

Zacks Small-Cap Research

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Net Element Inc.

(NASDAQ: NETE)

Net Element Q3 Shows Sequential Rebound as the Merger Proceeds

Using the electric vehicle peer valuation of 10x EV/sales, and owning 15-21.7% of the post merger company the company could be worth \$30.00 per share once the deal closes and twice that by 2023.

OUTLOOK

Net Element signed an agreement to merge with Mullen Technologies, an electric vehicle assembler and manufacturer, and plans to divest its payment processing business before year-end. We expect the Mullen merger to close in Q1 of 2021.

At its current enterprise value of \$43.6 million, the stock is getting no premium for its pending merger and is valued only on its card processing business.

Current Price (11/16/20) \$7.35
Valuation \$30.00

SUMMARY DATA

52-Week High	\$16.67
52-Week Low	\$1.56
One-Year Return (%)	96.0
Beta	1.6
Average Daily Volume (sh)	613,195
Shares Outstanding (mil)	4.8
Market Capitalization (\$mil)	\$34
Short Interest Ratio (days)	0.1
Institutional Ownership (%)	7
Insider Ownership (%)	13
Annual Cash Dividend	\$0.00
Dividend Yield (%)	0.00
5-Yr. Historical Growth Rates	
Sales (%)	11.2
Earnings Per Share (%)	N/A
Dividend (%)	N/A
P/E using TTM EPS	N/M
P/E using 2020 Estimate	N/M
P/E using 2021 Estimate	N/M

Risk Level

Type of Stock
Industry

High
Small Growth
Internet Commerce

ZACKS ESTIMATES

Revenue

(in millions of \$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2018	16.0 A	16.5 A	17.2 A	16.1 A	65.8 A
2019	15.0 A	16.5 A	16.8 A	16.6 A	65.0 A
2020	15.8 A	13.7 A	16.7 A	16.7 E	63.0 E
2021					68.0 E

Earnings Per Share

(Non-GAAP EPS before non-recurring items)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2018	-\$0.40 A	-\$0.23 A	-\$0.23 A	-\$0.22 A	-\$1.07 A
2019	-\$0.28 A	\$0.11 A	-\$0.24 A	-\$0.35 A	-\$0.76 A
2020	-\$0.32 A	-\$0.08 A	-\$0.28 A	-\$0.21 E	-\$0.88 E
2021					-\$0.08 E

Zacks Projected EPS Growth Rate - Next 5 Years % **5.0**

WHAT'S NEW

Q3 2020 Revenues Improve Despite Continued Shutdowns in NY and California

Net Element is showing surprising business strength despite lockdowns persisting in New York where it has a numerous customers in the restaurant business. Management claims the US economy is running on the Sunbelt and business could be gangbusters if shut down states would just open up. While it is impossible to predict when this might happen, it will someday at which point we expect Net Element business to rebound sharply. With 45% of its customers in the restaurant business this is the most important factor to improvements at Net Element's card processing volumes. Another meaningful factor is tourism, especially in Florida, which is impacted by people's perception of the safety of travel as well as the quarantine requirements in various states.

Revenues did however improve sequentially despite these headwinds. Q3 revenues came in at \$16.7 million down slightly from \$16.7 million a year ago but up from \$13.7 million in Q2 2020. North American sales were up 1% year over year at \$16.1 million, while international was down 26.1% to \$662,000 from Q3 2019's \$896,000 and Q2 2020's \$741,000.

Margins for North America declined to 12.4% versus 15.8% a year ago. International sales margins improved to 28.0% versus 25.8% a year ago. Total gross margin was 13.0% versus 16.3% a year ago. The operating loss was \$1.9 million versus a loss of \$0.9 million last year caused mostly by the \$1.1 million in stock-based compensation in this year's quarter.

The GAAP loss to common stockholders was \$2.3 million versus last year's \$1 million. All of the increase was due to stock-based compensation of \$1.1 million in the 2020 quarter. The company always has one quarter with large stock-based comp and this year it was in Q3 while last year it was in Q2. The non-GAAP loss declined to \$1.2 million versus \$1.0 in Q3 2019. All of the other expense lines were down (other than stock-based compensation) as the company cut staff earlier in the year, except for loan loss provisions, which was \$169,000 higher this year.

