



August 13, 2019

GALAXY NEXT GENERATION, INC.

(OTC – GAXY)

Industry: EdTech

Price Target: \$4.25

GALAXY NEXT GENERATION, INC.

Transforming Education Technology Via Collaborative Reality

Rob Goldman
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COMPANY SNAPSHOT

Galaxy Next Generation is a provider of interactive learning technology solutions that allows the presenter and participant to engage in a fully collaborative instructional environment. Galaxy's products include its private-label interactive touch screen panel as well as numerous other national and international branded peripheral and communication devices. Galaxy's distribution channel consists of 22+ resellers across the U.S. who primarily sell to the commercial and educational market. Currently, the K-12 education market is the largest customer base for Galaxy products - comprising nearly 90% of Galaxy's sales.

KEY STATISTICS

Price as of 8/12/19	\$1.82
52 Week High – Low	\$75.95- \$0.88
Est. Shares Outstanding	11.8M
Market Capitalization	\$21.5M
Average Volume	13,654
Exchange	OTC

COMPANY INFORMATION

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 285 Big A Road
 Toccoa GA 30577

Web: www.GalaxyNext.us
 Email: info@galaxynext.us
 Phone : 706.391.5030

INVESTMENT HIGHLIGHTS

Leveraging next-gen technology, emerging interactive learning solutions provider Galaxy Next Generation is poised to generate outsized revenue growth and market share in the critical education technology market. The Company's solutions improve and enhance learning environment outcomes by providing a collaborative reality setting in the classroom.

Judging by recent events, management is on a roll. The Company has secured a series of wins in key school districts and have even opened up new markets. Plus, it has bolstered its balance sheet by eliminating \$4.5M in long term debt through the sale of its non-core business.

GAXY announced a LOI to acquire a firm with complementary products, and new sales territories. Slated to close next month, the target generated \$4M in sales in the last 12 months.

Our calendar year forecasts call for revenue to leap from \$2M in 2018 to \$7.9M in 2019 and \$20.6 in 2020, with EPS of \$0.21 next year. The Company's model should generate industry-leading profit margin, beginning next year.

Our \$4.25 price target is based on 2.9x 2020P revenue and 20x 2020P EPS forecasts. It should be noted that upside potential exists once management provides financial guidance, post-acquisition closing. Plus, GAXY could execute more M&A in 2020, enhancing the overall valuation further.

COMPANY OVERVIEW

In our view, Georgia-based **Galaxy Next Generation, Inc. (OTC – GAXY)** is well-positioned to emerge as one of the leading education technology providers to the large and lucrative multi-billion-dollar K-12 market, along with other, related, sectors. Since completing a triangular reverse merger in June 2018, management has executed a series of moves designed to swiftly deploy its effective, high-end products and capture meaningful market share in a fragmented space. Unlike key competitors, we believe that GAXY’s model will result in profit margins above industry averages. Against this backdrop, we project that the Company’s shares will enjoy premium valuations ahead.

GAXY: The Big Picture

The Smart Education and Learning Market is estimated to grow from \$240 billion in 2017 to \$994 billion by 2024, a CAGR of 22.7%. The incorporation and utilization of new technologies in the classroom serve as key growth drivers for companies offering next generation solutions, such as GAXY. Although the space is in the early innings of its next evolution, these tools have generated high demand across the education spectrum, from K-12 to universities, trade schools, and corporate training. Thus, forward-thinking organizations are leading a migration in the incorporation of collaborative learning and e-learning, aided in part by a major rise in the introduction of new, mobile learning applications. Moreover, disruptive technologies such as augmented reality and mixed reality are being deployed as they foster collaborative reality, interactivity, and enhanced learning environments.

The GAXY Approach

Galaxy Next Generation, branded as “G2,” is poised to serve as a leader in bringing forth technology for the *Classroom of Today*. The Company works hand-in-hand with educators to help them evolve teaching and learning in their Connected Classrooms. This updated approach leverages digital content, learning data, and one-of-a-kind technologies in order to create an unmatched immersive and interactive experience for students and educators alike. As a result, the Company’s products are designed to empower teachers with a new way to motivate and engage students in learning activities.



