



Monaker Group, Inc.

Initiating Coverage with BUY and \$4.50 Target

Attractive product for travel distribution partners to tap into the large and fast growing market for ALR/vacation rentals. We believe expected ramp in revenue over the next year to be positive for stock.

Initiating with BUY: We are initiating coverage of Monaker Group with a BUY rating. Monaker is a travel services company focused on the alternative lodging rental (ALR) market with its Monaker Booking Engine (MBE) for bookable vacation rental homes worldwide.

Large market potential: Monaker expects to benefit from the growing demand for ALR and the growth in digital travel sales. The global ALR industry is expected to grow at a 7% compound annual growth rate to \$194 billion in 2021, according to Technavio, making it one of the fastest growing sectors in the travel industry.

Differentiated product: Monaker's B2B ALR offerings are timely in addressing traditional travel distributors' needs to protect their client base. With the rapid growth of companies like Airbnb, traditional travel companies are realizing that not having access to this high demand vacation rental inventory means they risk losing their consumers to other ALR sites. Monaker's ALR inventory solves a key issue by allowing traditional travel distributors the ability for their customers to complete their entire vacation package booking on their website versus forcing them to go to an ALR website and potentially losing the entire booking.

Key relationships: Monaker has signed up 30 distribution partners for its MBE, enabling them to offer their customers Monaker's instantly bookable inventory of over 2.6 million vacation rental properties through their channels (in over 20 countries with millions of monthly users).

But still early stage: Monaker's recent financial performance is reflective of its developmental stage. The company has a steady balance sheet with ~\$0.3 million in cash and \$1.3 million debt as of November 2018 (not including its recent capital raise of \$1.8 million). We believe Monaker has enough cash to fund its operations through this year, but we estimate that it will need to raise capital next year (estimated Q1 FY21).

Integration progressing well: In April, Monaker announced that two more of its 30 contracted distribution partners (up to 11 total) have completed their integrations with the Monaker Booking Engine (MBE). Monaker expects to complete the integration of the remaining 19 distribution partners by mid-to-late 2019.

Recent integration with Trisept positive: Monaker recently announced that Trisept Solutions (part of Apple Leisure Group), one of the company's larger contracted travel distributors, has completed integration of the MBE.

Ramp in revenue can be catalyst: The integration of the MBE with these distribution partners should drive significant growth in bookings and revenues for Monaker over the next several years.

However, challenges exist: Monaker operates in a highly competitive environment and competes against a wide range of other OTAs and providers of ALR and other travel accommodations.

Positive high risks versus rewards: Overall, concerns outweighed by growth prospects and valuation. Though we acknowledge that Monaker still has to prove it can be successful commercially. However, we believe the ~billion dollars market potentials presents a high reward for the risks.

Current valuation attractive: We calculate a 12-month price target for shares of Monaker to be \$4.50 based on a NPV analysis, representing significant upside from the current share price. We believe this valuation appropriately balances out the company's high risks with the company's high growth prospects and large upside opportunities.

Company Description

Based in Weston, FL, Monaker Group is a travel services company focused on the alternative lodging rental (ALR) market with its Monaker Booking Engine (MBE) for bookable vacation rental homes worldwide.

United States
Internet Software and Services

May 13, 2019

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COVERAGE INITIATION

Rating: BUY

Ticker: MKGI

Price: \$3.27

Target: \$4.50

Stock Data

Exchange:	NasdaqCM
52-week Range:	\$0.85 – 3.78
Shares Outstanding (million):	11
Market cap (\$million):	\$36
EV (\$million):	\$37
Debt (\$million):	\$1
Cash (\$million):	\$0
Avg. Daily Trading Vol. (\$million):	~\$0.1
Float (million shares):	5
Short Interest (million shares):	0.1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2018E</u> (Cur.)	<u>2019E</u> (Cur.)	<u>2020E</u> (Cur.)
Q1 May	0.1A	0.2E	1.3E
Q2 Aug	0.2A	0.4E	1.8E
Q3 Nov	0.2A	0.8E	2.0E
Q4 Feb	<u>0.1E</u>	<u>1.1E</u>	<u>2.5E</u>
Total	0.6E	2.5E	7.6E
EV/Revs	61.7x	14.8x	4.9x

Earnings per Share

	<u>2018E</u> (Cur.)	<u>2019E</u> (Cur.)	<u>2020E</u> (Cur.)
Q1 May	(0.11)A	(0.14)E	(0.13)E
Q2 Aug	0.64A	(0.13)E	(0.11)E
Q3 Nov	(0.24)A	(0.12)E	(0.09)E
Q4 Feb	<u>(0.17)E</u>	<u>(0.12)E</u>	<u>(0.07)E</u>
Total	0.08E	(0.50)E	(0.40)E
P/E	41x	N/A	N/A

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 21.

Exhibit 1: Monaker Group Stock Price (4-years)



Source: Nasdaq.com

INVESTMENT THESIS

We are initiating coverage of Monaker Group with a BUY rating and a 12-month price target of \$4.50.

Based in Weston, FL, Monaker Group is a travel services company focused on the alternative lodging rental (ALR) market. The Monaker Booking Engine (MBE) provides access to more than 2.6 million instantly bookable vacation rental homes worldwide. Monaker's proprietary white label Booking Engine and sizeable ALR properties provides well-established marketplaces (i.e. a business-to-business (B2B) model) easy access to alternative lodging rentals inventory to contracted global distributor partners.


Monaker provides alternative lodging rentals (ALR) products which it converts into instantly bookable products for its distribution partners (travel agents and distributors). The company sells its travel services through various distribution channels, but primarily through its business-to-business (B2B) channel partners which include sales via (i) other travel companies' websites and (ii) networks of third-party travel agents. In July 2018, Monaker released the next generation of its Monaker Booking Engine (MBE) to provide to distributors' existing reservation platforms access to Monaker's global ALR platform. To date, Monaker has signed up 30 distribution partners for its MBE, across many well-established worldwide travel brands representing billions in revenue and millions of customers.

Monaker's integrated travel distributors and their downstream partners, with their established travel booking platforms (aggregators, consolidators, online travel agencies and travel agents), can select from Monaker's sizeable global vacation rental inventory comprising homes, villas, chalets, apartments, condos, resort residences, and even castles.


Monaker's goal is to become the largest instantly bookable vacation rental platform in the world, providing large travel distributors via a B2B model, its ALR inventory. Additionally, the company plans to provide a superior platform to assist property managers in booking, and broadening the market for, their properties.

Exhibit 2: Monaker Investment Highlights

Key Takeaways


 NASDAQ: MKGI

- **Industry-first:** B2B platform for customizable, instantly-bookable ALR for OTAs
- **Set to scale** with 'white-label' ALR solution for the wide-open B2B market
- **Solid corporate structure**, with travel, technology and M&A-experienced management and invested board of directors
- **Key travel brands, major partnerships** and strong **industry tailwinds** positions Monaker for accelerated growth



Source: Company reports.

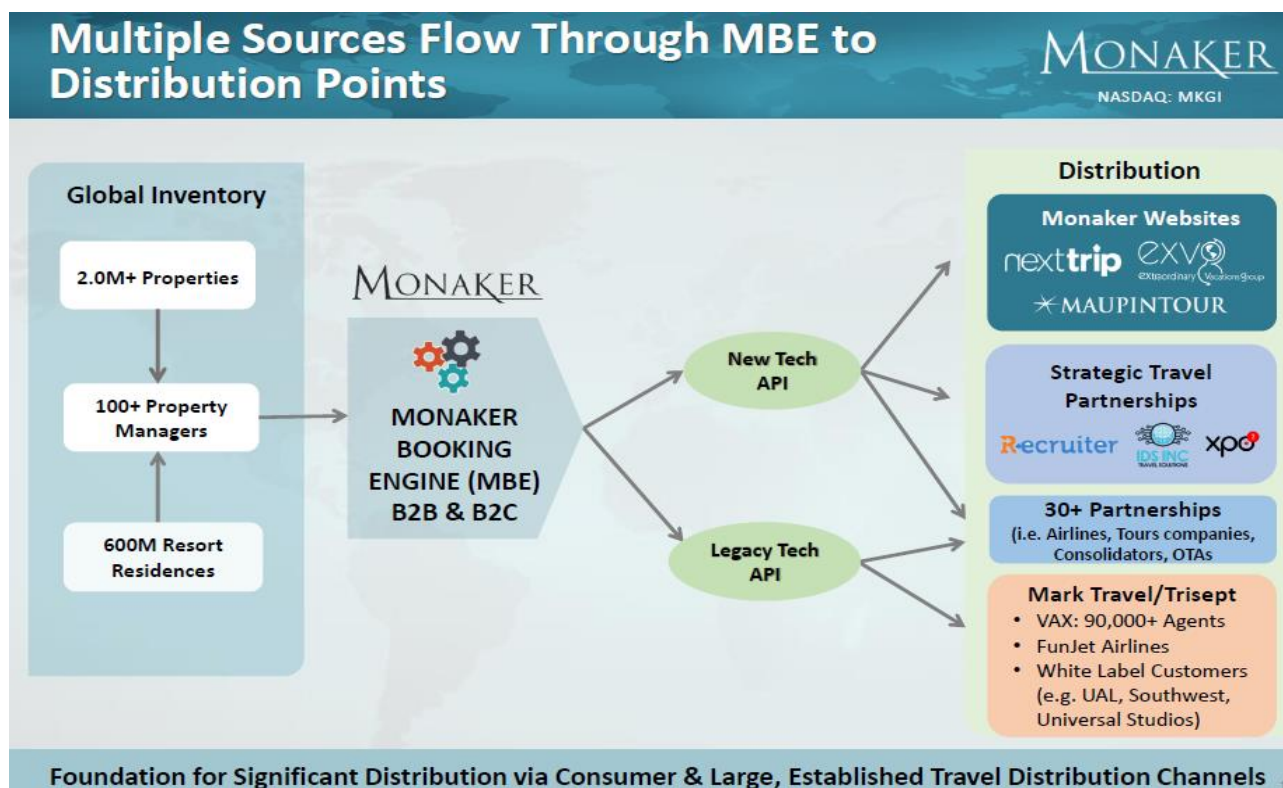
The company serves three major constituents: (1) property managers, (2) travelers, and (3) other travel/lodging distributors. Property managers integrate their detailed property listings into the Monaker Booking Engine (MBE) with the goal of reaching a broad audience of travelers seeking ALRs. Although these ALR properties are typically non-exclusively provided to Monaker, we believe Monaker's value added proposition provides property managers incentives to list their properties through the MBE.