The GAAP loss per share was \$0.52 versus \$0.24 while the non-GAAP loss per share was \$0.28 per share compared with a loss of \$0.24 per share last year.

This quarter there were 4.5 million average primary shares outstanding versus 4.2 million last year. On November 11, 2020, the share count was 4.8 million shares.

Balance Sheet

On September 30, Net Element had \$2.1 million in cash, working capital of \$1.9 million and \$10.2 million in debt up from \$10.0 million last quarter. In the quarter Net Element received cash in three tranches of RBL promissory notes:

- On August 11, 2020, a gross amount of \$707,000 in exchange for 66,190 shares of common stock.
- On August 21, 2020, a gross amount of \$401,000 in exchange for 45,654 shares of common stock.
- On September 25, 2020 a gross amount of \$426,000, in exchange for 50,000 shares of common stock.

In Q3 2020, Net Element had negative cash flow of \$892,000, and negative free cash flow of \$1.5 million. The free cash flow was affected by changes in the lease and leasehold improvements as the company moved office space from one part of the building to another.

Update on Mullen Technologies Transaction

Net Element is still diligently working on completing the transaction with Mullen Technologies. Mullen is still in process of an audit and the S-4 document is being drafted. We expect to see it filed by year-end.

Mullen Technologies itself has been progressing on its plans to sell and produce electric vehicles in the US. It started on construction of its pilot manufacturing facility in October and started also taking pre-orders on its \$55,000 MX-05 fully electric SUV then. It is repurposing its high voltage battery R&D center as a pilot facility for its line of SUVs. The construction is planned for completion by April 2021 and we have no information that that timeline has changed. There the MX-05 SUVs will be assembled to be delivered to customers by the second quarter of 2022. The facility is designed to assemble as many as a thousand SUVs annually with other models possible later. The company said it plans to hire 100 people to assemble the SUV, the battery, conduct R&D, and provide warehousing. Once completed the plant will build prototypes that will we used to get government approval and certification, a process that should take 16 months. After that, the company could begin deliveries to consumers. Customers can also pre-order the imported Dragonfly K50 super sports car from Mullen.

VALUATION

Overview of Reverse Merger Transaction with Mullen Technologies

Net Element and Mullen have a definitive deal for a triangular reverse merger with Mullen Technologies, a private company based in California. The closing of the transaction is conditional on the satisfactory completion of due diligence, shareholder and NASDAQ approval, and the completion of a capital raise of \$10 million. We are in the due diligence phase.

Figure 1. Mullen MX-05



Source: Mullen Technologies

Net Element shareholders are expected to own between 15% and 21.7% of the surviving company. If Mullen can reach revenues of \$100 million in the next 24 months, it is entitled to another 5% of the shares leaving Net Element shareholders with 10%. If revenue is less than \$80 million, then the Net Element shareholders will get another 5% leaving Mullen shareholders with 80% of the fully diluted common shares

of the company. NETE shareholders can end up with an additional 6.7% of the depending on the financing NETE brings to the closing.

At Net Element's current enterprise value of \$43.6 million (using a \$7.27 stock price) this puts **the entire valuation of Mullen Technologies at between \$201 million and \$291 million**. We will get financial information on the privately held Mullen once the S-4 is filed in the next few weeks.

Until then, we can look at the valuations of other EV companies and (taking out Nikola), they trade at an average of 12.2 times sales. If Mullen can produce and sell 5,000 MX-05 SUVs at \$55,000 per car that is revenue of \$275 million add to that used car sales of maybe \$40 million, and 200 Dragonflies at \$150,000 or another \$30 million. This adds to a conservative \$345 million. 12.2 times that is an enterprise value of \$4.2 billion by 2023. Keep in mind the company should need at least another \$400 million to get there and we expect much of that should be loans.

If Net Element ends up post merger with 50 million shares outstanding, EV per share could be \$70 per share by 2023 with no further equity dilution. Discounting that for risk and dilution and time, we could easily see a current share price over \$30 per share once the deal closes.

