurred on property and equipment during construction and installation. Cost also includes applicable borrowing costs under IAS 23. These expenditures are transferred to relevant assets' category as and when assets are available for use.

4.2 Intangible assets

Research and software products development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, it is probable that future economic benefits will flow to the Company, the Company has an intention and ability to complete and use or sell the software and cost can be measured reliably.

There are two components of intangible assets:

a. In-house developed intangible assets

b. Intangible assets acquired from market

(a) In-house developed intangible assets

The Company may capitalize certain computer software development costs in accordance with IAS-38 "Intangible Assets". Costs incurred internally to create a computer software product or to develop an enhancement to an existing product are charged to expense when incurred as research and development expense until technological feasibility for the respective product is established. Thereafter, all software development costs may be capitalized and reported at the lower of unamortized cost or recoverable amount. Capitalization will cease when the product or enhancement is available for general release to customers.

Amortization is charged on straight line basis over the useful life of the intangible assets. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Rates of amortization are stated in note 7.

(b) Intangible assets acquired from market

Intangible assets acquired from market are stated at cost less accumulated amortization and identified impairment losses, if any.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses are charged to profit or loss when they occur.

Amortization is charged by applying straight line method to write off the cost over the remaining useful life of the intangible assets unless such lives are indefinite. All intangible assets with an indefinite useful life are tested for impairment at each reporting date. Amortization on additions of acquired intangible assets begins when it is available for use, while amortization ceases at the time when the asset is disposed off. Rates of amortization are stated in note 6.1.

4.3 Impairment of non financial asset

The Company continually assesses, at each reporting date, whether there is any indication that an asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in profit or loss for the year. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

4.4 Foreign currency translation and transaction

Transactions denominated in foreign currencies are translated in Pak Rupees at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the foreign exchange rates prevailing at the reporting date. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the exchange rate prevailing at the date when fair values were determined. All exchange differences are charged to statement of profit or loss.

4.5 Staff benefits

(i) Retirement benefits

The Company operates a defined contributory Provident Fund for its permanent employees. Contributions are made equally by the Company and the employee at 8% of basic salary in the Provident Fund on monthly basis. Company's contribution is recognized as a cost in profit or loss. The fund is administrated by the Trustees.

(ii) Short-term benefits

Short-term benefits to employees are calculated without discounting and are recognized as cost when related services are received.

(iii) Employees' share option scheme

The Company operates an equity settled share based Employee' Share Option Scheme ("Scheme"). The fair value of options granted is determined at the grant date and is recognized as employee compensation expense on a straight line basis over the vesting period in profit or loss with corresponding credit to equity as employee compensation reserve. Fair value of options is arrived at using Black Scholes Pricing Model.

When the options are exercised, the proceeds received (share deposit money) equivalent to the face value of related shares is credited to share capital and any amount above the share capital is credited to share premium account.

4.6 Taxation

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing laws for taxation of income. The charge for tax on income is calculated at the current rates of taxation as applicable after taking into account tax credit and tax rebates available, if any. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Charge for tax expense also includes adjustments where necessary, relating to prior years which arise from assessments finalized during the current year.

Deferred tax is accounted for using the statement of financial position method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income in which case it is included in other comprehensive income.

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 'Application Guidance on Accounting for Minimum Taxes and Final Taxes' issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these unconsolidated financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence, these continue to be categorised as current income tax.

4.7 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and / or services received, whether or not billed to the Company.

Liabilities for trade and other payable in foreign currency are revalued by applying the exchange rate applicable on each reporting date.

4.8 Provisions and contingencies

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

4.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at current or saving accounts held with banks, fixed deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include facilities of running finance that form an integral part of the Company's cash management.

4.10 Revenue recognition

The Company follows IFRS 15 for the recognition of revenue from all its revenue streams. The Company determines revenue recognition using the following step wise approach:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, a performance obligation is satisfied

The Company records the amount of revenue and related costs by considering whether it is a principal (gross presentation) or an agent (net presentation) by evaluating the nature of its promise to the customer. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer. Revenue is presented net of sales, value-added and other taxes collected from customers and remitted to government authorities.

The Company has two primary revenue streams i.e. core revenue or non-core revenue.

Core Revenue:

The Company generates its core revenue from the export of (1) Software Licenses, (2) Services, which include implementation, customization and other consulting services, and (3) Subscription and Support, which includes subscription and post contract support, of its enterprise software solutions for the lease and finance industry. The Company offers its software using both traditional on-premises licensing model and Software as a Service (SaaS) model. The on-premises model involves the sale or license of software on a perpetual basis to customers who take possession of the software and install and maintain the software on their own hardware.

Non-Core Revenue:

The Company generates its non-core revenue by providing Business Process Outsourcing ("BPO") services and other services (including support services to its local customers).

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied by transferring the promised services to the customer. The Company identifies the performance obligations at contract inception so that the Company can monitor and account for the performance obligations over the life of the contract.

The Company's contract which contains multiple performance obligations generally consists of the initial sale of licenses and a professional services engagement. Contracts generally have multiple performance obligations as customers purchase maintenance support and services in addition to the licenses. The Company's single performance obligation arrangements are typically maintenance renewals and professional services engagements.

For contracts with multiple performance obligations where the contracted price differs from the standalone selling price ("SSP") for any distinct good or service, the Company may be required to allocate the contract's transaction price to each performance obligation using its best estimate for the SSP.

Information about the Company's performance obligations are summarized below:

a) Software licenses:

Performance obligation is satisfied and revenue from software licenses is recognized at the point in time when transfer of control for software is occurred either upon physical delivery of license through CD, USB or electronically using FTP or delivery of the license key by other electronic methods which provide immediate availability of the product to the customer. The Company's typical payment terms tend to vary by region, but its standard payment terms are within 120 days of invoice.

b) Subscription and support:

Subscription revenue is recognized ratably over the initial subscription period committed to by the customer commencing when the product is made available to the customer. The initial subscription period is typically 12 to 60 months. The Company generally invoices its customers in advance in quarterly or annual installments and typical payment terms provide that customers make payment within 120 days of invoice. Performance obligation against support revenue is recognized ratably over the term of the support period, which in most instances is one year. Software license updates provide customers with rights to unspecified software product updates, maintenance releases and patches released during the term of the support period on a when-and-if available basis. The Company's customers purchase both product support and license updates when they acquire new software licenses. In addition, a majority of customers renew their support services contracts annually and typical payment terms provide that customers make payment within 120 days of invoice.

c) Professional services:

Performance obligation is satisfied and revenue from professional services is recognized over the time and typically comprises implementation, development, customization, enhancements, data migration, training or other consulting services. Consulting services are generally sold on a time-and-materials or fixed fee basis and can include services ranging from software installation to data migration and building non-complex interfaces to allow the software to operate in integrated environments. The Company recognizes revenue from time-and-material arrangements as the services are performed. In fixed fee arrangements, revenue is recognized as services are performed as measured by efforts incurred to date, compared to total estimated efforts to complete the services project. The management applies judgment while estimating efforts to complete the services projects. A number of internal and external factors can affect these estimates, including utilization and efficiency variances and specification and testing requirement changes. Services are generally invoiced upon milestones as agreed in the contract and payments are typically due in 120 days after invoice.

d) BPO services:

Revenue from BPO services is recognized when earned. The Company recognizes revenue on issuance of billing to the customer. Payment terms are upto 120 days after invoice.

e) Miscellaneous income:

Interest on bank deposits and short term investment is recognized and received on a time proportion basis on the principal amount outstanding and at the rate applicable.

Rental income is recognized on time proportion basis. Payment terms are 30 days.

Dividend is recognized as income when the right of receipt is established. Payment terms are 15 working days after declaration of dividend.

Miscellaneous income is recognized on receipt basis, and is recognised in other income in statement of profit or loss.

Contract Modifications

Contract modifications involving changes in scope or price are treated as separate contracts if they add distinct performance obligations at standalone prices. If not, they are either treated as a termination of the existing contract and creation of a new one or, if no new distinct obligations arise, adjustments are made on a cumulative catch-up basis i.e. recognizing in the current period the cumulative effect of changes on current and prior periods according to the revised performance obligations.

Significant Judgments

Due to the complexity of certain contracts, the actual revenue recognition treatment required under IFRS 15 for the Company's arrangements may be dependent on contract-specific terms and may vary in some instances.