Monaker's B2B model of supplying its ALR inventory directly to well established travel distributors has three key benefits:

- 1) Monaker avoids the need to market and develop its own direct to consumer brand (which can be expensive). Instead it is able to supply product into well established distribution websites that already have significant customer traffic and bookings.
- 2) Monaker is positioned uniquely in ALR sector, which is one of the fastest growth segments within the travel industry. ALR inventory provides a key solution to traditional travel distributors.

- 3) Monaker's B2B ALR offerings are timely in addressing traditional travel distributors' needs to protect their client base. With the rapid growth of companies like Airbnb, traditional travel companies are realizing that not having access to this high demand vacation rental inventory means they risk losing their consumers to other ALR sites. Monaker's ALR inventory solves a key issue by allowing traditional travel distributors the ability for their customers to complete their entire vacation package booking on their website versus forcing them to go to an ALR website and potentially losing the entire booking.

Exhibit 3: Monaker Business Model



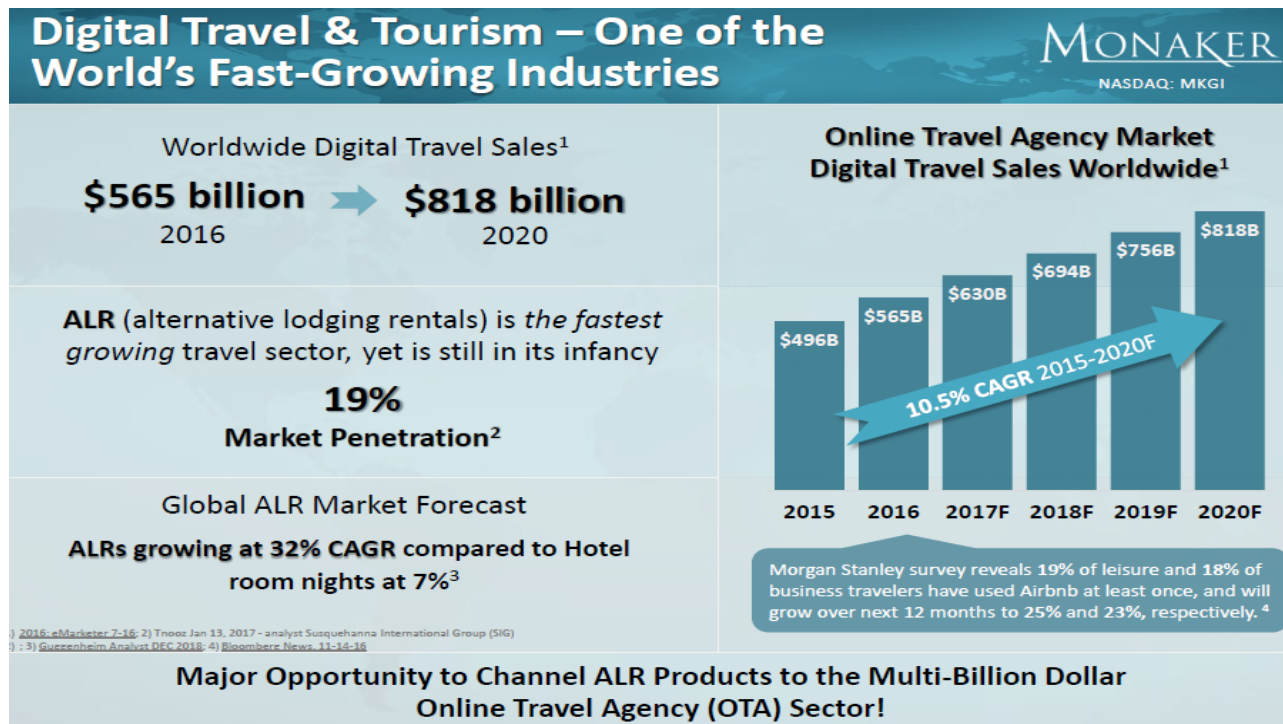
Source: Company reports.

Monaker's recent financial performance is reflective of its developmental stage. Because the company is still early in its product development and commercialization, it currently generates minimal revenues and significant losses as it funds its product development.

In April, Monaker announced that two more of its 30 contracted distribution partners (up to 11 total) have completed their integrations with the Monaker Booking Engine (MBE), enabling them to start searching and offering their customers Monaker's instantly bookable inventory of more than 2.6 million vacation rental properties through their channels (in over 20 countries with millions of monthly users). Monaker expects to complete the integration of the remaining 19 distribution partners by mid-to-late 2019. This should drive significant growth in bookings and revenues for Monaker over the next several years.

Monaker recently announced that Trisept Solutions (part of Apple Leisure Group) has completed integration of the MBE. It is these key relationships with distribution partners along with its large inventory of ALR that should drive significant growth for Monaker over the next several years.

Exhibit 4: Monaker Addressable Markets



Source: Company reports.

Monaker expects to benefit from the growing demand for ALR and the growth in digital travel sales. The global ALR industry is expected to grow at a 7% compound annual growth rate to \$194 billion in 2021, according to Technavio, making it one of the fastest growing sectors in the travel industry. Meanwhile, worldwide digital travel sales are anticipated to climb at a 9.7% compounded annual growth rate to top \$817 billion by 2020, according to eMarketer.

The company has a steady balance sheet with ~\$0.3 million in cash and \$1.3 million debt as of November 2018 (not including its recent capital raise of \$1.8 million). We believe Monaker has enough cash to fund its operations through this year, but we estimate that it will need to raise capital next year (estimated Q1 FY21).

Our investment thesis factors in an uncertain product development and commercialization process and very competitive industry which is offset by the very large potential upside opportunities from the large travel market for ALR. We believe that the current valuation for Monaker has already factored in many of its risks (principally successful commercialization) but is under valuing its overall growth prospects and product portfolio, resulting in a positive risk versus reward scenario for an investment in Monaker.

We believe the current valuation is attractive.

Our \$4.50 price target is based on a NPV analysis. Based on our expectations and assumptions, we calculate a 12-month price target for shares of Monaker to be \$4.50, representing significant upside from current share price. We believe this valuation appropriately balances out the company’s high risks with the company’s high growth prospects and large upside opportunities. We acknowledge that Monaker is still at an early stage in its ARL product commercialization, but we believe key milestones over the next year should be positive catalysts for the stock.

INVESTMENT RISKS

High Level of Competition

Monaker directly (and indirectly) competes with a wide range of online and offline travel agencies and travel suppliers for the sale of ALR. Specifically in the ALR market, Monaker directly competes with Airbnb and Expedia (HomeAway/Vrbo) as well as TripAdvisor and Booking Holdings (f.k.a. Priceline) for the booking/sale of ARL. Online travel agencies (OTA) such as Expedia and Booking Holdings compete with Monaker as a resource for travel content and purchases on factors such as pricing, room inventory, content and supply breadth, technology and ease of use. The biggest challenge is against other online companies with larger client bases, greater resources, and access to proprietary search engines, which could result in higher traffic acquisitions costs and reduced margins, advertisers, and customer traffic for Monaker.

Threat From Google

Online search engines, predominantly Google since it is the world's largest, are becoming major players in the online travel industry. Although Google (along with the other major search engines), are currently not selling travel products directly, they do influence consumers' selection of where to purchase travel through their search and advertisement listings. In particular, Google has been making a big push into travel information and commerce. Google has launched Google Flight Search and Google Hotel Finder which provide information, availability and pricing for airlines and hotels. In addition, Google Reviews provides traveler opinions, reviews, and other travel content. Google could use its dominance in search to direct traffic to its own products, which may lower traffic to Monaker or its distribution partner's websites.

Concentrated Product

Monaker is focused on developing online booking marketplaces for the alternative lodging rental (ALR) market. The Monaker Booking Engine (MBE) provides access to more than 2.6 million instantly bookable vacation rental homes worldwide. Its proprietary white label Booking Engine and sizeable ALR properties provide well-established marketplaces (i.e. a business-to-business (B2B) model) easy access to alternative lodging rentals inventory to contracted global distributor partners. However, if Monaker were to experience difficulties with the development or commercialization of its MBE, then it would have a material negative impact on its business and financials as there are no meaningful products which can offset (particularly in the near term).

Economic Uncertainty

Travel spending is highly correlated with economic activity and discretionary income levels. Deterioration in economic conditions tends to result in an overall decline in consumer and travel spending, as was demonstrated during the 2008 and 2009 Great Recession and global economic slowdown. While consumer spending levels have improved significantly since and are currently strong, the global macroeconomic environment can change any time. Further economic weakness may result in depressed consumer spending levels; this may have a negative impact on Monaker, its business partners, and consumers.

Capital Markets Risks

We believe Monaker has enough cash to fund its operations through the next year, but we estimate that it will need to raise additional capital next year (estimated Q1 FY21) even after its recent \$1.8 million raise (in April 2019). While the company plans to start ramping up commercialization significantly in mid-2019, we believe that it may be at least a year before the company can be cash flow self-sufficient from operations. Though the stock markets are reasonably strong now (along with technology companies valuations), there is always the chance that market interests and valuations for companies in this industry decline significantly. The share price volatility in the past year (with a stock price range of \$0.85 – 3.78) in Monaker's share price may make capital raising much more difficult and expensive.

VALUATION

We are initiating coverage of Monaker with a BUY rating and a 12-month price target of \$4.50, which is based on a NPV analysis. As the company is still at an early stage in its development as a travel distribution company, it currently generates minimal revenues and significant losses so traditional valuation metrics are not useful. We believe a more accurate valuation should take into consideration the potential value of its product pipeline. We do acknowledge that this valuation is complex and requires a large number of forward assumptions that we have to estimate that may be imprecise and may vary significantly from actual results. This is particularly so for a company like Monaker which is still early in product commercialization with its main products (white label booking engine and marketplace for alternative lodging rentals (ALR)).

However, we believe our assumptions are fair and provide a reasonable basis for our valuation analysis. Our analysis considers future estimated revenue from its major products (based on estimated future sales and profitability and discounted this back to a current value). We apply a high discount rate to capture the uncertainties associated generally with early stage companies. We then added up the values, and allocated the value based on current share count. Based on our NPV analysis, we arrived at our 12-month price target of \$4.50, which we believe appropriately balances out the company's risks with its high growth prospects.

Monaker's share price YTD has been relatively strong (~+175% from \$1.20 on December 31, 2018), though it has been in a wide volatile range of \$0.85 – 3.78 within the past year. We believe that there are near term catalysts that may drive the stock (particularly adoption and traction for its products). We expect valuations for Monaker to improve as revenue grows, profitability improves, and visibility into cash flow generation becomes clearer, resulting in significant upside to the current share price.

Exhibit 5: Company Valuation (DCF)

Valuation of Business (in millions)	
Value Drivers	Estimated NPV
Annual Estimated Long Term Net Income	\$ 10
Discount Rate	20%
Total Value	\$ 50
Plus Current Net Cash	\$ -
Current Value for existing shareholders	\$ 50
Shares Outstanding (mils)	11
Estimated Value per share	\$ 4.50

Source: Ascendant Capital Markets estimates

COMPANY

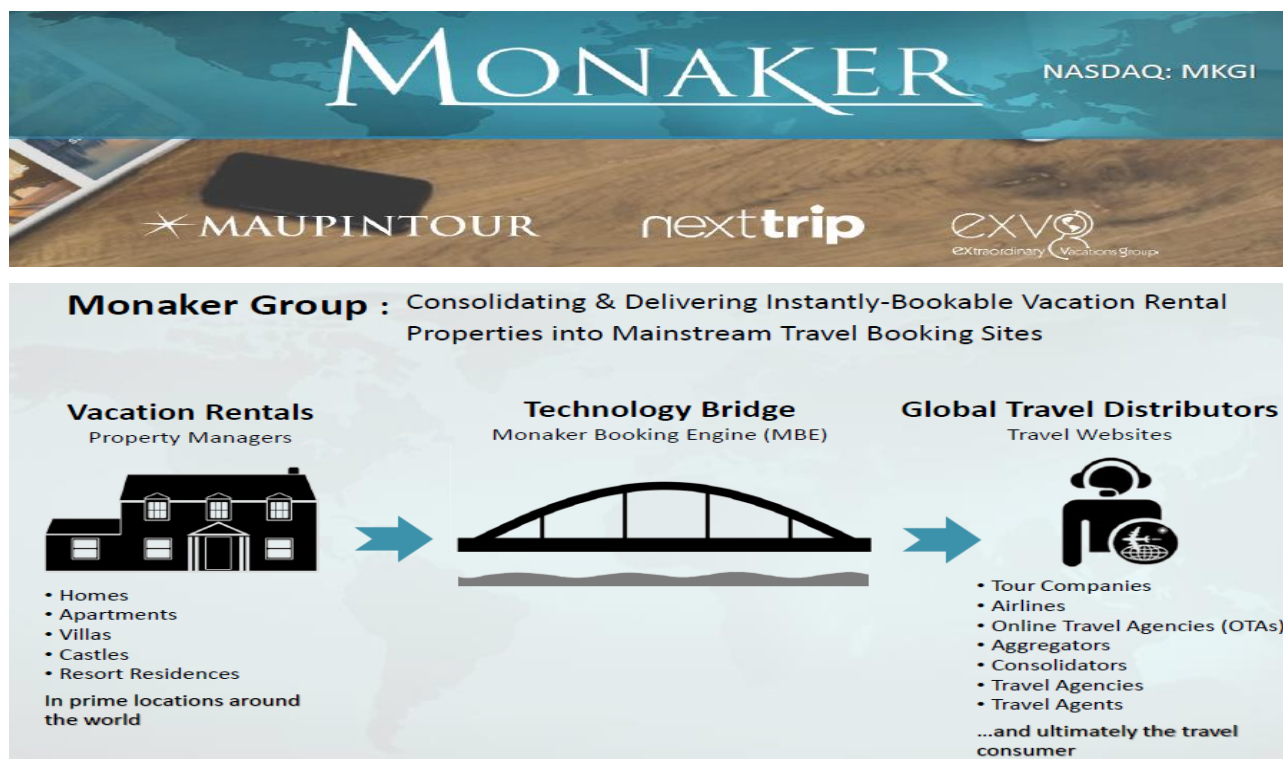
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services and products (including tours, activities/attractions, airlines, hotels/ALRs, and car rentals) through its websites NextTrip.com, Maupintour.com, and EXVG.com.

Monaker's goal is to become the largest instantly bookable vacation rental platform in the world, providing large travel distributors via a B2B model, its ALR inventory. Additionally, the company plans to provide a superior platform to assist property managers in booking, and broadening the market for, their properties.

Originally founded in 2002 (by one of its predecessor companies), Monaker changed its focus (and the name of the company from Next 1 Interactive, Inc.) in 2015 from a general digital online media company to being an online travel company marketing ALRs to consumers and travel distributors. In February 2018, the company introduced its new travel platform under the NextTrip brand to sell travel services to leisure and corporate customers around the world. In July 2018, the company released the next generation of its Monaker Booking Engine (MBE). As of February 28, 2018, the company had 8 employees.

Exhibit 6: Monaker Group Overview



Source: Company reports.

MANAGEMENT TEAM

Donald Monaco, age 65, Chairman of the Board. Mr. Monaco has served as Chairman since August 2018 and as a member of the Board since August 2011. Mr. Monaco served on RealBiz Media Group, Inc. Board from October 2012 until April 2016. Mr. Monaco spent over 18 years as a Partner and Senior Executive and served 28 years as an international information technology and business management consultant with Accenture in Chicago, Illinois. Mr. Monaco holds a Bachelor of Science Degree in Computer Science Engineering and a Master of Science in Computer Science Engineering from Northwestern University.

William Kerby, age 60, Chief Executive Officer and Vice Chairman. Mr. Kerby is the Founder, Vice Chairman, and CEO of Monaker Group. From July 2008 to present, he was the architect of the Monaker model, overseeing the company's Travel, Real Estate and Television Media divisions. In October 2012, Monaker transferred its real estate assets into a public company - RealBiz Media Group, Inc., where Mr. Kerby served as CEO until August 2015. In July 2015, the Television and Real Estate operations were separated from Monaker to focus the company on the development of its travel operations. From April 2002 to July 2008, Mr. Kerby served as the CEO of various media and travel entities that ultimately became part of Extraordinary Vacations Group. Mr. Kerby graduated from York University in May 1980 with a Specialized Honors Economics degree.

Omar Jimenez, age 56, Chief Financial Officer and Chief Operating Officer and Director. Mr. Jimenez was appointed to the Board in January 2017. In January 2016, Mr. Jimenez was appointed as CFO and COO of the company. From May 2009 to January 2016, he served as the founder of MARMEL International, Inc., a company that provides accounting and consulting services. From June 2004 to May 2009, he served as President and CFO at American Leisure Holdings, Inc., focusing on leisure and business travel, hospitality & hotels, call centers and real estate development. Mr. Jimenez is a Certified Public Accountant (CPA) and Chartered Global Management Accountant (CGMA). Mr. Jimenez holds a B.B.A in Accounting and a B.B.A in Finance from the University of Miami and an M.B.A from Florida International University.

PRODUCT

Monaker is a technology-driven travel services company which provides alternative lodging rentals (ALR) products which it converts into instantly bookable products for its distribution partners (travel agents and distributors). The company sells its travel services through various distribution channels, but primarily through its business-to-business (B2B) channel partners which include sales via (i) other travel companies' websites and (ii) networks of third-party travel agents.

Exhibit 7: Monaker Platform



Our B2B Platform Strategy

MONAKER
NASDAQ: MKGI

- Design the Monaker Booking Engine (**MBE**) to meet the needs of today's Online Travel Agent (OTA)
- Deliver Alternative Lodging in an "Industry Standard Format," so OTAs can essentially "**plug & play**"
- **MBE positions Monaker for rapid scale up via:**
 - Large OTAs partner adoption
 - Airlines, car rental companies, and others looking to offer complete travel packages with ALR

Monaker Booking Engine (MBE) provides OTAs multiple options:

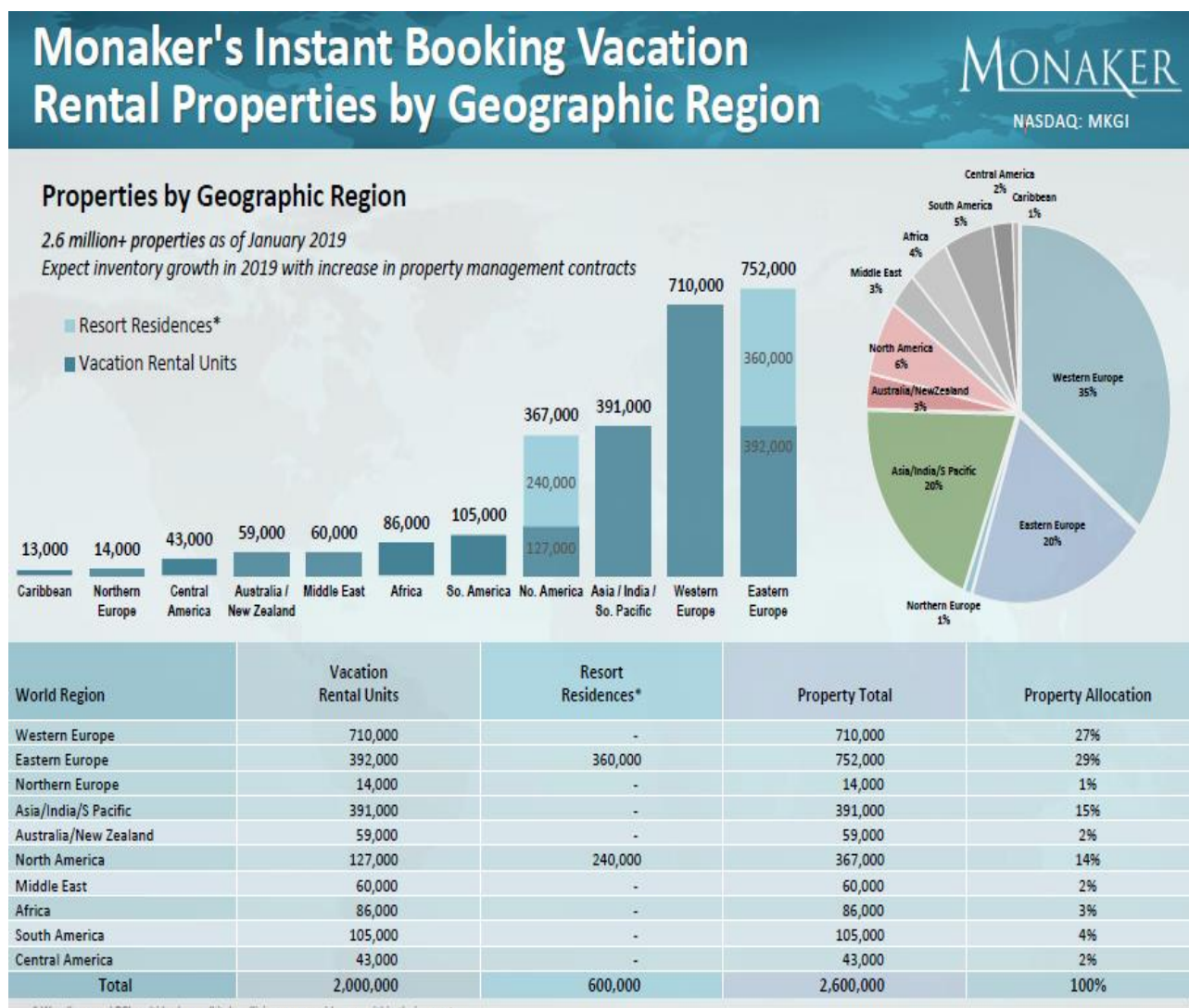
- 2.0 million+ "instant-booking" properties, access to additional 600,000+ resort residences
- "Make-an-Offer" bidding solution
- Supplier inventory management solution
- User fees
- Set commission rates
- Set taxes
- Black out products & regions

Source: Company reports.

In February 2018, the company introduced its new travel platform under the NextTrip brand. This platform focuses on improving the consumer’s experience and assisting them in the travel decision and purchasing process. In July 2018, Monaker released the next generation of its Monaker Booking Engine (MBE) to provide to distributors’ existing reservation platforms access to Monaker’s global ALR platform.

The company serves three major constituents: (1) property managers, (2) travelers, and (3) other travel/lodging distributors. Property managers integrate their detailed property listings into the MBE with the goal of reaching a broad audience of travelers seeking ALRs. Although these ALR properties are typically non-exclusively provided to Monaker, we believe Monaker’s value added proposition provides property managers incentives to list their properties through the MBE.

Exhibit 8: Monaker ALR (Alternative Lodging Rental) Properties



Source: Company reports.

All of Monaker’s ALRs are:


- Controlled by Property Management Companies. This is a key point of differentiation for Monaker, as the sole focus of Property Management Companies is to rent and service their properties, unlike an individual home owner who often rents their property on a casual or part-time basis. Key benefits working with property managers: All properties are Instantly Bookable (all Property Management Company inventory is integrated into the MBE allowing for instant confirmations); Higher levels of service for renters (property managers are full-time operators); Higher Quality Assurance (property managers generally have an incentive to eliminate trouble properties); and Certified Rentable (most property managers are licensed requiring them to ensure properties are “legal to rent” and are further responsible for paying required taxes.
- Exclusively Individual Units. Monaker vacation homes and residential resort units are not shared, or are rooms in homes like other ALR companies. All ALR inventory is fully furnished privately owned residential properties, including homes, condominiums, apartments, villas and cabins that property managers rent on a nightly, weekly or monthly basis.

Exhibit 9: Monaker Distribution Relationships Example

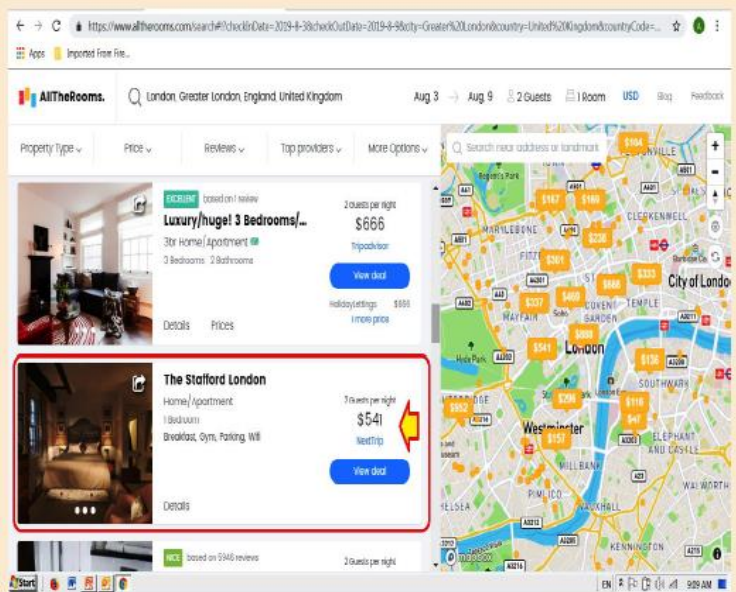
Distributors:
AllTheRooms *(Integrated Spring 2019)*

MONAKER
NASDAQ: MKGI

The Solution



- Monaker Booking Engine (MBE) integrated with AllTheRooms platform via next-gen API
- Accessibility to Monaker’s vast inventory of vacations rental flows into AllTheRooms search engine and their millions of users can search & book Monaker Properties (posted as “NextTrip”) alongside other peer company offerings
- Booking requests are aggregated and transacted by MBE in real-time



Source: Company reports.

Monaker’s B2B model of supplying its ALR inventory directly to travel distributors has three key benefits:

- 1) Monaker avoids the need to market and develop its own direct to consumer brand (which can be expensive). Instead it is able to supply product into well established distribution websites that already have significant customer traffic and bookings.
- 2) Monaker is positioned uniquely in ALR sector, which is one of the fastest growth segments within the travel industry. ALR inventory provides a key solution to traditional travel distributors.

- 3) Monaker’s B2B ALR offerings are timely in addressing traditional travel distributors’ needs to protect their client base. With the rapid growth of companies like Airbnb, traditional travel companies are realizing that not having access to this high demand vacation rental inventory means they risk losing their consumers to other ALR sites. Monaker’s ALR inventory solves a key issue by allowing traditional travel distributors the ability for their customers to complete their entire vacation package booking on their website versus forcing them to go to an ALR website and potentially losing the entire booking.

Property owners and managers are able to list a property, with no initial upfront fees, and provide those listings to Monaker at a negotiated preferential rate for traveler bookings generated on its websites. Listings that are ‘real-time online bookable’ properties will be managed by the property owner or manager through an application program interface (API) which will provide real-time updates to each property and immediately notify the property owner or manager of all information regarding bookings, modifications to bookings and cancellations of bookings. Information such as content, descriptions and images are provided to the company through that API.

These tools will allow the property owner or manager to create the listing by uploading photographs, text descriptions or lists of amenities, a map showing the location of the property, and property availability, all of which can be updated timely and regularly. Each listing will provide travelers the ability to use email or other methods to contact property owners and managers. The listings will include tools and services to help property owners and managers run their vacation rental businesses more efficiently such as responding to and managing inquiries, preparing and sending rental quotes and payment invoices, allowing travelers to book online, including being able to enter into rental agreements with travelers online, and processing online payments.

Exhibit 10: Monaker Platform Rollout

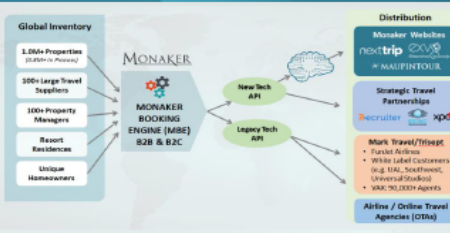
Our B2B Platform Rollout

MONAKER

NASDAQ: MKGI

- **July 2018** – completed and released its Alternative Lodging Booking Engine and API to 12 contracted distributors, in an “Industry Standard Format,” so OTAs can essentially “*plug & play*”
- **September 2018** – completed integrations and certifications to go LIVE with its first 2 **major travel distributors**
- **December 2018** – completed integrations and went LIVE with **3 more** travel distributors
- **February 2019** – **signed another six** distribution partners for the platform bringing total signed contracts to 30.
- **April 2019** - completed integrations with **Two Major Vacation Rental Distributors**. 11 of the 30 contracted Distributors now Live.

Monaker continues discussions with another few dozen companies for consideration and potential distributor contacting



“Monaker’s MBE & Inventory:”

- ALR inventory includes apartments, vacation homes, resort residences, villas, ski chalets and castles
- “Pricing is all inclusive” - No hidden fees added at time of rental
- All properties are professionally managed through property managers (most are licensed & bonded).
- All ALR properties supplied through the API are instantly bookable

Source: Company reports.

In July 2018, Monaker released the next generation of its Monaker Booking Engine (MBE) to provide to distributors' existing reservation platforms access to Monaker's global ALR inventory with the added benefits of all properties having dynamic pricing and instant booking capabilities.

In February 2019, Monaker added 6 new travel partners expanding the company's B2B travel distribution network to 30 contracted partners (with 9 already completed integrations with and utilizing the MBE).

In April 2019, Monaker announced that two more of its 30 contracted distribution partners (up to 11 total currently) have completed their integrations with the MBE, thereby enabling them to start searching and offering their customers Monaker's instantly bookable inventory of more than 2.6 million vacation rental properties through their channels (in over 20 countries with millions of monthly users). Monaker expects to complete the integration of the remaining 19 distribution partners by mid-to-late 2019.

Monaker recently announced that Trisept Solutions (part of Apple Leisure Group), one of the company's larger contracted travel distributors, has completed integration of the MBE. This will allow more than 100,000 travel agents that are a part of Apple Leisure Group to have the ability to search and instantly book commissionable vacation rentals, thus expanding their offerings to their travel customers via its VAX VacationAccess marketplace

Exhibit 11: Alternative Lodging Rentals (ALR) / Vacation Rentals Market Opportunity



Source: Company reports.

Exhibit 12: Monaker Financial Opportunity

B2B ‘White-Label’ ALR Market Opportunity just by “Travel Agents”



NASDAQ: MKGI

Leverage in the Model

- Model based upon the pipeline of travel agents contracted to use Monaker’s booking engine for booking Alternative Lodging Rentals (ALRs). Based upon existing contracts, Monaker believes **more than 250,000 Travel Agents** should have access to use MBE and Monaker’s vacation rental inventory for commissionable bookings.
- Single transaction assumes \$1,500 average ALR booking

MONAKER	Single Transaction Assumptions	Impact of 250,000 Travel Agents Booking 1 Vacation Rental per year		
		Within the currently contracted distribution pipeline and in integration or certification phase		
% of Travel Agents Booking 1 property per yr	-	25%	50%	100%
Rentals per Year	1	62.5K	125K	250K
Gross Bookings (\$1,500 per transaction)	\$1,500	\$93.75M	\$187.5M	\$375M
Gross Revenues (20% commission)	\$300	\$18.75M	\$37.5M	\$75M
Gross Profit (40% gross profit margin)	\$120	\$7.5M	\$15M	\$30M
G&A Expense*	-	\$3.6M	\$3.6M	\$3.6M
Net Profit	\$120	\$3.9M	\$11.4M	\$26.4M
EPS**	-	\$0.41	\$1.20	\$2.77

Assumes straight-lined burn \$300k/month,
 ** Based on 9.5 million shares issued and outstanding.
 K = '000 and M = '000'000

Source: Company report.

Monaker expects to benefit from the growing demand for ALR and the growth in digital travel sales. The global ALR industry is expected to grow at a 7% compound annual growth rate to \$194 billion in 2021, according to Technavio, making it one of the fastest growing sectors in the travel industry. Meanwhile, worldwide digital travel sales are anticipated to climb at a 9.7% compounded annual growth rate to top \$817 billion by 2020, according to eMarketer.

The ALR industry is currently dominated by major OTAs (online travel agents), primarily Airbnb and Expedia (HomeAway/Vrbo) as well as TripAdvisor and Booking Holdings (f.k.a. Priceline) for the booking/sale of ARL. Online travel agencies (OTA) such as Expedia and Booking Holdings compete with Monaker as a resource for travel content and purchases on factors such as pricing, rental inventory, content and supply breadth, technology, and ease of use. This is a major change in the past 20 years when ALR were not popular (hard to discover) and were very inefficient to book (manual processes done offline).

HomeAway/Vrbo was acquired by Expedia in 2015 for ~\$4 billion, while it is reported that Airbnb’s is planning an IPO at a ~\$40 billion valuation.

Exhibit 13: Alternative Lodging Rentals (ALR) / Vacation Rentals Industry

Industry Landscape for Alternative Lodging Rentals (ALRs) - Travel's "Hottest Space" 		
		
<p>2.6 Million Vacation Rentals</p> <ul style="list-style-type: none"> • 100+ countries • Homes, apartments, villas, castles & resort residences • 100% Instantly Bookable • Booking Engine/API provides customizable, Plug & Play capabilities for OTAs • Raised \$15 million in 2016-18 (+50% funded by directors/insiders) • First-to-market as white label B2B solution with over 2.6 million instantly-bookable ALR properties • \$23 million market valuation 	<p>4 Million+ Vacation Rentals</p> <ul style="list-style-type: none"> • 190 countries • ~50% of properties are bedrooms in a guest house • Limited instant booking (Trying to convert >2 million homeowners to achieve a instant-booking solution) • No B2B model developed • Raised \$3.4 billion • Grew at over 135% in 2016 • Made multiple acquisitions • >\$31 billion premarket valuation¹ <p><small>1. CNBC, March 9, 2017</small></p>	<p>2 Million+ Vacation Rentals</p> <ul style="list-style-type: none"> • 190 countries • Homes, apartments and villas • Completed 22 acquisitions • Limited instant booking (Trying to convert >1 million homeowners to achieve instant booking by forcing renewal memberships to give up calendar/pricing control) • Limited B2B Model • Grew >35% in 2015 – forecast to be #1 growth area for Expedia² • Bought by Expedia in Dec. 2015 for \$3.9 billion <p><small>2. Per Expedia Annual Report 2017</small></p>

Source: Company reports.

FINANCIALS

Monaker's fiscal year ends on February 28. We expect its next earnings report (for Q4 (ending February) FY19) to be in late-May. Because the company is still early in its product development and commercialization, it currently generates minimal revenues and significant losses as it funds its product development.

Exhibit 14: Monaker's Historical Financials

FYE Feb 28					
(in millions except EPS)	2017A	2018A	2019E	2020E	2021E
Total Revenue	0.4	0.4	0.6	2.5	7.6
Growth % (y/y)		8%	38%	319%	204%
Operating income (loss)	(6.9)	(7.7)	(4.6)	(5.4)	(4.5)
Net income	(7.1)	(10.0)	0.7	(5.7)	(4.7)
EPS	\$ (2.06)	\$ (1.61)	\$ 0.08	\$ (0.50)	\$ (0.40)
Cashflow from operating activities	(3.7)	(3.7)	(3.9)	(0.4)	(1.2)

Source: Company reports and Ascendant Capital Markets estimates.

Recent Results (fiscal Q3 ending November 2018)

Monaker's recent financial performance is reflective of its developmental stage. In its Q3 FY19 report (on January 17, 2019), the company reported revenue of \$0.2 million and net loss was \$2.1 million. Operating expenses were \$1.6 million, mainly due to general and administrative expenses and development costs. Q3 EPS was \$(0.24).

The company does not provide specific quarterly financial guidance. However, we believe Q3's operating expenses of ~\$1.5 million is a reasonable near term quarterly burn rate. The company expects continued progress on its product development and commercialization milestones in 2019. We expect the company to begin to ramp up revenue in FY20 as it continues its integration rollout of its MBE to its distribution partners.

In April, Monaker announced that two more of its 30 contracted distribution partners (up to 11 total) have completed their integrations with the Monaker Booking Engine (MBE), enabling them to start searching and offering their customers Monaker's instantly bookable inventory of more than 2.6 million vacation rental properties through their channels (in over 20 countries with millions of monthly users). This should drive significant growth in bookings and revenues for Monaker over the next several years. For FY20, we expect revenues of \$2.5 million and EPS of \$(0.50). For FY21, we expect revenues of \$7.6 million and EPS of \$(0.40).

We believe that the biggest potential variable in our financial model is the ability of the company to get its MBE (with its ALR inventory) integrated and used by its distribution partners and by consumers to book travel accommodations. It is these bookings that enable commission revenue (~20 – 45% of total commissions) for Monaker to generate revenue. In addition, the company will need to ensure it has the widest and best selection of ALR inventory (quantity, geographies, pricing, quality, and availability).

If the company can make significant progress towards these goals, then revenue and earnings will likely be able to grow significantly. However, if the company has difficulties in making progress towards them, then revenue and earnings will likely grow at a more moderate rate or even not at all. Investors will be focused on the key milestones expected this year, particularly its progress on commercialization (after distribution partner integrations in mid-2019) in 2019.

The company's balance sheet had ~\$0.3 million in cash and \$1.2 million debt as of November 2018. We believe Monaker has enough cash to fund its operations through this year, but we estimate that it will need to raise capital next year (estimated Q1 FY21).

In September 2018, the company raised ~\$1.8 million (~0.9 million common stock at \$2.10 per share). In April 2019, the company raised ~\$1.8 million (~1.0 million common stock at \$2.00 per share).

Exhibit 15: Monaker's Key Financial Metrics

Recent Share Price (5/10/19)	\$ 3.27
52-Weeks Share Price (Low - High)	\$0.85 - 3.78
Shares Outstanding	11.0 million
Market Capitalization	\$36 million
Enterprise Value	\$37 million
Cash (11/30/18)	~\$0.3 million
Debt (11/30/18)	\$1.2 million
2018A Revenue	\$0.4 million
2018A Net loss	\$10.0 million
2018A EPS	\$ (1.61)
2019E Revenue	\$0.6 million
2019E Net income	\$0.7 million
2019E EPS	\$ 0.08
2020E Revenue	\$2.5 million
2020E Net loss	\$5.7 million
2020E EPS	\$ (0.50)

Source: Company reports and Ascendant Capital Markets estimates.

FINANCIAL MODEL

Monaker Group, Inc.

Income Statement (\$ mils)	May-17	Aug-17	Nov-17	Feb-18	2018	May-18	Aug-18	Nov-18	Feb-19	2019	May-19	Aug-19	Nov-19	Feb-20	2020	May-20	Aug-20	Nov-20	Feb-21	2021
Fiscal Year End: February 28	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	0.156	0.113	0.142	0.020	0.431	0.075	0.198	0.183	0.140	0.596	0.200	0.400	0.800	1.100	2.500	1.300	1.800	2.000	2.500	7.600
Cost of Revenues	0.111	0.080	0.112	0.026	0.328	0.057	0.156	0.138	0.105	0.456	0.140	0.260	0.520	0.660	1.580	0.715	0.990	1.000	1.250	3.955
Gross Profit	0.045	0.033	0.030	(0.006)	0.102	0.018	0.042	0.046	0.035	0.140	0.060	0.140	0.280	0.440	0.920	0.585	0.810	1.000	1.250	3.645
General and administrative	0.160	0.494	0.400	1.561	2.614	0.486	0.279	0.628	0.700	2.093	0.700	0.725	0.700	0.700	2.825	0.750	0.750	0.800	0.800	3.100
Salaries and benefits	0.608	0.397	0.505	0.078	1.589	0.361	0.332	0.342	0.400	1.434	0.400	0.400	0.400	0.400	1.600	0.500	0.500	0.500	0.500	2.000
Stock comp	0.406	0.603	(0.062)	0.947	0.947	0.008	0.125	0.100	0.100	0.234	0.100	0.100	0.100	0.100	0.400	0.100	0.100	0.100	0.100	0.400
Technology and development	0.000	0.318	0.270	(0.081)	0.506	0.012	0.134	0.482	0.200	0.828	0.200	0.200	0.200	0.200	0.800	0.300	0.300	0.300	0.300	1.200
Sales and marketing	0.016	0.012	0.037	0.019	0.084	0.039	0.015	0.018	0.100	0.172	0.100	0.100	0.200	0.300	0.700	0.350	0.350	0.350	0.350	1.400
Restructuring and other				2.085	2.085					0.000					0.000					0.000
Total operating expenses	0.784	1.628	1.815	3.599	7.826	0.898	0.768	1.594	1.500	4.761	1.500	1.525	1.600	1.700	6.325	2.000	2.000	2.050	2.050	8.100
Operating income (loss)	(0.739)	(1.595)	(1.785)	(3.605)	(7.724)	(0.881)	(0.727)	(1.549)	(1.465)	(4.621)	(1.440)	(1.385)	(1.320)	(1.260)	(5.405)	(1.415)	(1.190)	(1.050)	(0.800)	(4.455)
Interest income (expense)	(0.060)	(0.106)	(0.016)	(0.017)	(0.198)	(0.017)	(0.018)	(0.031)	(0.030)	(0.095)	(0.067)	(0.067)	(0.067)	(0.067)	(0.269)	(0.067)	(0.067)	(0.067)	(0.067)	(0.269)
Other income (expense)	(2.115)	(2.115)	(2.115)	(2.115)	(2.115)	5.893	(0.519)			5.375					0.000					0.000
Income before income taxes	(0.799)	(1.700)	(1.801)	(5.737)	(10.037)	(0.897)	5.149	(2.098)	(1.495)	0.658	(1.507)	(1.452)	(1.387)	(1.327)	(5.674)	(1.482)	(1.257)	(1.117)	(0.867)	(4.724)
Income taxes	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net income (loss)	(0.799)	(1.700)	(1.801)	(5.737)	(10.037)	(0.897)	5.149	(2.098)	(1.495)	0.658	(1.507)	(1.452)	(1.387)	(1.327)	(5.674)	(1.482)	(1.257)	(1.117)	(0.867)	(4.724)
Nonrecurring/noncash adjustments					0.000					0.000					0.000					0.000
Net income (pro forma)	(0.799)	(1.700)	(1.801)	(5.737)	(10.037)	(0.897)	5.149	(2.098)	(1.495)	0.658	(1.507)	(1.452)	(1.387)	(1.327)	(5.674)	(1.482)	(1.257)	(1.117)	(0.867)	(4.724)
EBITDA																				
Shares, Basic	4.522	5.358	7.526	7.800	6.217	8.152	8.064	8.791	9.000	8.502	11.000	11.300	11.400	11.500	11.300	11.600	11.700	11.800	11.900	11.750
Shares, Diluted	4.522	5.358	7.526	7.800	6.217	8.152	8.064	8.791	9.000	8.502	11.000	11.300	11.400	11.500	11.300	11.600	11.700	11.800	11.900	11.750
EPS Basic (Pro forma)	(\$0.18)	(\$0.32)	(\$0.24)	(\$0.74)	(\$1.61)	(\$0.11)	\$0.64	(\$0.24)	(\$0.17)	\$0.08	(\$0.14)	(\$0.13)	(\$0.12)	(\$0.12)	(\$0.50)	(\$0.13)	(\$0.11)	(\$0.09)	(\$0.07)	(\$0.40)
EPS Diluted (Pro forma)	(\$0.18)	(\$0.32)	(\$0.24)	(\$0.74)	(\$1.61)	(\$0.11)	\$0.64	(\$0.24)	(\$0.17)	\$0.08	(\$0.14)	(\$0.13)	(\$0.12)	(\$0.12)	(\$0.50)	(\$0.13)	(\$0.11)	(\$0.09)	(\$0.07)	(\$0.40)
Margins																				
Gross margin	29%	29%	21%	-30%	24%	24%	21%	25%	25%	24%	30%	35%	35%	40%	37%	45%	45%	50%	50%	48%
General and administrative	102%	438%	282%	7846%	607%	651%	141%	343%	500%	351%	350%	181%	88%	64%	113%	58%	42%	40%	32%	41%
Salaries and benefits	390%	352%	356%	393%	369%	483%	167%	186%	286%	241%	200%	100%	50%	36%	64%	38%	28%	25%	20%	26%
Stock comp	0%	360%	425%	-314%	220%	0%	4%	68%	71%	39%	50%	25%	13%	9%	16%	8%	6%	5%	4%	5%
Technology and development	0%	282%	190%	-410%	118%	17%	68%	263%	143%	139%	100%	50%	25%	18%	32%	23%	17%	15%	12%	16%
Sales and marketing	10%	11%	26%	94%	20%	52%	8%	10%	71%	29%	50%	25%	25%	27%	28%	27%	19%	18%	14%	18%
Operating margin	-474%	-1414%	-1257%	-18122%	-1793%	-1179%	-366%	-846%	-1046%	-775%	-720%	-346%	-165%	-115%	-216%	-109%	-66%	-53%	-32%	-59%
Tax rate, GAAP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Net margin	-512%	-1507%	-1268%	-28843%	-2330%	-1201%	2596%	-1146%	-1068%	110%	-754%	-363%	-173%	-121%	-227%	-114%	-70%	-56%	-35%	-62%
Y/Y % change																				
Total Revenue						-52%	76%	29%	604%	38%	168%	102%	337%	686%	319%	550%	350%	150%	127%	204%
Gross margin						-61%	26%	52%	-694%	37%	241%	234%	514%	1157%	556%	875%	479%	257%	184%	296%
General and administrative						205%	-43%	57%	-55%	-20%	44%	160%	12%	0%	35%	7%	3%	14%	14%	10%
Salaries and benefits						-41%	-16%	-32%	412%	-10%	11%	21%	17%	0%	12%	25%	25%	25%	25%	25%
Stock comp						#DIV/0!	-98%	-79%	-260%	-75%	#DIV/0!	1126%	-20%	0%	71%	0%	0%	0%	0%	0%
Technology and development						#DIV/0!	-58%	79%	-345%	64%	1513%	49%	-58%	0%	-3%	50%	50%	50%	50%	50%
Sales and marketing						137%	23%	-51%	432%	104%	158%	566%	991%	200%	307%	250%	250%	75%	17%	100%
Operating income (loss)						19%	-54%	-13%	-59%	-40%	63%	91%	-15%	-14%	17%	-2%	-14%	-20%	-37%	-18%
Net income (loss)						12%	-403%	16%	-74%	-107%	68%	-128%	-34%	-11%	-962%	-2%	-13%	-19%	-35%	-17%
EPS Diluted (Pro forma)						-38%	-301%	0%	-77%	-105%	24%	-120%	-49%	-31%	-749%	-7%	-16%	-22%	-37%	-20%

Source: Company reports and Ascendant Capital Markets estimates.

Monaker Group, Inc.

Balance Sheet (\$ mils)	May-17	Aug-17	Nov-17	Feb-18	May-18	Aug-18	Nov-18	Feb-19	May-19	Aug-19	Nov-19	Feb-20	May-20	Aug-20	Nov-20	Feb-21
Fiscal Year End: February 28	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	0.441	1.969	0.896	1.604	0.659	0.028	0.306	0.408	1.107	0.910	1.634	1.590	(0.237)	(0.055)	(0.417)	0.155
Short term investments								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accounts receivable, net								0.031	0.044	0.089	0.178	0.244	0.289	0.400	0.444	0.556
Note receivable	0.750	0.750	0.750		4.500											
Inventory								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Deferred income taxes								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid expenses and other	0.069	0.109	0.023	0.053	0.145	0.134	0.060	0.070	0.100	0.200	0.400	0.550	0.650	0.900	1.000	1.250
Total current assets	1.260	2.829	1.669	1.657	5.305	0.162	0.366	0.509	1.251	1.199	2.212	2.384	0.702	1.245	1.027	1.960
Property and equipment, net								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Intangibles, net	0.849	0.778	2.561	1.274	1.535	1.980	2.024	2.024	2.024	2.024	2.024	2.024	2.024	2.024	2.024	2.024
Note receivable		2.900	2.900	2.900												
Long term investments			0.600			4.900	4.271	4.271	4.271	4.271	4.271	4.271	4.271	4.271	4.271	4.271
Deferred income tax								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other			0.900					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total assets	2.109	6.507	8.630	5.832	6.839	7.042	6.662	6.804	7.547	7.495	8.507	8.680	6.998	7.540	7.323	8.256
Liabilities and stockholders' equity																
Accounts payable	0.182	0.264		0.428	0.230	0.302	0.513	0.280	0.400	1.200	2.400	3.300	2.600	3.600	4.000	5.000
Accrued expenses			0.574	0.106	0.223			0.070	0.100	0.400	0.800	1.100	1.300	1.800	2.000	2.500
Deferred income tax								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other	0.128	0.139	0.019		4.500	0.171	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.045
Short term debt	2.602	1.193	1.193	1.193	1.193	1.713	1.193	1.193	1.193	1.193	1.193	1.193	1.193	1.193	1.193	1.193
Total current liabilities	2.913	1.596	1.786	1.727	6.147	2.186	1.751	1.588	1.738	2.838	4.438	5.638	5.138	6.638	7.238	8.738
Deferred income taxes								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Warrant liabilities								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other long term liabilities		2.900	2.900	2.900				0.000	0.000	0.000	0.500	0.500	0.500	0.500	0.500	0.500
Long term debt								1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Total other liabilities	0.000	2.900	2.900	2.900	0.000	0.000	0.000	1.500	1.500	1.500	2.000	2.000	2.000	2.000	2.000	2.000
Preferred stock	0.019							0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Common stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.300	0.600	0.900	1.200	1.500	1.800	2.100	2.400	2.700
Additional paid-in capital	100.635	105.169	108.904	111.901	112.287	111.302	113.455	113.455	113.455	113.455	113.455	113.455	113.455	113.455	113.455	113.455
Retained earnings	(101.458)	(103.159)	(104.960)	(110.697)	(111.594)	(106.446)	(108.544)	(110.039)	(111.546)	(112.998)	(114.386)	(115.713)	(117.195)	(118.453)	(119.570)	(120.437)
Accumulated other comprehensive income								0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other								0.000	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.800
Total stockholders' equity	(0.805)	2.011	3.944	1.204	0.693	4.856	4.911	3.716	4.309	3.156	2.069	1.042	(0.141)	(1.098)	(1.915)	(2.483)
Total stockholders' equity and liabil	2.109	6.507	8.630	5.832	6.839	7.042	6.662	6.804	7.547	7.495	8.507	8.680	6.998	7.540	7.323	8.256

Balance Sheet Drivers

	May-17	Aug-17	Nov-17	Feb-18	May-18	Aug-18	Nov-18	Feb-19	May-19	Aug-19	Nov-19	Feb-20	May-20	Aug-20	Nov-20	Feb-21
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Prepaid as % of total rev	44%	97%	16%	266%	195%	68%	33%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Accounts payable as % of total rev	117%	234%	0%	2152%	308%	153%	280%	200%	200%	300%	300%	300%	200%	200%	200%	200%
Inventories as % of cost of rev	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accrued expenses as % of total rev	0%	0%	404%	534%	299%	0%	0%	0%	50%	100%	100%	100%	100%	100%	100%	100%
Activity Ratios																
A/R Days Sales Outstanding	0	0	0	0	0	0	0	20	20	20	20	20	20	20	20	20
Inventory Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A/P Days Payable	105	211	0	1937	363	174	335	240	257	415	415	450	327	327	360	360
Book & Cash Value (per share)																
Book Value per Share (diluted)	-\$0.18	\$0.38	\$0.52	\$0.15	\$0.08	\$0.60	\$0.56	\$0.41	\$0.39	\$0.28	\$0.18	\$0.09	-\$0.01	-\$0.09	-\$0.16	-\$0.21
Cash per Share (diluted)	\$0.10	\$0.37	\$0.12	\$0.21	\$0.08	\$0.00	\$0.03	\$0.05	\$0.10	\$0.08	\$0.14	\$0.14	-\$0.02	\$0.00	-\$0.04	\$0.01
Net cash per Share (diluted)	\$0.10	\$0.37	\$0.12	\$0.21	-\$0.07	-\$0.21	-\$0.10	-\$0.25	-\$0.14	-\$0.16	-\$0.09	-\$0.10	-\$0.25	-\$0.23	-\$0.26	-\$0.21

Source: Company reports and Ascendant Capital Markets estimates

Monaker Group, Inc.

Cash Flow Statement (\$ mils)	May-17	Aug-17	Nov-17	Feb-18	2018	May-18	Aug-18	Nov-18	Feb-19	2019	May-19	Aug-19	Nov-19	Feb-20	2020	May-20	Aug-20	Nov-20	Feb-21	2021
Fiscal Year End: February 28	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	(0.799)	(1.700)	(1.801)	(5.737)	(10.037)	(0.897)	5.149	(2.098)	(1.495)	0.658	(1.507)	(1.452)	(1.387)	(1.327)	(5.674)	(1.482)	(1.257)	(1.117)	(0.867)	(4.724)
Depreciation		0.070	0.070	0.070	0.211	0.070	0.070	0.070	0.050	0.261	0.050	0.050	0.050	0.050	0.200	0.050	0.050	0.050	0.050	0.200
Amortization					0.000					0.000					0.000					0.000
Debt related amortization expense					0.000					0.000					0.000					0.000
Stock comp	0.386	(0.043)	0.613	0.171	1.127		0.008	0.440	0.300	0.749	0.300	0.300	0.300	0.300	1.200	0.300	0.300	0.300	0.300	1.200
Deferred income taxes					0.000				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Change in fair value of warrant liability				1.973	1.973					0.000					0.000					0.000
Writedowns and impairments				2.085	2.085		(0.690)	0.307		(0.382)					0.000					0.000
Other gains/losses				0.750	0.750		(5.250)	0.190		(5.060)					0.000					0.000
Other	(0.451)	0.451	0.000	0.043	0.043		0.046	0.021		0.068					0.000					0.000
Changes in operating assets and liabilities:																				
Accounts receivable	(0.025)	(0.026)	0.086	(0.030)	0.005	0.117	(0.180)	0.074	(0.031)	(0.020)	(0.013)	(0.044)	(0.089)	(0.067)	(0.213)	(0.044)	(0.111)	(0.044)	(0.111)	(0.311)
Inventory					0.000				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Prepaid expenses & other curre	(0.011)	0.012	(0.002)		0.000	(0.074)	0.056		(0.010)	(0.028)	(0.030)	(0.100)	(0.200)	(0.150)	(0.480)	(0.100)	(0.250)	(0.100)	(0.250)	(0.700)
Income tax					0.000				0.000	0.000					0.000					0.000
Other assets					0.000				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Accounts payable	(0.080)	0.065	0.272	(0.092)	0.166	(0.198)	0.072	0.210	(0.233)	(0.148)	0.120	0.800	1.200	0.900	3.020	(0.700)	1.000	0.400	1.000	1.700
Accrued expenses					0.000				0.070	0.070	0.030	0.300	0.400	0.300	1.030	0.200	0.500	0.200	0.500	1.400
Other liabilities			(0.134)	0.087	(0.047)	(0.019)	0.083	(0.125)	0.000	(0.061)	0.000	0.000	0.500	0.000	0.500	0.000	0.000	0.000	0.000	0.000
Net cash (used in) provided by	(0.979)	(1.170)	(0.896)	(0.680)	(3.725)	(1.000)	(0.635)	(0.910)	(1.348)	(3.894)	(1.051)	(0.147)	0.774	0.006	(0.418)	(1.777)	0.232	(0.312)	0.622	(1.235)
Cash flow from investing activities																				
Purchases of property and equipment					0.000				(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	(0.050)	(0.200)	(0.050)	(0.050)	(0.050)	(0.050)	(0.200)
Website development	(0.077)		(0.169)	(0.264)	(0.509)	(0.331)	(0.516)	(0.114)		(0.961)					0.000					0.000
Acquisitions					0.000					0.000					0.000					0.000
Other					0.000			0.110		0.110					0.000					0.000
Net cash used in investing activ	(0.077)	0.000	(0.169)	(0.264)	(0.509)	(0.331)	(0.516)	(0.004)	(0.050)	(0.901)	(0.050)	(0.050)	(0.050)	(0.050)	(0.200)	(0.050)	(0.050)	(0.050)	(0.050)	(0.200)
Cash flow from financing activities																				
Issuance of debt					0.000		0.520	(0.520)	1.500	1.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Repayment of debt					0.000					0.000					0.000					0.000
Issuance of stock					2.868			1.712	0.000	1.712	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Proceeds from stock option exe	0.130	0.010	0.015	1.808	1.962	0.386				0.386					0.000					0.000
Other					0.000					0.000					1.800					0.000
Dividends and distributions					0.000					0.000					0.000					0.000
Cash provided by (used in) fina	0.490	2.698	(0.010)	1.652	4.831	0.386	0.520	1.192	1.500	3.598	1.800	0.000	0.000	0.000	1.800	0.000	0.000	0.000	0.000	0.000
Effect of exchange rate on cash					0.000					0.000					0.000					0.000
Net increase (decrease) in cash	(0.566)	1.528	(1.074)	0.709	0.597	(0.945)	(0.631)	0.278	0.102	(1.197)	0.699	(0.197)	0.724	(0.044)	1.182	(1.827)	0.182	(0.362)	0.572	(1.435)
Beginning cash and equivalents:	1.007	0.441	1.969	0.896	1.007	1.604	0.659	0.028	0.306	1.604	0.408	1.107	0.910	1.634	0.408	1.590	(0.237)	(0.055)	(0.417)	1.590
Ending cash and equivalents	0.441	1.969	0.896	1.604	1.604	0.659	0.028	0.306	0.408	0.408	1.107	0.910	1.634	1.590	1.590	(0.237)	(0.055)	(0.417)	0.155	0.155

Source: Company reports and Ascendant Capital Markets estimates

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Monaker Group, Inc.

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HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Rating System

Prior to January 31, 2014, ASCM used the following rating system:

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- Buy:** We expect the stock to provide a total return of between 10% and 30% within a 12-month period.
- Neutral:** We expect the stock to provide a total return of between minus 10% and plus 10% within a 12-month period.
- Sell:** We expect the stock to provide a total return of minus 10% or worse within a 12-month period.
- Speculative Buy:** This rating is reserved for companies we believe have tremendous potential, but whose stocks are illiquid or whose equity market capitalizations are very small, often in the definition of a nano cap (below \$50 million in market cap). In general, for stocks ranked in this category, we expect the stock to provide a total return of 50% or more within a 12-month period. However, because of the illiquid nature of the stock's trading and/or the nano cap nature of the investment, we caution that these investments may not be suitable for all parties.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of April 15, 2019)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
Buy	35	95%	8	23%
Hold	2	5%	1	50%
Sell	0	0%	0	0%
Total	37	100%	9	24%

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