



# NetSol Technologies

## Investor Presentation

May 12, 2015



# Safe Harbor Statement

This presentation may contain forward-looking statements relating to the development of NetSol Technologies' 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 "believe," "expect," "anticipate," "intend," 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. Any forward-looking statements contained herein speak only as of the date hereof. The Company undertakes no obligation to update or review any forward-looking statements.

This presentation may reference non-GAAP measures such as EBITDA. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. The Company uses EBITDA as a measure of the Company's operating trends. Investors are cautioned that EBITDA is not a measure of liquidity or of financial performance under Generally Accepted Accounting Principles (GAAP). The EBITDA numbers presented may not be comparable to similarly titled measures reported by other companies. EBITDA, while providing useful information, should not be considered in isolation or as an alternative to net income or cash flows as determined under GAAP. Investors are advised to carefully review and consider this information as well as the GAAP financial results that are disclosed in the Company's SEC filings.

# Who are we?

## 1 Recognized leader in asset finance and leasing software

- Top-tier global client base
- Highly competitive solution in NFS Ascent™

## 2 Talented global workforce

- On the ground dedicated staff
- Supported by offshore development

## 3 Returning to growth

- Improving maintenance and service revenue
- Strong pipeline of high-value projects
- Large value implementations now beginning to be recognized



**8** Global  
Delivery & Support  
Centers

**1500+** Global Team of  
Experts

**200+** Global Client  
Base

# Our Niche

## Auto Finance



## Banking



## Equipment Finance



# Global Customers

## Auto Finance



## Bank



## Equipment Finance



# Product Portfolio

Continuing to Support and Upgrade 'First Generation' Solutions



## Flagship Global Solution

- 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.
- Implementations primarily in APAC

## LeasePak

### NetSol's North America Product Offering

- Deployed as On-premise and as SaaS solution
- Scalable from a basic offering to a collection of highly specialized add on modules
- Part of the vehicle leasing infrastructure at leading Fortune 500 banks, manufacturers and lessors
- Partial technology set upgraded to Dot Net

## LeaseSoft®

Seamless Efficiency

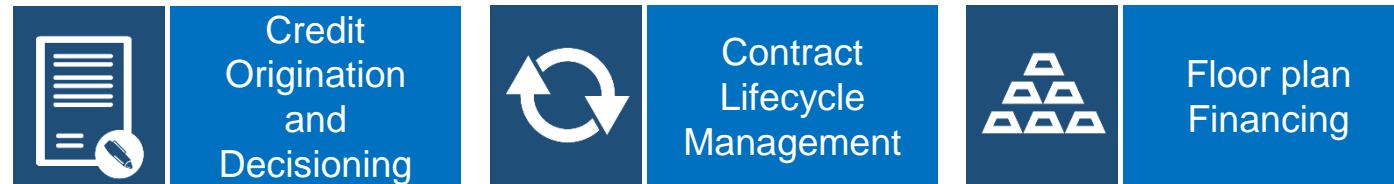
### NetSol's Europe Product Offering

In addition to NetSol's other products, NTE also offers:

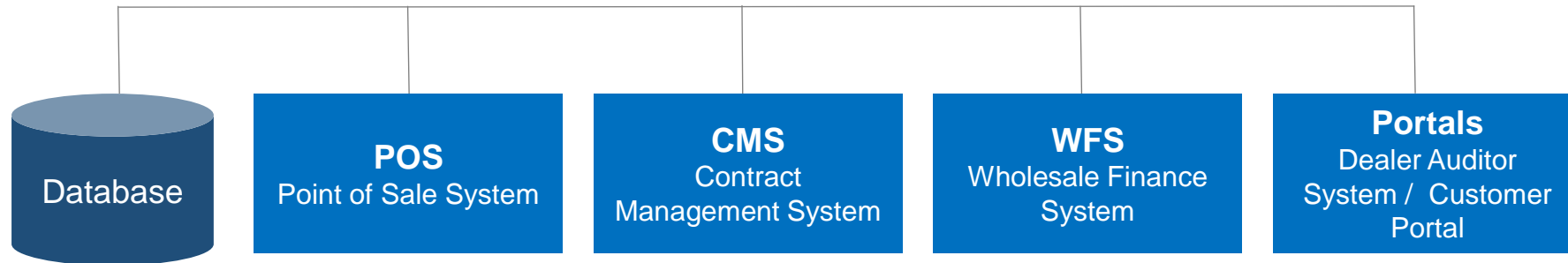
- LeaseSoft Portal
- LeaseSoft Document Manager
- LeaseSoft Auto-Decision Engine
- LeaseSoft EDI Manager
- Evolve