Judgment is required to determine the stand alone selling price (SSP) for each distinct performance obligation. The Company rarely licenses or sells products on a stand-alone basis, so the Company is required to estimate the range of SSPs for each performance obligation. In instances where SSP is not directly observable because the Company does not sell the license, product or service separately, the Company determines the SSP using information that may include market conditions and other observable inputs. In making these judgments, the Company analyzes various factors, including its pricing methodology and consistency, size of the arrangement, length of term, customer demographics and overall market and economic conditions. Based on these results, the estimated SSP is set for each distinct product or service delivered to customers.

The stand-alone selling price of the licenses was measured primarily through an analysis of pricing that management evaluated when quoting prices to customers. Although the Company has no history of selling its software separately from support and other services, the Company does have historical experience with amending contracts with customers to provide additional modules of its software or providing those modules at an optional price. This information guides the Company in assessing the stand-alone selling price of the Company's software, since the Company can observe instances where a customer had a particular component of the Company's software that was essentially priced separate from other goods and services that the Company delivered to that customer.

The Company recognises revenue from implementation and customization services using percentage of estimated "man-days" that the work requires. The Company believes the level of effort to complete the services is best measured by the amount of time (measured as an employee working for one day on implementation/customization work) that is required to complete the implementation or customization work. The Company continuously reviews its estimate of man-days required to complete implementation and customization services.

Revenue is recognized over time for the Company's subscription, support and fixed fee professional services that are separate performance obligations. For the Company's professional services, revenue is recognized over time, generally using man-days expended to measure progress. Judgement is required in estimating project status and efforts necessary to complete projects. A number of internal and external factors can affect these estimates, including man-day rates, utilization, specification variances and testing requirement changes.

If a group of agreements are entered at or near the same time and so closely related that they are, in effect, part of a single arrangement, such agreements are deemed to be combined as one arrangement for revenue recognition purposes. The Company exercises significant judgment to evaluate the relevant facts and circumstances in determining whether agreements should be accounted for separately or as a single arrangement. The Company's judgments about whether a group of contracts comprise a single arrangement can affect the allocation of consideration to the distinct performance obligations, which could have an effect on results of operations for the periods involved.

If a contract includes variable consideration, the Company exercises judgment in estimating the amount of consideration to which the entity will be entitled in exchange for transferring the promised goods or services to a customer. When estimating variable consideration, the Company will consider all relevant facts and circumstances. Variable consideration will be estimated and included in the contract price only when it is probable that a significant reversal in the amount of revenue recognized will not occur.

Practical Expedients and Exemptions

There are several practical expedients and exemptions allowed under IFRS 15 that impact timing of revenue recognition and the Company's disclosures. Below is a list of practical expedients the Company applied in the adoption and application of IFRS 15:

a) The Company does not evaluate a contract for a significant financing component if payment is expected within one year or less from the transfer of the promised items to the customer.

b) The Company generally expenses sales commissions and sales agent fees when incurred when the amortization period would have been one year or less. These costs are recorded within sales and marketing expense in the statement of profit or loss.

c) The Company does not disclose the value of unsatisfied performance obligations for contracts that have an original expected duration of one year or less.

d) The Company does not disclose the value of unsatisfied performance obligations for contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed (applies to time-and-material engagements).

4.11 Costs to obtain a contract

The Company does not have a material amount of costs to obtain a contract capitalized at any reporting date. In general, the Company incurs few direct incremental costs for obtaining new customer contracts. We rarely incur incremental costs to review or otherwise enter into contractual arrangements with customers. In addition, our sales personnel receive fees that we refer to as commissions, but that are based on more than simply signing up new customers. Our sales personnel are required to perform additional duties beyond signing of new deals, including account management of customers and cash collection efforts.

4.12 Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company has satisfied the performance obligation, either in full or partially, by transferring services to a customer before the invoice is issued or payment is due, a contract asset is recognized for the earned consideration that is conditional.

4.13 Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section 4.17 (i) Financial instruments – initial recognition and measurement.

4.14 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance or an amount of consideration is due. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the amount is received or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

4.15 Related party transactions

The Company enters into transactions with related parties at an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in the best interest of the Company to do so.

4.16 Off-setting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amount and the Company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

4.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

The Company initially measures a financial asset at its fair value plus transaction cost. In the case of a financial asset not at fair value through profit or loss at its fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when rights to receive cash flows from the asset have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures, for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, based on the groupings for various customers segments that have similar patterns (i.e. by geography and customer wise).

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the unconsolidated statement of profit or loss when liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Other financial liabilities are also subsequently measured at amortized cost using the EIR method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and recognition of a new liability. Difference in the respective carrying amounts is recognized in the statement of profit or loss.

4.18 Investments

a) Investment in subsidiary

Investment in subsidiary is initially recognized at cost. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognized as expense in the statement of profit or loss. Where impairment loss is subsequently reversed, the carrying amounts of investment are increased to its revised recoverable amount, limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the statement of profit or loss.

b) Investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate is accounted for using the equity method.

Under the equity method, investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company, unless otherwise stated. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

The Company periodically determines whether it is necessary to recognize any impairment loss on its investment in its associate or not. The Company determines on annual basis whether there is any objective evidence that the investment in associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit or loss of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

5. Summary Of Other Accounting Policies

5.1 Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal & termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal & termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

5.2 Advances and deposits

These are recognized at nominal amount which is fair value of considerations to be received in future.

5.3 Borrowing costs

Borrowing costs directly attributable to the construction / acquisition of qualifying assets are capitalized up to the date, including the period when technical and administrative work is carried on; the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss currently. Qualifying assets are assets that necessarily take substantial period of time to get ready for their intended use.

5.4 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved. However, if they are approved after the reporting period but before the financial statements are authorized for issue they are disclosed in the notes to financial statements.

5.5 Fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transaction; reference to the current market value of another instrument, which has substantially similar characteristics, discounted cash flow analysis or other valuation models.

5.6 Earnings per share

The Company presents both basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary share holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	NOTE	2026	2025
		Rupees in Thousands	
6. Property and Equipment			
Operating fixed assets	6.1	**1,310,182**	1,171,534
Right of use assets	6.2	**-**	–
Capital work in progress		**19,075**	53,532
Advance against acquisition of fixed assets		**106,326**	-
		1,435,583	1,225,066

6.1 Operating fixed assets

2026											
Description	COST				DEPRECIATION						Written down value as at June 30, 2026
	As at July 01, 2025	Additions	Disposals	As at June 30, 2026	Rate	As at July 01, 2025	Disposals	Adjustments	For the Year	As at June 30, 2026	
	Rupees in Thousands				%	Rupees in Thousands					
Year Ended June 30, 2026											
Tangible assets											
Land - freehold	254,229	-	-	254,229	-	-	-	-	-	-	254,229
Building on freehold land	952,561	-	-	952,561	5	467,064	-	-	32,366	499,430	453,131
Furniture and fixtures	63,256	9,006	(825)	71,437	10	47,161	(803)	-	3,874	50,232	21,205
Vehicles	430,407	208,727	(43,780)	595,354	20	331,137	(43,780)	-	63,498	350,855	244,499
Office equipment	110,121	8,753	(1,836)	117,038	10	70,288	(61)	-	7,188	77,415	39,623
Computer equipment and installations	979,274	66,688	(23,044)	1,022,918	20-33	845,815	(23,044)	-	78,887	901,658	121,260
Air conditioners	76,576	1,588	-	78,164	10	62,512	-	-	2,913	65,425	12,739
Electric fittings	49,371	33,894	-	83,265	10	49,371	-	-	1,102	50,473	32,792
Other equipment and installations	_	61,313	-	61,313	5	-	-		857	857	60,456
Generators	48,721	280	-	49,001	10	40,712	-	-	1,321	42,033	6,968
	2,964,516	390,249	(69,485)	3,285,280		1,914,060	(67,688)	-	192,006	2,038,378	1,246,902
Intangible assets											
Computer softwares	283,058	-	-	283,058	33	161,980	-	-	57,798	219,778	63,280
Balance as at June 30, 2026	3,247,574	390,249	(69,485)	3,568,338		2,076,040	(67,688)	-	249,804	2,258,156	1,310,182

