



NETSOL Technologies

Investor Presentation

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February 2017



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NETSOL Technologies

Global Experience in Providing Enterprise Software Solutions to the
Leasing/Lending & Asset Finance Industry

NETSOL Overview

Recognized leader in asset finance and leasing software

- Top-tier global client base
- Numerous multi-country implementations with global companies

Highly competitive portfolio of software solutions

- Leading Asset Finance & Leasing Software serving critical business functions
- 200+ successful Implementations across Asia Pacific, US & Europe
- \$200+ billion assets managed via system globally

Past R&D is converting to new license and services revenue

- Actualizing revenue from large value projects; Average deal size is growing
- Market endorsement by blue-chip multinationals on next-generation product, NFS Ascent™
- Global opportunities for growth

Offshore delivery model

- Talented team of offshore experts builds leverage in model



7 Global
Delivery & Support
Centers

1500+ Global Team of
Experts

200+ Global Client
Base

Our Markets

Strong Relationships with 200+ Clients Across Market Verticals

Auto Finance & Leasing



Bank & Asset Finance



Equipment Finance

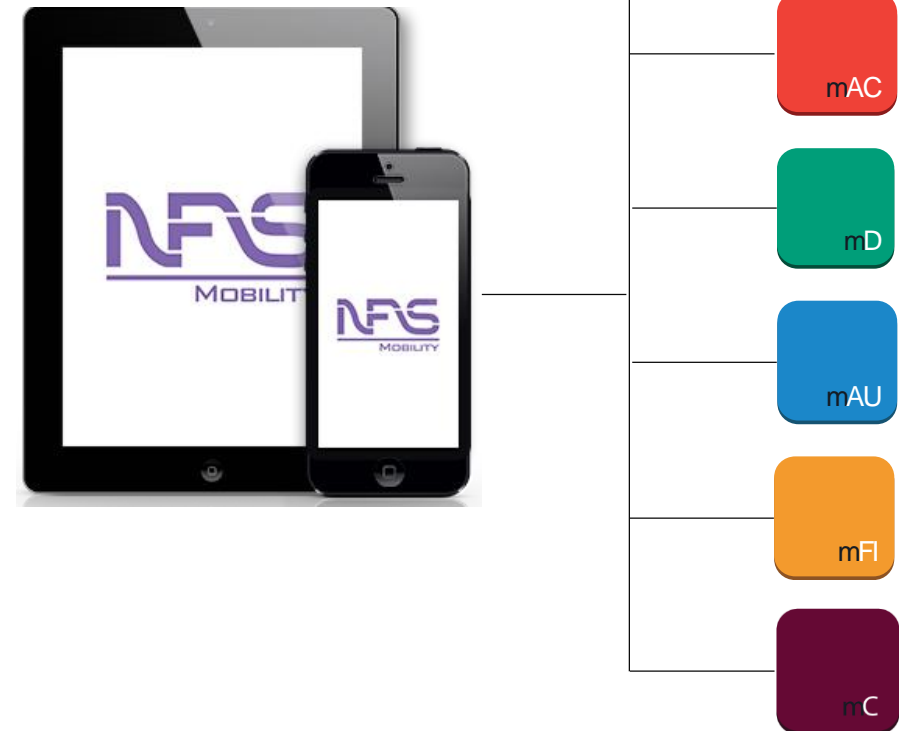


Our Finance & Leasing Enterprise Suite

Next Generation
Enterprise Solution



Enterprise Mobility
Suite



WFS

Wholesale Finance
System

The system provides a powerful, seamless and efficient system for automating and managing the entire life cycle of wholesale finance. Floor planning, dealer and inventory financing stands alone and integrates to the full NFS Ascent suite for a seamless lifecycle integration.

COS

Contract Origination
System

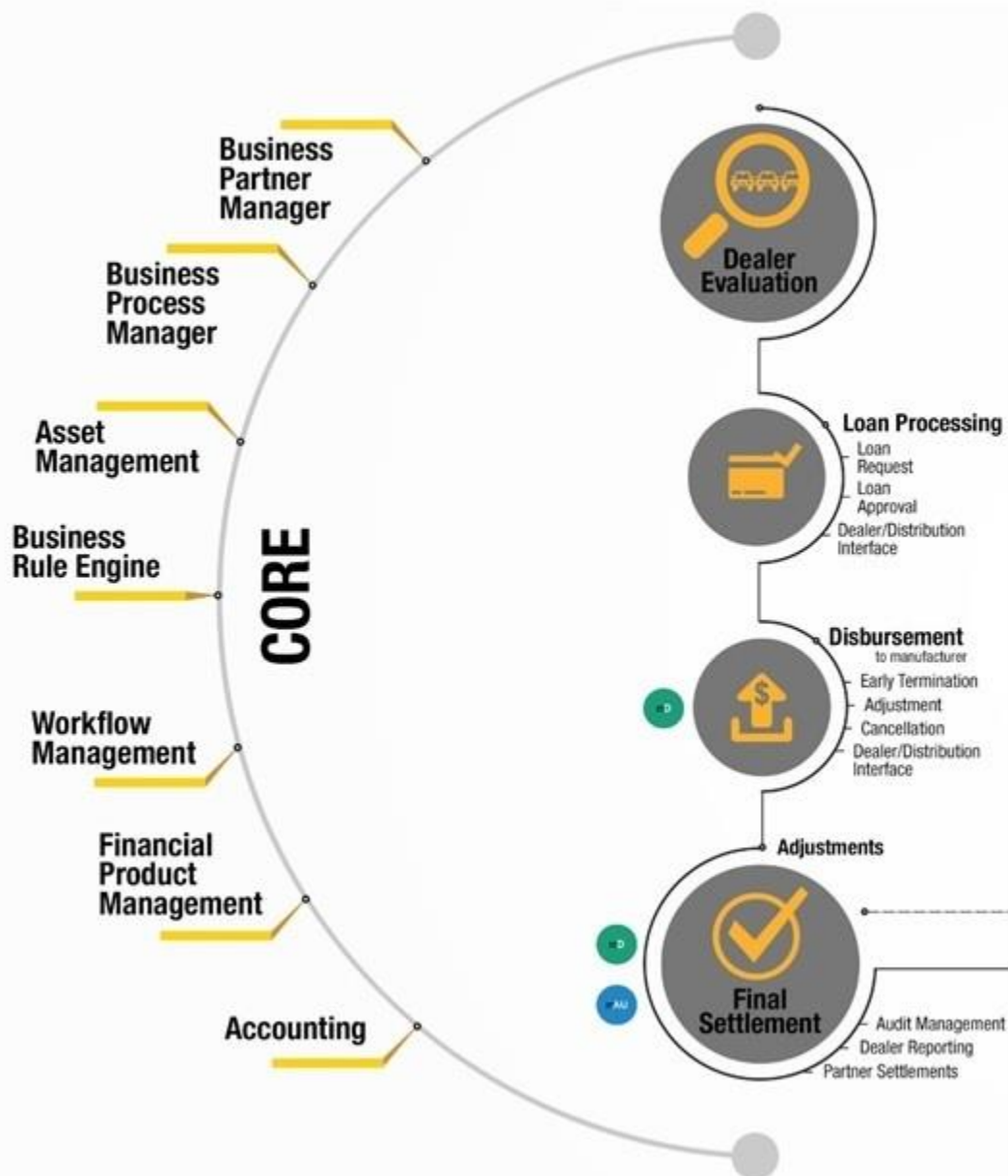
A highly agile, easy-to-use, web-based application – also accessible through mobile devices – Ascent's Contract Origination System (COS) delivers an intuitive user experience, with features that enable rapid data capture.

