Direct Insite Corp. (DIRI)
Investor Presentation

DIRECT INSITE

Some of the statements made in these materials may be forward-looking in nature. If you want to understand the risks associated with such statements, please review our filings with the SEC.

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WHAT WE DO

Direct Insite provides cloud-based, ERP agnostic solutions that automate Accounts Payable (AP) and Accounts Receivable (AR) invoice processes for Global 3000 companies.

- As a Cloud-based SaaS business model, there is no hardware or software capital expense

- Customers reduce costs, cycle time, human "touches," and improve vendor & customer satisfaction

- Customers can manage DSOs by using a technology solution in coordination with a financing partner

- Ability to accept any invoice, in any format, from any source

- Transaction-based pricing

- Blue-chip customer base: IBM, HP, Siemens, St. Gobain, Citibank, Shell Oil, & Hyatt

- A growing Global vendor network of 350,000+ suppliers and plans to monetize

- New Board and Management - Since 2011 restructuring, Direct Insite has announced 11 new customer wins and moved from revenue declines to double digit revenue growth.

- Recurring revenue business model and profitable - $1.3M in TTM FCF, implying 7% Free Cash Flow Yield

- Insider Ownership – Direct Insite's Board owns 65% of the Company, hence squarely aligned with shareholders

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Invoices On-Line™ Accounts Payable and Accounts Receivable Automation
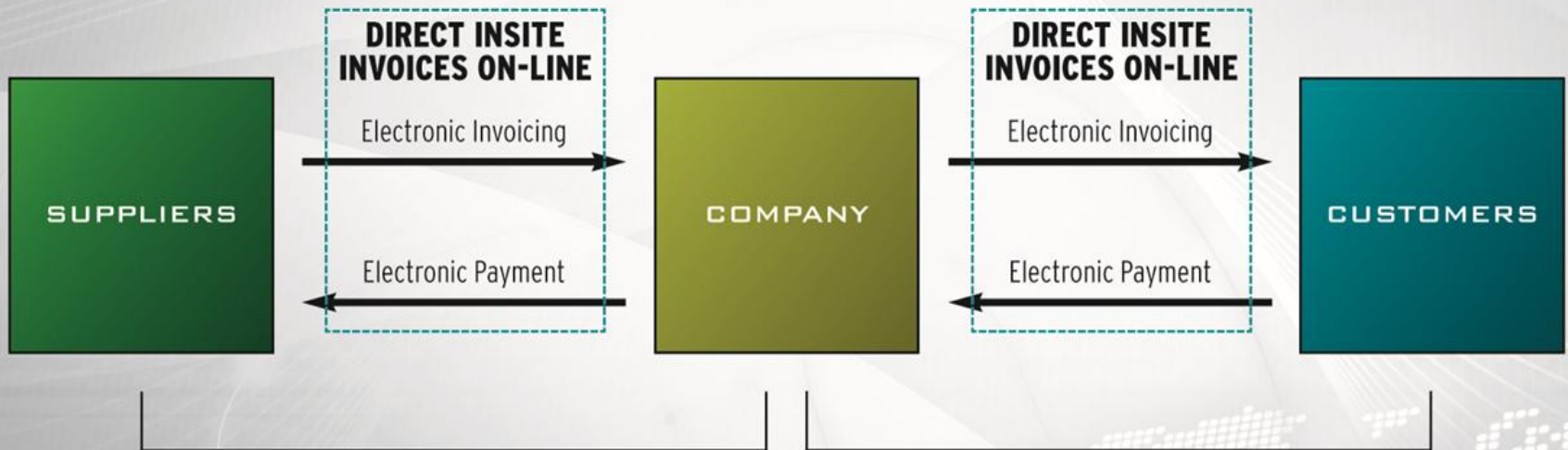
- REDUCES TRANSACTION COSTS BY 50-70%
- REDUCES PROCESSING CYCLE TIME BY 80%
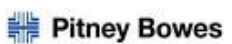- INCREASES SUPPLIER AND CUSTOMER SATISFACTION