Company	Ticker	Gross		%	Revenue 2021E	Revenue 2020E	Revenue LTM	EBIDTA Margin	EV/21E Sales	EV/20E Sales	EV/LTM Sales	EV/GM	EV/EBITDA	Included in Average?	Enterprise Value
		EBITDA	Margin												
Kandi Technologies	KNDI	3	25	24%	137	78	106	3%	3.7	6.6	4.8	20.1	155.6	y	512
Li Auto	LI	NA	10	6%	2,580	1,310	173	NA	11.9	23.4	177.4	3187.5	NA	y	30,600
NIO	NIO	NA	NA	NA	4,080	2,280	1,387	NA	15.1	27.0	44.3	NA	NA	y	61,500
Nikola	NKLA	(0)	0	176%	76	0	0	-214%	98.2	NM	NM	35545.0	-29262.6	y	7,500
Tesla	TSLA	4,020	4,070	14%	44,830	30,850	28,180	14%	8.6	12.5	13.7	95.1	96.3	y	387,000
Workhorse Group	WKHS	(22)	(5)	-736%	133	9	1	-2936%	18.4	263.7	3295.0	-447.9	-112.2	y	2,450
Xpeng	XPEV	NA	(558)	-106%	2,020	783	526	NA	15.7	40.4	60.1	-56.7	NA	y	31,620
Average									12.2	62.3	599.2				98,014

