

November 12, 2025



# **NETSOL Technologies Reports First Quarter Fiscal 2026 Results; Revenue Up 2.8% Year-Over-Year**

**Cloud and SaaS revenue increased 9.4% compared with the prior year period, reflecting a continued shift toward recurring, platform-based offerings**

ENCINO, Calif., Nov. 12, 2025 (GLOBE NEWSWIRE) -- NETSOL Technologies, Inc. (Nasdaq: NTWK), a provider of AI-powered solutions and services enabling OEMs, dealerships and financial institutions to sell, finance and lease assets, reported results for the fiscal first quarter of 2026 ended September 30, 2025.

## **Fiscal First Quarter 2026 Financial Results**

Total net revenues for the first quarter of fiscal 2026 increased 2.8% to \$15 million, compared with \$14.6 million in the prior year period, driven by a 9.4% increase in subscription and support revenues. On a constant currency basis, total net revenues were \$15.1 million.

- Total subscription (SaaS and Cloud) and support revenues increased 9.4% to \$9 million compared with \$8.2 million in the prior year period. Total subscription and support revenues on a constant currency basis were \$9.1 million.
- Total services revenues were \$6 million, compared with \$6.4 million in the prior year period. Total services revenues on a constant currency basis were \$5.9 million.
- License fees were \$72,225 in the first quarter of FY'26.

Gross profit for the first quarter of fiscal 2026 was \$5.9 million or 39.4% of net revenues, compared to \$6.6 million or 45% of net revenues in the first quarter of fiscal 2025. On a constant currency basis, gross profit was \$5.9 million or 39.1% of net revenues as measured on a constant currency basis.

Operating expenses for the first quarter of fiscal 2026 were \$7.8 million or 51.6% of sales compared to \$7.3 million or 50.2% of sales for the first quarter of fiscal 2025. On a constant currency basis, operating expenses were \$7.8 million or 51.5% of sales on a constant currency basis.

Loss from operations for the first quarter of fiscal 2026 was \$1.8 million compared to a loss from operations of \$0.76 million in the first quarter of fiscal 2025.

GAAP net loss attributable to NETSOL for the first quarter of fiscal 2026 totaled \$2.4 million or \$0.20 per diluted share, compared with GAAP net income of \$0.071 million or \$0.006 per diluted share in the prior year period.

Non-GAAP EBITDA for the first quarter of fiscal 2026 was a loss of \$1.8 million, or \$0.15 per diluted share, compared with non-GAAP EBITDA of \$0.30 million, or \$0.03 per diluted share in the first quarter of fiscal 2025 (see note regarding “Use of Non-GAAP Financial Measures” below for further discussion of this non-GAAP measure).

Non-GAAP adjusted EBITDA for the first quarter of fiscal 2026 was a loss of \$1.9 million, or \$0.16 per diluted share, compared with non-GAAP adjusted EBITDA of \$0.20 million, or \$0.02 per diluted share in the prior year period (see note regarding “Use of Non-GAAP Financial Measures” below for further discussion of this non-GAAP measure).

## **Balance Sheet and Capital Structure**

Cash and cash equivalents were \$22.7 million as of September 30, 2025, compared with \$17.4 million as of June 30, 2025. Working capital was \$24.9 million as of September 30, 2025, compared with \$26.6 million as of June 30, 2025. Total NETSOL stockholders’ equity at September 30, 2025, was \$35.8 million or \$3.03 per share.

## **Management Commentary**

### **Commentary from Najeeb Ghauri, CEO and Chairman:**

“While our first quarter financial results reflect some near-term pressures, we are encouraged by the overall growth in total net revenues, which increased 2.8% year-over-year to \$15 million. We experienced continued growth in our subscription and support revenues, which increased 9.4% year-over-year. This trend demonstrates that our recurring revenue model is gaining traction and provides a solid foundation for long-term stability and profitability.”

### **Commentary from Roger Almond, CFO:**

“From a financial perspective, while the first quarter reflects a higher operating expense ratio and a temporary compression in gross margins, we remain committed to balancing strategic investment with cost discipline. Our cash position of \$22.7 million provides ample liquidity to support ongoing growth initiatives and we continue to prioritize investments that enhance recurring revenue streams and scalable digital solutions. The progress in subscription and support revenues underscores the resilience of our business model and we are taking proactive steps to optimize operational efficiency as we navigate short-term headwinds, keeping our focus squarely on long-term profitability and shareholder value creation.”