CMS

Contract Management
System

Ascent's Contract Management System (CMS) is a powerful, highly agile, functionally rich application for managing and maintaining detailed credit contracts throughout their lifecycle – from pre-activation and activation to maturity.

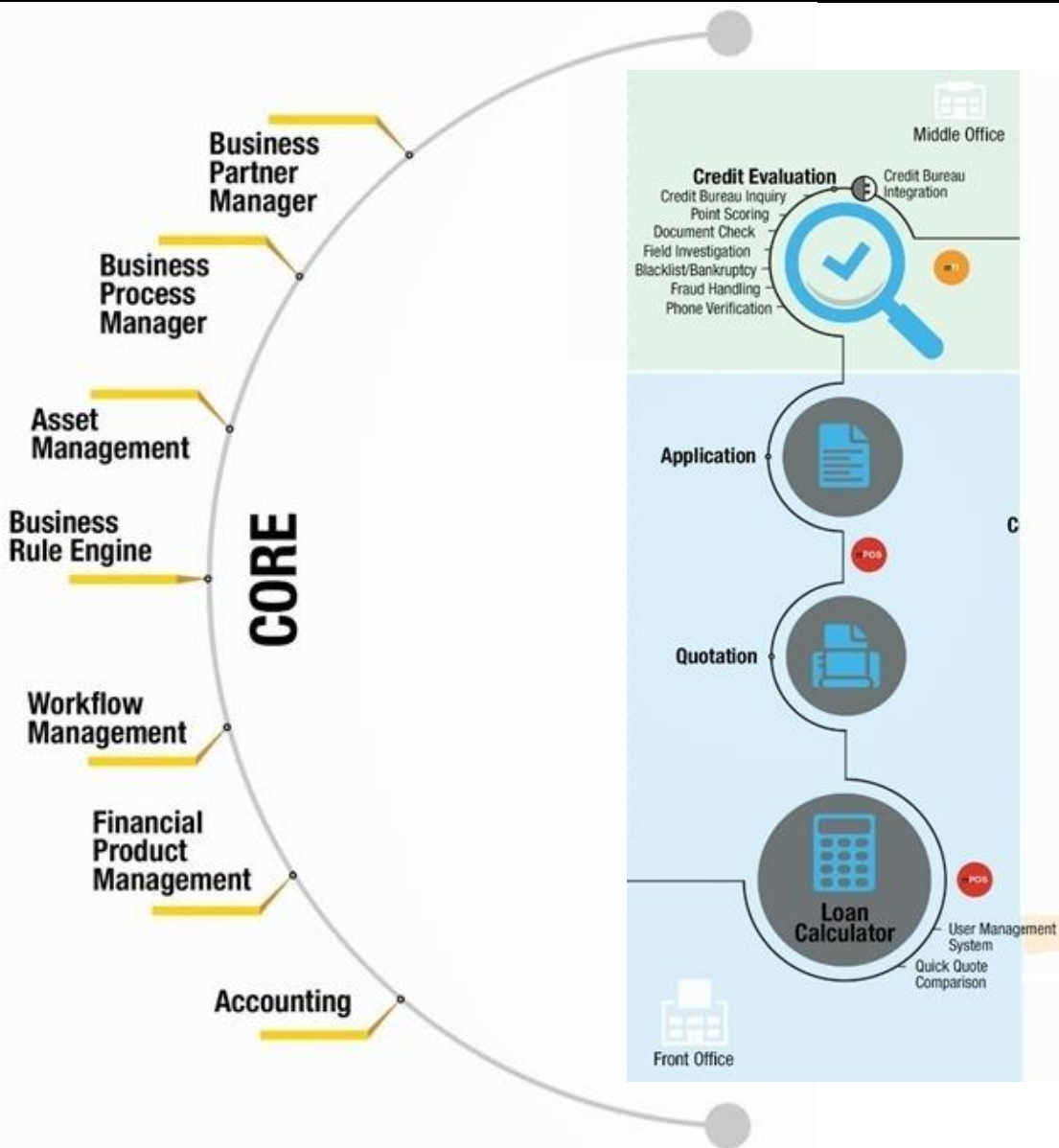




WFS

Wholesale Finance System

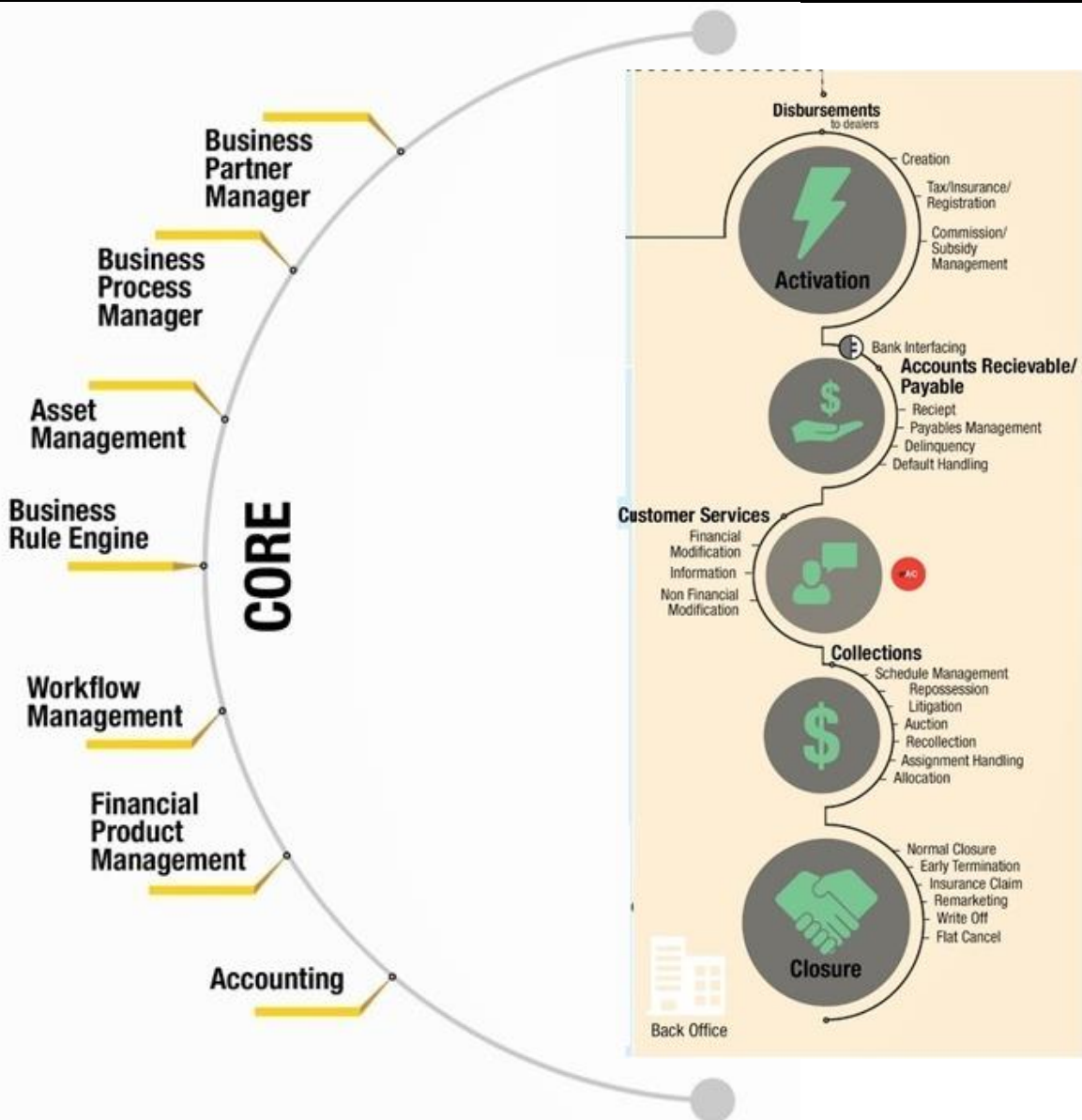
The system provides a powerful, seamless and efficient system for automating and managing the entire life cycle of wholesale finance. Floor planning, dealer and inventory financing stands alone and integrates to the full NFS Ascent suite for a seamless lifecycle integration.



COS

Contract Origination System

A highly agile, easy-to-use, web-based application – also accessible through mobile devices – Ascent's Contract Origination System (LOS) delivers an intuitive user experience, with features that enable rapid data capture.