2025											
Description	COST				DEPRECIATION						Written down value as at June 30, 2025
	As at July 01, 2024	Additions	Disposals	As at June 30, 2025	Rate	As at July 01, 2024	Disposals	Adjust-ments	For the Year	As at June 30, 2025	
	Rupees in Thousands				%	Rupees in Thousands					
Year Ended June 30, 2025											
Tangible assets											
Land - freehold	254,229	-	-	254,229	-	-	-	-	-	-	254,229
Building on free-hold land	952,561	-	-	952,561	5	434,698	-	-	32,366	467,064	485,497
Furniture and fixtures	59,929	3,921	(594)	63,256	10	42,927	(582)	-	4,816	47,161	16,095
Vehicles	411,168	30,390	(11,151)	430,407	20	266,780	(7,898)	5,596	66,659	331,137	99,270
Office equipment	94,607	15,514	-	110,121	10	62,923	-	-	7,365	70,288	39,833
Computer equipment and installations	860,552	125,849	(7,127)	979,274	20- 33	736,814	(7,127)	-	116,128	845,815	133,459
Air conditioners	72,728	3,848	-	76,576	10	57,374	-	-	5,138	62,512	14,064
Electric fittings	49,371	-	-	49,371	10	43,720	-	-	5,651	49,371	-
Generators	48,721	-	-	48,721	10	38,597	-	-	2,115	40,712	8,009
	2,803,866	179,522	(18,872)	2,964,516		1,683,833	(15,607)	5,596	240,238	1,914,060	1,050,456
Intangible assets											
Computer softwares	227,510	105,119	(49,571)	283,058	33	138,545	(49,571)	-	73,006	161,980	121,078
Balance as at June 30, 2025	3,031,376	284,641	(68,443)	3,247,574		1,822,378	(65,178)	5,596	313,244	2,076,040	1,171,534

	NOTE	2026	2025
		Rupees in Thousands	
6.1.1 Depreciation charge for the year has been allocated as under:			
Cost of revenue	30	**187,354**	234,933
Selling and promotional expenses	31	**12,490**	15,662
Administrative expenses	32	**49,960**	62,649
		249,804	313,244

6.1.2 Owned assets include vehicles amounting to Rs. 103.41 million (2025: Rs. 26.26 million) obtained from First Habib Modaraba under finance facility.

6.1.3 Particulars of fixed assets disposed off during the year having individual book value exceeding Rs. 500,000 or more are as follows:

2026

No property and equipment was disposed off during the year having an individual book value of Rs. 500,000 or more.

2025							
Particulars	Cost	Net Book Value	Sales Proceeds	Gain	Mode of Disposal	Particulars of Purchaser	Relationship
	Rupees in Thousands						
Vehicle	9,722	3,241	14,100	10,859	Open market	Mr. Zia Ullah	None

6.1.4 Particulars of immovable assets (i.e land and buildings) of the Company are as follows:

Location	Address	Total Area (Square feet)	Covered Area (Square feet)
Lahore	NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	149,738	140,631
Lahore	House No. 4, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,750	2,430
Lahore	House No. 5, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,750	2,430
Lahore	House No. 6, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,750	2,430
Lahore	House No. E-20, Cricketers Colony, NetSol IT Village (Software Technology Park), Lahore Ring Road, Ghazi Road Interchange, Lahore Cantt.	1,575	2,095
Karachi	43/1/Q, Amna Villa 1, Block-6, PECHS Society Karachi	4,500	13,500

6.2 Right of Use Assets

	NOTE	2026	2025
		Rupees in Thousands	
Vehicles		-	-
Cost			
Opening balance		-	9,093
Less: Disposals		-	(9,093)
Closing balance		-	-
Accumulated depreciation			
Opening balance		-	4,989
Charge for the year		-	607
Disposals		-	(5,596)
Closing balance		-	-
Depreciation rate per annum		**20%**	20%
6.2.1 Depreciation charge for the year has been allocated as under:			
Cost of revenue	30	-	456
Selling and promotional expenses	31	-	30
Administrative expenses	32	-	121
		-	607

7. Intangible Assets

	NOTE	2026	2025
		Rupees in Thousands	
Intangibles - fully developed	7.1	-	-
Intangibles - under development	7.2	576,385	-
		576,385	-
7.1 Intangibles - fully developed			
Cost		2,935,037	2,935,037
Accumulated amortization		(2,935,037)	(2,935,037)
Net book value	7.1.1	-	-
Amortization rate per annum		10%	10%
7.2 Intangibles - under development			
Opening value		-	-
Additions during the year		576,385	-
Closing value	7.2.1	576,385	-

7.1.1 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.

7.2.1 The Company is undertaking major system upgrades and modernization of existing legacy solutions, comprising multiple integrated modules and enhanced technology architecture aligned with current industry practices. These developments are expected to improve functionality, scalability, and overall system performance. Development costs meeting recognition criteria are capitalized as intangible assets, while other costs are expensed as incurred.

8. Long Term Investments

At cost			
NetSol Innovation (Private) Limited	8.1	515,000	515,000
NetSol Ascent Middle East Computer Equipment Trading L.L.C.	8.2	22,218	22,218
		537,218	537,218

8.1 The wholly owned subsidiary 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. Main objective of the company is to engage in the business of providing software development & allied IT services. The Company holds 51.5 million (2025: 51.5 million) fully paid ordinary shares of Rs. 10 each i.e. 99.999% (2025: 99.999%) shareholding in this subsidiary.

8.2 This represents 300 ordinary shares of AED 1,000 each, representing 100% (2025: 100%) shares in the wholly owned subsidiary NetSol Ascent Middle East Computer Equipment Trading L.L.C. The subsidiary is incorporated in Dubai (U.A.E). Main objective of the investee Company is to provide services related to computer systems and communication equipment and softwares. Principal place of business of the subsidiary is situated in Dubai (U.A.E).

	NOTE	2026	2025
		Rupees in Thousands	
9. Long Term Contract Assets			
Considered good - unsecured	9.1	658,117	39,781
Less: Discounting of contract asset		(73,023)	(18,935)
		585,094	20,846

9.1 This represents unbilled receivables arising from the recognition of revenue under a long-term contract, in accordance with IFRS 15 "Revenue from Contracts with Customers".

10. Long Term Loans to Employees			
Considered good - unsecured			
Loan to executives		132,752	23,877
Less: Current portion		(126,321)	(15,287)
		6,431	8,590

10.1 These loan are provided to employees as per the Company's policy.

10.2 These are carried at cost as the effect of carrying these balances at amortized cost would not be material in the overall context of these financial statements.

10.3 These executive employees do not include any directors.

11. Trade Debts			
Related Parties			
Considered good - unsecured		6,532,405	5,007,875
Considered doubtful - unsecured		216,001	225,827
		6,748,406	5,233,702
Other Parties			
Considered good - unsecured		970,153	732,133
Considered doubtful - unsecured		7,916	102,054
		978,069	834,187
Less: Provision against expected credit losses	11.1	(223,917)	(327,881)
		7,502,558	5,740,008

11.1 Movement of provision against expected credit losses			
Opening balance		327,881	280,597
(Reversal) / provision for expected credit losses for the year		(283)	47,284
Balances written off during the year		(103,681)	-
Closing balance		223,917	327,881

	NOTE	2026	2025
		Rupees in Thousands	
11.2	**Amount receivable from related parties included in trade debts (from exports) are as under:**		
	NetSol Technologies (Thailand) Limited	**112,406**	-
	NetSol Technologies (Beijing) Co., Ltd.	**3,730,265**	3,013,655
	NetSol Technologies Australia Pty Limited	**370,312**	425,819
	NetSol Technologies Americas Inc.	**618,296**	796,046
	NetSol Technologies Europe Limited	**11,586**	5,284
	Ascent Europe Limited	**1,094,739**	992,898
	NetSol Ascent Middle East Computer Equipment Trading L.L.C.	**810,802**	-
		6,748,406	5,233,702
	Less: Provision for expected credit losses	**(216,001)**	(225,827)
		6,532,405	5,007,875
11.3	Aging of outstanding balances of related parties as at June 30 is as under:		
	Not past due	**2,121,688**	1,549,523
	Past due 1 -180 days	**884,978**	978,442
	Past due 181 days -1 year	**1,573,603**	1,983,915
	More than one year	**2,168,137**	721,822
		6,748,406	5,233,702

11.4 Maximum aggregate amount outstanding from related parties at any time during the year was Rs. 6,748.41 million (2025: Rs. 5,233.70 million).

12. Contract Assets			
Considered good - unsecured	12.1	**1,953,373**	1,997,736
Considered doubtful - unsecured		**155,126**	297,507
		2,108,499	2,295,243
Less: Provision for expected credit losses	12.3	**(155,126)**	(297,507)
		1,953,373	1,997,736

12.1 This represents unbilled debtors arising due to recognition of revenue as per IFRS 15 "Revenue from Contracts with Customers".