GAXY’s leading and broad product line includes interactive panels and collaboration devices of varying sizes and functionality that utilize mirroring technology whereby video, audio, and apps are transmitted from a laptop or hand-held to a monitor, TV or projector. The Company’s comprehensive solution of front of the classroom presentation equipment and collaboration software to bring both student learning and teacher instruction together are designed for optimal classroom use. GAXY has leveraged its award-winning software integration for learning engagement and robust intellectual property to sign up numerous school districts along with roughly two dozen key resellers in the K-

12, corporate and military verticals, to broadly deploy its offerings.

What's New

GAXY management has executed a number of moves which in both the short term and long term upgrades the Company's positioning, valuation, and prospects. Six months ago, the Company sold off its non-core, non-education business which not only tightens GAXY's focus on its primary target market but essentially eliminated all of its \$4.5M in long term debt. Also, in the last few months, the Company has won several orders, including repeat sales and orders from first-time customers, some of which are over \$200,000 in size. GAXY has also won a series of awards for its new products as well.

Perhaps the most important move is the news from earlier this month that the Company has signed an LOI to acquire a West Coast-based audio products company focused on creating innovative products that provide fundamental tools used for building intercom, scheduling and notification systems. The proposed acquisition is for a combination of cash and stock. The target company generated approximately \$4 million in revenue through the twelve-month period ending June 30, 2019. The transaction will add an important and in-demand product component to its target market and expands the geographical footprint to the West Coast.

Looking Ahead

With the non-core business divested, new orders closed, potential orders in the cards, and a pending acquisition slated to be closed next month, the wind is at the Company's back. Given the fragmented nature of the market and GAXY's innovative products and diversified target markets, we believe that management plans to engage in a roll-up strategy next year to obtain top-tier status. These future acquisitions could represent new territories, reseller or customer relationships, and/or current complementary product lines. Furthermore, we expect that GAXY leadership could target companies that are R&D-forward, with such categories as wireless collaborative devices, software solutions and integration as well as app development that fosters VR/AR/MR capabilities.

Our preliminary pro forma model suggests that at current prices, GAXY's shares are significantly undervalued. Although the Company is presently on a June fiscal year, we found it instructive to produce a model based on a calendar year. Pending the closing of the just-announced LOI and subsequent guidance, we have generated a revenue model that suggests 2019 revenue (which would include only 4 months of LOI-related sales) will reach \$7.9M this year. For 2020, we project total revenue of \$20.6M with net income of \$3.1M and EPS of \$0.21, reflecting a potential small equity raise to fund acquisitions. Profitability is significant as the Company's primary, direct competitor has a long history of steep losses—and its low relative valuation reflects this situation. Although we anticipate future acquisitions, we have not factored in any contribution from additional inorganic revenue sources, such as future M&A transactions.

Our short-term price target of \$4.25 reflects roughly 2.9x 2020 estimated sales and 20x forecasted EPS, both very reasonable valuation metrics for a high-growth technology company. It should be noted that both our forecasts and price target could be raised pending LOI guidance.

INDUSTRY SNAPSHOT

According to a recent report published by Allied Market Research titled, "Smart education & learning market by Component, Learning Mode and End User: Global Opportunity Analysis and Industry Forecast, 2018-2024", the global smart education & learning market was valued at \$240 billion in 2017, and is projected to reach at \$994 billion by 2024, growing at a CAGR of 22.7% from 2018 to 2024. In 2017, the educational content segment accounted for the highest revenue share in the smart education & learning market.

From Young to Old, Schools to Businesses and Key Verticals

Compared to traditional classroom environments and approaches which are based on one-way learning, the learning experience in current times has transformed immensely and improve education quality overall. Students are exposed to digital devices for learning at an early age. Moreover, new learning modes such as adaptive learning, simulation-based learning, blended learning, and collaborative learning have subsequently evolved and offer an enhanced learning experience.



Schools and their classrooms have laptops or Chromebooks, tablets, and demand for smart education is clearly on the rise. This unfettered and insatiable demand is driven by broad adoption of consumer mobile electronic devices such as smartphones, e-readers, laptops, and e-learning apps, which have altered conventional learning methodology and enhanced efficiency of learning methods. Additionally, there are enormous opportunities for advancements in the smart education market owing to improved Internet accessibility. It is no surprise that school boards, parents, teacher and students have embraced the use of smart technology to further education.

