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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: **May 31, 2017**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. **000-52669**

**MONAKER GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other jurisdiction of  
incorporation or formation)

**26-3509845**  
(I.R.S. Employer  
Identification Number)

**2690 Weston Road, Suite 200  
Weston, FL 33331**  
(Address of principal executive offices)

**(954) 888-9779**  
(Registrant's telephone number)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes     No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes     No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes     No

As of July 12, 2017, there were 11,423,547 shares outstanding of the registrant's common stock.

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**Monaker Group, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(Unaudited)

	<u>May 31,</u> <u>2017</u>	<u>February 28,</u> <u>2017</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 441,262	\$ 1,007,065
Notes receivable	750,000	750,000
Prepaid expenses and other current assets	53,838	42,894
Security deposits	15,000	15,000
Total current assets	1,260,100	1,814,959
Website development costs and intangible assets, net	848,569	772,069
Total assets	\$ 2,108,669	\$ 2,587,028
<b>Liabilities and Stockholders' Deficit</b>		
Current Liabilities		
Convertible promissory notes - related party	\$ 1,409,326	\$ 1,409,326
Line of credit	1,193,000	1,193,000
Accounts payable and accrued expenses	182,499	262,493
Other current liabilities	128,447	153,648
Total current liabilities	2,913,272	3,018,467
Total liabilities	2,913,272	3,018,467
Commitments and contingencies		
Stockholders' deficit		
Series A Preferred stock, \$0.01 par value; 3,000,000 authorized; 1,869,611 and 1,869,611 shares issued and outstanding at May 31, 2017 and February 28, 2017, respectively	18,696	18,696
Series B Preferred stock, \$0.00001 par value; 3,000,000 authorized; 0 and 0 shares issued and outstanding at May 31, 2017 and February 28, 2017	—	—
Series C Preferred stock, \$0.00001 par value; 3,000,000 authorized; 0 and 0 shares issued and outstanding at May 31, 2017 and February 28, 2017	—	—
Series D Preferred stock, \$0.00001 par value; 3,000,000 authorized; 0 and 0 shares issued and outstanding at May 31, 2017 and February 28, 2017	—	—
Common stock, \$0.00001 par value; 500,000,000 shares authorized; 11,358,547 and 11,133,938 shares issued and outstanding at May 31, 2017 and February 28, 2017, respectively	113	111
Additional paid-in-capital	100,634,807	100,209,386
Accumulated deficit	(101,458,219)	(100,659,632)
Total stockholders' deficit	(804,603)	(431,439)
Total liabilities and stockholders' deficit	\$ 2,108,669	\$ 2,587,028

The accompanying notes are an integral part of these consolidated financial statements.

**Monaker Group, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
(Unaudited)

	For the three months ended	
	May 31, 2017	May 31, 2016
<b>Revenues</b>		
Travel and commission revenues	\$ 156,046	\$ 95,099
Total revenues	156,046	95,099
<b>Operating expenses</b>		
Salaries and benefits	608,189	509,943
General and administrative	159,664	951,200
Cost of revenues	110,917	67,688
Selling and promotions expense	16,356	29,426
Total operating expenses	895,126	1,558,257
<b>Operating loss</b>	(739,080)	(1,463,158)
<b>Other income (expense)</b>		
Interest expense	(59,507)	(59,916)
Gain on settlement of debt	—	284,300
Gain on sales of investment	—	112,150
Total other income (expense)	(59,507)	336,534
<b>Net loss</b>	\$ (798,587)	\$ (1,126,624)
<b>Weighted average number of common shares outstanding</b>		
Basic	11,305,299	7,033,606
Diluted	11,305,299	7,033,606
Basic net loss per share	\$ (0.07)	\$ (0.16)
Diluted net loss per share	\$ (0.07)	\$ (0.16)

The accompanying notes are an integral part of these consolidated financial statements.

**Monaker Group, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(Unaudited)

	For the three months ended	
	May 31, 2017	May 31, 2016
<b>Cash flows from operating activities:</b>		
Net loss applicable to Monaker Group, Inc.	\$ (798,587)	\$ (1,126,624)
Adjustments to reconcile net loss to net cash from operating activities:		
Stock based compensation and consulting fees	386,480	196,237
Cancellation of common stock of Company issued as compensation	(450,945)	—
Amortization of intangibles and depreciation	—	150,014
Gain on settlement of debt	—	(284,300)
Gain on sale of consolidated affiliate	—	(112,150)
Changes in operating assets and liabilities:		
(Decrease) increase in accounts payable and accrued expenses	(79,994)	209,011
(Increase) decrease in other current liabilities	(25,201)	78,113
Decrease in security deposits	—	3,206
Increase in prepaid expenses and other current assets	(10,944)	(12,207)
Net cash used in operating activities	(979,191)	(898,700)
<b>Cash flows from investing activities:</b>		
Website development costs	(76,500)	(4,200)
Net cash used in investing activities	(76,500)	(4,200)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of common stock and warrants	360,000	437,600
Proceeds from exercise of warrants	129,888	403,120
Proceeds from advances	—	20,000
Net cash provided by financing activities	489,888	860,720
Net decrease in cash	(565,803)	(42,180)
Cash at beginning of period	1,007,065	137,944
Cash at end of period	\$ 441,262	\$ 95,764
<b>Supplemental disclosure:</b>		
Cash paid for interest	\$ 59,506	\$ 53,608
<b>Non-cash transaction:</b>		
Settlement of accrued interest in common stock	\$ —	\$ 14,000

The accompanying notes are an integral part of these consolidated financial statements.

**Monaker Group, Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**(Unaudited)**

**Note 1 - Summary of Business Operations and Significant Accounting Policies**

***Nature of Operations and Business Organization***

Monaker Group, Inc. and its subsidiaries (“Monaker”, “we”, “our”, “us”, or “Company”) operate an online marketplace for the alternative lodging rental industry. Alternative lodging rentals (ALRs) are whole unit vacation homes or timeshare resort units that are fully furnished, privately owned residential properties, including homes, condominiums, villas and cabins, that property owners and managers rent to the public on a nightly, weekly or monthly basis. As an added feature to our ALR offerings, we also provide access to airline, car rental, hotel and activities products along with concierge tours and activities, at the destinations, that are catered to the traveler through our Maupintour products.