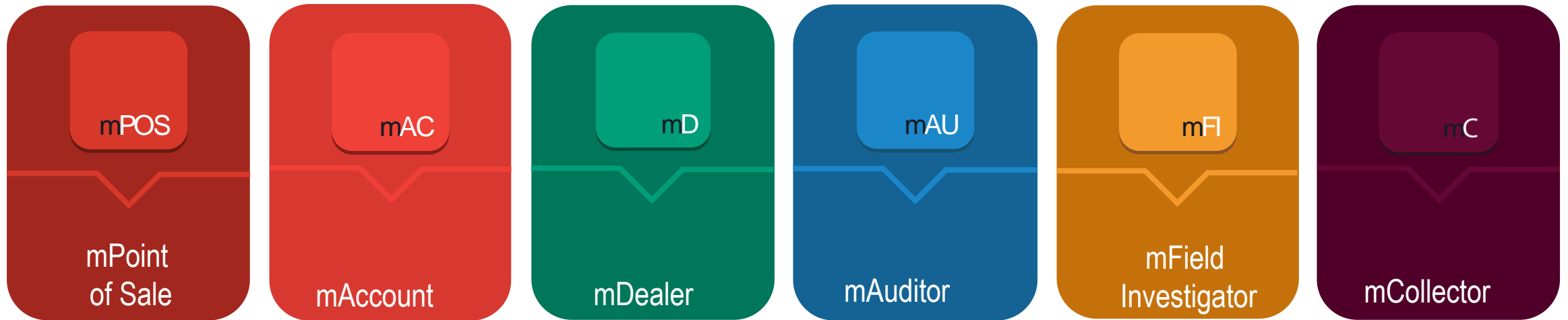


CMS

Contract Management System

Ascent's Contract Management System (CMS) is a powerful, highly agile, functionally rich application for managing and maintaining detailed credit contracts throughout their lifecycle – from pre-activation and activation to maturity.

NFS Mobility – The Portals



Other Products

Continuing to Support and Upgrade Regional Solutions

APAC Product Offering



- A robust suite of five software applications
- Each application is a complete system in itself
- Can be used independently to address specific sub-domains of the leasing/financing cycle.

North America Product Offering



- Deployed as On-premise and as SaaS solution
- Scalable from a basic offering to a suite of highly specialized add on modules
- Ongoing technology & feature upgrades
- Cloud deployment option.