12.2 There is a net decrease of Rs. 44.36 million in contract assets as compared to last year (2025: increase of Rs. 252 million). The explanation of significant changes is as follows:

Opening balance		**1,997,736**	1,745,245
Add: Revenue recognized		**6,012,674**	4,857,362
Less: Invoices raised		**(5,425,977)**	(4,486,223)
(Less) / Add: Balance transferred between long term and short term portion		**(547,586)**	39,781
(Less) / Add: Foreign exchange (loss) / gain		**(5,021)**	84,981
Less: Provision for expected credit losses for the year	12.3	**(78,453)**	(243,410)
Closing balance		**1,953,373**	1,997,736

	NOTE	2026	2025
		Rupees in Thousands	
12.3 Movement of provision against expected credit losses			
Opening balance		**297,507**	54,097
Provision for expected credit losses for the year		**78,453**	243,410
Balances written off during the year		**(220,834)**	-
Closing balance		**155,126**	297,507
13. Loans and Advances			
Considered good - unsecured			
Current portion of loans to executives		**126,321**	15,287
Advances to employees:			
- against salaries		**1,599**	1,439
- against expenses	13.1	**15,049**	25,315
		142,969	42,041

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

14. Deposits and Short Term Prepayments			
Security deposits		**6,656**	6,688
Prepayments		**110,630**	219,369
		117,286	226,057
15. Other Receivables			
Guarantee margin		**22,537**	15,337
Other receivables - considered good	15.1	**102,445**	111,748
		124,982	127,085

15.1 This includes receivable from Ignite (National Technology Fund) amounting Rs. 61.84 million (2025: Rs. 59.16 million) for the National Incubation Centre – Lahore (NIC) project, and Rs. 13.85 million (2025: Rs. 34.85 million) receivable from Ignite for the National Incubation Centre for Aerospace Technologies (NICAT) project, relating to their respective agreements for collaborative projects and services under incubation and innovation initiatives.

16. Due from Related Parties			
Considered good - unsecured			
Associates	16.1		
NetSol Technologies Americas Inc.		**-**	54,595
NetSol Technologies Europe		**111,980**	-
NetSol Technologies (Beijing) Co., Ltd.		**110,658**	115,741
NetSol Connect (Private) Limited		**12,321**	17,455
Wholly owned Subsidiary			
NetSol Innovation (Private) Limited	16.2	**150,473**	174,178
NetSol Institute of Artificial Intelligence (Private) Limited	16.2	**437**	716
NetSol Ascent Middle East Computer Equipment Trading L.L.C.	16.1	**113,679**	-
		499,548	362,685

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

16.2 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.

16.3 Maximum aggregate amount outstanding from related parties at any month-end during the year was Rs. 826.90 million (2025: Rs. 609.93 million).

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

17. Prepaid Tax Asset

	NOTE	2026	2025
		Rupees in Thousands	
Opening balance		**70,468**	35,349
Add: Tax deducted at source / paid during the year		**100,469**	150,260
Less: Levy / final tax charged during the year		**(141,038)**	(115,141)
Closing balance		**29,899**	70,468

18. Short term Investment

Term Deposit Receipt	18.1	**400,000**	200,000

18.1 These carry markup ranging from 7% to 11.30% per annum (2025: 7% to 12%) and have a maturity of one month from the date of initial recognition with auto rollover. A lien is marked in favour of Lahore High Court on a term deposit receipt maintained with Askari Bank Limited amounting to Rs. 200 million (2025: 200 million).

19. Cash and Bank Balances

Cash in hand		**4,081**	3,442
Bank balances:			
In local currency:			
- Saving accounts	19.1 & 19.2	**3,077,704**	3,049,249
- Current accounts	19.3	**71,885**	200,764
		3,149,589	3,250,013
In foreign currency:			
- Current accounts	19.3	**644,121**	443,271
		3,797,791	3,696,726

19.1 Balances in saving accounts include Rs. 2,360.03 million (2025: Rs. 2,079.91 million) maintained in Shariah compliant banks.

19.2 Balances in savings accounts carry mark up at 2.19% to 11.11% per annum (2025: 2.78% to 19.28% per annum).

19.3 Balances in current accounts include Rs. 406 million (2025: Rs. 86.16 million) maintained in Shariah compliant banks.

19.4 The above figures reconcile to the amount of cash and cash equivalents shown in the statement of cash flow.

20. Issued, Subscribed and Paid up Capital

2026	2025		NOTE	2026	2025
No. 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

20.1 Number of shares outstanding as at the reporting date:

		No. of shares in Thousands	
Opening balance		**85,147**	89,837
Treasury shares of Rs. 10 each purchased at market value	20.6	**-**	(4,690)
Re-issuance of treasury shares against stock options to employees		**1,544**	-
Closing balance		**86,691**	85,147

20.2 All ordinary shares rank equally with regard to residual assets of the Company. Ordinary shareholders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. Voting and other rights are in proportion to the shareholding.

20.3 NetSol Technologies Inc. 16000 Ventura Boulevard STE 770 ENCINO CA 91436, USA is the parent company, holding 68.52% (2025: 69.76%) of issued capital of the Company. The sprcentage has calculated after taking into account the of treasury shares.

20.4 The Company is not subject to any externally imposed capital requirements.

20.5 There are 3 million outstanding options to subscribe for ordinary shares of the Company granted under the employee share option scheme. During the year, 1.54 million shares (2025: Nil) were issued against options exercised.

20.6 The share capital includes 3.15 million ordinary shares (2025: 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.

21. Reserves

	NOTE	2026	2025
		Rupees in Thousands	
Capital reserve			
Share premium	21.1	**304,614**	304,167
Employee share option compensation reserve	21.2	**246,255**	269,136
Treasury share reserve	21.3	**(462,109)**	(604,727)
		88,760	(31,424)
Revenue reserve			
Unappropriated profit		**11,726,451**	10,047,498
		11,815,211	10,016,074

21.1 This reserve can be utilized by the Company only for the purposes specified in Section 81(2) of the Companies Act, 2017.

21.2 Movement in employee stock option scheme

Opening balance	**269,136**	264,787
Compensation expense (reversed) / booked during the year	**(22,881)**	4,349
Closing balance	**246,255**	269,136

Description of scheme

As per the approved employee stock option scheme, the Board and the compensation committee granted three million stock options to employees on December 27, 2021 at a grant price of Rs. 77.84 per option. No amount is paid or payable by any employee on receipt of the option. No option carries the right to vote or dividend. According to the scheme, 50% of the options will become exercisable after completion of 12 months from date of grant, another 30% of the granted option after completion of 24 months from the grant date and the remaining 20% of the granted option will become exercisable after completion of 36 months from the date of grant. The options are exercisable within a period of 10 years with un-exercised options to lapse on December 27, 2031.

Measurement of fair value

The Company uses "Black Scholes Pricing Model" to determine the fair value of options at the grant date. Fair value at grant date of the equity settled share based arrangement was calculated using the following assumptions.

	2026	2025
Total number of options granted	**3,000,000**	3,000,000
Per option fair value at the grant date	**Rs. 14.82**	Rs. 14.82
Average 30 days per share price preceding the date of grant	**Rs. 96.79**	Rs. 96.79
Exercise price per option	**Rs. 77.84**	Rs. 77.84
Annual rate of quarterly dividends	**13.50%**	13.50%
Discount Rate - bond equivalent yield	**11.80%**	11.80%
Annual volatility	**55.08%**	55.08%

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Movement in employee share options during the year:

	2026		2025	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Options outstanding at the beginning of the year	**3,000**	**-**	3,000	-
Options granted during the year	**-**	**-**	-	-
Options exercised during the year	**(1,544)**	**Rs. 77.84**		
Options outstanding at the end of the year	**1,456**	**Rs. 77.84**	3,000	-

Out of the total 3 million options granted, the directors and executives are entitled to 1.625 million (2025: 1.625 million) and 1.335 million (2025: 1.335 million) options respectively.

During the year, the Company approved a new Employee Stock Option Scheme (ESOS) under which eligible employees of the Company may be granted options to subscribe for up to 5 million ordinary shares. The options will vest in two equal tranches over two years from the date of grant, with the grant price determined at a 50% discount to the closing market price of the Company's shares on the Pakistan Stock Exchange on the trading day immediately preceding the date of grant, subject to applicable laws and the terms of the Scheme. No options were granted under the Scheme during the year.