We provide a vacation rental platform with auxiliary services so travelers can purchase vacations through one site; our NextTrip.com, Maupintour.com or EXVG.com website (or through distributors the Company provides ALRs to), while providing inquiries and bookings to property owners and managers. NextTrip serves three major constituents: (1) property owners and managers, (2) travelers, and (3) other distributors. Property owners and managers provide detailed listings of their properties to the Company with the goal of reaching a broad audience of travelers seeking ALRs. The property owners and managers provide us their properties, at a preferential net rate for each booking and, in return, their properties are listed for free as an available ALR on NextTrip.com (as well as other distributors who the Company has provided ALRs to). Travelers visit NextTrip.com (as well as other distributors who the Company has provided ALRs to) and are able to search and compare our large and detailed inventory of listings to find ALRs meeting their needs.

Monaker is a technology driven travel and logistics company with ALR products as its distinguishing niche. The ALRs are owned and leased by third parties and are available to rent through Monaker’s websites as well as other distributors who Monaker has provided ALRs to. Monaker’s services include critical elements such as technology, an extensive film library, media distribution, trusted brands and established partnerships that enhance product offerings and reach. Monaker has video content, media distribution, key industry relationships and a prestigious Travel Brand as cornerstones for the development and planned deployment of core-technology on both proprietary and partnership platforms.

Monaker sells travel services to leisure and corporate customers around the world. The primary focus is on providing ALR options as well as providing schedule, pricing and availability information for booking reservations for airlines, hotels, rental cars, cruises and other travel products such as sightseeing tours, show and event tickets and theme park passes. The Company sells these travel services both individually and as components of dynamically-assembled packaged travel vacations and trips. In addition, the Company provides content that presents travelers with information about travel destinations, maps and other travel details; this content information is the product of proprietary video-centered technology that allows the Company to create targeted travel videos from its film libraries. In April 2017, the Company introduced its new Travel Platform under the NextTrip brand. This platform continues to be improved with a focus on maximizing the consumer’s experience and assisting them in the decision and purchasing process.

The platform is a combination of proprietary and licensed technology (described below) that connects and searches large travel suppliers of alternative lodging inventories to present to consumers comprehensive and optimal alternatives at the most inexpensive rates to choose from.

The Company sells its travel services through various distribution channels. The primary distribution channel will be providing real-time bookable ALRs to other distributors (such as other travel companies’ websites and networks of third-party travel agents) who will sell the ALRs to their customers. The second distribution channel is through its own website at NextTrip.com and the NextTrip mobile application (“app”) as well as EXVG.com. The third distribution channel is selling travel services to customers through a toll-free telephone number designed to assist customers with complex or high-priced offerings of Maupintour.

Monaker’s core holdings include NextTrip.com, Maupintour.com and EXVG.com. NextTrip.com is the primary website, where travel services and products are booked. The travel services and products include ALRs, tours, activities/attractions, airline, hotel, and car rentals. Maupintour complements the Nexttrip.com offering by providing high-end tour packages and activities/attractions. EXVG.com is the website where ALRs, that are not real-time bookable, will be promoted.

### ***Interim Financial Statements***

These unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“US GAAP”) for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, the consolidated financial statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and such adjustments are of a normal recurring nature. These consolidated financial statements should be read in conjunction with the financial statements for the fiscal year ended February 28, 2017 and notes thereto and other pertinent information contained in our Form 10-K the Company has filed with the Securities and Exchange Commission (the “SEC”).

The results of operations for the three months ended May 31, 2017, are not necessarily indicative of the results to be expected for the full fiscal year ending February 28, 2018.

### ***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All material inter-company transactions and accounts have been eliminated in consolidation.

### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates. These differences could have a material effect on the Company’s future results of operations and financial position. Significant items subject to estimates and assumptions include certain revenues, the carrying amounts of indefinite-lived intangible assets, depreciation and amortization, the valuation of stock warrants, and deferred income taxes.

### ***Cash and Cash Equivalents***

For purposes of balance sheet presentation and reporting of cash flows, the Company considers all unrestricted demand deposits, money market funds and highly liquid debt instruments with an original maturity of less than 90 days to be cash and cash equivalents. The Company had no cash equivalents at May 31, 2017 and February 28, 2017.

### ***Website Development Costs***

The Company accounts for website development costs in accordance with Accounting Standards Codification 350-50 “Website Development Costs”. Accordingly, all costs incurred in the planning stage are expensed as incurred, costs incurred in the website application and infrastructure development stage that meet specific criteria are capitalized and costs incurred in the day to day operation of the website are expensed as incurred. All costs associated with the websites are subject to straight-line amortization over a three-year period.

### ***Software Development Costs***

The Company capitalizes internal software development costs subsequent to establishing technological feasibility of a software application in accordance with guidelines established by “ASC 985-20-25” Accounting for the Costs of Software to Be Sold, Leased, or Otherwise Marketed, requiring certain software development costs to be capitalized upon the establishment of technological feasibility. The establishment of technological feasibility and the ongoing assessment of the recoverability of these costs require considerable judgment by management with respect to certain external factors such as anticipated future revenue, estimated economic life, and changes in software and hardware technologies. Amortization of the capitalized software development costs begins when the product is available for general release to customers. Capitalized costs are amortized based on the greater of (a) the ratio of current gross revenues to the total current and anticipated future gross revenues, or (b) the straight-line method over the remaining estimated economic life of the product. For the three months ended May 31, 2017 and the year ended February 28, 2017, all software has been placed in service and all costs associated with the software development have been expensed.