Interestingly, the simulation-based learning segment enables corporations, businesses, higher level educational institutions and the military/law enforcement to create a realistic experience in a controlled environment. It also enables professionals and learners to practice, navigate, explore, and obtain more information through a virtual medium before they start working on real-life tasks. Thus, AR/VR along with mixed reality and collaborative learning have morphed into collaborative reality environments for active, adaptive learning and training at all levels.

The Lay of the Land

With an industry representing hundreds of billions, the EdTech's food chain is broad, deep and growing. Players in the space include producers of hardware devices, connectivity, software integration support and platforms, along with curricula for classroom, e-learning and corporate training. As many of these companies serve varying vertical markets or are subsidiaries of conglomerates there are very few publicly traded pure play firms in this large arena.

North America represents the largest single market for EdTech and is led by the more than 98,000 separate schools districts in the US alone. Product sales to these districts on behalf of their schools are often made through resellers and direct sales forces. This excludes the tens of thousands of charter and private schools. Other vast markets include colleges/universities, along with corporations, the military and law enforcement. It should be noted that sales cycles to the pure education market can be long and are affected by seasonality as school purchases for the following school year tend to be made in the Q4/Q1 timeframes. This is not the case with the other segments whose cycles are more linear, although often lower in size per order as well.

School districts using products for the front of the classroom in particular tend to procure small products for initial deployment and, typically follow-up with additional orders for more wide-scale implementation. Pricing for software is usually per seat while hardware is sold for a fixed price, with training and post-sale support fees added on as well.

Growing awareness and the rising popularity of smart education are encouraging solution providers to invest in research and development for creating more enhanced user experiences. As a result, both hardware and software firms alike are making substantial investments to develop new products for improving and enhancing collaborative learning user experience, especially for non-education market applications, which can also include manufacturing. In this segment, a huge leap in the design and implementation of AR/VR, mixed reality and collaborative reality has occurred and we expect that it will continue to trickle down to the education space as well.

We should note that a number of communications equipment and peripherals companies in this segment are not profitable. Thus, we envision GAXY surpassing the typical price/sales valuations in the segment driven by new orders, new product releases, and its targeted roll-up strategy.

GAXY SET TO ENJOY OUTSIZED GROWTH

Galaxy Next Generation is a provider of interactive learning technology solutions that allows the presenter and participant to engage in a fully collaborative instructional environment. Galaxy's products include its private-label interactive touch screen panel as well as numerous other national and international branded peripheral and communication devices. Galaxy's distribution channel consists of 22+ resellers across the U.S. who primarily sell to the commercial and educational market. Currently, the K-12 education market is the largest customer base for Galaxy products - comprising nearly 90% of Galaxy's sales.

Galaxy Next Generation, branded as "G2," is poised to serve as a leader in bringing forth technology for the *Classroom of Today*. The Company works hand-in-hand with educators to help them evolve teaching and learning in their Connected Classrooms. This updated approach leverages digital content, learning data, and one-of-a-kind technologies in order to create an unmatched immersive and interactive experience for students and educators alike. As a result, the Company's products are designed to empower teachers with a new way to motivate and engage students in learning activities.

GAXY's leading and broad product line includes interactive panels and collaboration devices of varying sizes and functionality that utilize mirroring technology whereby video, audio, and apps are transmitted from a laptop or hand-held to a monitor, TV or projector. The Company's comprehensive solution of front of the classroom presentation equipment and collaboration software to bring both student learning and teacher instruction together are designed for optimal classroom use. GAXY has leveraged its award-winning software integration for learning engagement and robust intellectual property to sign up numerous school districts along with roughly two dozen key resellers in the K-12, corporate and military verticals, to broadly deploy its offerings.



How it Works

Today, nearly every student has a device in the classroom that can cast to A/V equipment. GAXY provides software integration and the user interface from the user device to a panel or other solution to which content or applications are being cast or mirrored. With next-gen features such as the ability to annotate on the user device or flat screens a collaborative reality or augmented reality environment is created to enhance and improve learning engagement outcomes. Panels or other, more comprehensive all-in-one classroom solutions are used in this environment. A large array of GAXY products make any classroom environment more enjoyable, collaborative and engaging, including, interactive panels, document cameras, collaboration devices, and panel accessories. Thus, whole-classroom and learning assessments can be executed easily.