Source: Gartner AR Study
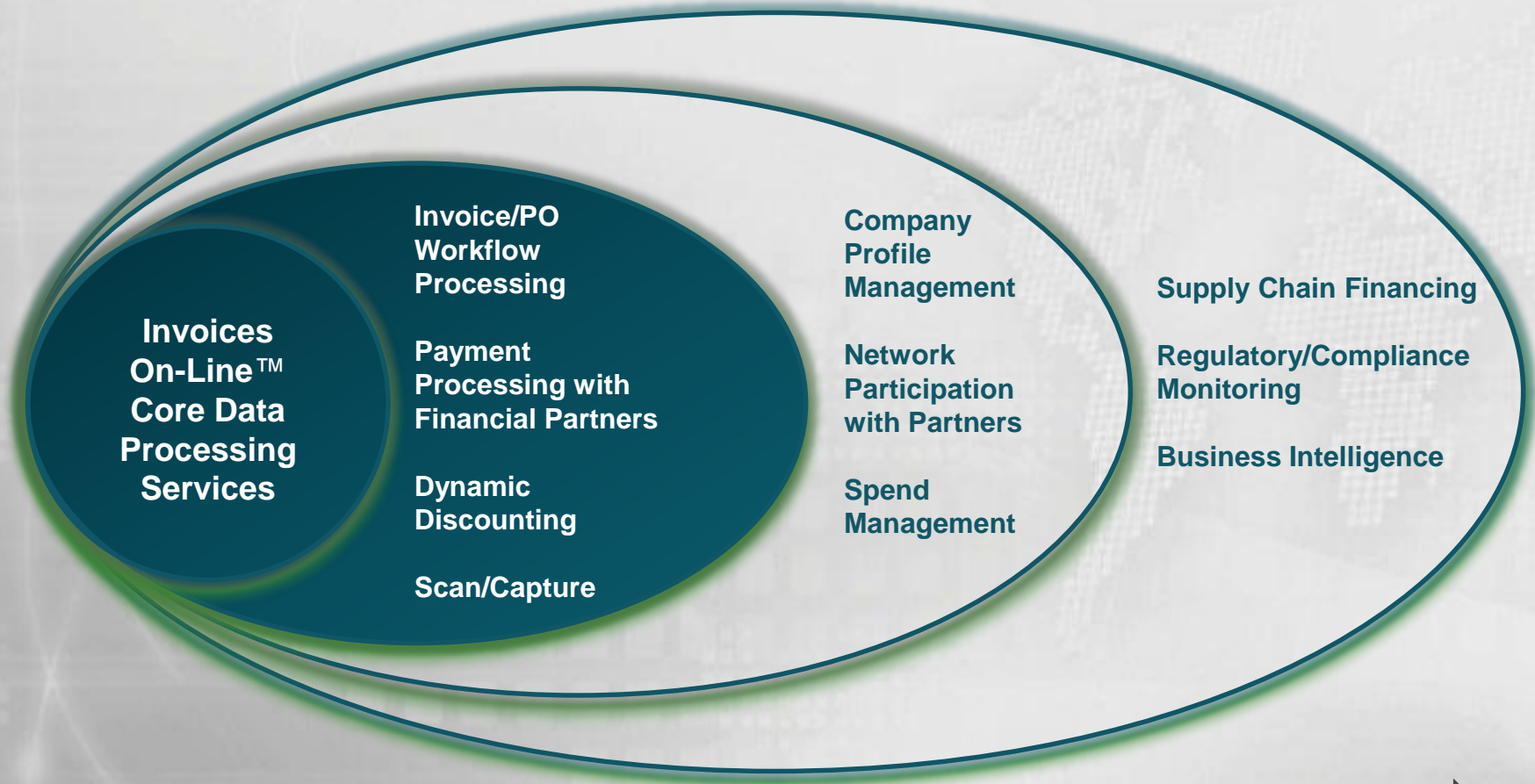
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THE MARKET

- Direct Insite targets North American Global 3000 companies with large shared-service centers, heavy invoice volume, and multiple legacy financial/ERP systems.

- In the Global 3000, only 40% have implemented automation tools.

- Even large companies with automation suffer from multiple legacy ERP systems with inconsistent automation capabilities requiring rework. Direct Insite estimates market is only 10% penetrated.

- 90% of global companies manually enter invoice data and pay invoices with $30 trillion of paper checks.

- Global regulation, anti-money laundering, and tax requirements accelerating move to electronic record keeping.

- As tax and additional regulation move into the US (starting with healthcare), incumbency is critical for long term and significant growth.

Conclusion: Automation is not an "if," it's a "when." The land grab has begun.