### ***Impairment of Intangible Assets***

In accordance with ASC 350-30-65 “Goodwill and Other Intangible Assets”, the Company assesses the impairment of identifiable intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the Company considers important, which could trigger an impairment review include the following:

1. Significant underperformance compared to historical or projected future operating results;
2. Significant changes in the manner or use of the acquired assets or the strategy for the overall business; and
3. Significant negative industry or economic trends.

When the Company determines that the carrying value of an intangible asset may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent to the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows. The Company did not record an impairment charge on its intangible assets during the three months ended May 31, 2017 and 2016, respectively. Intangible assets that have finite useful lives are amortized over their useful lives once placed into service. During the period ended May 31, 2017, the Company’s website had not been deployed. The Company incurred amortization expense of \$0 and \$150,014 on its website development costs for the three months ended May 31, 2017 and 2016, respectively.

### ***Convertible Debt Instruments***

The Company records debt net of debt discount for beneficial conversion features and warrants, on a relative fair value basis. Beneficial conversion features are recorded pursuant to the Beneficial Conversion and Debt Topics of the FASB Accounting Standards Codification. The amounts allocated to warrants and beneficial conversion rights are recorded as debt discount and as additional paid-in-capital. Debt discount is amortized to interest expense over the life of the debt.

### ***Derivative Instruments***

The Company enters into financing arrangements that consist of freestanding derivative instruments or are hybrid instruments that contain embedded derivative features. The Company accounts for these arrangements in accordance with Accounting Standards Codification topic 815, Accounting for Derivative Instruments and Hedging Activities (“ASC 815”) as well as related interpretations of this standard. In accordance with this standard, derivative instruments are recognized as either assets or liabilities in the balance sheet and are measured at fair values with gains or losses recognized in earnings. Embedded derivatives that are not clearly and closely related to the host contract are bifurcated and are recognized at fair value with changes in fair value recognized as either a gain or loss in earnings. The Company determines the fair value of derivative instruments and hybrid instruments based on available market data using appropriate valuation models, considering all of the rights and obligations of each instrument.

The Company estimates fair values of derivative financial instruments using various techniques (and combinations thereof) that are considered consistent with the objective measuring fair values. In selecting the appropriate technique, the Company considers, among other factors, the nature of the instrument, the market risks that it embodies and the expected means of settlement. For less complex derivative instruments, such as freestanding warrants, the Company generally uses the Black-Scholes model, adjusted for the effect of dilution, because it embodies all of the requisite assumptions (including trading volatility, estimated terms, dilution and risk free rates) necessary to determine the fair value of these instruments. Estimating fair values of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. In addition, option-based techniques (such as Black-Scholes model) are highly volatile and sensitive to changes in the trading market price of our common stock. Since derivative financial instruments are initially and subsequently carried at fair values, our income (expense) going forward will reflect the volatility in these estimates and assumption changes. Under the terms of this accounting standard, increases in the trading price of the Company’s common stock and increases in fair value during a given financial quarter result in the application of non-cash derivative expense. Conversely, decreases in the trading price of the Company’s common stock and decreases in trading fair value during a given financial quarter result in the application of non-cash derivative income.

Based upon ASC 815-25 the Company has adopted a sequencing approach regarding the application of ASC 815-40 to its outstanding convertible debentures. Pursuant to the sequencing approach, the Company evaluates its contracts based upon earliest issuance date.

### ***Reclassification***

For comparability, certain prior year amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2017. The reclassifications have no impact on net loss.

### ***Earnings per Share***

Basic earnings per share are computed by dividing net income or loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income (loss) by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during each period.

### ***Fair Value of Financial Instruments***

The Company has adopted the provisions of ASC Topic 820, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities traded in active markets.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs that are generally unobservable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial instruments consist principally of cash, accounts receivable, prepaid expenses, accounts payable, accrued liabilities and other current liabilities. The carrying amounts of such financial instruments in the accompanying balance sheets approximate their fair values due to their relatively short-term nature. The fair value of long-term debt is based on current rates at which the Company could borrow funds with similar remaining maturities. The carrying amounts approximate fair value. It is management's opinion that the Company is not exposed to any significant currency or credit risks arising from these financial instruments.

### ***Going Concern***

As of May 31, 2017, and February 28, 2017, the Company had an accumulated deficit of \$101,458,219 and \$100,659,632, respectively. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As of May 31, 2017, the Company had a working capital deficit of \$1,653,172, and for the three months ended May 31, 2017, a net loss of \$798,587 and cash used in operations of \$979,191.

We have very limited financial resources. We currently have a monthly cash requirement of approximately \$300,000, exclusive of capital expenditures. We will need to raise substantial additional capital to support the on-going operation and increased market penetration of our products including the development of national advertising relationships, increases in operating costs resulting from additional staff and office space until such time as we generate revenues sufficient to support our operations. We believe that in the aggregate, we could require several millions of dollars to support and expand the marketing and development of our travel products, repay debt obligations, provide capital expenditures for additional equipment and development costs, payment obligations, office space and systems for managing the business, and cover other operating costs until our planned revenue streams from travel products are fully-implemented and begin to offset our operating costs. Our failure to obtain additional capital to finance our working capital needs on acceptable terms, or at all, will negatively impact our business, financial condition and liquidity. As of May 31, 2017 and February 28, 2017, we had \$2,913,272 and \$3,018,467, respectively, of current liabilities. These conditions raise substantial doubt of our ability to continue as a going concern. We currently do not have the resources to satisfy these obligations, and our inability to do so could have a material adverse effect on our business and ability to continue as a going concern.

Management's plans with regard to this going concern are as follows: the Company will continue to raise funds with third parties by way of a public or private offering, and management and members of the Board are working aggressively to increase the viewership of our products by promoting it across other mediums which will result in higher revenues. The ability of the Company to continue as a going concern is dependent on the Company's ability to further implement its business plan and generate greater revenues. Management believes that the actions presently being taken to further implement its business plan and generate additional revenues provide the opportunity for the Company to continue as a going concern.