The GAXY panels and solutions require no projector, or bulbs, do not generate shadows, and require no maintenance. The simple installation and easy operation are just some of the reasons people are switching from interactive whiteboards to interactive LCD displays. All Galaxy Next Generation panels come equipped with [Ximbus](#) (a Google app for education) and [Oktopus](#) software and each panel can be easily wall-mounted or mounted onto a mobile stand.

The GAXY panels also come with their patent pending proprietary 'Overlay' software application. 'Overlay' gives the teacher a control panel to launch different components of the software from any input on the panel, making the hardware and software flow more intuitively together. Part of the "Overlay" advantage is the direct link from Overlay to the G2 Share collaboration software. This allows the end user to launch the wireless collaboration application from any input or screen on the device and present to the screen from any other device in the room. The fluidity of the connection and the Overlay application gives G2 a unique advantage in the market.

The Business

The Company's primary target market and low-hanging fruit is the K-12 school district. They typically have a 5-7-year replacement cycle for technology and the majority of contracts call for multi-year rollouts. The key is that once a technology company is deployed within a school district it is likely to obtain additional business with new products and services and replacements, which puts GAXY in an ideal position for their next upgrade cycles. As a result, with existing customers are primed to become recurring customers and new customers aid in the Company's efforts to broadly deploy its offerings among like-minded school districts.

As evidenced by a plethora of new orders in recent months, management has the wind at its back as customers are ordering panels of all sizes from 55 – 98 inches, which carry price tags from \$1000 - \$17,000. Some of the recent orders include:

- Lamar County, Georgia
- Stephens County, Georgia
- Newtown County, Georgia
- Marshall County, Alabama
- Brooks County, Georgia

Interestingly, in recent months, the Company has begun to penetrate non-education markets as well, bolstering its sales pipeline and reach, which should also help improve linear sales recording. These include law enforcement and the corporate world.

OPPORTUNITIES OUTSIDE OF TYPICAL K-12

GALAXY NEXT GENERATION AWARDED CONTRACT FROM TOTAL PACKAGE HOCKEY

COVERS 5 LOCATIONS IN 4 STATES

MAY 21, 2019

DEMONSTRATES THE NEED FOR INTERACTIVE LEARNING TOOLS IN ALL AREAS OF LEARNING. TOTAL PACKAGE HOCKEY IS ALWAYS SEEKING THE BEST SOLUTIONS ON AND OFF THE ICE FOR ITS STUDENT-ATHLETES

GALAXY NEXT GENERATION BREAKS INTO YET ANOTHER VERTICAL WITH THE SIGNING OF RABUN COUNTY, GA SHERIFF'S DEPARTMENT

APRIL 9, 2019

PURCHASE OF GALAXY PRODUCTS FOR THEIR TRAINING CENTER

M&A Strategy

Perhaps the most important move is the news from earlier this month that the Company has signed an LOI to acquire a West Coast-based audio products company focused on creating innovative products that provide fundamental tools used for building intercom, scheduling and notification systems. The proposed acquisition is for a combination of cash and stock. The target company generated approximately \$4 million in revenue through the twelve-month period ending June 30, 2019. The transaction should close at the end of September will add an important and in-demand product component to its target market and expands the geographical footprint to the West Coast.

The target's products and services allow institutions access to intercom, scheduling and notification systems they use every day with improved ease of use. It provides an open architecture solution which allows its products to be used in many existing and new environments. Intercom, PA, Bell and control solutions are easily added and integrated with its first to market open architecture design and current software model. Its products combine elements not normally found together over a common IP network, which minimizes infrastructure requirements and reduces costs by combining systems. Leveraging its 4 patents pending, this strategy also places it at the forefront of school safety and communication.

Given the fragmented nature of the market and GAXY's innovative products and diversified target markets, we believe that management plans to engage in a roll-up strategy next year to obtain top-tier status. These future acquisitions could represent new territories, reseller or customer relationships, and/or current complementary product lines. Furthermore, we expect that GAXY leadership could target companies that are R&D-forward, with such categories as wireless collaborative devices, software solutions and integration as well as app development

that fosters VR/AR/MR capabilities. In addition, we expect that the Company's reseller footprint will grow exponentially in the next few years, greatly expanding the GAXY reach.