21.3 This represents the cost of the treasury shares held by the Company. As at 30 June 2026, the Company held 3.15 million treasury shares (2025: 4.69 million). Movement during the year is as follows:

	2026	2025
	Rupees in Thousands	
Opening balance	**(604,727)**	(184,739)
Treasury shares purchased at market value during the year	**-**	(419,988)
Re-issuance of treasury shares against stock options to employees	**142,618**	-
Closing balance	**(462,109)**	(604,727)

		2026	2025
		Rupees in Thousands	
22. Long Term Financing			
Loan obligation	22.1	**98,473**	21,771
Less: Current portion of long term financing		**(40,611)**	(8,428)
		57,862	13,343

22.1 This represents diminishing musharaka facilities obtained from time to time, from First Habib Modaraba, for purchase of various vehicles. The facility is repayable in 36 equal monthly installments and carries mark up at rates ranging between 11.44% to 12.44% (2025: 12.27% to 21.49%) per annum. These facilities are secured through lien marking in favor of financial institution.

23. Lease Liabilities - Secured			
Opening balance		**-**	972
Add: Interest expense	34	**-**	45
Less: Payments made		**-**	(1,017)
Gross liability		**-**	-
Less: Current portion		**-**	-
Closing balance		**-**	-

23.1 The summary of amounts relating to leases charged in different line items of the financial statements is as follows:

	Included in			
Carrying amount of right of use assets	Statement of financial position	6.2	**-**	-
Depreciation charge	Statement of profit or loss	6.2.1	**-**	607
Interest expense	Finance cost	34	**-**	45
			-	652

23.2 Nature of leasing activities

The Company's leases primarily comprise vehicles provided to employees. The present value of minimum lease payments has been discounted at an implicit interest rate of Nil (2025: 21.49% to 23.24%).

24. Long Term Advances			
Unsecured			
Long term advances - against vehicles	24.1	**18,165**	5,415

24.1 This represents advances received from executives amounting to Rs. 18.12 million (2025: Rs. 5.42 million) against the purchase of motor vehicles. These advances will be adjusted against the future sale of the respective vehicles.

24.2 The advance is carried at cost as the effect of carrying this balance at amortized cost would not be material in the overall context of these financial statements.

25. Trade and Other Payables			
Creditors - unsecured	25.1	**50,817**	19,578
Accrued liabilities		**554,921**	660,281
Interest accrued - secured		**24,457**	26,278
Due to related parties - unsecured	25.2	**17,224**	6,505
Withholding tax payable		**77,694**	74,549
Sales tax payable		**27,458**	15,241
Provident fund payable		**64,411**	55,893
Other payables	25.3	**111,077**	114,545
		928,059	972,870

25.1 Creditors include Rs. 1.62 million (2025: Rs. 1.08 million) payable to a related party HospitAll (Private) Limited against provision of medical services.

25.2 This represents amount due to related parties in the normal course of business.

	NOTE	2026	2025
		Rupees in Thousands	
Parent			
NetSol Technologies Inc.		**17,224**	6,034
Associates			
NetSol Technologies (Thailand) Limited		**-**	471
		17,224	6,505

25.3 It includes Rs. 95.81 million (2025: Rs. 107.76 million) and Rs. 7.65 million (2025: Rs. 6.26 million) payable on behalf of the National Incubation Centre - Lahore (NIC) and the National Incubation Centre for Aerospace Technologies (NICAT), respectively, as per the terms of their respective agreements.

26. Contract Liabilities

Opening balance		**151,621**	1,446,474
Add: Invoices raised		**6,078,509**	2,866,746
Less: Revenue recognized		**(4,463,731)**	(4,161,599)
Closing balance	26.1	**1,766,399**	151,621

26.1 This represents subscription & support and services fee invoiced in advance which are transferred to revenue over time.

27. Short Term Borrowings

Askari Bank Limited - ERF - II	27.1	**500,000**	500,000
Samba Bank Limited - ERF - II	27.2	**380,000**	380,000
Habib Metropolitan Bank Limited - Istisna / Al Bai - Islamic Banking	27.3	**1,300,000**	1,300,000
		2,180,000	2,180,000

27.1 Export refinance (ERF)/FAPC I & II, running finance and Letter of guarantee facilities available from Askari Bank Limited under mark-up arrangements amount to Rs. 675 million (2025: Rs. 675 million) towards the pre & post shipment and working capital requirements. Mark up on ERF facility is 4.5% (2025: SBP rate + 1%) and markup on running finance facility is charged at 3 months KIBOR + 2% (2025: 3 months KIBOR + 2%) per annum. These are secured by first joint pari passu charge on present and future assets, mortgage on property of the Company and personal guarantees of directors. The unutilized portion in respect of these facilities amounts to Rs. 85.25 million (2025: Rs. 104.05 million). Corporate credit cards facility amounting to Rs. 10 million as a sublimit of running finance (2025: Rs. 10 million) is also available for the Company.

An additional Guarantee limit of PKR 200 million has been sanctioned for issuance of an open ended guarantee favoring the Honorable Lahore High Court secured against 100% deposit under lien bearing interest.

27.2 ERF part I & II / LAPC from own source facility available from Samba Bank Limited under mark-up arrangements amount to Rs. 380 million (2025: Rs. 380 million) towards the working capital needs. Mark up is charged at SBP rate + 1% (2025: SBP rate + 1%) per annum. These facilities are secured by first joint pari passu charge on present and future assets, mortgage on property of the Company and personal guarantees of directors. The unutilized portion in respect of these facilities amounts to Rs. Nil (2025: Rs. Nil).

27.3 IERF - I & II , Working Capital Musharakah and Letter of guarantee facilities are available from Habib Metropolitan Bank Limited under mark-up arrangements amount to Rs. 1,500 million (2025: Rs. 1,500 million) towards the working capital requirements. Mark up is charged at 4.5% (2025: SBP rate + 1%) per annum. These facilities are secured by first joint pari passu charge on present and future assets, mortgage on property of the Company and personal guarantees of directors. The unutilized portion in respect of above facilities amounts to Rs. 146.40 million (2025: Rs. 396.512 million).

27.4 Finance Against Packing Credit facility - Own source/FAPC I & II(pre/post) SBP is available from Bank Al Habib Limited under mark-up arrangement amounts to Rs. 400 million (2025: Rs. 400 million) towards the working capital requirements. Mark up is charged at 3 months KIBOR + 1% against FAPC - own source (2025: 3 months KIBOR + 1%) per annum wheras applicable mark up rate for FAPC I & II (pre/post) SBP is charged at SBP rate + 1% (2025: SBP rate + 1%).These are secured by first joint pari passu charge on present and future assets, mortgage of property of the Company and personal guarantees of directors.

An independent lease finance facility is also available amounting to Rs. 200 millon. Mark up is charged at 6 months KIBOR+ 0.5% (2025: NIL) per annum. These facilities have yet not been utilized as at the reporting date.

27.5 Export Refinance Facility Part II (ERF-II) is available from Bank of Punjab amounting Rs. 200 million (2025 : Nil), availed Rs. Nil. Mark up on ERF facility is charged at 4.5% 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.

28. Contingencies and Commitments

28.1 Contingencies

28.1.1 Mr. Ahsan Zubair, a former employee of the Company, had filed a case in January 26, 2013 for the recovery of damages for malicious prosecution before the Honourable Civil Court in Lahore in which he had sought damages amounting to Rs. 500 million. The case was filed five years after a complaint was lodged by the Company with the Federal Investigation Agency regarding the unauthorised use of its intellectual property by a company formed by Mr. Ahsan Zubair and his partner, who was also a former employee of the Company.

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

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

28.1.2 During the year, the tax authorities disallowed the Company's current year business loss against income subject to super tax under Section 4C of the Income Tax Ordinance, 2001, resulting in a tax demand of Rs. 4.43 million for Tax Year 2025. The Company contested the demand before the Commissioner Inland Revenue (Appeals), which was decided against the Company. The Company has subsequently filed an appeal before the Appellate Tribunal Inland Revenue, Lahore Bench, which is currently pending adjudication.

28.1.3 The Securities and Exchange Commission of Pakistan (the "Commission") issued an order in relation to trade debts due from associated undertakings that remained outstanding beyond the agreed credit period. In its order, the Commission took the view that such outstanding balances constitute an investment in associated undertakings requiring the authority of a special resolution under Section 199(1) of the the Companies Act, 2017 and imposed a penalty on the Company.

Being aggrieved by the said order, the Company preferred an appeal before the Appellate Bench of the Commission under Section 33 of the Securities and Exchange Commission of Pakistan Act, 1997. The appeal is pending adjudication as at the reporting date.