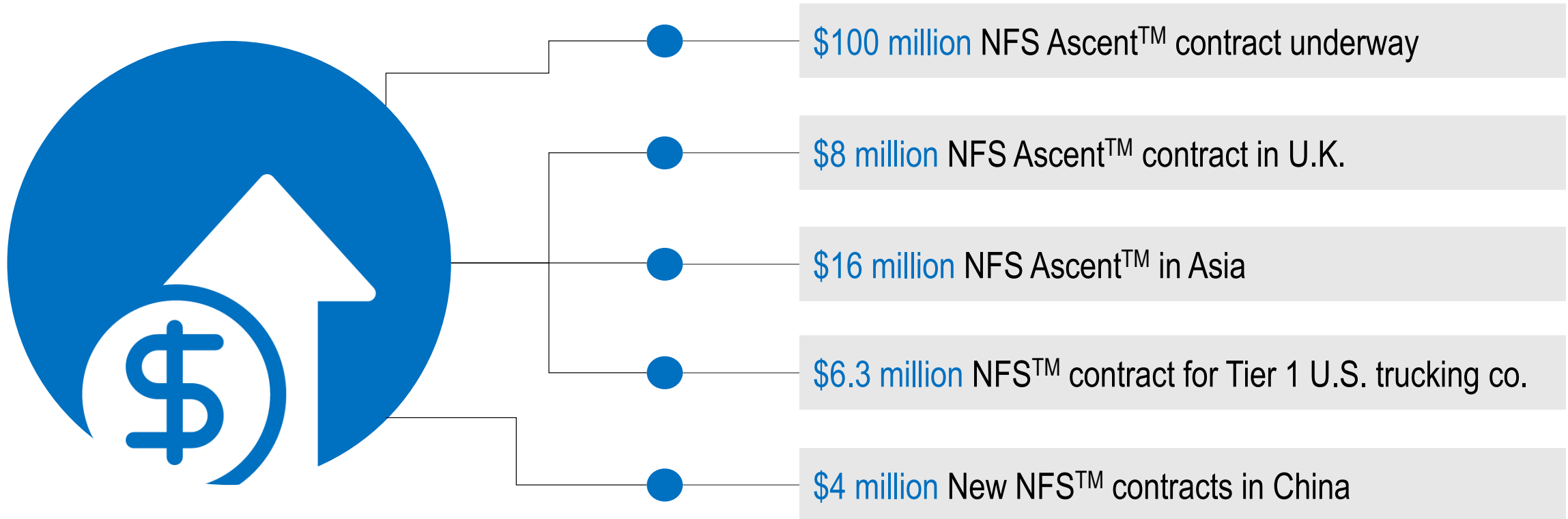
Europe Product Offering



- In addition to NETSOL's other products, NTE also offers:
 - LeaseSoft Portal
 - LeaseSoft Document Manager
 - LeaseSoft Auto-Decision Engine
 - LeaseSoft EDI Manager
 - Evolve

Expanding Revenue Base

Long-term Contracts Create Stable Base to Build Upon



Does not represent all deals. Provided for illustrative purposes.

\$100 Million Ascent Contract

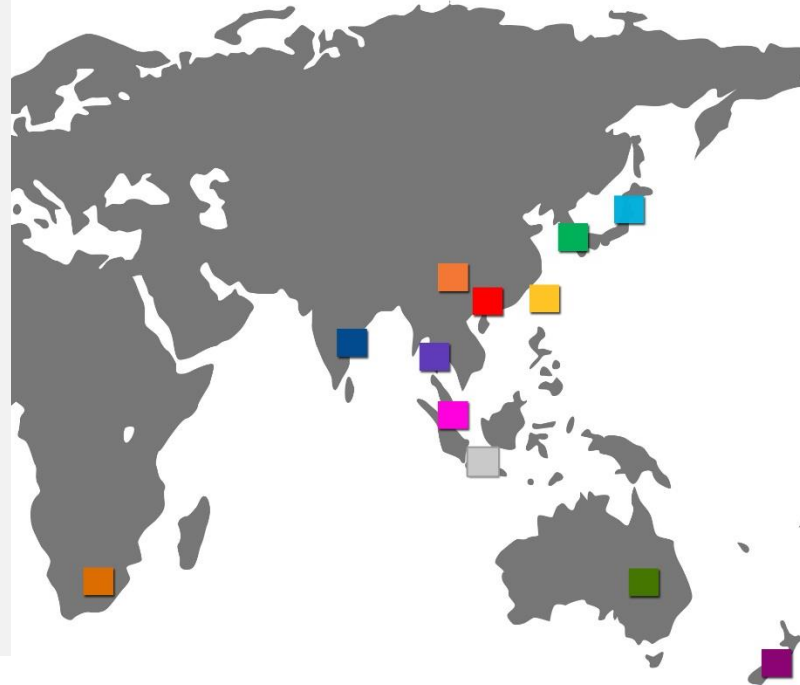
NASDAQ: NTWK

Represents the largest contract in NETSOL's history

- Implementing in 12 countries: Upgrading from NFS to NFS Ascent and bringing into one new country
- Services and customization work will likely grow; provides for further potential upside in the contract
- Maintenance recognized over 10-year period, increasing from year five through ten

Strong endorsement from long-standing client

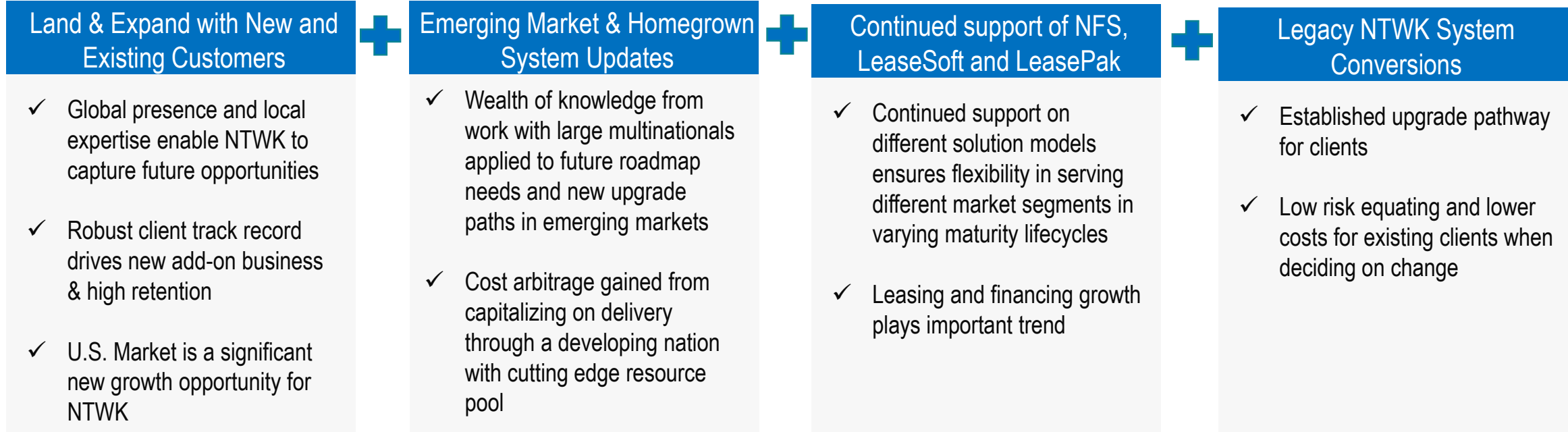
- Provides top-tier reference on NFS Ascent and ability of platform to cater to complex regional requirements
- Leveraging strong interest by existing and new clientele on exploring next generation solution suite to enhance competitiveness