## **About NETSOL Technologies**

NETSOL Technologies delivers state-of-the-art solutions for the asset finance and leasing industry, serving automotive and equipment OEMs, auto captives and financial institutions across over 30 countries. Since its inception in 1996, NETSOL has been at the cutting edge of technology, pioneering innovations with its asset finance solutions and leveraging advanced AI and cloud services to meet the complex needs of the global market. Renowned for its deep industry expertise, customer-centric approach and commitment to excellence, NETSOL fosters strong partnerships with its clients, ensuring their success in an ever-evolving landscape. With a rich history of innovation, ethical business practices and a focus

on sustainability, NETSOL is dedicated to empowering businesses worldwide, securing its position as the trusted partner for leading firms around the globe.

### **Forward-Looking Statements**

*This press release may contain forward-looking statements relating to the development of the Company's products and services and future operation results, including statements regarding the Company that are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. The words "expects," "anticipates," variations of such words, and similar expressions, identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, but their absence does not mean that the statement is not forward-looking. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Factors that could affect the Company's actual results include the progress and costs of the development of products and services and the timing of the market acceptance. The subject Companies expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein to reflect any change in the company's expectations with regard thereto or any change in events, conditions or circumstances upon which any statement is based.*

### **Use of Non-GAAP Financial Measures**

The reconciliation of Adjusted EBITDA to net income, the most comparable financial measure based upon GAAP, as well as a further explanation of adjusted EBITDA, is included in the financial tables in Schedule 4 of this press release.

### **Investor Relations Contact:**

Investor Relations

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#### **NETSOL Technologies, Inc. and Subsidiaries Schedule 1: Consolidated Balance Sheets**

|                                                                           | As of<br>September 30, 2025 | As of<br>June 30, 2025 |
|---------------------------------------------------------------------------|-----------------------------|------------------------|
| <b>ASSETS</b>                                                             |                             |                        |
| <b>Current assets:</b>                                                    |                             |                        |
| Cash and cash equivalents                                                 | \$ 22,690,618               | \$ 17,357,944          |
| Accounts receivable, net of allowance of \$359,088 and \$355,464          | 6,320,988                   | 7,527,572              |
| Revenues in excess of billings, net of allowance of \$31,662 and \$34,496 | 13,994,651                  | 18,230,619             |
| Other current assets                                                      | 3,586,732                   | 3,203,468              |
| <b>Total current assets</b>                                               | <b>46,592,989</b>           | <b>46,319,603</b>      |
| Revenues in excess of billings, net - long term                           | 881,053                     | 903,766                |
| Property and equipment, net                                               | 5,188,592                   | 5,073,372              |
| Right of use assets - operating leases                                    | 653,418                     | 809,513                |
| Other assets                                                              | 6,938                       | 32,331                 |
| Goodwill                                                                  | 9,302,524                   | 9,302,524              |
| <b>Total assets</b>                                                       | <b>\$ 62,625,514</b>        | <b>\$ 62,441,109</b>   |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                               |                             |                        |
| <b>Current liabilities:</b>                                               |                             |                        |
| Accounts payable and accrued expenses                                     | \$ 9,191,552                | \$ 8,010,844           |
| Current portion of loans and obligations under finance leases             | 8,330,243                   | 8,240,061              |
| Current portion of operating lease obligations                            | 401,655                     | 433,242                |

|                                                                                      |                      |                      |
|--------------------------------------------------------------------------------------|----------------------|----------------------|
| Unearned revenue                                                                     | 3,735,828            | 3,029,850            |
| <b>Total current liabilities</b>                                                     | <b>21,659,278</b>    | <b>19,713,997</b>    |
| Loans and obligations under finance leases; less current maturities                  | 218,170              | 134,608              |
| Operating lease obligations; less current maturities                                 | 224,417              | 333,374              |
| <b>Total liabilities</b>                                                             | <b>22,101,865</b>    | <b>20,181,979</b>    |
| <b>Stockholders' equity:</b>                                                         |                      |                      |
| Preferred stock, \$.01 par value; 500,000 shares authorized;                         | -                    | -                    |
| Common stock, \$.01 par value; 18,000,000 shares authorized;                         |                      |                      |
| 12,733,907 shares issued and 11,794,876 outstanding as of September 30, 2025,        |                      |                      |
| 12,700,465 shares issued and 11,761,434 outstanding as of June 30, 2025              | 127,342              | 127,008              |
| Additional paid-in-capital                                                           | 129,636,251          | 129,529,901          |
| Treasury stock (at cost, 939,031 shares as of September 30, 2025, and June 30, 2025) | (3,920,856)          | (3,920,856)          |
| Accumulated deficit                                                                  | (43,646,368)         | (41,289,080)         |
| Other comprehensive loss                                                             | (46,402,374)         | (46,613,208)         |
| <b>Total NetSol stockholders' equity</b>                                             | <b>35,793,995</b>    | <b>37,833,765</b>    |
| Non-controlling interest                                                             | 4,729,654            | 4,425,365            |
| <b>Total stockholders' equity</b>                                                    | <b>40,523,649</b>    | <b>42,259,130</b>    |
| <b>Total liabilities and stockholders' equity</b>                                    | <b>\$ 62,625,514</b> | <b>\$ 62,441,109</b> |