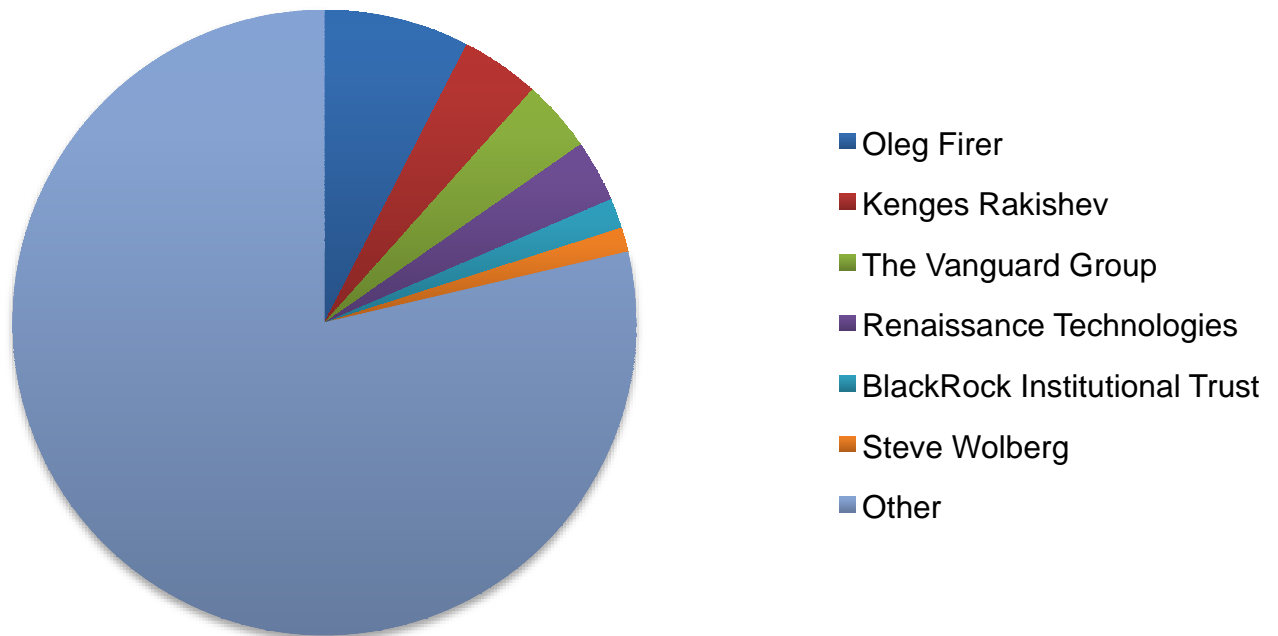
INVESTMENT THESIS

- Net Element is in the process of a reverse merger and has plans to sell off its payment processing business. If the deal goes according to plan, Net Element shareholders will own between 15% and 21.7% of the survivor company.
- Mullen Technologies is an electric car vendor that is raising money to build an assembly plant in the US for cars that are already being produced and sold in China. Its first model is expected to be delivered in the US in the first half of 2021. This transaction should make the required capital raising process faster, less costly, and require less regulatory approval.
- The S-4 will provide more information allowing investors to see the inherent value of Mullen and could compel the stock price higher.
- Net Element's current valuation is based solely on its value as a payment processor leaving little down size for investors and much upside as business returns to normal after pandemic lockdowns are lifted.

RISKS

- The proposed transaction may not occur as neither company has yet completed due diligence or auditing. Nor have shareholders and NASDAQ approved the deal. It is also contingent on a \$10 million capital raise.
- The survivor company may not be valued very highly by investors due to the high risk in the venture. It will have to raise a large amount of capital to achieve its goals.
- If the deal does not go through, the stock may fall to pre-deal levels and given the affect of the pandemic on Net Elements' business, the stock may even decline from those levels.
- US relations with China could impede the success of Mullen Technologies given its reliance on a China based company. Tariffs with China have changed and could change again.