### ***Recent Accounting Pronouncements***

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective and permits the use of either the retrospective or cumulative effect transition method. The updated standard is effective for fiscal years, and interim reporting periods within those years, beginning after December 15, 2017, and permits early adoption a year earlier, after December 15, 2016. The Company has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its consolidated financial statements and related disclosures.

### **Note 2 – Note Receivable**

On December 22, 2014, the Company advanced \$15,000 to a non-related third party debtor and signed a one year, six percent (6%) promissory note in the amount of \$15,000. The entire principal balance of this note was rolled into and became part of the consideration paid for the purchase of the Company's 51% membership interest in Name Your Fee, LLC, including approximately \$1,000,000 in intangible assets. The Company's interest in Name Your Fee, LLC was sold on May 16, 2016, to the same non-related third party, for cancellation of \$45,000 in notes (including the \$15,000 note described above) and a promissory note in the amount of \$750,000 (see also Note 4).

### **Note 3 – Investment in Equity Instruments and Deconsolidation**

We assess the potential impairment of our equity method investments when indicators such as a history of operating losses, negative earnings and cash flow outlook, and the financial condition and prospects for the investee's business segment might indicate a loss in value. We have recognized an impairment loss on investment in unconsolidated affiliate. As of May 31, 2017 and February 28, 2017, Monaker owned 44,470,101 shares of RealBiz Media Group, Inc. (RealBiz) Series A Preferred Stock and 10,359,890 shares of RealBiz common stock, notwithstanding RealBiz's attempt in January 2017 to cancel the majority of such shares as discussed below and the pending litigation in connection therewith. This interest, along with a net receivable balance due, has been written down to zero (\$0) as of May 31, 2017 and February 28, 2017 to reflect the realizable value of this investment and asset. On November 16, 2016, RealBiz notified Monaker that the Board of Directors of RealBiz voted to cancel and retire all issued and outstanding shares of RealBiz Preferred Stock and all but 1,341,533 shares of common stock of RealBiz held by Monaker. On January 18, 2017 RealBiz unilaterally cancelled all shares of common stock of RealBiz held by Monaker. RealBiz's announced cancellation and retirement was without Monaker's consent, and done in violation of Delaware law, federal law and the terms of RealBiz's preferred and common stock. We filed a complaint on November 30, 2016 (Monaker Group, Inc., f/k/a Next 1 Interactive, Inc. v. RealBiz Media Group, Inc., f/k/a Webdigs, Inc. and American Stock Transfer & Trust Company, LLC Case No.: 1:16-cv-24978-DLG), seeking damages and injunctive and declaratory relief, arising from RealBiz's declared cancellation and retirement of the shares.

### **Note 4 – Acquisitions and Dispositions**

On May 16, 2016, the Company entered into a Membership Interest Purchase Agreement for the sale of its 51% membership interest in Name Your Fee, LLC in exchange for a Promissory Note, maturing on May 15, 2018, in the amount of \$750,000 plus the cancellation of \$45,000 in existing promissory notes due from the purchaser. The Promissory Note does not accrue interest, is secured by the 51% membership interest in Name Your Fee, LLC and will be repaid through 20% of the net earnings received in NameYourFee.com through maturity. The Note contains standard and customary events of default. The principal amount of the note is due on May 15, 2018, provided that it will not be an event of default under the note unless the note is not repaid within 60 days after such maturity date (i.e., by July 14, 2018). As of May 31, 2017, the outstanding balance is \$750,000.

#### Note 5 – Line of Credit

The following table sets forth the line of credit as of May 31, 2017 and February 28, 2017:

Line of Credit	Principal	
	May 31, 2017	February 28, 2017
On June 15, 2016, we entered into a revolving line of credit agreement with Republic Bank, Inc. of Duluth, Minnesota, in the maximum amount of \$1,000,000. Amounts borrowed under the line of credit accrue interest at the Wall Street Journal U.S. Prime Rate plus 1% (updated daily until maturity), payable monthly in arrears beginning on July 15, 2016. Any amounts borrowed under the line of credit are originally due on June 15, 2017; however, on June 12, 2017, the line of credit was extended for 90 days through September 13, 2017. On December 22, 2016, the revolving line of credit was increased to \$1,200,000; all other terms of the revolving line of credit remain unchanged.	1,193,000	1,193,000
	<u>\$ 1,193,000</u>	<u>\$ 1,193,000</u>

Interest charged to operations relating to the above line of credit note was \$14,507 and \$0, respectively, for the three months ended May 31, 2017 and 2016.

As of May 31, 2017 and 2016, accrued interest is \$0 and \$0, respectively. Interest obligations on the line of credit are current.

#### Note 6 – Convertible Promissory Notes

The Company has a convertible promissory note with Mr. Mark Wilton, who is a greater than 5% shareholder and is treated as a related party. The convertible promissory note, maturing December 1, 2017, in the amount of \$1,409,326 as of May 31, 2017 and February 28, 2017, has an interest rate of 6% per annum and a fixed conversion rate of \$5.00 per share. During the three months ended May 31, 2017 and May 31, 2016, the Company recognized interest expense of \$45,000 and \$48,000, respectively.

Interest obligations on the line of credit are paid current.

#### Note 7 – Stockholders' Deficit

##### *Preferred stock*

The aggregate number of shares of preferred stock that the Company is authorized to issue is up to One Hundred Million (100,000,000), with a par value of \$0.00001 per share ("the Preferred Stock") with the exception of Series A Preferred Stock shares having a \$0.01 par value. The Preferred Stock may be divided into and issued in series. The Board of Directors of the Company is authorized to divide the authorized shares of Preferred Stock into one or more series, each of which shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. The Board of Directors of the Company is authorized, within any limitations prescribed by law and the articles of incorporation, to fix and determine the designations, rights, qualifications, preferences, limitations and terms of the shares of any series of Preferred Stock.

##### *Series A Preferred Stock*

The Company has authorized and designated 3,000,000 shares of Preferred Stock as Series A 10% Cumulative Convertible Preferred Stock, par value \$0.01 per share (the "Series A Preferred Stock"). The holders of record of shares of Series A Preferred Stock shall be entitled to vote on all matters submitted to a vote of the shareholders of the Company and shall be entitled to one hundred (100) votes for each share of Series A Preferred Stock.