Management considers the outstanding balances to represent normal trade credit arising in the ordinary course of business on an arm's length basis and not loans or advances to associated undertakings. Accordingly, no markup or other return on such balances has been recognised. Based on the advice of its legal counsel, management is confident of a favourable outcome of the appeal. As the financial effect of the matter cannot be determined with reasonable certainty at this stage, no provision has been recognised in these financial statements.

28.2 Commitments

(i) Bank guarantees have been issued amounting to Rs. 343.35 million (2025: Rs. 264.44 million) against performance of various contracts, to Honourable Lahore High Court, LESCO and Standard Chartered Bank Pakistan (Limited) against its corporate credit cards.

(ii) The Company has a capital commitment of Rs. 243.24 million as at June 30, 2026 (2025: Rs. 73.90 million).

	NOTE	**2026**	2025
		Rupees in Thousands	
29. Revenue from Contracts with Customers - Net			
Disaggregation of revenue from contract with customers			
Set out below is the disaggregation of the Company's revenue from contracts with customers:			
Export Revenue			
- License		**1,272,546**	55,334
- Services		**3,243,236**	3,671,642
- Subscription and Support		**5,574,028**	5,240,347
		10,089,810	8,967,323
Local Revenue			
- Services		**410,452**	34,942
- Subscription and Support		**-**	21,946
Less: Sales tax		**(23,857)**	(5,250)
		386,595	51,638
		10,476,405	9,018,961

		NOTE	2026	2025
			Rupees in Thousands	
29.1	Amount of revenue recognized from opening balance of contract liabilities:			
	Opening balance of contract liabilities		**151,621**	1,446,474
	Revenue recognized		**140,022**	1,434,272
29.2	The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at June 30, are as follows:			
	- Within one year		**509,741**	2,231,959
	- More than one year		**-**	402,582
			509,741	2,634,541
29.3	**Timing of revenue recognition:**			
	- At a point in time		**1,272,546**	55,334
	- Over the time		**9,203,859**	8,963,627
			10,476,405	9,018,961
30.	**Cost of Revenue**			
	Salaries and benefits	30.1	**4,271,751**	3,909,464
	Software licenses		**780,272**	466,323
	Staff training		**2,104**	2,181
	Rent, rates and taxes	30.2	**847**	537
	Travelling and conveyance		**255,726**	323,160
	Communication		**59,820**	70,771
	Utilities		**54,067**	69,719
	Printing and stationery		**1,641**	1,763
	Entertainment		**78,478**	81,528
	Insurance		**2,132**	1,378
	Vehicle running and maintenance		**239,222**	213,576
	Repairs and maintenance		**53,360**	58,634
	Fees and subscription		**160**	515
	Depreciation	6.1.1	**187,354**	234,933
	Depreciation of right of use assets	6.2.1	**-**	456
			5,986,934	5,434,938

30.1 Salaries and benefits include Rs. 174.64 million (2025: Rs. 154.08 million) in respect of retirement benefits.

30.2 This represents amount paid in respect of short term leases.

	NOTE	2026	2025
		Rupees in Thousands	
31. Selling and Promotional Expenses			
Salaries and benefits	31.1	**488,377**	475,000
Staff training		**-**	176
Rent, rates and taxes	31.2	**4,586**	5,589
Travelling and conveyance		**147,341**	135,020
Communication		**4,675**	5,530
Utilities		**2,926**	4,223
Printing and stationery		**271**	332
Entertainment		**8,386**	7,907
Insurance		**2,104**	1,808
Vehicle running expenses		**21,730**	18,845
Repairs and maintenance		**4,680**	4,010
Fee and subscription		**8,662**	8,251
Commission on sales		**160,262**	134,510
Sale promotional expenses		**43,284**	37,464
Depreciation	6.1.1	**12,490**	15,662
Depreciation of right of use assets	6.2.1	**-**	30
		909,774	854,357

31.1 Salaries and benefits include Rs. 20.02 million (2025: Rs. 17.46 million) in respect of retirement benefits.

31.2 This represents amount paid in respect of short term leases.

32. Administrative Expenses			
Salaries and benefits	32.1	**1,020,912**	921,173
Staff training		**335**	994
Rent, rates and taxes	32.2	**28,151**	28,170
Travelling and conveyance		**68,182**	48,697
Communication and postage		**29,247**	34,262
Printing and stationery		**4,152**	5,543
Utilities		**43,837**	49,003
Entertainment		**66,984**	57,292
Insurance		**33,693**	25,698
Advertisement		**1,981**	3,080
Vehicle running expenses		**73,697**	66,877
Repairs and maintenance		**30,931**	19,856
Legal and professional charges		**29,626**	24,868
Auditor's remuneration	32.3	**9,238**	8,980
Office supplies		**11,096**	9,269
Charity and donation	32.4	**48,140**	34,964
Fees and subscription		**40,005**	35,296
Depreciation	6.1.1	**49,960**	62,649
Depreciation of right of use assets	6.2.1	**-**	121
		1,590,167	1,436,792

32.1 Salaries and benefits include Rs. 47.43 million (2025: Rs. 40.70 million) in respect of retirement benefits and Rs. Nil (2025: Rs. 4.35 million) in respect of share-based payment transactions.

32.2 Rent, rates and taxes include expense in respect of short term leases amounting to Rs 23.18 million (2025: Rs. 22.93 million).

32.3 Auditors' remuneration:

	NOTE	2026	2025
		Rupees in Thousands	
- Statutory audit fee		**6,467**	6,230
- Half yearly review fee		**2,100**	2,000
- Other certifications		**100**	100
- Out of pocket expenses		**571**	650
		9,238	8,980

32.4 The details of donation to a single party exceeding 10% of the Company's total amount of donation are as follows:

Developments in Literacy Foundation		**13,628**	12,668
Million Smiles Foundation		**11,198**	7,810
		24,826	20,478

None of the directors has any interest in the donees.

33. Other Operating Expenses

Loss on foreign currency translation		**801**	-
Research and development cost		**219,809**	344,839
Provision for expected credit losses		**78,170**	290,694
		298,780	635,533

34. Finance Cost

Lease finance charges		**-**	45
Mark up on loans	34.1	**157,746**	223,242
Bank charges		**5,681**	4,429
		163,427	227,716

34.1 Mark up on loans include Rs. 96.95 million (2025: Rs. 118.95 million) paid on Islamic mode of financing.

35. Other Income

Income from financial assets			
Profit on bank deposits & short term investments	35.1	**266,879**	490,999
Interest income from related party		**30,447**	11,487
		297,326	502,486
Income from non-financial assets			
Gain on foreign currency translation		**-**	313,273
Gain on disposal of property and equipement		**24,403**	12,542
Rental income		**2,100**	2,100
Effect of discounting of long term contract assets		**15,737**	6,780
Miscellaneous income		**-**	115
		42,240	334,810
		339,566	837,296

35.1 Income is earned under both conventional mark-up arrangement and Shariah compliant arrangement. It includes Rs. 222.30 million profit earned on Shariah compliant bank deposits & investments (2025: Rs. 434.81 million).

	NOTE	2026	2025
		Rupees in Thousands	
36. Final Taxes / Levies			
Final taxes / levies	36.1	**47,277**	115,141
International tax effect		**25,616**	121,128
Prior year adjustment		**115,043**	(275)
		187,936	235,994

36.1 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.

36.2 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.

36.3 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit and loss, is as follows:

Current tax expense for the year as per applicable tax laws	**72,893**	236,269
Portion of current tax expense as per tax laws, representing income tax under IAS 12	**-**	-
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	**(47,277)**	(115,141)
International tax effect	**(25,616)**	(121,128)
Difference	**-**	-

36.4 The aggregate of final tax and income tax, amounting to Rs. 72.89 million (2025: 236.27 million) represents tax expense of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

36.5 Deferred income tax asset has not been recognized in these financial statements as the Company's management believes that sufficient taxable profits will probably not be available in the foreseeable future therefore, the deductible temporary differences may not be realized in the future. A significant portion of the Company's income comprises export revenue, which is subject to the Final Tax Regime (FTR) under the Income Tax Ordinance, 2001 and is not available for set-off against carried forward losses or deductible temporary differences.