*\$100 million based on license, maintenance and anticipated services to be rendered to each country

New Business

Multiple Vectors for Growth and Expansion



~\$150* Million Pipeline (\$75M North America and \$75M ROW)

*Calculated as at December 31, 2016

Strong Leadership Team

Najeeb Ghauri, Group CEO & Chairman
30+ years (HQ, LA)

Corporate Management

Roger Almond, CPA, Global CFO
25 years (HQ, LA)

Patti McGlasson, General Counsel & SVP Legal & Corp. Affairs
25 years (HQ, LA)

Subsidiary Leadership

Jeff Bilbrey,
President
NETSOL Americas
20 years (LA)

Tim O'Sullivan,
Managing Director,
NETSOL Europe
20+ years (UK)

Umar Qadri
President
NETSOL China
10+ years (Beijing)

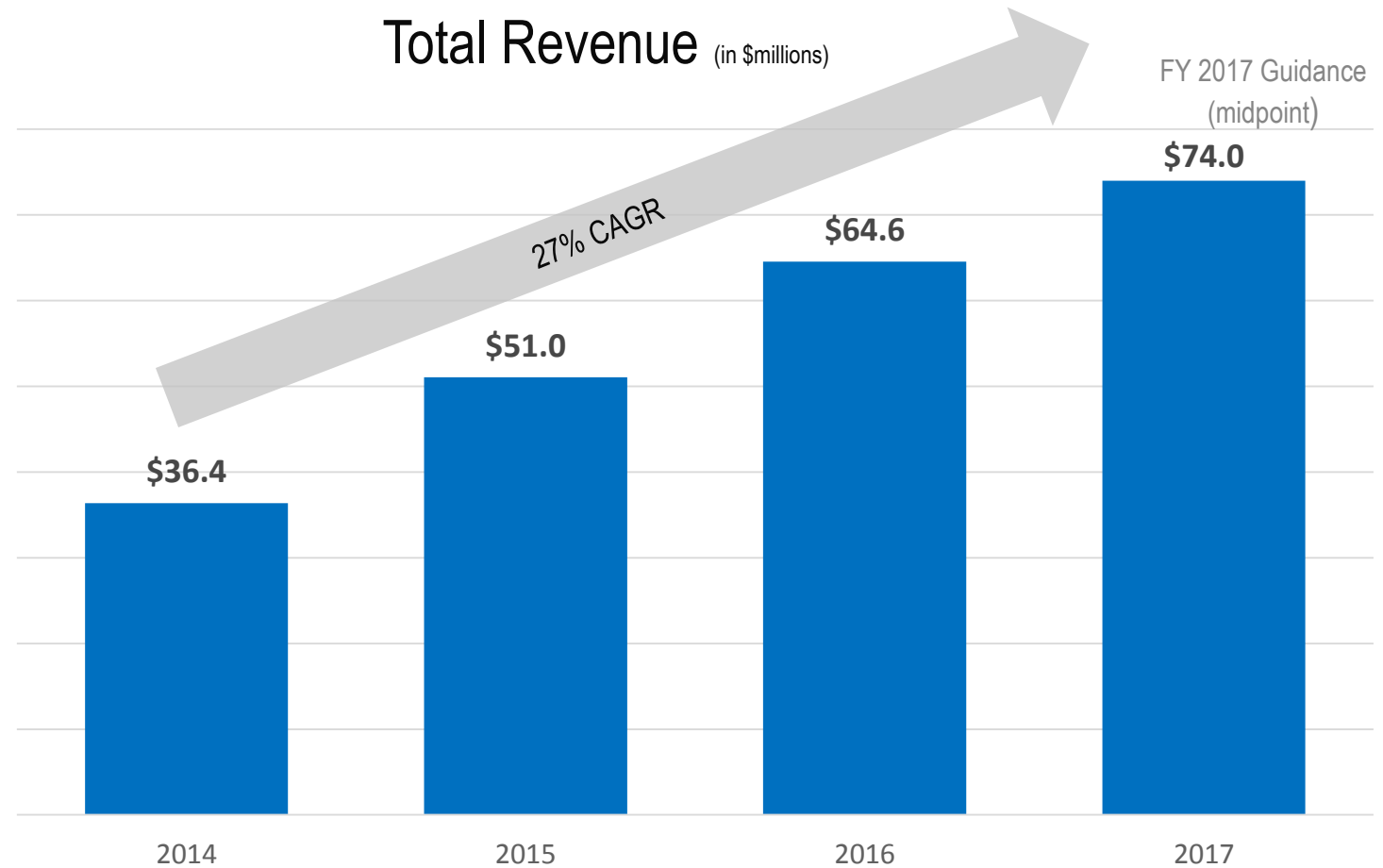
Salim Ghauri
CEO
NETSOL Pakistan
25 years (Lahore)

Naeem Ghauri
President/Head of
Global Sales
25 years (Bangkok)

Financial Highlights

Strong Revenue Growth

- Product transition year in fiscal 2014
 - Invested in growth: capacity and infrastructure
- \$64.6 million in fiscal 2016
 - 26% YoY Growth
 - \$100 M NFS Ascent™ contract began contributing in Q4
- Improved revenue predictability as we sign more Term License and SaaS deals
- Backlog is strong due to multi-year license contracts and multi-year implementation contracts.