Per the terms of the Amended and Restated Certificate of Designations, subject to the availability of authorized and unissued shares of Series A Preferred Stock, the holders of Series A Preferred Stock may, by written notice to the Company:

- elect to convert all or any part of such holder's shares of Series A Preferred Stock into common stock at a conversion rate of the lower of:
  - (a) \$25.00 per share; or
  - (b) at the lowest price the Company has issued stock as part of a financing; and
- convert all or part of such holder's shares (excluding any shares issued pursuant to conversion of unpaid dividends) into debt obligations of the Company, secured by a security interest in all of the assets of the Company and its subsidiaries, at a rate of \$25.00 of debt for each share of Series A Preferred Stock.

On July 9, 2013, the Company amended the Certificate of Designations for the Company's Series A Preferred Stock to grant to a holder of the Series A Preferred Stock the option to:

- elect to convert all or any part of such holder's shares of Series A Preferred Stock into shares of the Company's Series C Convertible Preferred Stock, par value \$0.00001 per share ("Series C Preferred Stock"), at a conversion rate of five (5) shares of Series A Preferred Stock for every one (1) share of Series C Preferred Stock; or to allow
- conversion into common stock at the lowest price the Company has issued stock as part of a financing to include all financings such as new debt and equity financing and stock issuances as well as existing debt conversions into stock.

On February 28, 2014, the Company's Series A Preferred Stock shareholders agreed to authorize a change to the Certificate of Designations of the Series A Preferred Stock in Nevada to lock the conversion price to the lower of (a) a fixed price of \$0.50 per share; and (b) the lowest price the Company has issued stock as part of a financing after January 1, 2006. Accounting Standards Codification subtopic 815-40, Derivatives and Hedging; Contracts in Entity's own Equity ("ASC 815-40") became effective for us on March 1, 2010. The Company's Series A (convertible) Preferred Stock had certain reset provisions that require the Company to reduce the conversion price of the Series A (convertible) Preferred Stock if we issue equity at a price less than the conversion price. Upon the effective date, the provisions of ASC 815-40 required a reclassification to liability based on the reset feature of the agreements if the Company sells equity at a price below the conversion price of the Series A Preferred Stock. In accordance with ASC 815-40, the Company records the changes in the fair value of the derivative liability as non-operating, non-cash income or expense. However, the reset provision was removed thereby eliminating the derivative liability as of February 28, 2014.

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary (any of the foregoing, a "liquidation"), holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of this Company to the holders of the common Stock or any other series of Preferred Stock by reason of their ownership thereof an amount per share equal to \$1.00 for each share (as adjusted for any stock dividends, combinations or splits with respect to such shares) of Series A Preferred Stock held by each such holder, plus the amount of accrued and unpaid dividends thereon (whether or not declared) from the beginning of the dividend period in which the liquidation occurred to the date of liquidation.

During the three months ended May 31, 2017, there were no transactions with regards to Series A Preferred Stock shares.

Dividends in arrears on the outstanding Series A Preferred Stock shares total \$1,072,358 and \$1,025,233 as of May 31, 2017 and February 28, 2017, respectively. The Company had 1,869,611 shares of Series A Preferred Stock issued and outstanding as of May 31, 2017 and February 28, 2017.

#### ***Series B Preferred Stock***

The Company has authorized and designated 3,000,000 shares of Preferred Stock as Non-Voting Series B 10% Cumulative Convertible Preferred Stock with a par value of \$0.00001 per share (the "Series B Preferred Stock"). The holders of Series B Preferred Stock may elect to convert all or any part of such holder's shares into:

- common stock on a one for fifty basis, or
- shares of RealBiz's common stock at \$0.05 per share.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "liquidation"), the holders are entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to 100% of the stated value, plus any accrued and unpaid dividends thereon and any other fees or liquidated damages owing thereon, for each share of then outstanding Preferred Stock before any distribution or payment shall be made to the holders of any junior securities (common stock), and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the holders shall be ratably distributed among the holders of all preferred stock in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

During the three months ended May 31, 2017, there were no transactions with regards to Series B Preferred Stock shares.

Dividends in arrears on the outstanding Series B Preferred Stock total \$0 and \$0 as of May 31, 2017 and February 28, 2017, respectively. The Company had no shares of Series B Preferred Stock issued and outstanding as of May 31, 2017 and February 28, 2017, respectively.

#### ***Series C Preferred Stock***

The Company has authorized and designated 3,000,000 shares of Preferred Stock as Non-Voting Series C 10% Cumulative Convertible Preferred Stock with a par value of \$0.00001 per share (the "Series C Preferred Stock"). The holders of Series C preferred stock may elect to convert all or any part of such holder's shares into:

- common stock on a 2.5 for one basis, or
- shares of RealBiz's common stock at \$0.10 per share.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "liquidation"), the holders are entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to 100% of the stated value of \$5 per share, plus any accrued and unpaid dividends thereon and any other fees or liquidated damages owing thereon, for each share of then outstanding Preferred Stock before any distribution or payment is to be made to the holders of any junior securities (common stock), and if the assets of the Company are insufficient to pay in full such amounts, then the entire assets to be distributed to the holders are to be ratably distributed among the holders of all preferred stock in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

During the three months ended May 31, 2017, there were no transactions with regards to Series C Preferred Stock shares.

Dividends in arrears on the outstanding Series C Preferred Stock total \$0 and \$0 as of May 31, 2017 and February 28, 2017, respectively. The Company had no shares of Series C Preferred Stock issued and outstanding as of May 31, 2017 and February 28, 2017, respectively.

#### ***Series D Preferred Stock***

The Company has authorized and designated 3,000,000 shares of Preferred Stock as Non-Voting Series D 10% Cumulative Convertible Preferred Stock with a par value of \$0.00001 per share (the "Series D Preferred Stock"). The holders of Series D preferred stock may elect to convert all or any part of such holder's shares into:

- common stock on a 2.5 for one basis, or
- shares of RealBiz common stock at \$0.15 per share.