**NETSOL Technologies, Inc. and Subsidiaries**  
**Schedule 2: Consolidated Statement of Operations**

|                                                       | For the Three Months<br>Ended September 30, |                  |
|-------------------------------------------------------|---------------------------------------------|------------------|
|                                                       | 2025                                        | 2024             |
| <b>Net Revenues:</b>                                  |                                             |                  |
| License fees                                          | \$ 72,225                                   | \$ 1,229         |
| Subscription and support                              | 8,960,555                                   | 8,192,471        |
| Services                                              | 5,979,143                                   | 6,404,798        |
| Total net revenues                                    | 15,011,923                                  | 14,598,498       |
| <b>Cost of revenues</b>                               | <b>9,099,933</b>                            | <b>8,034,386</b> |
| <b>Gross profit</b>                                   | <b>5,911,990</b>                            | <b>6,564,112</b> |
| <b>Operating expenses:</b>                            |                                             |                  |
| Selling, general and administrative                   | 7,536,353                                   | 6,964,321        |
| Research and development cost                         | 214,343                                     | 359,949          |
| Total operating expenses                              | 7,750,696                                   | 7,324,270        |
| <b>Income (loss) from operations</b>                  | <b>(1,838,706)</b>                          | <b>(760,158)</b> |
| <b>Other income and (expenses)</b>                    |                                             |                  |
| Interest expense                                      | (174,611)                                   | (258,219)        |
| Interest income                                       | 280,974                                     | 769,867          |
| Gain (loss) on foreign currency exchange transactions | (286,917)                                   | 542,545          |
| Other income                                          | 17,670                                      | 153,491          |
| Total other income (expenses)                         | (162,884)                                   | 1,207,684        |
| <b>Net income before income taxes</b>                 | <b>(2,001,590)</b>                          | <b>447,526</b>   |
| <b>Income tax provision</b>                           | <b>(215,775)</b>                            | <b>(229,817)</b> |
| <b>Net income</b>                                     | <b>(2,217,365)</b>                          | <b>217,709</b>   |
| <b>Non-controlling interest</b>                       | <b>(139,923)</b>                            | <b>(146,914)</b> |
| <b>Net income attributable to NetSol</b>              | <b>\$ (2,357,288)</b>                       | <b>\$ 70,795</b> |

**Net income per share:**

Net income per common share

|         |    |        |    |       |
|---------|----|--------|----|-------|
| Basic   | \$ | (0.20) | \$ | 0.006 |
| Diluted | \$ | (0.20) | \$ | 0.006 |

Weighted average number of shares outstanding

|         |            |            |
|---------|------------|------------|
| Basic   | 11,767,811 | 11,429,695 |
| Diluted | 11,767,811 | 11,482,754 |