THE GAXY LEADERSHIP TEAM

GAXY's executive leadership team has deep experience in key segments of the EdTech world, including stints at the Company's chief competitor.

Gary LeCroy, Chief Executive Officer, Director

Gary owned and operated R&G Sales (dba/LeCroy Educational Technology), a predecessor to GAXY. He served as CEO and sales director for that company which was involved in the sales and distribution of educational technology. Since November 2016, he has served as CEO/Owner and Director of Galaxy Next Generation, Inc.

Magen McGahee, Chief Operating Officer/Chief Financial Officer, Director

Magen worked for MIMIO Corporation (now known as Boxlight on its sales leadership team and also has experience as a Director, Strategic Partnerships for Qomo, Inc. Prior to joining Galaxy Next Generation, Magen worked with LeCroy Educational Technology. Ms. McGahee earned an undergraduate degree from the University of Georgia and a graduate degree in international economics from Georgia Tech.

Steven has driven the development of innovative digital media and communications products for 30 years for major corporations including Sony's Business and Industrial Products business unit, Avid Technology, IPeria, and Mimio. Steven holds a bachelor's degree in electrical engineering from Boston's Northeastern University, has published numerous technical papers and presented at industry conferences in the US, Europe, and Asia.

Mark Swift, Vice-President, Sales

Prior to joining Galaxy Next Generation, Mark served as the Chief Technology Officer for Valdosta City Schools and was Instructional Technology director for Valdosta State University. A designer of a web-based social work database, Mark holds a BFA, Telecommunications and Med, Instructional Technology.

Separately, investors should note that once the pending acquisition is complete, the principal owner of the target will come on board with GAXY as Chief Technology Officer.

FINANCIALS

Although the Company is presently on a June fiscal year, we found it instructive to produce a model based on a calendar year. Thus, for 2018, which included contribution from non-core, divested business, revenue was roughly \$2M with an operating loss of \$4.3M. A modest contribution from the non-core asset was recorded for 1Q19 yet the most significant contribution was addition by subtraction---as over \$4.5M in long term debt was eliminated as part of the unit sale.

Our quarterly forecasts for the balance of 2019 reflect a small contribution to top-line from the soon-to-be-closed acquisition, with a major addition to sales occurring in 4Q19. Importantly, driven by its recent flurry of orders and future business, we believe that the Company can be profitable on an operating basis for the second half of this year, with substantial sales and profit growth in 2020.

Pending the closing of the just-announced LOI and while we await subsequent guidance, we have generated a revenue model that suggests 2019 revenue (which would include only 4 months of LOI-related sales) will reach \$7.9M this year with 2H19 operating profit of over \$500,000. For 2021, we project total revenue of \$20.6M with net income of \$3.1M and EPS of \$0.21, reflecting a potential, small equity round. As illustrated in our model, we anticipate gross margin will reach north of 40% next year, and with a reseller model for sales, a 15%+ operating margin is in the cards as well. With a sizable NOL carry forward, we do not project income taxes will be paid until 2021.

We caution investors to shy away from evaluating the Company's performance on a quarterly basis and instead look at the firm on a big picture, or annual basis. This is due to the seasonality caused by the end customers' business practices. However, we believe that the new acquisition, with a different customer base will help smooth out some of the "lumpiness" of quarterly recorded revenue.

Although we anticipate future acquisitions, we have not factored in any contribution from additional inorganic revenue sources, such as future M&A transactions and believe upside to our preliminary estimates exists, once we have more clarity regarding the acquisition's contribution to GAXY.

RISK FACTORS

In our view, GAXY's biggest risks relate to timing and the order of magnitude of sales and deployment/implementation in its current and future target markets. Pricing in the space and the introduction of new or competing approaches and technologies could also adversely affect the value of the Company's IP and hinder its business model efforts. Still, these risks are typical future concerns and are also consistent with firms of GAXY's size and standing.

Volatility and liquidity are typical concerns for microcap stocks that trade on the stock market, especially those that are in the early stages of new business implementation. Finally, the shares outstanding of this stock could increase due to potential capital needs or to execute future acquisitions, given the Company's roll-up plans. However, since the proceeds of any future funding would be used in large part to advance exploration and development efforts, we believe that any dilutive effect from such a funding would be more than offset by related increases in market value. Management has already demonstrated it is adept and prudent with respect to such transactions.

