

## Weyland Tech Inc. (WEYL-OTCQB)

### WEYL: Zacks Company Report – Turnkey Sales Boost Revenues- Raising Estimates

Using a blend of PE to Growth Rate, EV to EBITDA and EV to Sales we get a valuation of approximately \$7.68 per share.

Current Price (08/12/16) \$2.40  
Valuation \$7.68

### OUTLOOK

Weyland Tech markets a DIY mobile app creation platform as SaaS and as a turnkey system with hardware. It is rolling out its product to a number of geographies, primarily in Asia (where there is less competition), through joint ventures and marketing partnerships. The business was purchased on September 1, 2015 and the financials of the new company have been reported as of that date. Q1 2016 was the second full quarter of this new business and as such historical results should be ignored. The marketing expansion, with penetration of a huge new TAM, should afford the company high growth this year and going forward.

### SUMMARY DATA

|                           |        |
|---------------------------|--------|
| 52-Week High              | \$3.01 |
| 52-Week Low               | \$0.10 |
| One-Year Return (%)       | 700    |
| Beta                      | 2.0    |
| Average Daily Volume (sh) | 11,189 |

|                               |      |
|-------------------------------|------|
| Shares Outstanding (mil)      | 16   |
| Market Capitalization (\$mil) | \$39 |
| Short Interest Ratio (days)   | N/A  |
| Institutional Ownership (%)   | 4    |
| Insider Ownership (%)         | 47   |

|                      |        |
|----------------------|--------|
| Annual Cash Dividend | \$0.00 |
| Dividend Yield (%)   | 0.00   |

|                               |       |
|-------------------------------|-------|
| 5-Yr. Historical Growth Rates |       |
| Sales (%)                     | -13.2 |
| Earnings Per Share (%)        | N/A   |
| Dividend (%)                  | N/A   |

|                         |      |
|-------------------------|------|
| P/E using TTM EPS       | 12.0 |
| P/E using 2016 Estimate | 4.3  |
| P/E using 2017 Estimate | 3.2  |

|               |                   |
|---------------|-------------------|
| Risk Level    | High              |
| Type of Stock | Small-Growth      |
| Industry      | Internet Services |

### ZACKS ESTIMATES

#### Revenue (in millions of \$)

|      | Q1<br>(Mar) | Q2<br>(Jun) | Q3<br>(Sep) | Q4<br>(Dec) | Year<br>(Dec) |
|------|-------------|-------------|-------------|-------------|---------------|
| 2014 | 0.8 A       | 0.9 A       | 0.4 A       | 0.4 A       | 2.5 A         |
| 2015 | 0.5 A       | 0.1 A       | 0.6 A       | 1.3 A       | 2.6 A         |
| 2016 | 2.3 A       | 4.1 A       | 4.3 E       | 4.5 E       | 15.3 E        |
| 2017 |             |             |             |             | 20.0 E        |

#### Earnings Per Share

(EPS is operating earnings before non-recurring items)

|      | Q1<br>(Mar) | Q2<br>(Jun) | Q3<br>(Sep) | Q4<br>(Dec) | Year<br>(Dec) |
|------|-------------|-------------|-------------|-------------|---------------|
| 2014 | -\$0.07 A   | -\$0.01 A   | -\$0.02 A   | \$0.00 A    | -\$0.02 A     |
| 2015 | \$0.00 A    | \$0.00 A    | \$0.08 A    | \$0.03 A    | -\$0.00 E     |
| 2016 | \$0.09 A    | \$0.06 A    | \$0.06 E    | \$0.06 E    | \$0.26 E      |
| 2017 |             |             |             |             | \$0.46 E      |

Zacks Projected EPS Growth Rate- Next 5 Yrs. 30%

## Strong Revenue Growth in Q2 From Turnkey Merchant Solutions

Weyland reported much better than expected revenues in Q2 of \$4.1 million fueled by its consulting business that is building custom apps based on its platform and selling turnkey solutions, bundled with hardware. In the quarter is sold a system to a [customer for \\$2 million](#) with cost of sales of \$1,750,000. This \$4.1 million in revenue compares to \$100,000 in revenue before the CreatApp company was bought, and \$2.3 million in the March quarter. Ex the turnkey sale, revenues were down \$128,000 or 6% sequentially.