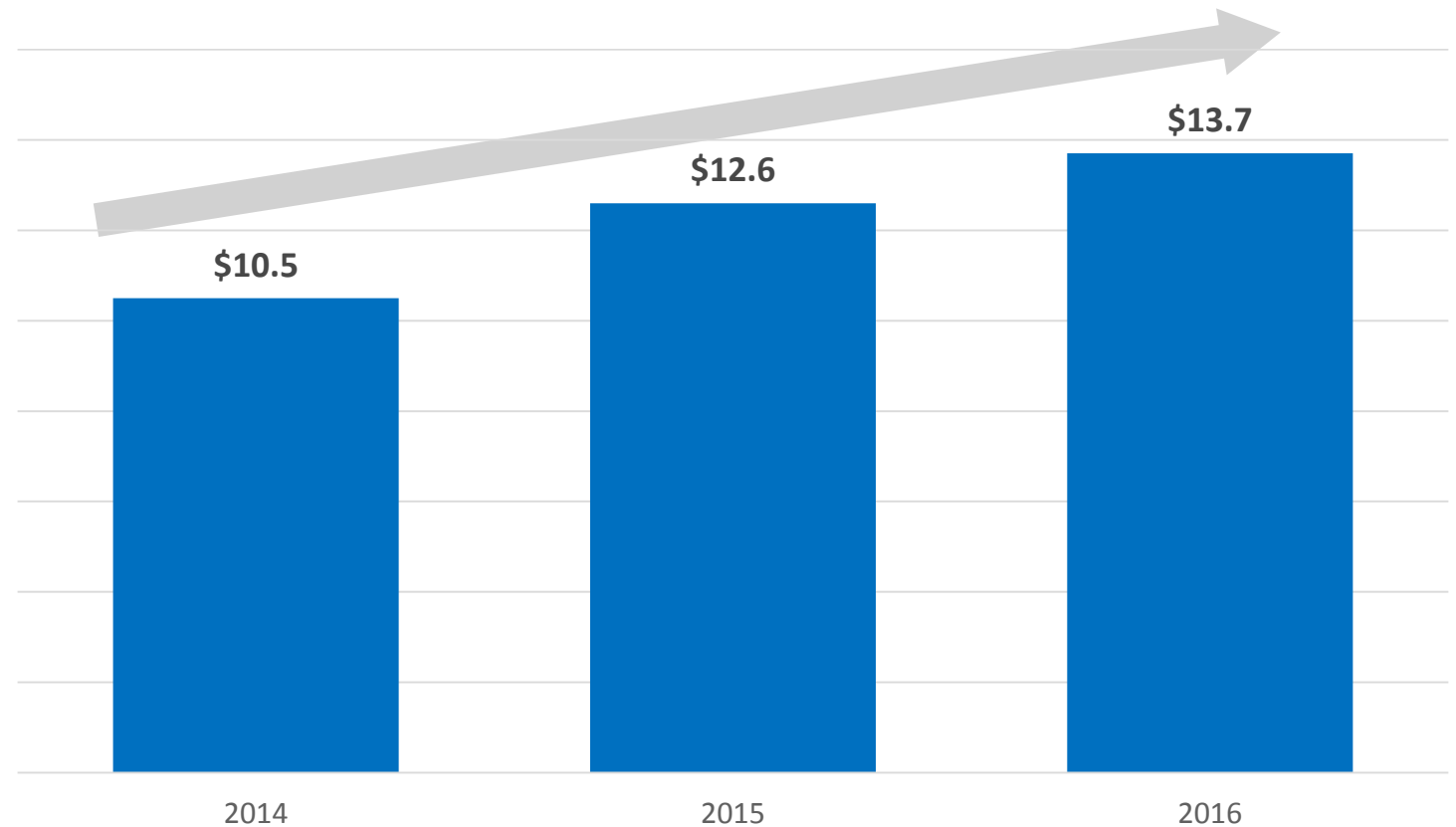


Solid Maintenance Revenue

NASDAQ: NTWK

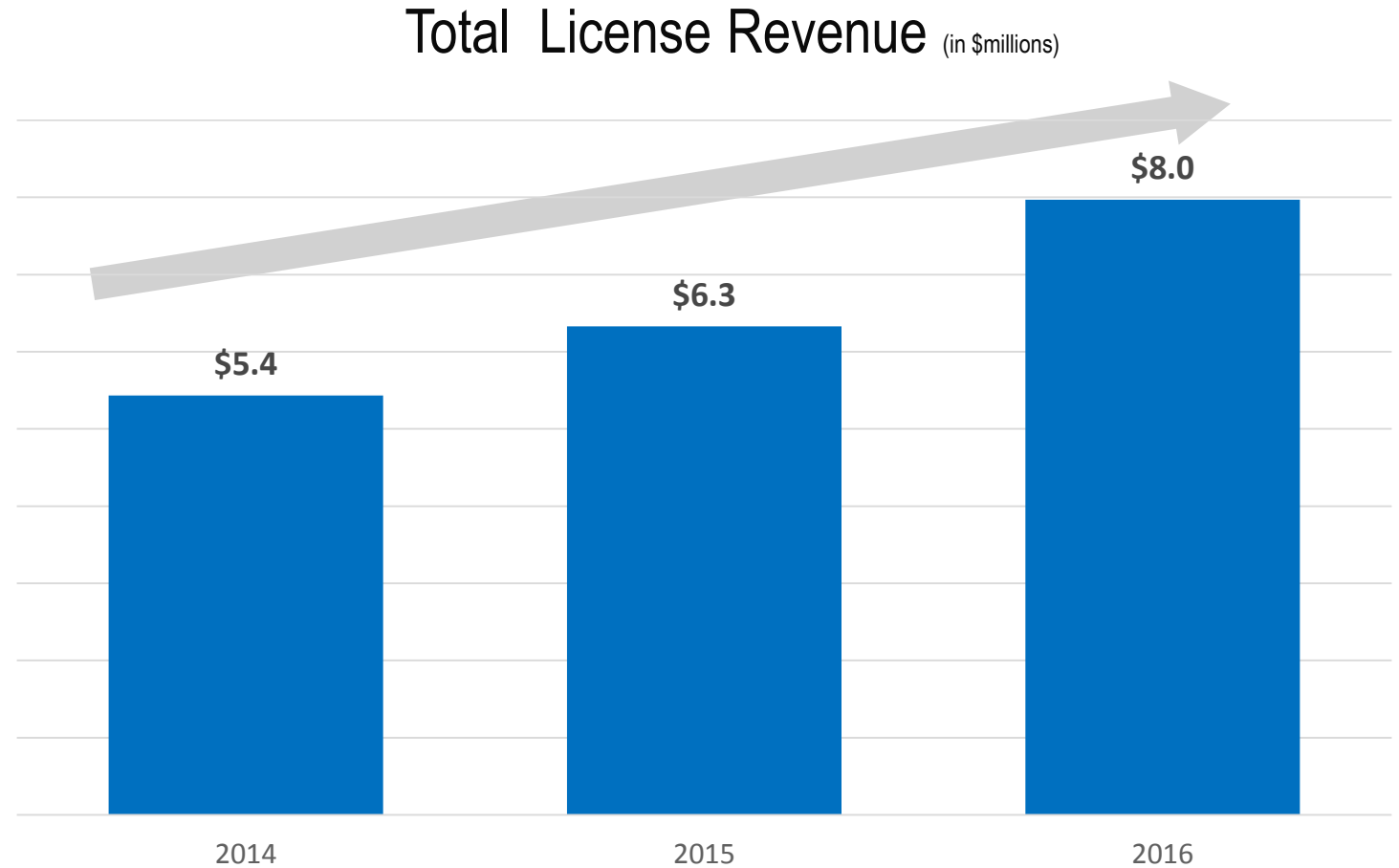
- Steady recurring revenue established through long-term clients
- Growing as client needs increase and new projects are implemented
 - Strong client retention
 - Upgrades at existing clients
 - New client additions
- Generated \$13.7 M in fiscal 2016, up 9% YoY