CONCLUSION

Leveraging next-gen technology, emerging interactive learning solutions provider Galaxy Next Generation is poised to generate outsized revenue growth and market share in the critical education technology market. The

Company's solutions improve and enhance learning environment outcomes by providing a collaborative reality setting in the classroom.

Judging by recent events, management is on a roll. The Company has secured a series of wins in key school districts and have even opened up new markets. Plus, it has bolstered its balance sheet by eliminating \$4.5M in long term debt through the sale of its non-core business.

In its most important move to date, GAXY announced a LOI to acquire a firm with complementary products, and new sales territories. Slated to close next month, the target generated \$4M in sales in the last 12 months. In our view, this is just the first of a series of M&A transactions ahead for the Company. As it continues to execute on this front, GAXY's overall valuation will be enhanced further.

Our calendar year forecasts call for revenue to leap from \$2M in 2018 to \$7.9M in 2019 and \$20.6 in 2020, with EPS of \$0.21 next year. The Company's model should generate industry-leading profit margin, beginning next year. Our \$4.25 price target is based on 2.9x 2020P revenue and 20x 2020P EPS forecasts. It should be noted that upside potential exists once management provides financial guidance, post-acquisition closing.

Galaxy Next Generation, Inc.

Pro Forma Projected Statements of Income*
(\$, thousands)

	<u>CY18A</u>	<u>1Q19A</u>	<u>2Q19E</u>	<u>3Q19E</u>	<u>4Q19E</u>	<u>CY19E</u>	<u>CY20P</u>
Revenue							
Galaxy Product Sales	\$1,432	\$270	\$700	\$1,500	\$3,200	\$5,670	\$15,100
Discontinued Revenue^	\$590	\$79	\$0	\$0	\$0	\$79	\$0
Target Acquisition Revenue#	\$0	\$0	\$0	\$700	\$1,500	\$2,200	\$5,500
TOTAL REVENUE	\$2,022	\$349	\$700	\$2,200	\$4,700	\$7,949	\$20,600
Cost of Sales	\$1,402	\$285	\$400	\$1,300	\$3,100	\$5,167	\$12,200
Gross Profit	\$620	\$64	\$300	\$900	\$1,600	\$2,782	\$8,400
<i>Gross Margin</i>	30.7%	18.3%	42.9%	40.9%	34.0%	35.0%	40.8%
Operating Expenses							
General & Admin	\$4,974	\$2,043	\$550	\$800	\$1,150	\$4,543	\$5,200
Total Operating Expenses	\$4,974	\$2,043	\$550	\$800	\$1,150	\$4,543	\$5,200
OPERATING INCOME (LOSS)	(\$4,354)	(\$1,979)	(\$250)	\$100	\$450	(\$1,761)	\$3,200
<i>Operating Margin</i>	N/A	N/A	N/A	4.5%	9.6%	N/A	15.5%
Other Income							
Other Income	\$150	\$97	\$100	\$100	\$120	\$417	\$600
Interest Expense	(\$184)	(\$101)	(\$105)	(\$110)	(\$150)	(\$466)	(\$500)
Total Other Income	(\$34)	(\$4)	(\$5)	(\$10)	(\$30)	(\$1,712)	\$3,100
Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET INCOME	(\$4,388)	(\$1,983)	(\$255)	\$90	\$420	(\$1,712)	\$3,100
<i>Net Margin</i>		N/A	N/A	4.1%	8.9%	N/A	15.0%
EPS	(\$0.47)	(\$0.20)	(\$0.02)	\$0.01	\$0.03	(\$0.14)	\$0.21
Est. Shares Outstanding	9,424	10,105	11,800	12,000	14,000	11,976	15,000

Notes:

* GAXY is on June fiscal year as reflected. This model represents calendar year beginning in 2018.

^ Discontinued revenue effective as of February 2019.

Our model assumes Acq revenue is effective as of Sept 2019.

"P" denotes preliminary, pending closing of acquisition.

Sources: Galaxy Next Generation, Inc. and Goldman Small Cap Research

RECENT TRADING HISTORY FOR GAXY

(Source: www.Stockta.com)



SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 25 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

ANALYST CERTIFICATION

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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