Gross margin percent declined significantly as the custom consulting dragged down the company average. In Q2 the margin was 27.6% versus 72% in Q1 2016, which had no consulting in it. Taking out the turnkey sale, which had 12.5% gross margin, the remaining margin was still down to 42%. G&A increased \$152,000 sequentially from Q1 to Q2 as the company hired personnel and increased travel expense as it expanded geographically and serviced its European customers.

For the first time the company reported other income, which was all licensing fees. \$120,309 was from its Hong Kong partner and another \$35,750 from a Singapore company.

Net income was \$919,534 or a margin of 22.2% resulting in an EPS of \$0.06 versus a loss of \$9,000 a year ago and net income of \$1.4 million in Q1 2016.

On June 30, Weyland announced that it has signed a master service agreement with Orient Asia Pacific Limited to sell in Indonesia under the CreateApp Indonesia brand. We believe it will also pursue turnkey sales to large store chains and malls much like Audicom has.

The company uplisted to the OTCQB on June 13, 2016 and since then has increased its float to reach the one million share float requirement for further uplisting. It now needs only a share price of \$3.00 to be eligible to uplist and the company would like that to occur concurrent with a future capital raise for expansion.

Because of higher than expected revenues this quarter, we are raising revenues estimates for Q3, Q4, and the full year of 2016 as well as 2017. Certainly the new turnkey business is providing incremental opportunity over just platform subscriptions sold to SMBs. However the ramped spending shown makes it prudent to cut earnings estimates at this time. Despite that, this unknown company is significantly under valued no matter what valuation methodology is used.

### KEY POINTS

- Weyland Tech is a marketer of a successful DIY app development platform that had only been sold in Singapore until 2016.
- Through a series of partnerships and agreements, it is rolling sales out to a number of other countries primarily in Asia. This increases its total addressable market (TAM) exponentially. In Asia in particular, the company has very limited competition and is potentially first to market in some locations.
- Its main business was only purchased on September 1, 2015 and all financials from that point on reflect this new business. The old business was wound down on that date. Investors should focus on Q4 2015 forward as representative of the current business.
- The company has high margins and cash flow due to its structure as a SaaS company that has primarily outsourced its marketing and sales and has its primary development behind it.

- We expected revenues of \$15.3 million and EPS of \$0.26 in 2016 versus \$2.5 million in revenue in 2015 and breakeven earnings. By next year the stock could be worth \$7.68 per share based on a blend of an industry average EV to sales of 3.8X, PE to Growth rate of 1 with 30% growth, and EV to EBITDA of ten times.

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## OVERVIEW

On September 1, 2015 Weyland Tech acquired the exclusive right to use the *CreateApp* do-it-yourself (DIY) M-commerce applications platform and changed the name of the company. It is now the provider of a SaaS app development platform that allows customers to quickly and easily develop a mobile app for their business. It is targeted at small to medium businesses (SMBs), and until recently has only been available in Singapore. The [CreateApp](#) platform is now offered in twelve languages: English, Chinese, Japanese, Korean, Bahasa Malay, Bahasa Indonesia, Thai, Hindi, Vietnamese, Spanish, French, and Italian.

In addition, the company is having success building higher-level vertical applications from this platform for its wholesale and white label customers. Audicom has had success with a turnkey product bundled with hardware, sold to malls in Europe. Weyland is taking this customized turnkey solution and rolling it out to other geographies. It is currently pursuing a number of large high profile prospects in Singapore and other Asian countries using this customization. In addition the company sees further opportunities in various organizations that have affiliated members like the World Black Belt but are privately owned. This also includes entities like religious groups that can share a generic app that is specially tailored to that organization but can be customized for each location.

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## RISKS

- The currently operating company has only been public a few months and has an entirely new unproven management team.
- There is risk that at the company will be unable to penetrate new countries.
- The company is rolling out a new business model and it may be hard to predict profits from this model.
- The company will encounter different regulation and competition in other countries. It enjoys large government subsidies in Singapore that will not be available elsewhere and customers may not be willing or able to pay unsubsidized prices.
- The stock has extremely limited float and very low trading volume. Investor must buy be aware and buy and sell with limits to avoid huge price fluctuations.