OWNERSHIP



INCOME STATEMENT

	Q1 2019 31-Mar	Q2 2019 30-Jun	Q3 2019 30-Sep	Q4 2019 31-Dec	Q1 2020 31-Mar	Q2 2020 30-Jun	Q3 2020 30-Sep	Q4 2020E 31-Dec	2018	2019	2020E	2021E
North America Transaction	\$14.4	\$15.7	\$15.9	\$15.8	\$15.2	\$13.0	\$16.1	\$16.1	\$59.1	\$61.8	\$60.28	\$63.00
Yr-over-yr Growth	2.8%	9.1%	2.1%	3.9%	5.5%	-17.5%	0.9%	2.0%	15.6%	4.5%	-2.4%	4.5%
Cost of service	11.8	13.4	13.4	13.8	12.8	11.0	14.1	14.1	50.5	52.4	52.0	52.9
Gross margin	2.6	2.3	2.5	2.0	2.3	2.0	2.0	2.0	8.6	9.4	8.3	10.1
Gross margin %	18.1%	14.6%	15.8%	12.6%	15.4%	15.1%	12.4%	12.4%	14.5%	15.2%	13.7%	16.0%
International	0.684	0.7	0.9	0.9	0.7	0.7	0.7	0.7	6.6	3.2	2.7	5.0
Yr-over-yr Growth	-66.1%	-63.4%	-45.8%	-4.5%	0.0%	-1.1%	-26.1%	-25.9%	-25.5%	-51.5%	-14.7%	81.9%
International Cost of Service	0.5	0.5	0.7	0.7	0.5	0.5	0.5	0.5	5.1	2.3	2.0	3.4
Gross Margin	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	1.6	0.9	0.8	1.7
Gross margin %	28.1%	39.0%	25.8%	20.2%	30.3%	29.7%	28.0%	28.0%	23.7%	27.8%	29.0%	33.0%
Total revenues	15.0	16.5	16.8	16.6	15.8	13.7	16.7	16.7	65.8	65.0	63.0	68.0
Yr-to-yr Growth	-5.9%	0.1%	-2.5%	3.4%	5.3%	-16.8%	-0.5%	0.5%	9.5%	-1.2%	-3.0%	7.9%
Costs and expenses:												
Cost of revenues	12.3	13.9	14.1	14.5	13.3	11.5	14.6	14.6	55.6	54.7	54.0	56.3
Gross Margin	2.8	2.6	2.7	2.2	2.5	2.2	2.2	2.2	10.2	10.3	9.1	11.7
% of Sales	18.5%	15.7%	16.3%	13.0%	16.0%	15.9%	13.0%	13.0%	15.5%	15.8%	14.4%	17.3%
SG&A	2.4	2.3	2.4	2.3	2.3	1.4	1.6	1.7	9.8	9.3	7.1	6.5
Stock-based compensation	0.0	2.0	0.0	0.0	0.0	0.0	1.1	0.0	0.1	2.1	1.1	-
Provision for loan losses	0.3	0.1	0.4	0.4	0.4	0.0	0.6	0.4	2.1	1.4	1.5	1.2
Depreciation and amortization	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	2.5	3.1	3.0	3.0
Total operating expenses	3.6	5.2	3.6	3.5	3.6	2.2	4.1	2.8	14.5	15.9	12.7	10.7
Loss from operations	(0.8)	(2.6)	(0.9)	(1.3)	(1.0)	(0.0)	(1.9)	(0.7)	(4.3)	(5.6)	(3.6)	1.1
Loss from operations ex-one time	(0.8)	(0.6)	(0.9)	(1.3)	(1.0)	(0.0)	(1.9)	(0.7)	(4.3)	(5.6)	(3.6)	1.1
Interest expense, net	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.8)	(1.1)	(1.4)	(1.4)
Other expense	(0.1)	1.3	0.1	0.2	0.0	0.0	(0.1)	0.0	0.8	1.5	0.0	0.0
One-time charges	0.0	0.0	0.0	(1.3)	0.0	0.0	0.0	0.0	(0.6)	(1.3)	0.0	0.0
Total non-operating expenses	(0.3)	1.0	(0.2)	(1.5)	(0.3)	(0.3)	(0.4)	(0.4)	(0.7)	(1.0)	(1.4)	(1.4)
Pretax operating income (loss)	(1.1)	(1.6)	(1.0)	(2.8)	(1.4)	(0.3)	(2.3)	(1.0)	(5.0)	(6.6)	(5.0)	(0.4)
Income tax provision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax rate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Operating Loss	(1.1)	(1.6)	(1.0)	(2.8)	(1.4)	(0.3)	(2.3)	(1.0)	(5.0)	(6.6)	(5.0)	(0.4)
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Net loss to common stock	(1.1)	(1.5)	(1.0)	(2.8)	(1.4)	(0.3)	(2.3)	(1.0)	(4.9)	(6.5)	(5.0)	(0.4)
Foreign currency translation gain (loss)	(0.0)	(0.0)	0.0	(0.0)	0.1	(0.1)	(0.0)	0.0	0.3	(0.0)	0.1	0.0
Comprehensive loss	(1.1)	(1.5)	(1.0)	(2.8)	(1.2)	(0.4)	(2.3)	(1.0)	(4.6)	(6.5)	(5.0)	(0.4)
Earnings ex-one time charge	(1.1)	(1.5)	(1.0)	(1.5)	(1.4)	(0.3)	(2.3)	(1.0)	(4.3)	(5.1)	(5.0)	(0.4)
Stock-based compensation	0.0	2.0	0.0	0.0	0.0	0.0	1.1	0.0	0.1	2.1	1.1	0.0
Adjusted Non-GAAP Earnings	(1.1)	0.5	(1.0)	(1.4)	(1.3)	(0.3)	(1.2)	(1.0)	(4.2)	(3.1)	(3.9)	(0.4)
Yr-to-yr Growth	-27.7%	-153.2%	12.1%	68.3%	20.1%	-167.7%	24.6%	-30.0%	-40%	-26%	26.6%	-90.5%
GAAP EPS	(\$0.29)	(\$0.37)	(\$0.24)	(\$0.68)	(\$0.33)	(\$0.08)	(\$0.52)	(\$0.21)	(\$1.28)	(\$1.60)	(\$1.14)	(\$0.08)
Non-GAAP EPS	(\$0.28)	\$0.11	(\$0.24)	(\$0.35)	(\$0.32)	(\$0.08)	(\$0.28)	(\$0.21)	(\$1.07)	(\$0.76)	(\$0.88)	(\$0.08)
Yr-to-yr Growth	-29%	-149%	5%	58%	13.5%	-168.1%	15.0%	-40.6%	-69.7%	-29.1%	16.0%	-91.3%
Share outstanding	3.9	4.2	4.2	4.1	4.1	4.2	4.5	4.8	3.9	4.0	4.4	4.8
Yr-to-yr Growth	1%	9%	6%	6%	5.8%	-0.6%	8.3%	17.9%	96.6%	4.5%	9.2%	9.8%
All in shares	3.9	4.2	4.2	4.1	4.3	5.1	5.4	5.8	4.8	4.0	5.2	5.8
Yr-to-yr Growth	-19%	-13%	-15%	-16%	0.0%	0.0%	0.0%	0.0%	120.1%	-16.7%	0.0%	17.5%
Adjusted EBITDA	0.063	0.144	(0.082)	(0.539)	(0.221)	0.763	(0.066)	0.074	(1.734)	(0.414)	0.551	4.030