On July 9, 2014, the Company filed an Amendment to its Series D Certificate of Designation with the Secretary of State of the State of Nevada to change the conversion price from \$250.00 per share to a new conversion price of \$12.50 per share.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "liquidation"), the holders are entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to 100% of the stated value of \$5 per share, plus any accrued and unpaid dividends thereon and any other fees or liquidated damages owing thereon, for each share of then outstanding Preferred Stock before any distribution or payment is to be made to the holders of any junior securities (common stock), and if the assets of the Company are insufficient to pay in full such amounts, then the entire assets to be distributed to the holders are to be ratably distributed among the holders of all preferred stock in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

On October 2, 2012, the Company issued 380,000 shares of Series D Preferred stock as part of the October 2, 2012 exchange of securities agreement between the Company and Acknew Investments, Inc. (“Acknew”), for the acquisition of the entity that eventually became RealBiz Media Group, Inc. (RealBiz) and then and now constitutes significant operations of RealBiz, a holder of Class A common shares of RealBiz Holdings, Inc., which contained a “ratchet provision”: If, at any time while Acknew is a holder of Series D Preferred Stock and the Retirement Obligation (requiring the Company to pay out of 50% of all net profits from the Company or 50% of any new funding received by the Company from September 21, 2012, until such time as the \$700,000 of the Company’s Series D Preferred Stock shares owned by Acknew are redeemed by the Company) remains not fully satisfied, the Company sells or issues any common stock of the Company at an effective price per share that is lower than the then-effective conversion price (any such issuance being referred to as a “Dilutive Issuance”), then the conversion prices for the Series D Preferred Stock held by Acknew is reduced to equal the product obtained by multiplying (1) the then effective conversion price by (2) a fraction, the numerator of which is the sum of the number of total shares of common stock outstanding immediately prior to the Dilutive Issuance plus the number of shares of common stock which the aggregate consideration received by the Company in the Dilutive Issuance would purchase at the then-effective conversion price; and the denominator of which is the number of shares of common stock outstanding immediately after the Dilutive Issuance.

During the three months ended May 31, 2017, there were no transactions with regards to Series D Preferred Stock shares.

Dividends in arrears on the outstanding Series D Preferred Stock total \$0 and \$0 as of May 31, 2017 and February 28, 2017, respectively. The Company had no shares of Series D Preferred Stock issued and outstanding as of May 31, 2017 and February 28, 2017, respectively.

**Common Stock**

During the three months ended May 31, 2017, the Company:

- Sold 180,000 shares of common stock and warrants to purchase 180,000 shares of common stock with an exercise price of \$2 per share, for \$360,000 in proceeds in private transactions.
- Issued 144,800 shares of common stock valued at \$386,480 for stock compensation.
- Issued 67,444 shares of common stock valued at \$129,888 in connection with the exercise of warrants.
- Retired 167,635 shares of common stock valued at \$450,945 in connection with the settlement of a financial advisory agreement. In May 2017, we entered into a settlement agreement with a financial advisory firm who was engaged to raise capital per an agreement signed in October 2016. Based upon the firm’s inability to meet any of the agreed upon milestones, the firm agreed to return all the consideration paid for the services. The Company recorded \$450,945 credit to stock compensation in May 2017 as a result of the settlement.

The Company had 11,358,547 and 11,133,938 shares of common stock issued and outstanding as of May 31, 2017 and February 28, 2017, respectively.

**Common Stock Warrants**

The following table sets forth common stock purchase warrants outstanding as of May 31, 2017 and February 28, 2017, and changes in such warrants outstanding for the three months ended May 31, 2017:

	Warrants	Weighted Average Exercise Price
Outstanding, February 28, 2017	2,020,088	\$ 2.23
Warrants granted	238,244	\$ 2.69
Warrants exercised/forfeited/expired	(591,697)	\$ (1.06)
Outstanding, May 31, 2017	1,666,635	\$ 2.72
Common stock issuable upon exercise of warrants	1,666,635	\$ 2.72

As of May 31, 2017, there were 1,666,635 warrants outstanding with a weighted average exercise price of \$2.72 and weighted average life of 3.06 years. During the three months ended May 31, 2017, the Company granted 238,244 warrants – 800 warrants for consulting fees, 180,000 warrants in connection with common stock subscriptions, and 57,444 extended warrants after expiration.

**Note 8 – Commitments and Contingencies**

The Company leases its office space and certain office equipment under non-cancellable operating leases. In accordance with the terms of the office space lease agreement, the Company is renting the commercial office space, for a term of three years from January 1, 2016 through December 31, 2018. The rent for the three months ended May 31, 2017 and 2016 was \$20,385 and \$19,500, respectively.

Our future minimum rental payments through February 28, 2018 amount to \$81,344.

The following schedule represents obligations under written commitments on the part of the Company that are not included in liabilities:

	Current	Long Term		Totals
	February 28, 2018	February 28, 2019	February 28, 2020 and thereafter	
Leases	\$ 81,344	\$ 48,271	\$ —	\$ 129,615
Other	36,090	8,700	3,500	48,290
Totals	\$ 117,434	\$ 56,971	\$ 3,500	\$ 177,905

The Company is committed to pay three to six months' severance in the case of termination or death to certain key officers.