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## VALUATION

Weyland is unusual in that it is a small SaaS company that is rapidly growing but is highly profitable a combination not typically seen. Its profitability is reflective of its competitive arena as well as its unique cost

structure wherein most expenses are relegated to the marketing partners and management is rewarded through equity ownership rather than salary. So rather than using the usual enterprise value to sales, we can also look at PE ratios. Below we have a list of small cap SaaS companies for comparison. On average they trade at 3.8 times enterprise value to 2016 estimated sales. The valuation ranges from a high of 6.4 times for Q2 Holdings, a provider of secure cloud-based virtual banking solutions to regional and community financial institutions to 1.1 times for Jive Software a company with flat revenues and losses. Using trailing twelve months the multiple is 4.1 times. A blend of these two gives us a current stock price for Weyland of \$2.98 per share, growing to **\$4.41 by next year**.

| Company           | Ticker   | Revenue |       | TTM<br>EBITDA | Enterprise Value / Sales |             | EV/<br>EBITDA  | Included<br>in Average? | Enterprise<br>Value |
|-------------------|----------|---------|-------|---------------|--------------------------|-------------|----------------|-------------------------|---------------------|
|                   |          | 2016E   | LTM   |               | 2016E                    | LTM         |                |                         |                     |
| Calidus           | 8% CALD  | \$205   | \$190 | \$0           | 5.0x                     | 5.4x        | -4497.8x       | y                       | 1,030               |
| Jive Software     | -1% JIVE | \$201   | \$202 | -\$14         | 1.1x                     | 1.1x        | -15.6x         | n                       | 213                 |
| LivePerson Inc.   | -4% LPSN | \$223   | \$232 | \$16          | 1.7x                     | 1.6x        | 24.6x          | y                       | 382                 |
| SPS Commerce Inc. | 10% SPSC | \$193   | \$176 | \$18          | 5.1x                     | 5.6x        | 55.9x          | y                       | 988                 |
| Marketo *         | 13% MKTO | \$273   | \$241 | -\$51         | 5.4x                     | 6.1x        | -28.9x         | y                       | 1,470               |
| Q2 Holdings       | 16% QTWO | \$149   | \$128 | -\$21         | 6.4x                     | 7.4x        | -45.2x         | y                       | 949                 |
| Castlight Health  | 15% CSLT | \$100   | \$87  | -\$72         | 3.3x                     | 3.9x        | -4.7x          | y                       | 336                 |
| inContact, Inc.   | 8% SAAS  | \$263   | \$244 | \$4           | 3.3x                     | 3.5x        | 206.0x         | y                       | 857                 |
| OPOWER, Inc.*     | 6% OPWR  | \$160   | \$152 | -\$42         | 3.3x                     | 3.5x        | -12.7x         | y                       | 532                 |
| SciQuest *        | 3% SQI   | \$110   | \$106 | \$9           | 4.6x                     | 4.8x        | 54.0x          | y                       | 509                 |
| Bazaarvoice       | 3% BV    | \$206   | \$200 | -\$15         | 1.3x                     | 1.3x        | -18.0x         | y                       | 270                 |
| Amber Road, Inc.  | 7% AMBR  | \$75    | \$70  | -\$17         | 3.6x                     | 3.9x        | -15.7x         | y                       | 272                 |
| Upland Software   | 2% UPLD  | \$72    | \$71  | \$4           | 2.2x                     | 2.2x        | 43.4x          | y                       | 158                 |
| <b>Average</b>    |          |         |       | <b>-14.0x</b> | <b>3.8x</b>              | <b>4.1x</b> | <b>-353.2x</b> |                         | <b>\$646</b>        |

\* Acquired or in process

| Weyland           | Revenue       |              | TTM<br>EBITDA | Enterprise Value / Sales |             | Valuation Range |             |
|-------------------|---------------|--------------|---------------|--------------------------|-------------|-----------------|-------------|
|                   | 2016E         | LTM          |               | 2016E                    | LTM         | Low             | High        |
| <b>YoY growth</b> | <b>\$15.3</b> | <b>\$8.4</b> | <b>2.2</b>    | <b>3.8x</b>              | <b>4.1x</b> | <b>\$34</b>     | <b>\$58</b> |