BALANCE SHEET

	Sept 30, 2020	June 30, 2020	Qtr-Qtr % Change	Sept 30, 2019	Yr- Yr % Change
Current assets:					
Cash	\$2,119,628	\$865,812	43%	\$492,656	27%
Accounts receivable, net	5,252,882	5,855,538	46%	5,545,309	-22%
Due from Mullen Technologies	641,000	0	NM	0	NM
Prepaid expenses and other assets	1,156,689	1,530,625	18%	1,367,083	-9%
Total current assets	9,170,199	8,251,975	39%	7,405,048	-16%
Equipment, net	0	0	0%	9,550	-100%
Intangible assets, net	4,131,500	4,703,406	-12%	5,951,219	-16%
Goodwill	7,681,186	7,681,186	0%	9,007,752	-15%
Operating lease right-of-use asset	834,089	316,118	-9%	411,996	-26%
Other long term	755,593	730,185	11%	655,702	0%
Total assets	22,572,567	21,682,870	9%	23,441,267	-15%
Current liabilities:					
Accounts payable	\$5,460,746	\$5,360,103	19%	\$5,350,538	-15%
Deferred revenue	854,436	1,291,703	-35%	944,283	106%
Accrued expenses	2,402,869	2,121,161	128%	1,637,549	-66%
Notes payable (current portion)	27,305	936,391	3%	114,160	175%
Operating lease liability (current portion)	32,628	68,859	-32%	31,010	13%
Due to related parties	222,398	81,591	8%	135,311	-72%
Total current liabilities	9,000,382	9,859,808	16%	8,212,851	-12%
Operating lease liability (net of current)	801,594	247,259	0%	380,986	-35%
Notes payable (non-current portion)	9,906,134	8,986,881	8%	7,982,730	40%
Total liabilities	19,708,110	19,093,948	11%	16,576,567	7%
STOCKHOLDERS' DEFICIT					
Common stock	483	419	2%	411	7%
Paid in capital	188,116,981	185,496,940	0%	185,282,062	1%
Accumulated other comp income (loss)	(2,211,449)	(2,209,363)	3%	(2,247,888)	-5%
Accumulated deficit	(182,771,691)	(180,442,122)	0%	(175,961,173)	4%
Noncontrolling interest	(269,867)	(256,952)	6%	(208,712)	74%
Total stockholders' deficit	2,864,457	2,588,922	-9%	6,864,700	-62%
Total liabilities and stockholders' deficit	22,572,567	21,682,870	9%	23,441,267	-15%
Net Cash	1,869,925	(152,170)	-125%	492,656	27%
Current and Quick Ratio	1.0	0.8	20%	0.9	-4%
Working Capital	169,817	(1,607,833)	-38%	(807,803)	-3%
Total Debt	10,155,837	10,004,863	7%	8,232,201	42%
Debt/TA	45%	46%	-1%	35%	68%
DSO	28.7	38.9	68%	30.0	-25%