Total Maintenance Revenue (in \$millions)



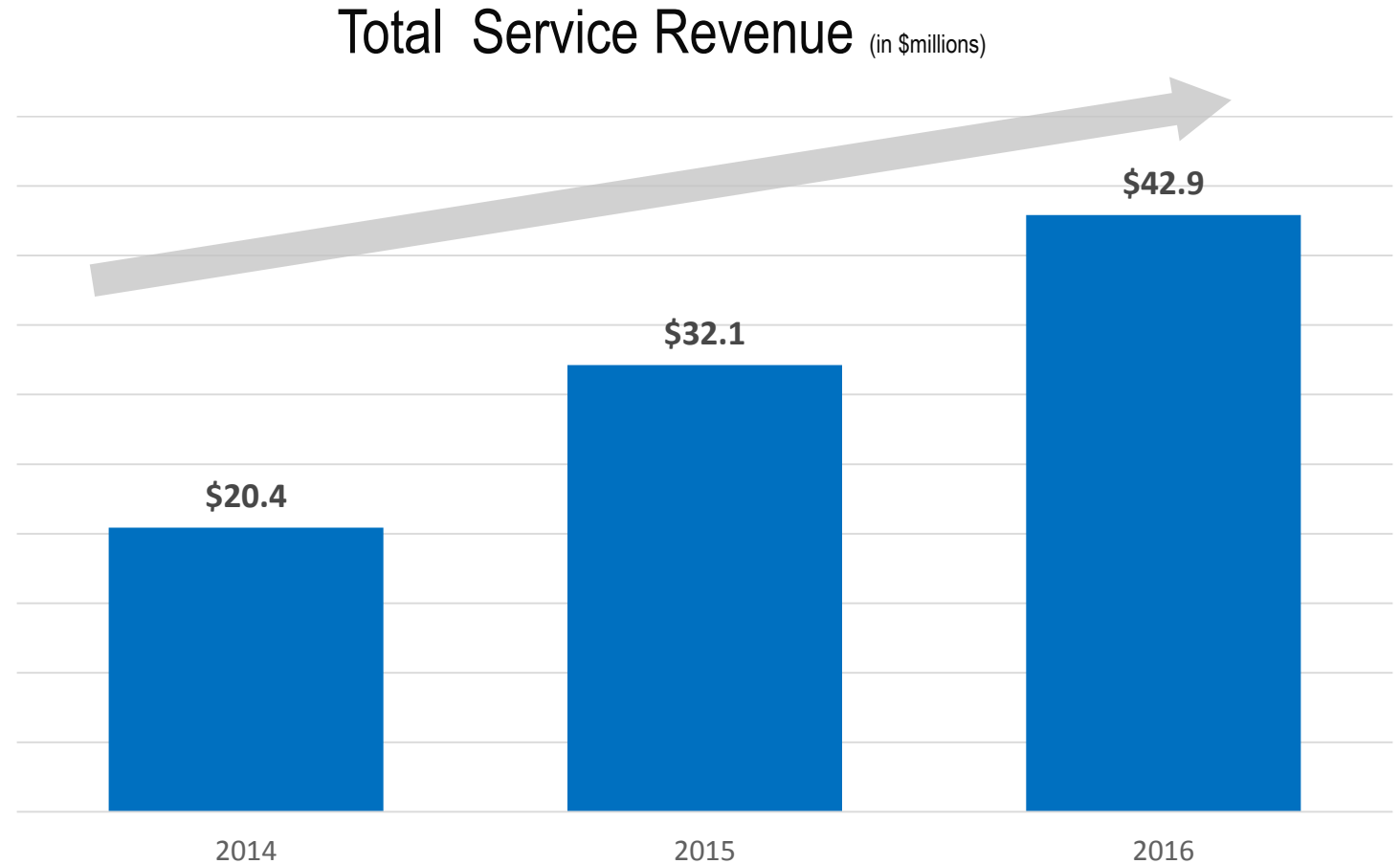
Growing License Revenue

- Growth driven by new customer additions / sales of NFS Ascent and regional solutions
- Generated \$8.0 M in fiscal 2016, up 26% YoY
- Future License revenue growth fueled by NFS Ascent implementations with new clients and upgrades by blue-chip customers