Conclusion of Enterprise Value  
Market Value  
Fully Diluted Shares Outstanding  
Price per Share

**\$46,037,417**  
**\$47,714,812**  
16,010,381  
**\$2.98**

| Weyland           | Revenue     |             | 2016E<br>EBITDA | Enterprise Value / Sales |             | Valuation Range |             |
|-------------------|-------------|-------------|-----------------|--------------------------|-------------|-----------------|-------------|
|                   | 2017E       | 2016E       |                 | 2017E                    | 2016E       | Low             | High        |
| <b>YoY growth</b> | <b>\$20</b> | <b>\$15</b> | <b>5.3</b>      | <b>3.8x</b>              | <b>4.1x</b> | <b>\$63</b>     | <b>\$75</b> |

Conclusion of Enterprise Value  
Market Value  
Shares Outstanding  
Price per Share

**\$68,954,810**  
**\$70,632,205**  
16,010,381  
**\$4.41**

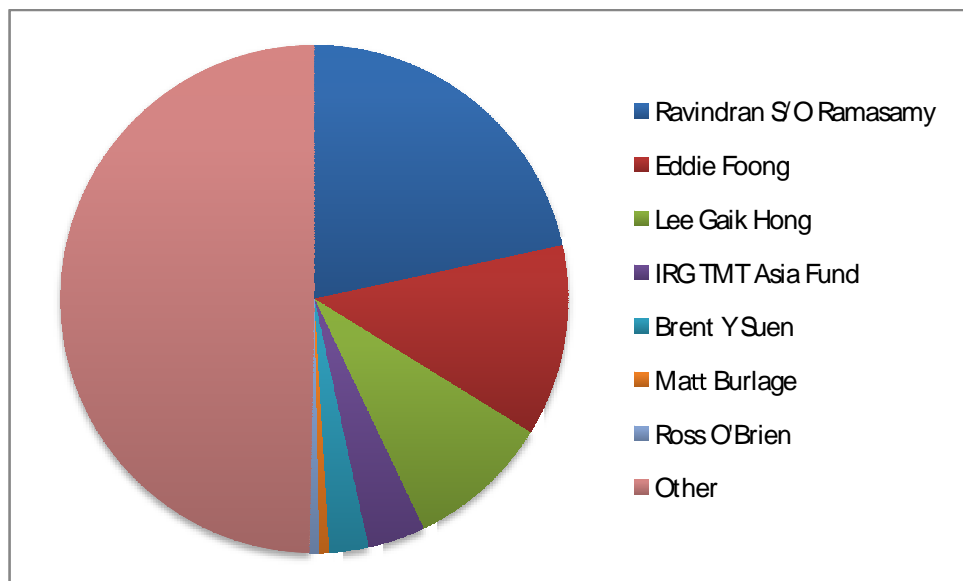
We can also use PE to value the stock. As a company with high recurring revenue, the company deserves a PE close to its growth rate. As a small company we believe that it could easily sustain 30% growth for the next five year and thus its PE could be 30. Using the 2016 EPS estimate of \$0.26 per share and a 30 multiple the stock would be worth \$7.80 per share. **Using 2017 estimated EPS of \$0.46, that price moves up to \$13.80.**

A third methodology that can be used is enterprise value to EBITDA. This year we project the company could generate \$5.4 million in EBITDA. Using a multiple of 10 times, which is conservative, that would value the company at \$54 million or a stock price of \$3.48 per share. **By 2017, this could move to \$4.83 with projected EBITDA of \$7.5 million, almost 40% higher.**

Using a simple **average of these three methods gives us a stock price of \$7.68 per share** by next year, 220% higher than the company's current stock price. As the company reports more quarters and gain visibility and predictability, we expect the price to rise closer to this valuation.

## OWNERSHIP

Ravindran Ramasamy, Eddie Foong, and Lee Gaik Hong are the co-founders of *CreateApp* and together own 42.9% of the company.