Direct Insite Supplier Network:
350,000+ Suppliers Transacting over $127 Billion Annually

New Products Automate Compliance, Financing, and Intelligence

Invoices On-Line™ Core Data Processing Services

Invoice/PO Workflow Processing

Payment Processing with Financial Partners

Dynamic Discounting

Scan/Capture

Company Profile Management

Network Participation with Partners

Spend Management

Supply Chain Financing

Regulatory/Compliance Monitoring

Business Intelligence

NETWORK VALUE AND MONETIZATION

■ **Current offerings**

SIEMENS

Customer Profile:

- Shared services environment for the global powerhouse

- Supports more than 50 Siemens business units

- Processes over 2.4 million invoices per year

- 60,000 suppliers

- 5,000 internal users

BUSINESS GOALS

- Automate AP invoice processing
- Reduce inquiries from suppliers
- Improve relationships with suppliers
- Save money

BUSINESS RESULTS

- **Reduced Costs –** Reduced average cost to process an invoice by 24%
- **Improved Staff Efficiency –** Receives 73% of its invoices electronically and posts payments for 63% of its invoices without operator intervention
- **Increased Productivity –** Reduced work flow time from a more than four days to less than 12 hours for electronic invoices and less than 2.5 days for paper invoices
- **Enhanced supplier relationships –** Reduced supplier inquiries by 67%

"Invoices On-Line has proven to be an effective tool in the transformation of our Accounts Payable automation initiatives with a goal of reducing paper handling, invoicing costs and supplier inquiries."

-Roderick Fields, GSS NA Director of Disbursement Services

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Customer Profile:

- 100 year-old company with approx. $100 billion in revenues

- Generates millions of invoices each year across over 100 countries and 15 languages

- Selected Direct Insite's IOL platform to provide: Web-based line item presentment; dispute management; attachments

BUSINESS GOALS

- Automate AR processing.
- Enhance customer service.
- Improve overall invoice processing efficiency.
- Reduce Day's Sales Outstanding (DSO).

BUSINESS RESULTS

- **Reduced Costs –** Reduced paper invoices by 75%, slashing the cost per invoice on these items from between $600 - $1,500 per invoice to less than $25 per invoice

- **Improved Staff Efficiency –** Reduced invoice disputes by 65 percent

- **Reduced DSO –** Reduced DSO by approximately four days, resulting in a $50 million increase in treasury cash available and $4 million in annual savings in interest expense on these DSO funds

- **Enhanced supplier relationships –** Customer satisfaction with IBM's invoicing process jumped from 27% to 72% within six months of implementation

"Transforming IBM's AR processes with Invoices On-Line™ resulted in a 90 percent reduction in transaction costs, 65 percent fewer billing disputes and calls, and a 10 percent reduction in DSO. These benefits have annually delivered tens of millions of dollars in savings to IBM."

—Ellie Mahoney, Invoices On-Line Americas E-Business Advocate for IBM

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Announcement	Customer Description	Implemented	Current Revenue*
Jul-11	Multinational manufacturer of lighting products	Yes	Yes
Aug-11	Chain of auto supply stores	Yes	Yes
Aug-11	Global building products manufacturer	Yes	Yes
Oct-11	Multinational IT services provider	Yes	Yes
Nov-11	Global branded grocery products manufacturer	Yes	Yes
May-12	Global hospitality corporation	Yes	Yes
Sep-12	Manufacturer of aviation components	Yes	Yes
Sep-12	Human resources consulting firm	In process	No
Jan-13	Debt settlement organization	Yes	Yes
Apr-13	Tier 1 global bank	In process	No