**NETSOL Technologies, Inc. and Subsidiaries**  
**Schedule 3: Consolidated Statement of Cash Flows**

|                                                                                          | For the Three Months<br>Ended September 30, |                      |
|------------------------------------------------------------------------------------------|---------------------------------------------|----------------------|
|                                                                                          | 2025                                        | 2024                 |
| <b>Cash flows from operating activities:</b>                                             |                                             |                      |
| Net income (loss)                                                                        | \$ (2,217,365)                              | \$ 217,709           |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                                             |                      |
| Depreciation and amortization                                                            | 324,606                                     | 365,997              |
| Provision for bad debts                                                                  | (1,583)                                     | 336,506              |
| Gain on sale of assets                                                                   | (16,613)                                    | -                    |
| Stock based compensation                                                                 | 145,400                                     | 47,779               |
| <b>Changes in operating assets and liabilities:</b>                                      |                                             |                      |
| Accounts receivable                                                                      | 1,218,992                                   | 6,738,384            |
| Revenues in excess of billing                                                            | 4,282,495                                   | 836,403              |
| Other current assets                                                                     | (323,491)                                   | (222,359)            |
| Accounts payable and accrued expenses                                                    | 1,176,241                                   | 10,546               |
| Unearned revenue                                                                         | 714,879                                     | (2,813,220)          |
| <b>Net cash provided by operating activities</b>                                         | <b>5,303,561</b>                            | <b>5,517,745</b>     |
| <b>Cash flows from investing activities:</b>                                             |                                             |                      |
| Purchases of property and equipment                                                      | (485,281)                                   | (100,737)            |
| Sales of property and equipment                                                          | 16,687                                      | -                    |
| Investment in associates                                                                 | 25,396                                      | -                    |
| Purchase of subsidiary shares                                                            | -                                           | (7,895)              |
| <b>Net cash used in investing activities</b>                                             | <b>(443,198)</b>                            | <b>(108,632)</b>     |
| <b>Cash flows from financing activities:</b>                                             |                                             |                      |
| Proceeds from the exercise of stock options and warrants                                 | -                                           | 21,500               |
| Proceeds from exercise of subsidiary options                                             | 64,147                                      | -                    |
| Proceeds from bank loans                                                                 | 242,421                                     | 250,000              |
| Payments on finance lease obligations and loans - net                                    | (115,350)                                   | (118,311)            |
| <b>Net cash provided by financing activities</b>                                         | <b>191,218</b>                              | <b>153,189</b>       |
| <b>Effect of exchange rate changes</b>                                                   | <b>281,093</b>                              | <b>(163,511)</b>     |
| <b>Net increase (decrease) in cash and cash equivalents</b>                              | <b>5,332,674</b>                            | <b>5,398,791</b>     |
| Cash and cash equivalents at beginning of the period                                     | 17,357,944                                  | 19,127,165           |
| <b>Cash and cash equivalents at end of period</b>                                        | <b>\$ 22,690,618</b>                        | <b>\$ 24,525,956</b> |

**NETSOL Technologies, Inc. and Subsidiaries**  
**Schedule 4: Reconciliation to GAAP**

|                                               |    | For the Three Months<br>Ended September 30, |            |
|-----------------------------------------------|----|---------------------------------------------|------------|
|                                               |    | 2025                                        | 2024       |
| Net Income (loss) attributable to NetSol      | \$ | (2,357,288)                                 | \$ 70,795  |
| Non-controlling interest                      |    | 139,923                                     | 146,914    |
| Income taxes                                  |    | 215,775                                     | 229,817    |
| Depreciation and amortization                 |    | 324,606                                     | 365,997    |
| Interest expense                              |    | 174,611                                     | 258,219    |
| Interest (income)                             |    | (280,974)                                   | (769,867)  |
| EBITDA                                        | \$ | (1,783,347)                                 | \$ 301,875 |
| Add back:                                     |    |                                             |            |
| Non-cash stock-based compensation             |    | 145,400                                     | 47,779     |
| Adjusted EBITDA, gross                        | \$ | (1,637,947)                                 | \$ 349,654 |
| Less non-controlling interest (a)             |    | (223,948)                                   | (145,781)  |
| Adjusted EBITDA, net                          | \$ | (1,861,895)                                 | \$ 203,873 |
|                                               |    |                                             |            |
| Weighted Average number of shares outstanding |    |                                             |            |
| Basic                                         |    | 11,767,811                                  | 11,429,695 |
| Diluted                                       |    | 11,767,811                                  | 11,482,754 |
|                                               |    |                                             |            |
| Basic adjusted EBITDA                         | \$ | (0.16)                                      | \$ 0.02    |
| Diluted adjusted EBITDA                       | \$ | (0.16)                                      | \$ 0.02    |

(a)The reconciliation of adjusted EBITDA of non-controlling interest to net income attributable to non-controlling interest is as follows

|                                                            |    |          |    |           |
|------------------------------------------------------------|----|----------|----|-----------|
| Net Income (loss) attributable to non-controlling interest | \$ | 139,923  | \$ | 146,914   |
| Income Taxes                                               |    | 39,792   |    | 70,587    |
| Depreciation and amortization                              |    | 75,085   |    | 89,135    |
| Interest expense                                           |    | 48,827   |    | 79,192    |
| Interest (income)                                          |    | (79,679) |    | (242,647) |
| EBITDA                                                     | \$ | 223,948  | \$ | 143,181   |
| Add back:                                                  |    |          |    |           |
| Non-cash stock-based compensation                          |    | -        |    | 2,600     |
| Adjusted EBITDA of non-controlling interest                | \$ | 223,948  | \$ | 145,781   |



Source: NETSOL Technologies Inc.