#### **Legal Matters**

The Company is involved, from time to time, in litigation, other legal claims and proceedings involving matters associated with or incidental to our business, including, among other things, matters involving breach of contract claims, intellectual property, employment issues, and other related claims and vendor matters. The Company believes that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on our financial condition or results of operations. However, assessment of the current litigation or other legal claims could change in light of the discovery of facts not presently known to the Company or by judges, juries or other finders of fact, which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

On March 28, 2016, the Company was presented with a Demand for Arbitration, pursuant to Rule 4(a) of the American Arbitration Association Commercial Rules of Arbitration, whereby Acknew Investments, Inc. and Vice Regal Developments Inc. (Claimants) are arguing that \$700,000 is due to them, even though they have already been paid said amounts through preferred shares that were issued as a guarantee and which Claimants converted into shares of common stock. In connection with the purchase of the stock of the entity that eventually became RealBiz Media Group, Inc., the Company issued 380,000 shares of Monaker Series D Preferred Stock shares with a value of \$1,900,000, which was considered the \$1,200,000 value of the stock portion of the purchase price, and was also meant to guaranty the payment of the balance of \$700,000. The Company contends that the obligation to pay the \$700,000 was extinguished with the conversion of the Monaker Series D Preferred Stock shares into shares of common stock. The date for arbitration has not been set and the Company will vehemently defend its position.

On June 2, 2016, the Company paid an arbitration award of \$81,572 (\$73,959 plus interest of \$7,613) to Twelfth Child Entertainment, LLC for a License Agreement settlement for rights to air programs regarding "Foreclosure to Fabulous" television programming on the Company's previously owned media business that was sold on January 21, 2016. The Company absorbed this settlement as part of its partnership commitment with Launch Media 360 which is an investment of the Company.

#### **Litigation related to RealBiz Media Group, Inc. ("RealBiz")**

##### *Case Number 1:16-cv-61017-FAM*

On May 11, 2016, RealBiz filed a Complaint against us in the United States District Court for the Southern District of Florida (the "Complaint"). The Complaint alleges \$1,287,517 is due from us to RealBiz, and seeks the recovery of such amount, plus pre-judgment interest from October 31, 2015 and costs. The Complaint alleges causes of action including 'account stated' and 'unjust enrichment'.

On May 19, 2016, we filed an Answer and Counterclaim to the Complaint (the "Counterclaim") denying RealBiz's allegations and claims and pleading affirmative defenses including 'failure to state a claim for which relief can be granted', 'set-off' rights (including that if there was any amount owed, RealBiz's obligation to us far exceeded the \$1.3 million amount that RealBiz alleges is due to it), 'mistake or error', 'unclean hands', 'waiver', 'release', 'breach of contract' (we allege there was an oral agreement that all intercompany balances would be written-off) and 'rescission of letter addressing partial balance due' (confirming that a letter upon which RealBiz's case is predicated was rescinded shortly after its issuance and is of no force or effect). The Counterclaim against RealBiz alleges causes of action including 'unjust enrichment' (we allege that the net amount due to us from RealBiz is in excess of \$10 million dollars if there is no oral agreement), 'money had and received', and 'breach of contract' (we allege there was an oral agreement that all intercompany balances would be written-off), and seeks recovery of all actual damages, consequential damages and incidental damages, if any, including but not limited to attorney's fees and costs, plus-prejudgment and post-judgment interest. We believe the claims asserted in the Complaint, as amended, are without merit and intend to vigorously defend ourselves against the lawsuit while simultaneously seeking damages against RealBiz. The Company has no basis for determining whether there is any likelihood of material loss associated with the claims and/or the potential and/or the outcome of the litigation.

*Case No.: CACE-16-019818*

On October 27, 2016, the Company filed a Complaint (Monaker Group, Inc., f/k/a Next 1 Interactive, Inc. v. RealBiz Media Group, Inc., f/k/a Webdigs, Inc. and American Stock Transfer & Trust Company, LLC (“AST”)) for damages and injunctive relief from the defendant’s unreasonable delay and/or refusal to register the transfer of certain securities. We instructed RealBiz to transfer our preferred or common stock in RealBiz to certain of our shareholders on several occasions. Defendants, however, wrongfully refused to register the transfers in violation of the Delaware Code and the terms of RealBiz’s preferred and common stock.

*Case No.: 16-24978-CIV-GRAHAM*

On November 30, 2016, the Company filed a Complaint (Monaker Group, Inc., f/k/a Next 1 Interactive, Inc. v. RealBiz Media Group, Inc., f/k/a Webdigs, Inc. and American Stock Transfer & Trust Company, LLC) for damages and injunctive and declaratory relief, arising from RealBiz’s declared cancellation, retirement, and/or termination of certain securities. RealBiz notified Monaker of its intent to unilaterally cancel, retire, and/or terminate its preferred and common stock held by Monaker. RealBiz’s announced cancellation, retirement, and termination was without Monaker’s consent, and done in violation of Delaware law, federal law and the terms of RealBiz’s preferred and common stock.

In December 2016, RealBiz cancelled the 44,470,101 Series A preferred shares and 10,359,892 common shares which were held by the Company in connection with an alleged over issuance of common shares relating to the conversion of Monaker’s dual convertible preferred shares. In December 2016, the Company filed a lawsuit against RealBiz in the 11th Circuit Federal Court seeking an injunction against RealBiz’s action to claw back the aforementioned shares; the injunction was denied and the lawsuit is proceeding. Additionally, the Company seeks to reverse the clawback in its entirety.

*Case No.: 0:16-cv-62902-WJZ*

A class action lawsuit has been filed against us, William Kerby, our Chief Executive Officer and Chairman, Donald Monaco, our director, and D’Arelli Pruzansky, P.A., our former auditor, in the U.S. District Court for the Southern District of Florida on behalf of persons who purchased our common stock and exercised options between April 6, 2012 and June 23, 2016 (the “Class Period”). The case, McLeod v. Monaker Group, Inc. et al, was filed on December 9, 2016. The lawsuit focuses on whether the Company and its executives violated federal securities laws and whether the Company’s former auditor was negligent and makes allegations regarding the activities of certain Company executives. The lawsuit alleges and estimates total shareholders losses totaling approximately \$20,000,000. The lawsuit stems from the Company’s announcement in June 2016 that it would have to restate its financial statements due to issues related to the Company’s investment in RealBiz. The lawsuit asks the court to confirm the action is a proper class action. We believe the claims asserted in the lawsuit are without merit and intend to vigorously defend ourselves against the claims made in the lawsuit. The Company has no basis for determining whether there is any likelihood of material loss associated with the claims and/or the potential and/or the outcome of the litigation. On February 16, 2017, we filed a Motion to Dismiss the lawsuit and on March 3, 2017, the Court entered an order staying discovery and all other proceedings pending resolution of the Motion to Dismiss.