## INCOME STATEMENT

| Weyland Technologies         | Q1 2015<br>31-Mar | Q2 2015<br>30-Jun | Q3 2015<br>30-Sep | Q4 2015<br>31-Dec | Q1 2016<br>31-Mar | Q2 2016<br>30-Jun | Q3 2016E<br>30-Sep | Q4 2016E<br>31-Dec | 2015             | 2016E             | 2017E             |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|------------------|-------------------|-------------------|
| Singapore                    | 480,000           | 100,000           | 648,159           | 1,126,958         | 565,364           | 533,382           | 640,000            | 640,000            | 2,553,992        | 2,378,746         | 2,616,621         |
| Other                        | -                 | -                 | -                 | 198,875           | 1,696,091         | 1,600,147         | 1,700,000          | 1,800,000          | -                | 6,796,238         | 10,873,981        |
| Turnkey systems              | -                 | -                 | -                 | -                 | -                 | 2,000,000         | 2,000,000          | 2,100,000          | -                | 6,100,000         | 6,405,000         |
| <b>Total revenue</b>         | <b>480,000</b>    | <b>100,000</b>    | <b>648,159</b>    | <b>1,325,833</b>  | <b>2,261,455</b>  | <b>4,133,529</b>  | <b>4,340,000</b>   | <b>4,540,000</b>   | <b>2,553,992</b> | <b>15,274,984</b> | <b>19,895,601</b> |
| Yr-to-yr Growth              | -39%              | -89%              | 69%               | 247%              | 371%              | 4034%             | 570%               | 242%               | 3%               | 498%              | 30%               |
| Cost of services             | 475,000           | 95,000            | 264,740           | 717,518           | 634,331           | 2,993,361         | 3,057,200          | 3,200,200          | 1,552,258        | 9,885,092         | 11,110,303        |
| Gross profit                 | 5,000             | 5,000             | 383,419           | 608,315           | 1,627,124         | 1,140,168         | 1,282,800          | 1,339,800          | 1,001,734        | 5,389,892         | 8,785,299         |
| Gross Margin                 | 1.0%              | 5.0%              | 59.2%             | 45.9%             | 72.0%             | 27.6%             | 29.6%              | 29.5%              | 39.2%            | 35.3%             | 44.2%             |
| <b>Operating expenses:</b>   |                   |                   |                   |                   |                   |                   |                    |                    |                  |                   |                   |
| General and administration   | 14,375            | 14,375            | 57,016            | 182,247           | 173,809           | 325,407           | 300,000            | 310,000            | 268,013          | 1,109,216         | 1,302,000         |
| Depreciation & Amortization  | 0                 | 0                 | 7,318             | (7,318)           | 83,333            | 62,500            | 62,500             | 65,000             | 0                | 273,333           | 260,000           |
| Total operating expenses     | 14,375            | 14,375            | 64,334            | 174,929           | 257,142           | 387,907           | 362,500            | 375,000            | 268,013          | 1,382,549         | 1,562,000         |
| Operating income:            | -9,375            | -9,375            | 319,085           | 433,386           | 1,369,982         | 752,261           | 920,300            | 964,800            | 733,721          | 4,007,343         | 7,223,299         |
| Operating margin             | -2.0%             | -9.4%             | 49.2%             | 32.7%             | 60.6%             | 18.2%             | 21.2%              | 21.3%              | 28.7%            | 26.2%             | 36.3%             |
| EBITDA                       | (9,375)           | (9,375)           | 326,403           | 426,068           | 1,453,315         | 982,034           | 982,800            | 1,029,800          | 733,721          | 4,280,676         | 7,483,299         |
| <b>Other income:</b>         |                   |                   |                   |                   |                   |                   |                    |                    |                  |                   |                   |
| Licensing income             | -                 | -                 | -                 | -                 | -                 | 167,273           | -                  | -                  | -                | 167,273           | 200,000           |
| Total other income           | -                 | -                 | -                 | -                 | -                 | 167,273           | -                  | -                  | -                | 167,273           | 200,000           |
| Income before income taxes   | (9,375)           | (9,375)           | 319,085           | 433,386           | 1,369,982         | 919,534           | 920,300            | 964,800            | 733,721          | 4,174,616         | 7,423,299         |
| Pretax Margin                | -2.0%             | -9.4%             | 49.2%             | 32.7%             | 60.6%             | 22.2%             | 21.2%              | 21.3%              | 28.7%            | 27.3%             | 37.3%             |
| Income tax                   | -                 | -                 | -                 | -                 | -                 | -                 | -                  | -                  | -                | -                 | -                 |
| Tax rate                     | 0%                | 0%                | 0%                | 0%                | 0%                | 0%                | 0%                 | 0%                 | 0%               | 0%                | 0%                |
| Net income                   | (9,375)           | (9,375)           | 319,085           | 433,386           | 1,369,982         | 919,534           | 920,300            | 964,800            | 733,721          | 4,174,616         | 7,423,299         |
| <b>Net income per share:</b> |                   |                   |                   |                   |                   |                   |                    |                    |                  |                   |                   |
| EPS Diluted                  | \$0.00            | \$0.00            | \$0.08            | \$0.03            | \$0.09            | \$0.06            | \$0.06             | \$0.06             | \$0.00           | \$0.26            | \$0.46            |
|                              | -99.1%            | -99.2%            | -453.7%           | 874.6%            | -13290.5%         | -76767.8%         | -29.0%             | 121.6%             |                  |                   |                   |
| <b>Shares</b>                |                   |                   |                   |                   |                   |                   |                    |                    |                  |                   |                   |
| Basic                        | 13.9              | 125.1             | 3.9               | 15.9              | 15.4              | 16.0              | 16.0               | 16.0               | 229.8            | 15.9              | 16.0              |
| Diluted                      | 13.9              | 125.1             | 3.9               | 15.9              | 15.4              | 16.0              | 16.0               | 16.0               | 229.8            | 15.9              | 16.0              |
|                              |                   |                   |                   |                   | 10.8%             | -87.2%            | 306.5%             | 0.4%               |                  | -93.1%            | 1.0%              |
| Adjusted EBITDA              | (9,375)           | (9,375)           | 326,403           | 426,068           | 1,453,315         | 982,034           | 982,800            | 1,029,800          | 733,721          | 5,389,892         | 7,483,299         |
|                              | -71%              | -84%              | -272%             | 1635%             | -15602%           | -10575%           | 201%               | 142%               | -5%              | 635%              | 39%               |