37. Earnings Per Share - Basic and Diluted

Profit attributable to ordinary shareholders	**1,678,953**	1,030,927
Weighted average number of ordinary shares (Basic)		
Issued ordinary shares at beginning of the year	**85,147**	89,837
Add / (Less): weighted average number of treasury shares held by the Company	**1,156**	(3,113)
Weighted average number of ordinary shares as at June 30,	**86,303**	86,724
Earnings per share - basic	**19.45**	11.89
Weighted average number of ordinary shares (Diluted)		
Weighted average number of ordinary shares (Basic)	**86,303**	86,724
Effect of exercise of share options	**756**	1,307
Weighted average number of ordinary shares (diluted)	**87,059**	88,031
Earnings per share - diluted	**19.29**	11.71

38. Remuneration of Chief Executive, Directors and Executives

	Chief Executive		Directors		Executives		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rupees in Thousands							
Managerial remuneration	**31,600**	27,200	**31,333**	24,000	**2,400,384**	1,951,101	**2,463,317**	2,002,301
Retirement benefits	**2,528**	2,176	**2,507**	1,920	**192,031**	156,088	**197,066**	160,184
Rent and house maintenance	**12,640**	10,880	**12,533**	9,600	**960,154**	780,440	**985,327**	800,920
Utilities	**3,160**	2,720	**3,133**	2,400	**240,038**	195,110	**246,331**	200,230
Medical expenses	**4,242**	5,488	**282**	498	**104,248**	76,184	**108,772**	82,170
Other allowances	**-**	-	**-**	-	**358,298**	330,560	**358,298**	330,560
Commission / bonus	**-**	-	**-**	-	**5,072**	59,538	**5,072**	59,538
Employee share option expense	**-**	1,522	**-**	834	**-**	1,967	**-**	4,323
	54,170	49,986	**49,788**	39,252	**4,260,225**	3,550,988	**4,364,183**	3,640,226
Number of persons	**1**	1	**1**	1	**819**	685	**821**	687

38.1 An Executive is defined as an employee, other than the Chief Executive and directors, whose basic salary exceeds Rs. 1.2 million in a financial year.

38.2 The Company has provided the Chief Executive, one Director and certain Executives with the Company maintained vehicles.

38.3 1.54 million share options were exercised by the Chief Executive and other executives during the year (2025: Nil).

38.4 Nothing is paid to any non-executive director (including independent directors) in form of remuneration or other benefits except a fee approved by the Board for attending the Board and other committee meetings. During the year, an amount of Rs. 8.6 million (2025: Rs. 8.4 million) was paid.

39. 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.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows.

Relationship with the Company	Nature of Transactions	2026	2025
		Rupees in Thousands	
Parent	Commission	**55,910**	-
Subsidiary	Admin and IT services	**2,400**	2,400
	Rental income	**1,200**	1,200
	Expenses on behalf of subsidiary	**266,213**	46,622
	Expenses incurred by subsidiary	**493,769**	24,068
	Mark-up income	**30,447**	11,487
Associated undertaking	Rental charges - net	**900**	900
	Expenses on behalf of related parties	**204,321**	219,711
	Expenses incurred by related parties	**618,390**	553,380
	Provision of services	**4,153,614**	4,069,571
	Purchase of services	**184,193**	47,560
Executives / key management personnel	Long term advance received	**12,700**	5,415
Post employment benefit	Contribution to defined contribution plan	**238,986**	195,357

39.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

S.No.	Company Name	Country of Incorporation	Relationship	Percentage of Shareholding
1	NetSol Technologies Inc.	USA	Holding Company	68.52%
2	NetSol Ascent Middle East Computer Equipment Trading LLC.	Middle East	Wholly owned Subsidiary	Nil
3	NetSol Technologies (Thailand) Limited	Thailand	Associate	Nil
4	NetSol Technologies (Beijing) Co., Ltd	China	Associate	Nil
5	NetSol Technologies Australia Pty Limited	Australia	Associate	Nil
6	NetSol Technologies Americas Inc.	USA	Associate	Nil
7	NetSol Technologies Europe Limited	UK	Associate	Nil
8	Ascent Europe Limited	UK	Associate	Nil
9	Tianjin NuoJinZhiCheng Co., Ltd	China	Associate	Nil

39.2 Details of related parties with whom the Company had entered into transaction or had agreements other than already disclosed in note 39.1 above are as follows:

S. No.	Company Name	Relationship	Common Directorship	Percentage of Shareholding
1	NetSol Innovation (Private) Limited	Wholly owned Subsidiary	Yes	Nil
2	NetSol Connect (Private) Limited	Associate	Yes	Nil
3	HospitAll (Private) Ltd.	Associate	No	Nil
4	Netsol Institute of Artificial Intelligence (Private) Limited	Wholly owned sub Subsidiary	Yes	Nil

S. No.	Other Related Parties	Basis of Relationship	Percentage of Shareholding
1	Salim Ullah Ghauri	Director	1.52%
2	Naeem Ullah Ghauri	Director	0.00%
3	Huma Fakhar	Director	0.00%
4	Vaseem Anvar	Director	0.00%
5	Hamna Ghauri	Director	0.00%
6	Omer Shahab Ghauri	Director	0.44%
7	Noman Hussain	Director	0.00%
8	Boo Ali	Key Management Personnel	0.00%
9	Sehrish Ishtiaq	Key Management Personnel	Nil
10	Muhammad Abdul Wahab Hafeez	Key Management Personnel	Nil
11	Khurram Shahnawaz Rana	Key Management Personnel	Nil
12	Asad Ullah Ghauri	Key Management Personnel	1.25%
13	Mohsin Hanif	Key Management Personnel	Nil
14	Asif Zafar	Key Management Personnel	Nil
15	Naheed Kausar	Key Management Personnel	0.01%
16	Kamran Khalid	Key Management Personnel	0.02%
17	Syed Umer Qadri	Key Management Personnel	Nil

40. Capital Risk Management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

In line with the norms, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non current) less cash and cash equivalents. Total capital is calculated as equity as shown in the statement of financial position plus net debt. As at the reporting date, the gearing ratio of the Company was worked out as under:

	NOTE	**2026**	2025
		Rupees in Thousands	
Borrowings	22 & 27	**2,278,473**	2,201,771
Cash and bank balances	19	**(3,797,791)**	(3,696,726)
Net debt		**-**	-
Equity		**12,713,580**	10,918,311
Total capital employed		**12,713,580**	10,918,311
Gearing ratio		**Not Geared**	Not Geared

41. Financial Risk Management

41.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management process. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Market risk

(i) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company is exposed to foreign currency risk on trade debts, payables and revenues which are entered in a currency other than Pak Rupees. Majority of the revenue of the Company is in currencies other than Pak Rupees. The Company also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. As at the reporting date, the Company's exposure to currency risk was as follows:

Trade debts	**6,838,310**	5,636,434
Cash and bank balances	**645,803**	444,930
Due from related parties	**336,317**	170,336
Due to related parties	**(17,224)**	(6,505)
	7,803,206	6,245,195

The following analysis demonstrates the impact of a 5% strengthening / weakening of the Pak Rupee against US$, RMB¥, Euro and other currencies including UK£, AUS$, HKD & THB on June 30, on equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2025.

	2026				
	USD	RMB	EURO	Others	Total
	Rupees in Thousands				
Impact on statement of profit or loss (net of tax)					
As at June 30,					
Strengthening	**(56,166)**	**(138,873)**	**(6,394)**	**(82,979)**	**(284,412)**
Weakening	**56,166**	**138,873**	**6,394**	**82,979**	**284,412**
Impact on equity					
As at June 30,					
Strengthening	**(79,107)**	**(195,596)**	**(9,006)**	**(116,872)**	**(400,581)**
Weakening	**79,107**	**195,596**	**9,006**	**116,872**	**400,581**

	2025				
	USD	RMB	EURO	Others	Total
	Rupees in Thousands				
Impact on statement of profit or loss (net of tax)					
As at June 30,					
Strengthening	(51,436)	(117,375)	(13,588)	(50,946)	(233,345)
Weakening	51,436	117,375	13,588	50,946	233,345
Impact on equity					
As at June 30,					
Strengthening	(72,445)	(165,316)	(19,138)	(71,755)	(328,654)
Weakening	72,445	165,316	19,138	71,755	328,654

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from bank borrowings, lease liabilities, term deposits, deposits in profit and loss/saving accounts with banks and investments in mutual funds. The Company mitigates its interest rate risk by investing available cash in mutual funds and bank deposits where applicable, generating more return compared to the finance cost.

The interest rate profile of the Company's interest-bearing financial instruments as at the reporting date is as follows:

	NOTE	2026	2025
		Rupees in Thousands	
Floating rate instruments			
Financial assets			
Bank balances	19	**3,077,704**	3,049,249
Short term investment	18	**400,000**	200,000
		3,477,704	3,249,249
Financial Liabilities			
Long term financing	22	**98,473**	21,771
Short term borrowings	27	**2,180,000**	2,180,000
		2,278,473	2,201,771

The Company has no instruments subject to fixed interest rate.