Services Revenue Growth With Minimal New Headcount

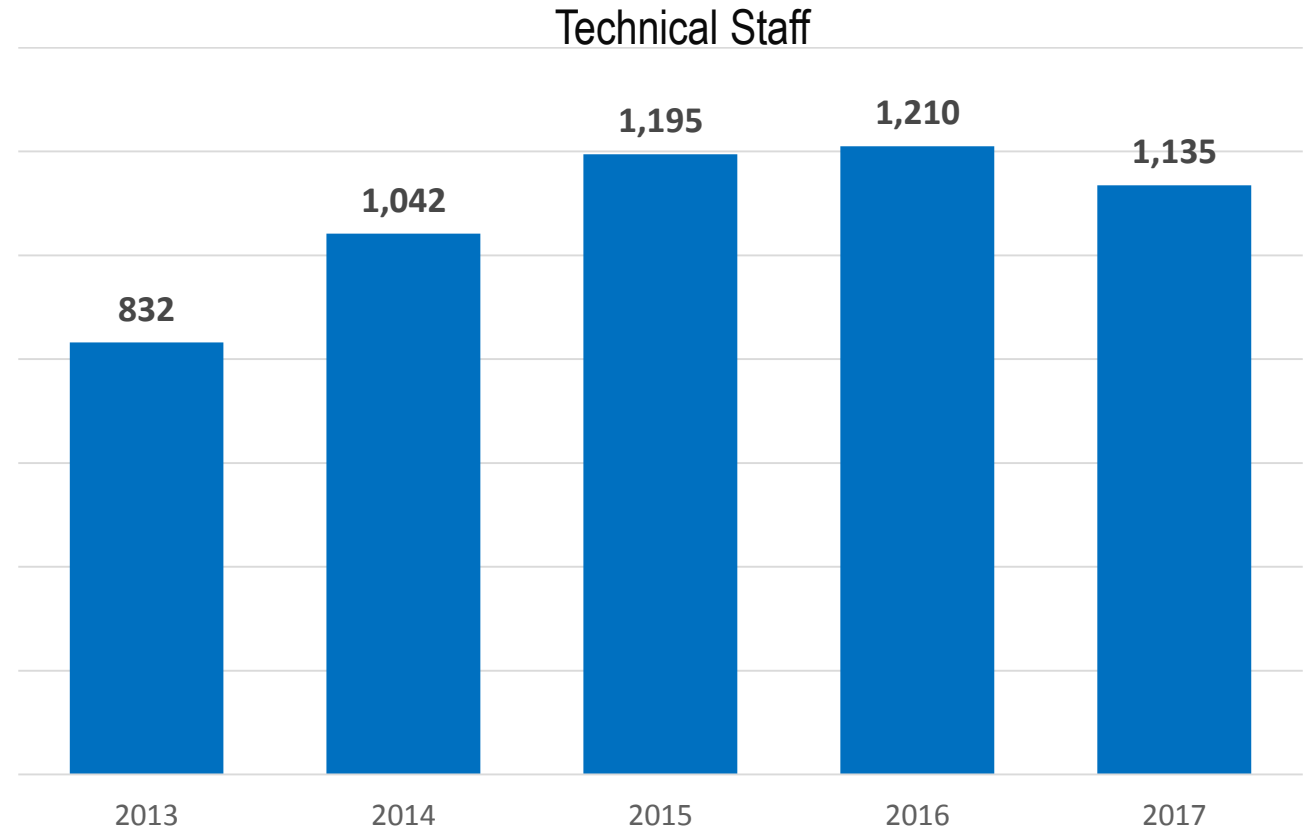
- Ongoing Services Delivery after go-live proves to be strong.
- **Transitioning R&D staff to Services Delivery will continue, improving overall margins.**
- Continued services growth expected with new NFS Ascent implementations



Stable Cost Structure

Focused on Building Leverage & Accelerating Profitable Growth

- Hiring to serve multiple complex implementations concurrently is essentially complete
 - Expect minimal net new hires moving forward
- **Initiated new productivity and cost reduction initiatives in Fiscal Q2 2017**
 - Expect \$1.5 million of cost savings in 2H FY 2017
 - Expect \$4.0 million of cost savings beginning in FY 2018
- Evaluating further opportunities for cost reductions while balancing our investments to support our core business and fund growth initiatives



Adjusted EBITDA

	Six Months Ended		Fiscal Year Ended	
	Dec 31, 2016	Dec 31, 2015	June 30, 2016	June 30, 2015
Net Income (loss) before preferred dividend, per GAAP	(2,751,395)	\$ 464,037	\$ 3,402,761	\$ (5,548,818)
Non-controlling interest	1,462,183	1,074,898	1,654,380	299,646
Income taxes	378,759	348,498	652,546	413,498
Depreciation and amortization	3,190,218	3,512,489	7,152,139	10,343,814
Interest Expense	116,602	140,329	264,511	166,962
Interest (income)	(53,856)	(87,411)	(161,794)	(331,432)
EBITDA	\$2,342,511	\$5,452,840	\$12,964,543	\$5,343,670
Add back:				
Non-cash stock-based compensation	1,547,579	471,735	1,533,209	1,997,637
Adjusted EBITDA, gross	\$3,890,090	\$5,924,575	\$14,497,752	\$ 7,341,307
Less non-controlling interest	(2,717,103)	(2,697,992)	(4,356,858)	(4,008,592)
Adjusted EBITDA, net	\$1,172,987	3,226,583	\$10,140,894	\$3,332,715
Weighted Average number of shares outstanding diluted	10,946,677	10,535,497	10,584,835	9,767,657
Adjusted EBITDA per diluted share	\$ 0.11	\$0.31	\$0.96	\$0.34

We are providing EBITDA because we believe it to be an important supplemental measure of our performance that is commonly used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. It should not be considered as an alternative to net income, operating income or any other financial measures calculated and presented, nor as an alternative to cash flow from operating activities as a measure of our liquidity. It may not be indicative of the Company's historical operating results nor is it intended to be predictive of potential future results.

Financial Trends & Guidance

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Net Revenues	\$36.5M	\$39.8M	\$49.8M	\$36.4M	\$51.0M	\$64.6M
Gross Margin	59.5%	54.1%	59.3%	23.8%	35.3%	47.7%
Cash and Cash eqv.	\$4.2	\$7.6	\$7.9	\$11.5	\$14.2	\$11.6

Guidance	expect revenue growth to trend higher in 2017 from expected	2017 Fiscal Year
Total Net Revenues	Q4 2016 levels	\$73 to \$75 million
Adjusted EBITDA		\$9 to \$10 million

Conclusion



Global opportunities for growth

Highly competitive solution in NFS Ascent

Demand for portfolio solutions



Offshore delivery builds leverage in model

End of large infrastructure investment



Improving financial outlook



Emerging from transition period

Gaining references sites



Numerous multi-country implementations with global companies

Strong maintenance and service revenue



Average deal size is growing

More consistent revenue flow over longer period with next-generation product



Favorable industry trends

Tech refresh cycle occurring in USA, easing of restrictions in China for new leasing companies, changing consumer purchasing in APAC countries, improving financing and leasing markets

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