## BALANCE SHEET

|   | June 30,<br>2016 | March 31,<br>2016 | % Change |
|---|------------------|-------------------|----------|
| <b>Current assets</b>                             |                  |                   |          |
| Cash and equivalents                              | \$1,763,046      | \$2,379,562       | -26%     |
| Accounts receivable, net                          | 1,734,281        | 739,701           | 134%     |
| Temporary payments and repayments                 | 8,000            | 0                 |          |
| Total current assets                              | 3,505,327        | 3,119,263         | 12%      |
| Investment in joint venture                       | 180,000          | 120,320           | 50%      |
| <b>Capitalized development costs</b>              | 580,505          | 583,333           | 0%       |
| Trademark   | 5,000            | 5,000             | 0%       |
| Total non-current assets                          | 765,505          | 708,653           | 8%       |
| <b>TOTAL ASSETS</b>                               | 4,270,832        | 3,827,916         | 12%      |
| <b>Current liabilities</b>                        |                  |                   |          |
| Accounts payable, accruals & other                | 830,868          | 1,394,637         | -40%     |
| CEO payables                                      | 85,651           | 88,220            | -3%      |
| Deposit for stock to be issued                    | 544,887          | 424,887           | 28%      |
| Total current liabilities                         | 1,375,755        | 1,907,744         | -28%     |
| <b>TOTAL LIABILITIES</b>                          | 1,375,755        | 1,907,744         | -28%     |
| <b>Stockholder's equity</b>                       |                  |                   |          |
| Common stock                                      | 146,179          | 146,179           | 0%       |
| Additional paid-in capital                        | 36,104,037       | 36,104,037        | 0%       |
| Subscriptions received                            | 1,765,855        | 1,765,855         | 0%       |
| Accumulated deficit                               | (35,206,644)     | (36,095,989)      | -2%      |
| Total stockholders' equity                        | 2,809,427        | 1,920,082         | 46%      |
| <b>Total liabilities and stockholders' equity</b> | \$4,185,182      | \$3,827,826       | 9%       |
| Current ratio                                     | 2.5              | 1.6               | 56%      |
| Working Capital                                   | 2,129,572        | 1,211,519         | 76%      |
| Net Cash as % of assets                           | 41%              | 62%               | -34%     |
| Cash per share                                    | \$0.11           | \$0.15            | -29%     |
| DSOs  | 38               | 30                | 28%      |

## CASH FLOWS

| \$ in Thousands   | 3 Months Ended | 3 Months Ended | 3 Months Ended | 3 Months Ended | 3 Months Ended | 3 Months Ended |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 31-Mar-15      | 30-Jun-15      | 30-Sep-15      | 31-Dec-15      | 31-Mar-16      | 30-Jun-16      |
| <b>Cash Flows from Operating Activities:</b>  |                |                |                |                |                |                |
| Net profit  | \$ (9,375)     | \$ (9,616)     | \$ 326,403     | \$ 426,309     | \$ 1,369,982   | \$ 889,345     |
| <b>Adjustments to reconcile net loss to net cash used in operating activities:</b>              |                |                |                |                |                |                |
| Development cost amortization   | 0              | 0              | 7,318          | 76,015         | 83,333         | \$ 41,667      |
| Issuance of common stock for services received  | 0              | 0              | 0              | 23,262         | 0              | 0              |
| <b>Changes in operating assets and liabilities, net of the effect of acquisitions (Note 2):</b> |                |                |                |                |                |                |
| Increase in accounts receivable   | 0              | (420,000)      | (100,000)      | 0              | 9,000          | \$ (1,020,581) |
| Deposits and prepayments  | 0              | 0              | (8,000)        | 0              | 0              | 0              |
| Accrued expenses and other payables   | 0              | 0              | (3,667)        | (232,307)      | 0              | 0              |
| Software and trademark increase   |                |                |                |                | 0              | \$ (43,838)    |
| Accounts payable increase   | 9,375          | (411,543)      | 908,835        | 743,917        | (36,440)       | \$ (563,770)   |
| Other payables decrease   | 0              | 0              | 106,000        | (106,000)      | 0              | 0              |
| Development cost payable  | 0              | 0              | 0              | 0              | 0              | 0              |
| Due to CEO  | 0              | 0              | 179,719        | (58,538)       | (32,961)       | \$ (2,569)     |
| Deposits received   | 0              | 0              | 0              | 147,456        | 0              | 0              |
| Net cash used in operating activities   | 0              | (841,159)      | 1,416,608      | 1,027,432      | 1,392,914      | (699,747)      |
| <b>Cash Flows from Investing Activities:</b>  |                |                |                |                |                |                |
| Acquisition of businesses, net of cash acquired   | 0              | 0              | 1,384,076      | (1,384,076)    | 0              | 0              |
| Purchase of property and equipment  | 0              | 0              | (1,918,487)    | 1,918,487      | 0              | 0              |
| Investments in joint venture  | 0              | 0              | 0              | (20,230)       | (100,000)      | \$ (59,770)    |
| Development costs incurred  | 0              | 0              | 0              | (750,000)      | 0              | 0              |
| Net cash used in investing activities   | 0              | 0              | (534,411)      | (235,819)      | (100,000)      | (59,770)       |
| <b>Financing activities</b>   |                |                |                |                |                |                |
| Share subscription received   |                |                |                |                | 254,430        | 143,000        |
| Net cash provided by financing activities   |                |                |                |                | 254,430        | 143,000        |
| (Decrease) increase in Cash and Cash Equivalents  | 0              | (841,159)      | 882,197        | 791,180        | 1,547,344      | (616,517)      |
| Cash and Cash Equivalents, beginning of period  | 0              | 0              | 0              | 41,038         | 832,218        | 2,379,562      |
| Cash and Cash Equivalents, end of period  | 0              | 0              | 41,038         | 832,218        | 2,379,562      | 1,763,045      |
| Cash flow   | \$ (9,375)     | \$ (9,616)     | \$ 333,721     | \$ 525,586     | \$ 1,453,315   | \$ 931,012     |
| Free cash flow  | \$ (9,375)     | \$ (9,616)     | \$ (1,584,766) | \$ 1,694,073   | \$ 1,453,315   | \$ 931,012     |



# HISTORICAL STOCK PRICE



Source: E\*TRADE Securities



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