# Next Gen. Solution: NFS | Ascent

## Business Requirements



## NFS Components



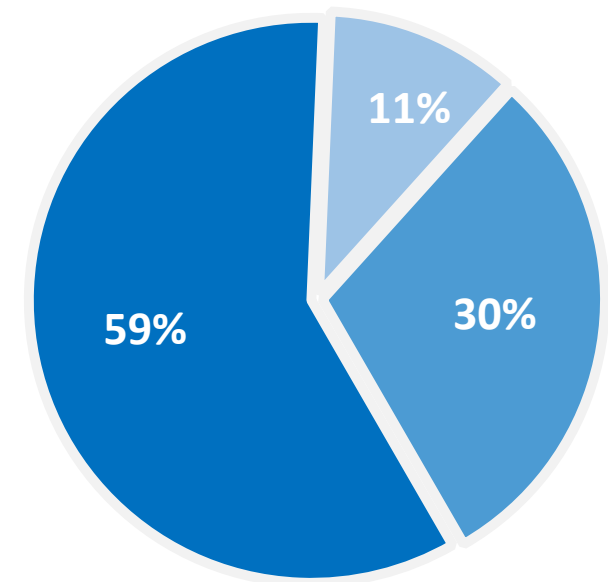
End - to - End Lease Lifecycle Management System

NFS Mobility Solutions

# NFS Ascent Contract: Example

- \$16 Million NFS Ascent contract
  - ✓ More than 50% of project value derived from customization & services
- Implementation with major multi-finance group in asia
  - ✓ Fully automates all finance front and back office operations
  - ✓ Manages portfolio of nearly two million contracts, serving more than 5,000 concurrent users
- License and services revenue will generate more than \$10 million in revenues
  - ✓ Five-year cost of ownership, including maintenance and support, brings the contract value to more than \$16 million

NFS | Ascent



■ Services ■ License ■ Maintenance



# Mobility Solutions:



Reshaping Business Models, Empowering Workers, Improving Collaboration

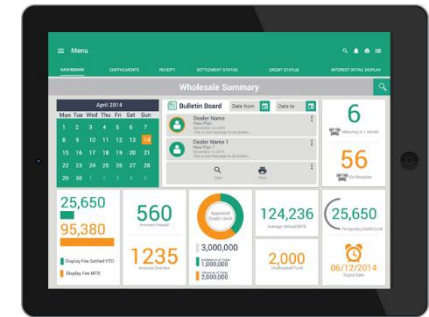
## mPOS

NetSol Financial Suite-Point of Sale application features a customizable business intelligence dashboard along with detailed reporting so dealer networks can make the right decisions at the right time, optimizing productivity and sales.



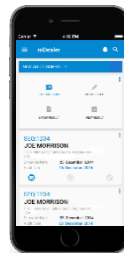
## mDealer

Empowers your business partner with a mobile platform that delivers more visibility and control over their inventories – with minimal effort. Your dealers can view their use of floor plan facility, stock status and financial conditions, while entering settlement requests or relocating assets.



## mAuditor

Empowers your business partner to schedule visits, record audit exceptions and track assets for higher levels of transparency, in real time.



## mAccount

NetSol Financial Suite mAccount gives customers complete visibility of their credit/lease contracts.



# Favorable Market Trends

## APAC



- Easing restrictions for new market entrants in China
- Emerging market in Thailand and Indonesia
- Improving Australian market
- Changes in consumer habits

## EUROPE



- Largest markets Germany and U.K returned to growth
- In 2014, U.K. had strongest growth since recession
- High penetration rate, throughout region, including Germany, provides opportunity for NFS Ascent

## North America



- Strong new business volumes
- Highest growth from equipment sector, and robust auto sector
- Opportunity for expansion among current customers for legacy solutions
- Technology refresh cycle provides further opportunity

# Building References

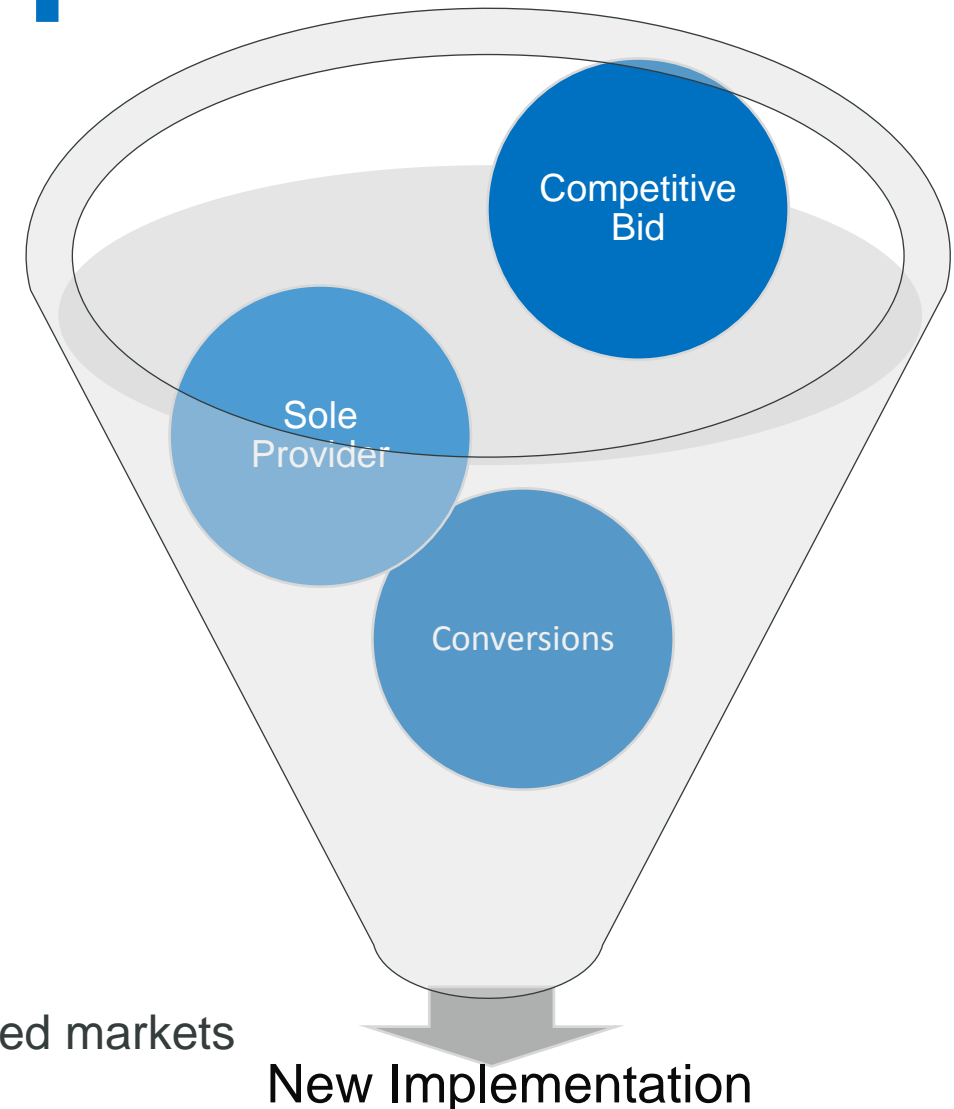


Not  
Disclosed

- Live with NFS Ascent for almost a year
- Global agreement with NetSol as preferred vendor
- NFS Ascent project implementation in Thailand already ongoing
- Strong relationship with NetSol in Asia, developed over 10 years of business partnership
- \$16 million NFS Ascent contract: Implementation underway

# New Business Pipeline

- Targeting region-wide and global sales
  - ✓ Global framework agreements provides opportunity
  - ✓ Client history within specific regions
- Higher magnitude, more complex implementations
  - ✓ Consulting playing a larger role
- New system implementations in emerging markets
  - ✓ Leasing and financing growth plays important trend
- NFS conversions
  - ✓ Established upgrade pathway for clients running NFS
- Upgrades from home-grown legacy systems in established markets



# Joint Ventures



## **NetSol-Innovation JV based in Pakistan**

- Outsourcing model, providing support services to Innovation Group clients, including:
  - ✓ Business analyses,
  - ✓ Configuration and testing,
  - ✓ Software quality assurance
  - ✓ technical assurance,
  - ✓ Software development and project management



## **Jointly Acquired by NTE and Investec Asset Finance**

- Provides range of services:
  - ✓ Business process outsourcing
  - ✓ Management of process-driven instalment credit portfolios
  - ✓ Standby servicing to securitization markets
  - ✓ Management of rental programs for equipment manufacturers and associated reseller

# 3Q15 Financial Summary

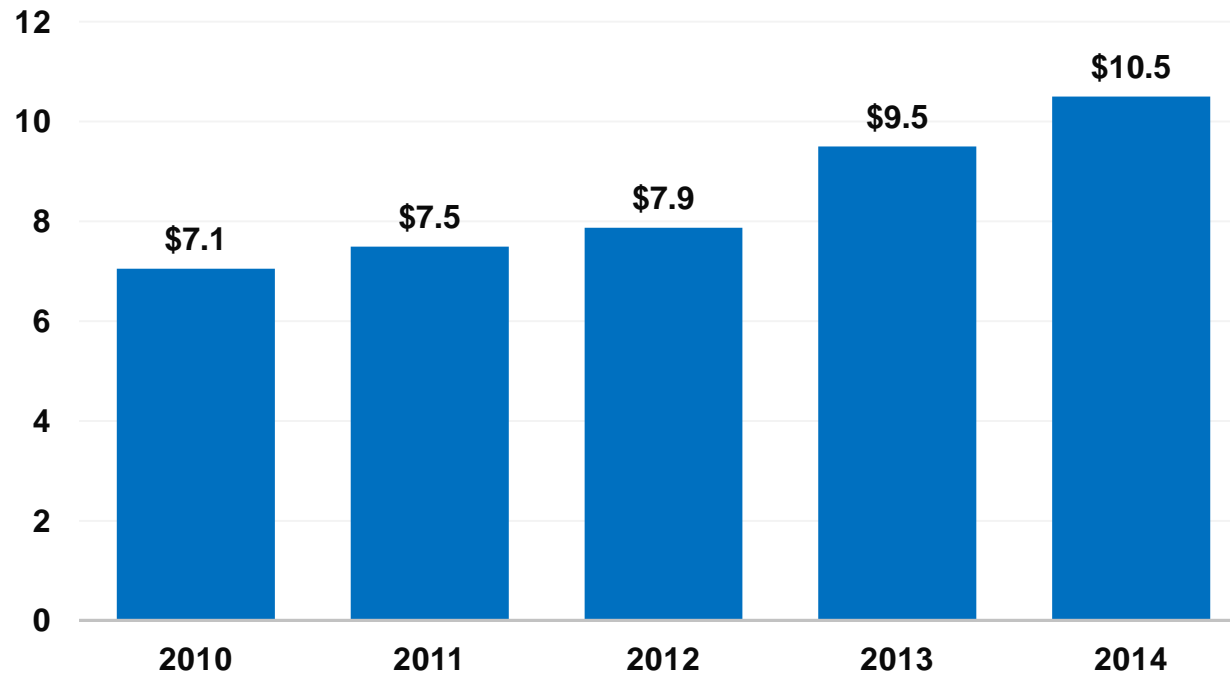
## 3Q15 vs 3Q14

- Total net revenues of \$13.0 million, up from 9.4 million last year
  - ✓ Led by strength in services, which more than doubled over the prior period
  - ✓ Just beginning to recognize large deals
- Cost of revenues and opex increased related to hiring, promotions, and timing of salary increases
- GAAP EPS loss narrows to \$(0.17) from \$(0.31)
- Non-GAAP EPS improves to a gain of \$0.09 from \$0.07
- Cash and cash equivalents of \$10.9 million and \$7.6 million in accounts receivable
- Purchased 1.58 million shares of NetSol PK common; non-controlling interest decreased from 36.6% to 34.9%

# Recurring Revenue Base

## Total Maintenance Revenue

In \$ Millions



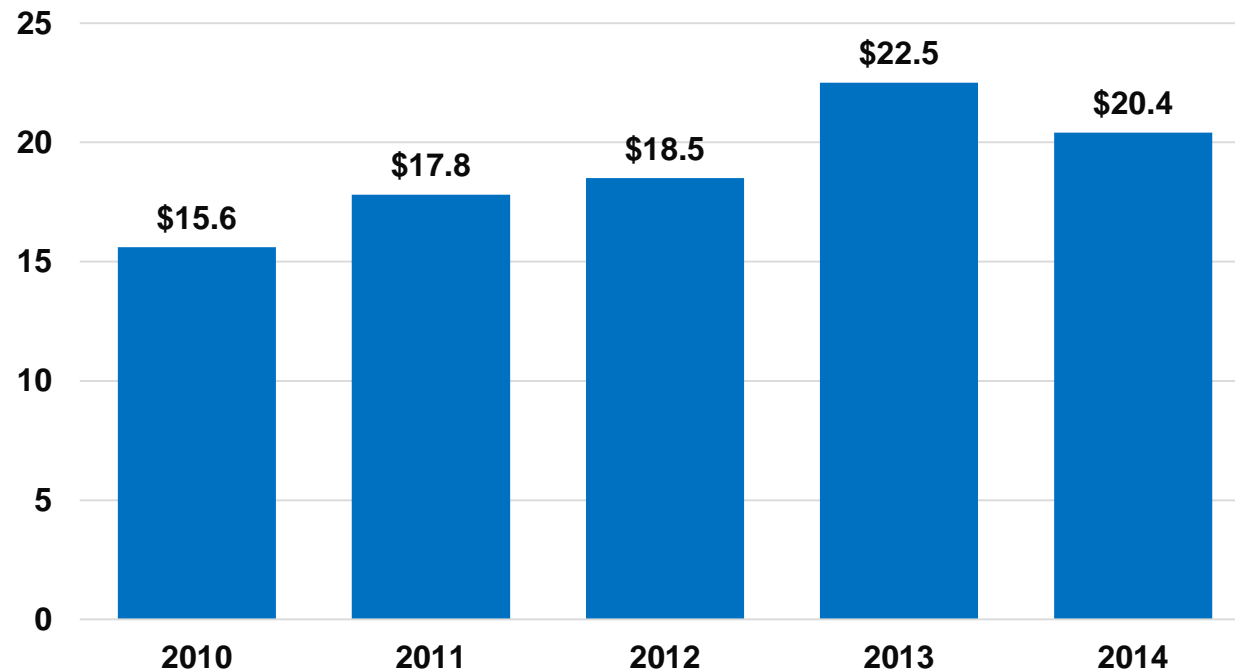
- Maintenance revenue trending at approx. \$12 million on annual basis
- 2015 third quarter \$3.0 million
- 2015 first nine months \$9.2 million
- On track for record total maintenance revenue for the year

*Note: Revenue from Vroozii is removed from 2013 and 2014 figures*

# Service Revenue

## Total Service Revenue

In \$ Millions



- Strength in service revenue supported by upgrades, increased utility, NFS Ascent
- 2015 Third Quarter of \$8.8 Million
- 2015 First Nine Months of \$21.5 million
- On track for record total service revenue for the year

*Note: Revenue from Vroozii is removed from 2013 and 2014 figures*

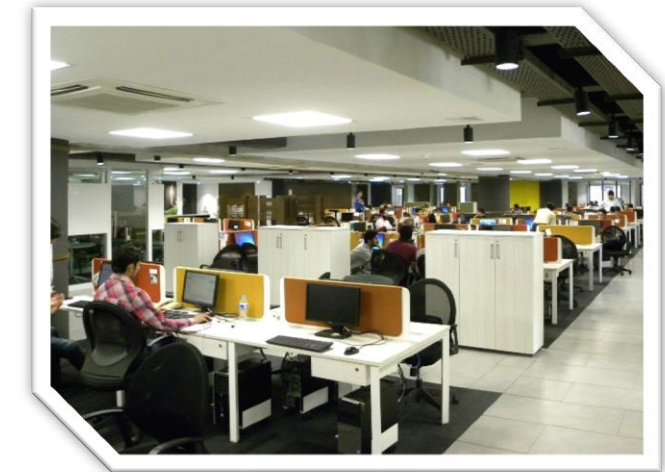
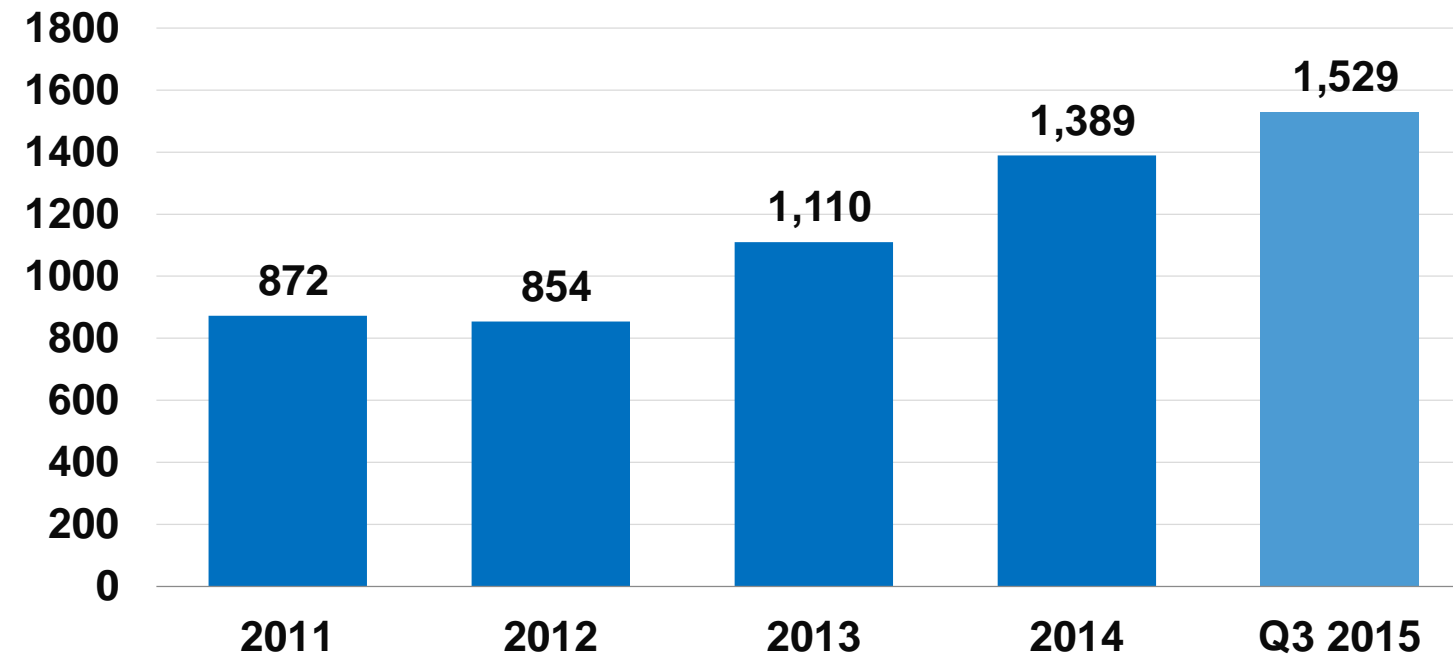


# Investing in Growth

- Built second building on NetSol campus
- Enhanced delivery center in Bangkok
- Built out presence in Europe with senior talent in the U.K.
- Established new office in Germany



**Full Time Employees**



# EBITDA

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Nine Months Ended March 31, 2015	Nine Months Ended March 31, 2014
Net Income (loss) before preferred dividend, per GAAP	\$ (1,636,245)	\$ (1,299,804)	\$ (4,841,440)	\$ (4,023,827)
Income Taxes	107,398	98,920	235,157	139,321
Depreciation and amortization	2,463,619	1,964,940	7,084,715	4,869,182
Interest expense	45,234	8,275	165,592	170,230
Interest (income)	(97,094)	(114,141)	(261,091)	(186,926)
<b>EBITDA</b>	<b>\$ 882,912</b>	<b>\$ 658,190</b>	<b>\$ 2,382,933</b>	<b>\$ 967,980</b>
Weighted Average number of shares outstanding				
Basic	9,914,321	9,092,834	9,573,336	9,034,532
Diluted	9,914,321	9,102,777	9,573,336	9,044,476
<b>Basic EBITDA</b>	<b>\$ 0.09</b>	<b>\$ 0.07</b>	<b>\$ 0.25</b>	<b>\$ 0.11</b>
<b>Diluted EBITDA</b>	<b>\$ 0.09</b>	<b>\$ 0.07</b>	<b>\$ 0.25</b>	<b>\$ 0.11</b>

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.

# Why Invest?

- 1** Global opportunities for growth
  - ✓ Highly competitive solution in NFS Ascent and NFS Mobility
- 2** Emerging from product transition period
  - ✓ Just now beginning to recognize revenue from large value projects
- 3** Average deal size is growing
  - ✓ More consistent revenue flow with next-generation product
- 4** Offshore delivery builds leverage in model
  - ✓ Tail end of large infrastructure investment to service more contracts and at higher pace
- 5** Numerous multi country implementations with global companies
  - ✓ Strong maintenance and service revenue
- 6** High barrier to entry
  - ✓ Systems serve critical business function
- 7** Favorable industry trends
  - ✓ Easing of restrictions, changing consumer purchasing in APAC countries, improving financing and leasing markets and technology refresh cycle

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