

# TAGLICH BROTHERS

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## Final Report

*Investors should consider this report as only a single factor in making their investment decision.*

### NetSol Technologies, Inc.

### Dropping Coverage

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June 21, 2017

#### NTWK \$3.95 — (NasdaqCM)

	2014 A	2015 A	2016 A
Fiscal year net sales (in millions)	\$36.4	\$51.0	\$64.6
Earnings per share	(\$1.38)	(\$0.57)	\$0.32

52-Week range	\$7.00 – \$3.80	Fiscal year ends:	June
Shares outstanding	11.1 million	Revenue/shares (ttm)	\$6.44
Approximate float	9.6 million	Price/Sales (ttm)	0.6X
Market Capitalization	\$43.8 million	Price/Earnings (ttm)	NMF
Tangible Book value/shr	\$3.41	Price/Book	1.2X

#### Key Investment Considerations:

*Dropping coverage due to termination of research services.*

*NetSol Technologies, Inc., founded in 1997, is headquartered in Calabasas, CA. The company operates nine owned and five minority-owned subsidiaries. The company's information and enterprise technology customers include organizations in the financial, leasing, insurance, energy, and technology industries.*

*NTWK has regional offices located in San Francisco and Calabasas, California, London, Bangkok, Thailand, and Lahore, Pakistan. Additional locations include Australia, China, and Japan.*

*The company's NFS legacy offering is a modular contract management system for asset finance companies. When implemented, the system fully automates a customer's entire leasing and financing cycle, and interfaces with external legacy systems. The platform consists of seven primary modules.*

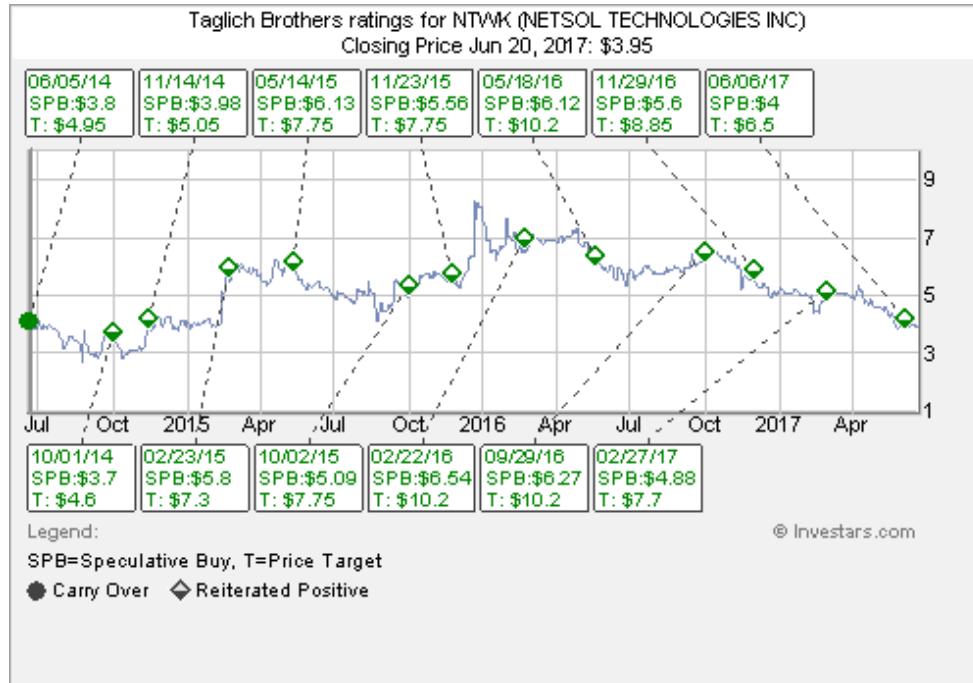
*NTWK's newest offering is NFS Ascent, an advanced platform, allowing captive-auto lease/financing companies and asset lease/financing companies to rapidly transform legacy dependent information technology into a state-of-the-art, information technology and business process management environments.*

*3Q17 sales (reported on 5/22/17) increased 12.4% to \$17.9 million due to a three-fold increase in license fees to \$5.7 million and a 5.1% increase in maintenance fees to \$3.6 million. 3Q17 EPS was \$0.06 per share compared to \$0.08 per share in the year-ago period.*

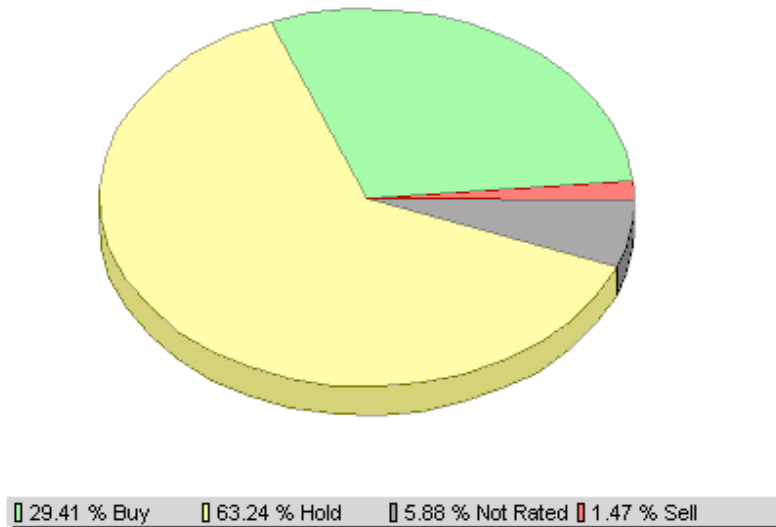
*Please view our Disclosures pages 2 - 4*

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### Price Chart



### Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months		
Rating	#	%
Buy	3	13
Hold	2	50
Sell		
Not Rated		

### **Important Disclosures**

As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families do not have a position in the stock of the company mentioned in this report. Taglich Brothers, Inc. does not currently have an Investment Banking relationship with the company mentioned in this report and was not a manager or co-manager of any offering for the company with in the last three years.

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### **Analyst Certification**

**I, Howard Halpern, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.**

### **Public Companies mentioned in this report:**

**Meaning of Ratings**

**Buy** – The growth prospects, degree of investment risk, and valuation make the stock attractive relative to the general market or comparable stocks.

**Speculative Buy** – Long-term prospects of the company are promising but investment risk is significantly higher than it is in our BUY-rated stocks. Risk-reward considerations justify purchase mainly by high risk-tolerant accounts. In the short run, the stock may be subject to high volatility and could continue to trade at a discount to its market.

**Neutral** – Based on our outlook the stock is adequately valued. If investment risks are within acceptable parameters, this equity could remain a holding if already owned.

**Sell** – Based on our outlook the stock is significantly overvalued. A weak company or sector outlook and a high degree of investment risk make it likely that the stock will underperform relative to the general market.

**Dropping Coverage** – Research coverage discontinued due to the acquisition of the company, termination of research services, non-payment for such services, diminished investor interest, or departure of the analyst.

**Some notable Risks within the Microcap Market**

**Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company-specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.**

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