CASH FLOWS

	YR 2018	Mar. 31, 2019 3 month	June 30, 2019 3 month	Sept 30, 2019 3 month	Dec. 31, 2019 3 month	YR 2019	Mar. 31, 2020 3 month	June 30, 2020 3 month	Sept 30, 2020 3 month
Cash flows from operating activities									
Net loss	\$ (4,936,182)	\$ (1,120,847)	\$ (1,537,445)	\$ (1,010,629)	\$ (2,789,461)	\$ (6,458,382)	\$ (1,366,216)	\$ (325,272)	\$ (2,329,569)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:									
Non controlling interest	(86,551)	(13,966)	(40,225)	(28,783)	(23,287)	(106,261)	(11,228)	(13,725)	(12,916)
Share based compensation	142,017	15,006	2,005,841	15,008	15,007	2,050,862	38,400	7,499	1,089,114
Deferred revenues	(216,742)	(523,199)	(523,199)	494,832	456,834	(94,732)	(470,205)	360,791	(437,267)
Net non cash items in other income	(1,202,201)	-	-	-	-	-	-	-	-
Impairment for goodwill	636,000	-	-	-	1,326,566	1,326,566	-	-	-
Depreciation and amortization	2,454,637	851,220	747,347	755,985	765,691	3,120,243	779,443	772,401	749,474
Non cash interest	73,442	14,314	7,397	14,972	20,192	56,875	12,294	34,258	36,818
(Recovery of) provision for loan losses	16,238	10,013	(18,940)	8,927	(9,226)	(9,226)	485	(9,153)	11,515
Changes in assets and liabilities, net of acquisitions and the effect of consolidation of equity affiliates									
Account receivable	(1,503,755)	1,151,285	13,976	(423,880)	(1,005,139)	(263,758)	2,520,395	(1,819,889)	655,057
Prepaid expenses and other assets	384,403	253,634	415,012	(442,293)	(358,571)	(132,218)	364,019	(651,405)	(94,897)
Accounts payable and accrued expenses	971,202	(875,266)	(1,429,936)	(182,855)	3,058,618	(1,642,618)	(1,419,019)	880,841	380,680
Net cash (used in) provided by operating	(3,267,492)	(237,806)	(360,172)	(798,716)	(755,955)	(2,152,649)	448,368	(763,654)	48,009
Cash flows from investing activities									
Purchase of portfolio and client acquisition	(5,413,264)	(651,365)	(558,913)	(412,204)	(691,180)	(2,313,662)	(427,031)	67,681	(79,721)
Purchase of fixed and other assets	(114,931)	(413,132)	(55,155)	4,659	325,628	(138,000)	6,049	(41,715)	(543,379)
Net cash used in investing activities	(5,528,195)	(1,064,497)	(614,068)	(407,545)	(365,552)	(2,451,662)	(420,982)	25,966	(623,100)
Cash flows from financing activities									
Proceeds from SBA loans	-	-	-	-	-	-	-	651,392	-
Proceeds from indebtedness	2,131,500	-	1,116,500	920,184	997,816	3,034,500	155,206	19,108	1,510,656
Repayment of indebtedness	(2,785,134)	(102,700)	(106,384)	(110,204)	156,841	(162,447)	(145,040)	145,040	-
Lease liability	-	471,307	(29,213)	(30,098)	-	380,986	(31,950)	(32,918)	518,104
Related party advances (payments)	-	(171,615)	338,176	85,942	(50,032)	202,471	133,743	25,689	70,277
Net cash provided by (used in) financing	(653,634)	196,992	1,319,079	865,824	1,073,615	3,455,510	111,959	808,311	2,099,037
Effect of exchange rate changes on cash	(34,399)	(12,497)	18,768	(6,555)	15,789	15,505	5,969	8,620	10,463
Net increase in cash	(9,483,720)	(1,117,808)	363,607	(346,992)	(32,103)	(1,133,296)	145,314	79,243	1,534,409
Cash at beginning of period	11,733,271	2,249,551	1,131,743	1,495,350	1,148,358	2,249,551	1,116,255	1,261,569	1,340,812
Cash at end of period	2,249,551	1,131,743	1,495,350	1,148,358	1,116,255	1,116,255	1,261,569	1,340,812	2,875,221
Cash paid during the period for:									
Interest	773,737	230,789	245,135	255,069	-	730,993	336,120	-	630,446
Taxes	61,871	46,932	56,909	16,703	-	120,544	-	-	92,259
Operating cash flow	(3,119,342)	(767,459)	640,776	250,312	(237,684)	(114,055)	(1,017,027)	826,799	(892,831)
Free cash flow	(8,647,537)	(1,831,956)	26,708	(157,233)	(603,236)	(2,565,717)	(1,438,009)	852,765	(1,515,931)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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