Cash flow sensitivity analysis for variable rate instruments

As at June 30, 2026, if floating interest rates had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 2.48 million (2025: Rs. 17.12 million), mainly as a result of interest exposure on variable rate borrowings.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to significant other price risk.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk of the Company arises from trade debts, loans and advances, trade deposits, other receivables and deposits with banks. To reduce exposure to credit risk, the Company has developed a formal approval process. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors and makes provision against those balances (if required). The utilization of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings, if any. As at June 30, the maximum exposure to credit risk is equal to the carrying amount of the financial assets as detailed below:

Trade debts	11	**7,726,475**	6,067,889
Contract assets	9 & 12	**2,693,593**	2,316,089
Loans and advances	10 & 13	**134,351**	25,316
Deposits and short term prepayments	14	**6,656**	6,688
Other receivables	15	**124,982**	127,085
Due from related parties	16	**499,548**	362,685
Short term investment	18	**400,000**	200,000
Bank balances	19	**3,793,710**	3,693,284
		15,379,315	12,799,036
Aging of trade debts at June 30 is as follows:			
Not past due		**2,808,598**	1,788,254
Past due 1 - 180 days		**1,110,823**	1,462,270
Past due 181 days - 365 days		**1,573,842**	1,995,114
More than 365 days		**2,233,212**	822,251
		7,726,475	6,067,889

The Company does not have significant exposure to any individual customer. At June 30, the Company had approximately 22 (2025: 30) customers owing Rs. 7.73 billion (2025: Rs. 6.07 billion). The Company has made allowances, where necessary, for potential losses on credits extended.

For trade receivables and contract assets, the Company uses a simplified approach to calculate expected credit losses (ECLs). A provision matrix has been established based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. This matrix is based on the segments that exhibit similar patterns, such as geography and customer type.

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it may not receive the amount due from the particular customer. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amounts written off are credited directly to profit or loss.

The credit quality of bank balances that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2026	2025
	Short term	Long Term			
				Rupees in Thousands	
Askari Bank Limited	A1+	AA+	PACRA	**442,316**	754,465
Samba Bank Limited	A1	AA	PACRA	**354,787**	666,368
Meezan Bank Limited	A1+	AAA	VIS	**3,693**	305,099
Dubai Islamic Bank Pakistan Limited	A1+	AA	VIS	**1,031**	-
Al Baraka Bank Limited	A1	AA-	VIS	**10**	305,306
Habib Metropoliton Bank Limited	A1+	AA+	PACRA	**2,252,449**	830,729
Bank Alfalah Limited	A1+	AAA	PACRA	**508,844**	724,934
Bank Al Habib Limited	A1+	AAA	PACRA	**230,360**	9
Habib Bank Limited	A1+	AAA	VIS	**200**	106,374
The Bank of Punjab	A1+	AAA	PACRA	**20**	-
				3,793,710	3,693,284

(c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Company follows an effective cash management and planning process to ensure availability of funds and to take appropriate actions for new requirements. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

Description	2026					
	Carrying amount	Contractual cash flows	With in 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees in Thousands					
Contractual maturities of financial liabilities as at June 30, 2026:						
Trade and other payables	762,937	762,937	762,937	-	-	-
Short term borrowings	2,180,000	2,278,100	2,278,100	-	-	-
Long term financing	98,473	113,418	50,540	49,887	12,991	-
	3,041,410	3,154,455	3,091,577	49,887	12,991	-

Description	2025					
	Carrying amount	Contractual cash flows	With in 1 year	1-2 Years	2-5 Years	Above 5 Years
	Rupees in Thousands					
Contractual maturities of financial liabilities as at June 30, 2025:						
Trade and other payables	831,725	831,725	831,725	-	-	-
Short term borrowings	2,180,000	2,354,400	2,354,400	-	-	-
Long term financing	21,771	25,606	10,565	15,041	-	-
	3,033,496	3,211,731	3,196,690	15,041	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at June 30. Rates of interest / mark - up and their maturities are given in the respective notes.

(d) Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

Fair value is determined on the basis of objective evidence at each reporting date. The management assessed that the fair values of financial assets and financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

	NOTE	2026	2025
		Rupees in Thousands	
41.2 Financial instruments by categories			
Financial assets at amortized cost			
Trade debts	11	**7,502,558**	5,740,008
Contract assets	9 & 12	**2,538,467**	2,018,582
Loans and advances	10 & 13	**134,351**	25,316
Deposits and short term prepayments	14	**6,656**	6,688
Other receivables	15	**124,982**	127,085
Due from related parties	16	**499,548**	362,685
Short term investment	18	**400,000**	200,000
Bank balances	19	**3,793,710**	3,693,284
		15,000,272	12,173,648
Financial liabilities at amortized cost			
Trade and other payables	25	**762,937**	831,725
Short term borrowings	27	**2,180,000**	2,180,000
Long term financing	22	**98,473**	21,771
		3,041,410	3,033,496

42. Changes in Liabilities Arising from Financing Activities

	As at June 30, 2025	Non-cash changes	Cash flows (Net)	As at June 30, 2026
	Rupees in Thousands			
Long term financing - net	21,771	10,095	66,607	**98,473**
Short term borrowings - including interest accrued	2,206,278	147,651	(149,472)	**2,204,457**
Long term advances	5,415	-	12,750	**18,165**
	2,233,464	157,746	(70,115)	**2,321,095**

	As at June 30, 2024	Non-cash changes	Cash flows (Net)	As at June 30, 2025
	Rupees in Thousands			
Long term financing - net	15,820	1,876	4,075	21,771
Short term borrowings - including interest accrued	1,593,597	221,366	391,315	2,206,278
Lease liabilities	972	45	(1,017)	-
Long term advances	1,995	-	3,420	5,415
	1,612,384	223,287	397,793	2,233,464

43. Shariah Screening Disclosures by Company Listed on Islamic Index

	NOTE	2026	2025
		Rupees in Thousands	
Balance as at the reporting date			
Financing obtained as per Islamic mode	22 & 27	**1,398,473**	1,321,771
Shariah compliant bank deposits / bank balances	19	**2,766,027**	2,166,068
Long term and short term Shariah compliant investments	18	**200,000**	-
Interest / markup accrued on any conventional loan or advance	25	**9,873**	10,608
Transactions during the year			
Revenue earned from a Shariah compliant business segment	29	**10,476,405**	9,018,961
Profit earned from Shariah compliant bank deposits / bank balances	35	**163,680**	45,200
Profit paid on Islamic mode of financing	34	**96,945**	118,950
Interest earned on any conventional loan or advance	35	**30,447**	11,487
Break-up of late payments or liquidated damages		**Not Applicable**	Not Applicable
Gain or loss or dividend earned on shariah compliant investments or share of profit from shariah compliant associates		**58,622**	389,608
Exchange gain earned from actual currency		**57,157**	127,735
Exchange gain earned using conventional derivative financial instruments		**Not Applicable**	Not Applicable

Source and detailed breakup of other income, including breakup of other or miscellaneous portions of other income into Shariah-compliant and non compliant income:

Shariah Compliant			
i) Gain on sale of operating fixed assets	35	**24,403**	12,542
ii) Rental income	35	**2,100**	2,100
iii) Miscellaneous Income	35	**-**	115
Non-Shariah Compliant			
iv) Effect of discounting of long term contract assets	35	**15,737**	6,780

43.1 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
	Bank balance

44. Provident Fund Related Disclosures

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	2026	2025
	Number	Number
45. Number of Employees		
Number of employees as at June 30,	**1,075**	1,172
Average number of employees during the year	**1,109**	1,177

46. Annual Software Development Capacity

The Company is engaged in software development, subscription and support and licensing. Due to complicated nature of the software development process annual development capacity cannot be determined.

47. Authorization of Financial Statements

These financial statements were approved and authorized by the Board of Directors of the Company for issuance on September 28, 2026.

48. Subsequent Events

The Board of Directors has proposed a final cash dividend of 15% (Rs. 1.5 per share) for the year ended June 30, 2026, subject to approval by the members at the Annual General Meeting. This proposed dividend has not been recognized in these financial statements and will be accounted for in the period in which it is approved.

49. General

Corresponding figures are rearranged / reclassified for better presentation and comparison. No material re-arrangement / reclassification has been made in these financial statements.

DIRECTOR

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER