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Zacks Small-Cap Research

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Net Element Inc. (NETE - NASDAQ)

Despite a Solid Q1, Net Element Explores Alternative Ways to Maximize Shareholder Value

Using the lowest peer valuation of 1.2x EV/2020 estimated sales, the stock would be worth $15.80 per share.

Current Price (06/02/20)	$2.25
Valuation	**$15.80**

OUTLOOK

Net Element provides software and services to merchants for global online and mobile payments. It operates a merchant processor in the US with an attractive merchant offering using its Aptito front-end solution and its Netevia payments platform. It is also an international payment processor, operating primarily in Russia. NETE will be greatly effected by the shut down of restaurants and storefronts and more than half of customers come from these industries. It is trading at an enterprise value of $18.0 million or 0.3xs trailing revenues.

SUMMARY DATA

52-Week High	**$6.03**
52-Week Low	**$1.56**
One-Year Return (%)	**-43.4**
Beta	**1.6**
Average Daily Volume (sh)	**119,016**
Shares Outstanding (mil)	**4.1**
Market Capitalization ($mil)	**$9**
Short Interest Ratio (days)	**2.2**
Institutional Ownership (%)	**7**
Insider Ownership (%)	**16**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**16.1**
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	**Above Average**
Type of Stock	**Small Blend**
Industry	**Internet Commerce**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (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	10.7 E	12.8 E	15.0 E	54.4 E
2021					68.0 E

Earnings Per Share
(Non-GAAP EPS before non-recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (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	-$0.94 E	-$0.45 E	-$0.19 E	-$1.72 E
2021					-$0.87 E

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

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WHAT'S NEW

Net Element is Considering Strategic Alternatives To Unlock Shareholder Value

The most important recent news is that the Board of Directors of Net Element has decided to explore strategic alternatives to further unlock value for shareholders. This includes a sale of the company, licensing of its technology, spin-offs, or business combinations. Until there is a definitive decision, management does not plan to discuss the efforts. Certainly the public market has not put much of a valuation on the company and the value of its portfolios alone is worth more than is reflected in its current enterprise value.

Q1 2020 Results Were Much Better than Expected

Q1 came in better than expected as Net Element onboarded new customers in January and February and reaped a full quarter of revenues from customers it had onboarded in November and December. Business for the first two months of the quarter were very strong and this made up for weakness at the end of March. Transactions really dropped off in April and have made a slight comeback since then, giving hope that that was the bottom. While some customers begin to open up, the company fears others will be throwing in towels due to irreparable damage. In the restaurant vertical, Net Element has been hurt by the popularity of GrubHub delivery, because when their customer's orders go through that service, GrubHub get the transaction rather than Net Element. It may take another six months from now to see where it all shakes out. Q2 will be bad, but could be the bottom. We are forecasting year over year sales down 35%.

Q1 2020 Results

Net Element grew revenues 5.3% in Q1 to $15.8 million compared with $15.0 million in Q1 2019. North American sales increased 5.5% year over year to $15.2 million, while international was flat year over year at $683,000.

Margins for North America declined to 15.4% versus 18.1% a year ago as competition stiffened. International sales margins increased to 30.3% versus 28.1% a year ago despite being at the same revenues level, as there was a reduction of credit card exchange fees in Russia from 1.7% to 1%.

The operating loss was $1.0 million versus a loss of $0.8 million last year. EBITDA for the quarter was a negative $221,000 compared with a positive $63,000 last year.

The GAAP loss was $1.4 million versus last year's $1.1 million. The non-GAAP loss was $1.3 million versus a non-GAAP loss of $1.1 million in Q1 2019.

The non-GAAP loss per share was $0.32 per share compared with a loss of $0.28 per share last year.

This quarter there were 4.1 million average primary shares outstanding, compared to 3.9 million last year. On March 25, 2020, the share count was still 4.1 million shares.

On March 31, Net Element had $606,672 in cash, negative working capital of $2.6 million and $9.3 million in debt down from $9.4 million last quarter. Net Element moved quickly to submit two applications to the government for aid. One was for the Paycheck Protection Program, which it received in May in the amount of $491,492. It was also approved for the $150,000 the EIDL loan, which provides a 30-year loan with a 3.5%. In addition Russia has a stimulus plan and the Russian entities have applied there for whatever they qualify. In Q1 2020, Net Element had negative cash flow of $1 million, and negative free cash flow of $1.4 million after paying for commissions and equipment.

Events in the Quarter

On March 27, 2020, Net Element, entered into an agreement with ESOUSA Holdings. Prior to entering into the agreement, ESOUSA agreed to acquire an existing promissory note that had been previously issued by the Net Element, of up to $2,000,000 in principal amount outstanding plus interest due to RBL Capital Group, LLC. For the next year, Net Element has the right to request ESOUSA exchange this promissory note in tranches. ESOUSA will purchase each tranche of the promissory note equal to 88% of the gross proceeds from the shares sold by ESOUSA to finance the purchase of such amount from RBL Capital Group, LLC. Each such tranche to be $148,000 unless otherwise agreed to by both parties.

Subsequent Events

On May 7, 2020, Net Element got a 1% loan of $491,492 under the Paycheck Protection Program (PPP.) It matures on May 7, 2022, but is expected to be forgiven in accordance with the terms of PPP loans.

April 27th, Aptito has launched its online and mobile ordering and delivery software including free website design and hosting until September 2020 to support restaurants through the pandemic. This service will help restaurants without an online and mobile presence to be up and running in less than 48 hours.

On April 16, 2020, CEO Oleg Firer's and Chief Legal Officer Steven Wolberg's, base salaries were reduced by 50% until further notice and CFO Jeffrey Ginsberg base salary was reduced, until further notice, by 30%.

INVESTMENT THESIS

- Net Element is a growth company in the payments industry that should benefit from the adoption of mobile and online payments in the US, Russia, and Eastern Europe.
- Its award-winning Aptito and Netevia products provide differentiation and value-added services to its generic card processing business. This business should increase margins as well as aid sales efforts by improving price/performance and customer stickiness.
- The company believes its intrinsic value is its payment-processing portfolio and its objective is to grow that portfolio internally and through acquisition. It sees near term opportunity to buy portfolios at distressed prices.
- The company's goal is to reach cash flow breakeven and thereafter profitability and before the pandemic, it had almost achieved that. Certainly it was on track for cash flow breakeven in 2020 in Q1. Prospects were good and it new customer vetting was expected to improve profits and sales. Transaction volume is down and it is impossible to say what revenues and earnings may end up at for 2020 given so much of the client base is shut down and no end date is yet known.

VALUATION

There are a variety of ways we can value Net Element, all of which point to a much higher stock price. The problem is Net Element's history of raising capital to fund operations. Investors are wary that it may never reach breakeven and stop the dilution. Last year, the company took efforts to reach cash breakeven and each quarter seemed to bring it a step closer. We are confident if Net Element can start generating cash rather than consuming it, investors might reward it with stock price appreciation. It may even be an attractive acquisition target in this increasingly consolidating industry. Here are multiple ways of valuing the company:

- Using Net Element's peer group we find an average valuation of 7.4 times the enterprise value to 2020 estimated sales. If we use that multiple and apply it Net Element's estimate of $54 million, we see that the company could be worth a $265 million enterprise value if it were profitable.

- Net Element's gross margin for the past twelve months was 15.2%. Using 14.7 times enterprise value to trailing twelve-month gross margin, Net Element's value would be 14.7 times $10.0 million or $147 million or $29.40 per share.

- Looking at the lowest valuation company Usio, we see even it is even four times the valuation of NETE at 1.2 times EV to sales. Using that, NETE would trade at **$15.80 per share** using trailing 12-month sales.

- Another way to value the company is to compare it to the acquisition valuation used for its peer JetPay. Last October, NCR made a cash tender offer of $5.05 for each JetPay share represented a multiple of 2.9 times its 2018 consensus revenue forecast of $63.1 million. Using that valuation metric on NETE's 2020 revenues would be worth an enterprise value of $157 million, a market value of $147 million or $36 per share.

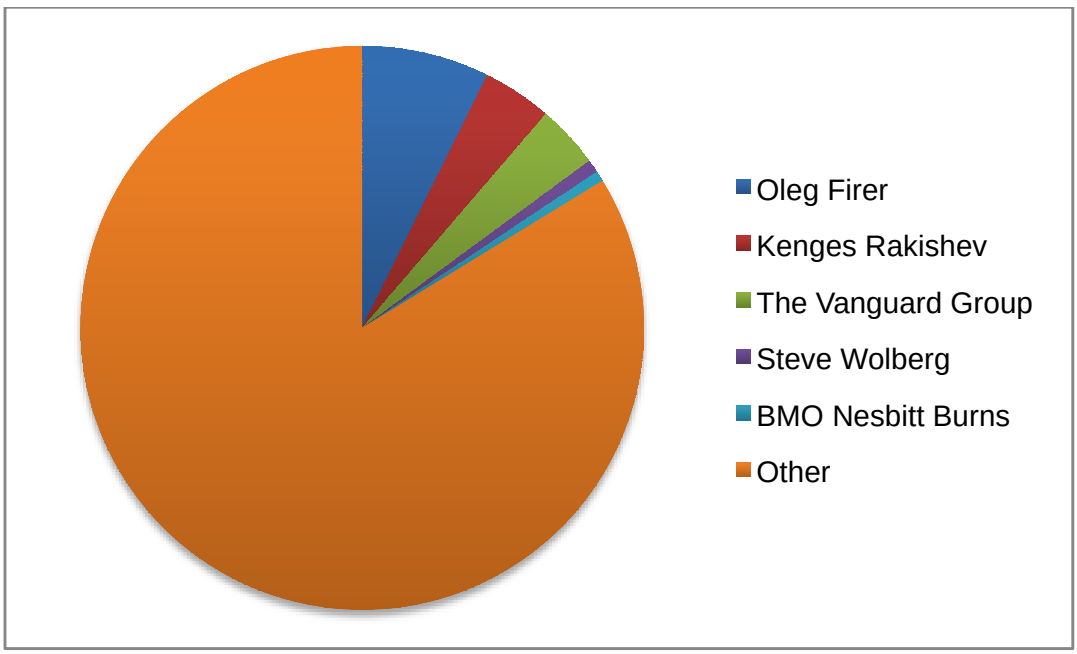
Company	Ticker	EBITDA	Gross Margin	%	Revenue 2020E	Revenue LTM	EBIDTA Margin	EV/20E Sales	EV/LTM Sales	EV/GM	EV/EBITDA	Included in Average?	Enterprise Value
EVERTEC	EVTC	191	274	56%	487	490	39%	4.6	4.6	8.2	11.8	y	2,260
Global Payments	GPN	2,290	2,890	49%	7,540	5,930	39%	7.8	10.0	20.4	25.8	y	59,089
PayPal	PYPL	3,300	7,990	44%	19,960	18,260	18%	8.4	9.2	20.9	50.7	y	167,320
Usio	USIO	(3)	6	20%	28	29	-10%	1.2	1.2	5.8	-11.9	y	35
Square	SQ	16	1,900	37%	2,390	5,140	0%	14.2	6.6	17.9	2111.8	y	34,000
Fidelity National Info Services	FIS	3,740	3,720	33%	12,650	11,350	33%	8.0	8.9	27.1	26.9	y	100,690
Average				40%			20%	7.4	6.7	14.7	369.2		65,879

This industry continues to consolidate. Last May, Global Payments (GPN) agreed to buy Total System Services (TSS) in a deal valued at $21.5 billion, or 5.3Xs revenues. Fiserv announced a $22 billion takeover of First Data Corp. (FDC) last January, and Fidelity National Information Services Inc. bought Worldpay (WP) for $43 billion last May.

RISKS

- The company is losing money and may not be able to reach profitability or positive cash flow. It has been particular hit by the closing of many of its customers' businesses due to the pandemic, many of whom have still not opened or are operating at reduced levels.
- The company believes in spending to grow the business although its goal is to become cash flow positive. The pandemic has certainly derailed its previous plan for 2020.
- The company is involved in a number of lawsuits.
- The company is somewhat dependent on Russia and due to oil prices, political turmoil, and sanctions, and this could affect payment volumes and the ability to do business there.
- Future acquisitions may not be successfully integrated operationally or technologically. Purchased portfolios may not yield expected profits.
- The merchant acquirer market in the US is competitive and larger companies have an advantage due to economies of scale and access to capital.
- Operations in Russia and the United Federation and elsewhere internationally face considerable political risk and the company may be prohibited from certain financial transactions by government regulation and restrictions.
- Currency, particularly the ruble, has fluctuated dramatically and could affect reported earnings and operations.

OWNERSHIP



Source: Zacks Investment Research, SEC filings

INCOME STATEMENT

	Q1 2019 31-Mar	Q2 2019 30-Jun	Q3 2019 30-Sep	Q4 2019 31-Dec	Q1 2020 31-Mar	Q2 2020E 30-Jun	Q3 2020E 30-Sep	Q4 2020E 31-Dec	2018	2019	2020E	2021E
North America Transaction	$14.4	$15.7	$15.9	$15.8	$15.2	$10.0	$12.0	$14.0	$59.1	$61.8	$51.16	$63.00
Yr-over-yr Growth	2.8%	9.1%	2.1%	3.9%	5.5%	-36.5%	-24.6%	-11.1%	15.6%	4.5%	-17.2%	23.1%
Cost of service	11.8	13.4	13.4	13.8	12.8	8.7	10.4	11.9	50.5	52.4	43.8	53.6
Gross margin	2.6	2.3	2.5	2.0	2.3	1.3	1.6	2.1	8.6	9.4	7.3	9.5
Gross margin %	18.1%	14.6%	15.8%	12.6%	15.4%	13.0%	13.3%	15.0%	14.5%	15.2%	14.3%	15.0%
International	0.684	0.7	0.9	0.9	0.7	0.7	0.8	1.0	6.6	3.2	3.2	5.0
Yr-over-yr Growth	-66.1%	-63.4%	-45.8%	-4.5%	0.0%	-3.9%	-10.7%	12.0%	-25.5%	-51.5%	-0.6%	56.1%
International Cost of Service	0.5	0.5	0.7	0.7	0.5	0.5	0.6	0.7	5.1	2.3	2.3	3.4
Gross Margin	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.3	1.6	0.9	0.9	1.7
Gross margin %	28.1%	39.0%	25.8%	20.2%	30.3%	30.6%	25.0%	28.0%	23.7%	27.8%	28.3%	33.0%
Total revenues	**15.0**	**16.5**	**16.8**	**16.6**	**15.8**	**10.7**	**12.8**	**15.0**	**65.8**	**65.0**	**54.4**	**68.0**
Yr-to-yr Growth	-5.9%	0.1%	-2.5%	3.4%	5.3%	-35.0%	-23.9%	-9.9%	9.5%	-1.2%	-16.4%	25.1%
Costs and expenses:												
Cost of revenues	12.3	13.9	14.1	14.5	13.3	9.2	11.0	12.6	55.6	54.7	46.1	56.9
Gross Margin	2.8	2.6	2.7	2.2	2.5	1.5	1.8	2.4	10.2	10.3	8.2	11.1
% of Sales	18.5%	15.7%	16.3%	13.0%	16.0%	14.2%	14.1%	15.9%	15.5%	15.8%	15.2%	16.3%
SG&A	2.4	2.3	2.4	2.3	2.3	2.0	2.0	2.1	9.8	9.3	8.4	10.0
Stock-based compensation	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	2.1	0.1	1.0
Provision for loan losses	0.3	0.1	0.4	0.4	0.4	2.0	1.0	0.2	2.1	1.4	3.6	1.2
Depreciation and amortization	0.9	0.7	0.8	0.8	0.8	0.7	0.7	0.7	2.5	3.1	2.9	2.8
Total operating expenses	3.6	5.2	3.6	3.5	3.6	4.7	3.7	3.0	14.5	15.9	15.1	15.0
Loss from operations	(0.8)	(2.6)	(0.9)	(1.3)	(1.0)	(3.2)	(1.9)	(0.6)	(4.3)	(5.6)	(6.8)	(3.9)
Loss from operations ex-one time	(0.8)	(0.6)	(0.9)	(1.3)	(1.0)	(3.2)	(1.9)	(0.6)	(4.3)	(5.6)	(6.8)	(3.9)
Interest expense, net	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.8)	(1.1)	(1.4)	(1.4)
Other expense	(0.1)	1.3	0.1	0.2	0.0	0.0	0.0	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)	(0.3)	(0.3)	(0.7)	(1.0)	(1.4)	(1.4)
Pretax operating income (loss)	(1.1)	(1.6)	(1.0)	(2.8)	(1.4)	(3.6)	(2.3)	(1.0)	(5.0)	(6.6)	(8.2)	(5.3)
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)	(3.6)	(2.3)	(1.0)	(5.0)	(6.6)	(8.2)	(5.3)
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)	(3.5)	(2.3)	(0.9)	(4.9)	(6.5)	(8.2)	(5.3)
Foreign currency translation gain (loss)	(0.0)	(0.0)	0.0	(0.0)	0.1	0.0	0.0	0.0	0.3	(0.0)	0.1	0.0
Comprehensive loss	(1.1)	(1.5)	(1.0)	(2.8)	(1.2)	(3.5)	(2.3)	(0.9)	(4.6)	(6.5)	(8.2)	(5.3)
Earnings ex-one time charge	(1.1)	(1.5)	(1.0)	(1.5)	(1.4)	(4.6)	(2.3)	(0.9)	(4.3)	(5.1)	(8.2)	(5.3)
Stock-based compensation	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	2.1	0.1	1.0
Adjusted Non-GAAP Earnings	(1.1)	0.5	(1.0)	(1.4)	(1.3)	(4.6)	(2.2)	(0.9)	(4.2)	(3.1)	(8.2)	(4.3)
Yr-to-yr Growth	-27.7%	-153.2%	12.1%	68.3%	20.1%	-1089.7%	124.9%	-35.1%	-40%	-26%	164.9%	-47.4%
GAAP EPS	($0.29)	($0.37)	($0.24)	($0.68)	($0.33)	($0.71)	($0.45)	($0.19)	($1.28)	($1.60)	($1.73)	($1.07)
Non-GAAP EPS	**($0.28)**	**$0.11**	**($0.24)**	**($0.35)**	**($0.32)**	**($0.94)**	**($0.45)**	**($0.19)**	**($1.07)**	**($0.76)**	**($1.72)**	**($0.87)**
Yr-to-yr Growth	-29%	-149%	5%	58%	13.5%	-938.4%	88.4%	-46.2%	-69.7%	-29.1%	125.3%	-49.6%
Share outstanding	3.9	4.2	4.2	4.1	4.1	5.0	5.0	5.0	3.9	4.0	4.8	5.0
Yr-to-yr Growth	1%	9%	6%	6%	5.8%	18.0%	19.4%	20.6%	96.6%	4.5%	17.6%	4.3%
Fully diluted shares	3.9	4.2	4.2	4.1	4.1	4.1	4.1	4.1	4.8	4.0	4.1	4.1
Yr-to-yr Growth	-19%	-13%	-15%	-16%	0.0%	0.0%	0.0%	0.0%	120.1%	-16.7%	0.0%	17.5%

BALANCE SHEET

	Mar 31, 2020	Dec 31, 2019	Qtr-Qtr % Change	Mar. 31, 2019	Yr- Yr % Change
Current assets:					
Cash	**$606,672**	**$486,604**	25%	**$476,989**	27%
Accounts receivable, net	4,021,585	6,560,928	-39%	5,134,505	-22%
Prepaid expenses and other assets	1,300,316	1,621,144	-20%	1,426,214	-9%
Total current assets	5,928,573	8,668,676	-32%	7,037,708	-16%
Equipment, net	0	3,773	-100%	21,853	-100%
Intangible assets, net	5,348,652	5,678,649	-6%	6,330,652	-16%
Goodwill	7,681,186	7,681,186	0%	9,007,752	-15%
Operating lease right-of-use asset	349,036	380,986	-8%	471,307	-26%
Other long term	654,897	629,651	4%	654,754	0%
Total assets	19,962,344	23,042,921	-13%	23,524,026	-15%
Current liabilities:					
Accounts payable	$4,509,311	$6,041,606	-25%	$5,301,425	-15%
Deferred revenue	2,001,091	1,401,117	43%	972,650	106%
Accrued expenses	930,912	1,800,344	-48%	2,753,464	-66%
Notes payable (current portion)	**909,086**	**909,086**	0%	**330,749**	175%
Operating lease liability (current portion)	101,777	133,727	-24%	90,321	13%
Due to related parties	**75,355**	**126,662**	-41%	**271,972**	-72%
Total current liabilities	8,527,532	10,412,542	-18%	9,720,581	-12%
Operating lease liability (net of current)	247,259	247,259	0%	380,986	-35%
Notes payable (non-current portion)	**8,352,627**	**8,342,461**	0%	**5,960,361**	40%
Total liabilities	17,127,418	19,002,262	-10%	16,061,928	7%
STOCKHOLDERS' DEFICIT					
Common stock	412	410	0%	386	7%
Paid in capital	185,337,965	185,297,069	0%	183,261,238	1%
Accumulated other comp income (loss)	(2,143,374)	(2,274,187)	-6%	(2,246,724)	-5%
Accumulated deficit	(180,116,849)	(178,750,634)	1%	(173,413,099)	4%
Noncontrolling interest	(243,227)	(231,999)	5%	(139,703)	74%
Total stockholders' deficit	2,834,927	4,040,659	-30%	7,462,098	-62%
Total liabilities and stockholders' deficit	19,962,345	23,042,921	-13%	23,524,026	-15%
Net Cash	606,672	486,604	25%	476,989	27%
Current and Quick Ratio	0.7	0.8	-16%	0.7	-4%
Working Capital	(2,598,959)	(1,743,866)	49%	(2,682,873)	-3%
Total Debt	9,337,068	9,378,209	0%	6,563,082	42%
Debt/TA	47%	41%	15%	28%	68%
DSO	23.2	36.1	-36%	31.1	-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
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)
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)
Share based compensation	142,017	15,006	2,005,841	15,008	15,007	2,050,862	38,400
Deferred revenues	(216,742)	(523,199)	(523,199)	494,832	456,834	(94,732)	(470,205)
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
Non cash interest	73,442	14,314	7,397	14,972	20,192	56,875	12,294
(Recovery of) provision for loan losses	16,238	10,013	(18,940)	8,927	(9,226)	(9,226)	485
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
Prepaid expenses and other assets	384,403	253,634	415,012	(442,293)	(358,571)	(132,218)	364,019
Accounts payable and accrued expenses	971,202	(875,266)	(1,429,936)	(182,855)	3,058,618	(1,642,618)	(1,419,019)
Net cash (used in) provided by operating	(3,267,492)	(237,806)	(360,172)	(798,716)	(755,955)	(2,152,649)	448,368
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)
Purchase of fixed and other assets	(114,931)	(413,132)	(55,155)	4,659	325,628	(138,000)	6,049
Net cash used in investing activities	(5,528,195)	(1,064,497)	(614,068)	(407,545)	(365,552)	(2,451,662)	(420,982)
Cash flows from financing activities							
Proceeds from indebtedness	2,131,500	-	1,116,500	920,184	997,816	3,034,500	155,206
Repayment of indebtedness	(2,785,134)	(102,700)	(106,384)	(110,204)	156,841	(162,447)	(145,040)
Lease liability	-	471,307	(29,213)	(30,098)	-	380,986	(31,950)
Related party advances (payments)	-	(171,615)	338,176	85,942	(50,032)	202,471	133,743
Net cash provided by (used in) financing	(653,634)	196,992	1,319,079	865,824	1,073,615	3,455,510	111,959
Effect of exchange rate changes on cash	(34,399)	(12,497)	18,768	(6,555)	15,789	15,505	5,969
Net increase in cash	(9,483,720)	(1,117,808)	363,607	(346,992)	(32,103)	(1,133,296)	145,314
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
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
Cash paid during the period for:							
Interest	773,737	230,789	245,135	255,069	-	730,993	336,120
Taxes	61,871	46,932	56,909	16,703	-	120,544	-
Operating cash flow	(3,119,342)	(767,459)	640,776	250,312	(237,684)	(114,055)	(1,017,027)
Free cash flow	(8,647,537)	(1,831,956)	26,708	(157,233)	(603,236)	(2,565,717)	(1,438,009)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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