* Customers currently contributing revenue as of July 2013, most may not be at full run rate.
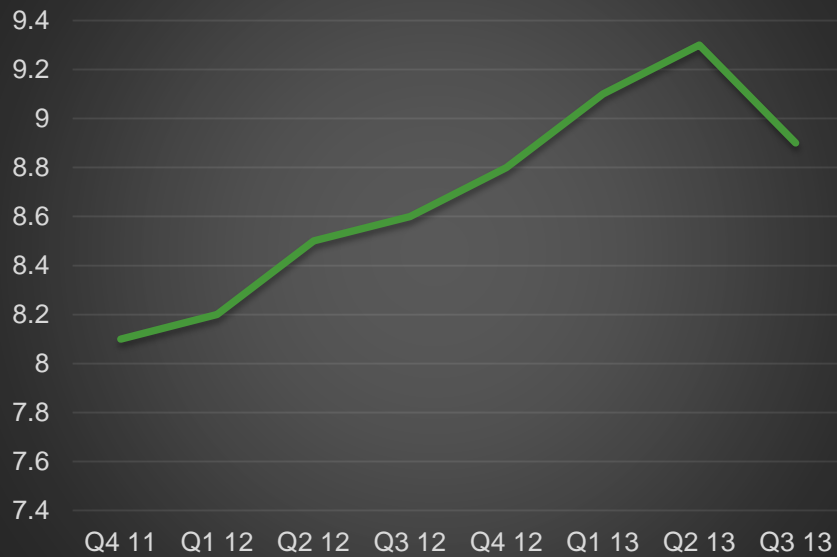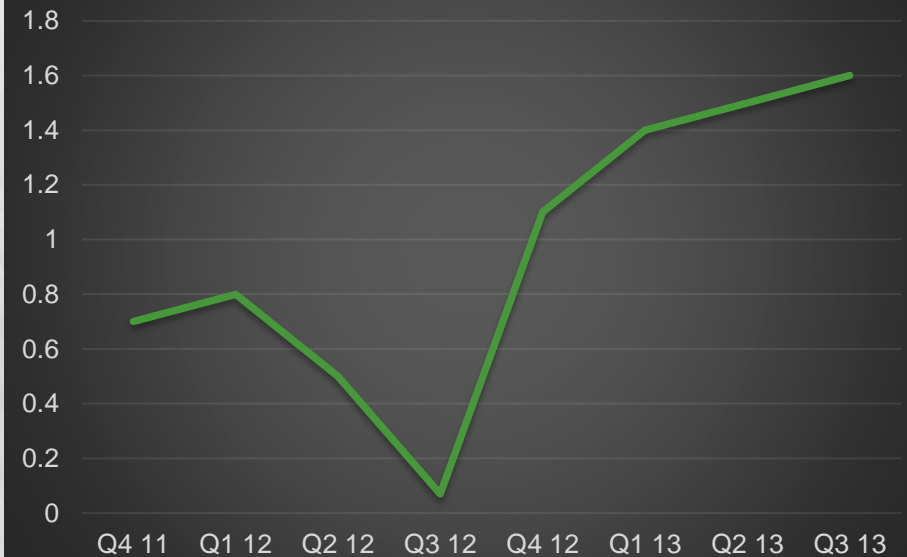
Over 350,000 vendors…

Processed over 7.4mm invoices in Q3 2013

Vendors on AP Network (thousands)

Invoices Processed (millions)

* 2011 and 2012 Invoices Processed are quarterly averages

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REVENUE GROWTH TARGET

2012
- Invest in direct sales force, channel, and building a sales culture
- Standardize product offerings to facilitate future new product introductions and cost efficiencies
- Add new customers and drive usage amongst existing base

10%+ Achieved

+

2013-2014
- Develop and introduce new products to sell to new and existing base
- Identify, target, and become part of toolkit for additional channel partners
- Identify new markets and applications for the company's technology (debt settlement)

10%+

+

2015
- Create value from the "network effect" in valuable supplier network such as supply chain financing and compliance management
- Explore opportunistic acquisitions to expand vendor supplier network

10%+

Company goal is to reach and exceed 30% top line growth by 2015.

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WHY INVEST IN DIRECT INSITE NOW?

- Recurring revenue SaaS business model

- Marketing, lead generation, and sales team producing largest pool of new customer opportunities in company history

- At 2x EV/Revs, trades at lower multiple to peers, but with stronger core customers and offerings

- New products coming & functional extensions to existing product suite

- Big spending from venture-backed startups to evangelize the market

- Robust and growing vendor network and plan to monetize

- Automation is a given, financial supply chain will be automated

- Opportunity to invest with public company visibility, Global 3000 customer list, and a growing Global Vendor Network with revenue opportunities growing out of the core business

- Industry is fragmented and will continue to consolidate, own a benchmark company in the space today with upside tomorrow

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Date	Acquirer	Target	Revenues (in M)	Price or EV (in M)	EV/Revenues
2010	Ariba	Quadrem	65	150.0	2.3
2011	Ariba	b-Process	11	35.0	3.2
2012	Basware	CertiPost	8.4	18.2	2.2
2012	Basware	First BusinessPost	2.4	12.2	5.1
2011	Bottomline Technologies	Logical Progression/IDT	1	2.9	2.9
2011	Bottomline Technologies	DDL	3.5	10.9	3.1
2013	Readsoft	Expert Systems	13	40.0	3.1
	M&A Average		**14.9**	**38.5**	**3.3**
6/30/2013	**Direct Insite**		**9.3**	**20.6***	**2.2**

Larger networks are consolidating invoices, customers, and supplier networks.

* Closing price as of 8/14/13
Note: excludes venture financings at similar or higher multiples