*Case No.: C.A 2017-0189*

On March 14, 2017, we filed a lawsuit against RealBiz pursuant to Section 220 of Delaware General Corporation Law, seeking relief in the form of an order compelling RealBiz to make available to Monaker, for inspection and copying, certain corporate books and records as demanded by Monaker in a February 27, 2017 letter (the “Demand”). In addition to our statutory right to inspection under Section 220, we have contractual rights to access books and records as outlined in the documents governing our investment in RealBiz. Monaker’s purpose in making the Demand is, among other things, to: (1) determine the status of its investment and interest in RealBiz; (2) determine the appropriateness of certain actions recently announced by RealBiz; (3) investigate suspected wrongdoing by certain officers and directors of RealBiz; and (4) determine whether the RealBiz’s directors advanced their personal interests at the expense of Monaker and other investors. RealBiz has declined to produce the requested books and records despite the Demand and communications between the parties’ counsels, filed a motion to dismiss taking the position that the Company is no longer a shareholder of RealBiz, and has insisted instead that Monaker serve a second request for production in a separate action, Monaker Group, Inc. v. RealBiz Media Group, Inc., No. 1:16-cv-24978-DLG, currently pending in the Southern District of Florida (the “Florida Action”).

*Case No.: 2017-0351*

On May 8, 2017, we filed a lawsuit against Alex Aliksanyan, Thomas Grbelja, Keith White, Warren Kettlewell, Anshu Bhatnagar (collectively, the “Director Defendants”, each former directors of non-party RealBiz) and AST. The action against the Director Defendants is for damages for breaching their fiduciary duties to Monaker and the action against AST is for aiding and abetting those breaches. The suit alleges that the Director Defendants acted in concert to dilute and terminate Monaker’s ownership interest in and control of RealBiz to enrich themselves. The suit also alleges that the Director Defendants entered into self-serving agreements, issued securities below the stated value of the preferred stock as well as the sale of common stock at a substantial discount to the market value and improperly terminated and cancelled Monaker’s preferred and common stock in RealBiz. Finally, the suit alleges that AST aided and abetted the Defendants Directors in converting and eliminating Monaker’s beneficial ownership in RealBiz securities.

*Case No.: 2017-0189-JRS*

On March 14, 2017, the Company filed a verified complaint in the Court of Chancery of the State of Delaware, seeking to exercise its statutory right to review books and records of RealBiz.

The Company is unable to determine the estimate of the probable or reasonable possible loss or range of losses arising from the above legal proceedings.

In May 2017, we entered into a settlement with a financial advisory firm who was engaged to raise capital per an agreement signed in October 2016. Based upon the firms inability to meet any of the agreed upon milestones, the firm agreed to return all the consideration paid for the services. The Company recorded \$450,945 credit to stock compensation in May 2017 as a result of the settlement.

#### **Note 9 – Business Segment Reporting**

Accounting Standards Codification 280-16 “Segment Reporting”, established standards for reporting information about operating segments in annual consolidated financial statements and required selected information about operating segments in interim financial reports issued to stockholders. It also established standards for related disclosures about products, services, and geographic areas. Operating segments are defined as components of the enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Company has one operating segment consisting of various products and services related to its online marketplace of travel and related logistics including destination tours / activities, accommodation rental listings, hotel listings, air and car rental. The Company’s chief operating decision maker is considered to be the Chief Executive Officer. The chief operating decision maker allocates resources and assesses performance of the business and other activities at the single operating segment level.

#### **Note 10 – Subsequent Events**

The Company has evaluated subsequent events occurring after the balance sheet date and has identified the following:

On June 5, 2017, we issued 2,000 shares of common stock, valued at \$4,000, for payment due pursuant to the terms of a consulting agreement.

On June 12, 2017, we entered into a Settlement and Release Agreement to terminate a Letter of Intent dated March 21, 2016 with ViewTrade Securities, Inc. (“ViewTrade”). We issued 17,500 shares of restricted common stock and warrants to purchase 17,500 shares of common stock, expiring on July 12, 2022, with an exercise price of \$2.25 per share in settlement of disputed compensation in connection with the Letter of Intent. In addition, the Company entered into a new Capital Markets & Business Advisory Agreement with ViewTrade for a one year period, terminating on June 11, 2018. ViewTrade will receive 35,000 shares of restricted common stock and warrants to purchase 35,000 shares of common stock, expiring on July 12, 2022, with an exercise price of \$2.25 per share, as compensation for the advisory services pursuant to the agreement.

On June 12, 2017, we entered into an extension of our revolving line of credit agreement with Republic Bank, Inc. of Duluth, Minnesota, in the maximum amount of \$1,200,000 (the “Line of Credit”). The maturity of the line of credit was extended from June 15, 2017 to September 13, 2017. On December 22, 2016, the revolving line of credit was increased from \$1,000,000 to \$1,200,000; all terms of the revolving line of credit remain unchanged. Amounts borrowed under the Line of Credit accrue interest at the Wall Street Journal U.S. Prime Rate plus 1% (updated daily until maturity), payable monthly in arrears beginning on July 15, 2016. Any amounts borrowed under the Line of Credit are due on September 13, 2017. The loan contains standard and customary events of default. There are no financial covenants for this agreement. From June 16, 2016 through May 31, 2017, we have made draws of \$1,193,000 under the line of credit.

On June 19, 2017, Monaker issued 10,000 shares of common stock, valued at \$25,000, for a one-time issuance owed as of the date of an investor relations and financial public relations consulting agreement.

On June 26, 2017, we engaged Roth Capital Partners, LLC (“Roth”) to act as a financial advisor for a period of three (3) months (Engagement Period) with respect to any offering of our equity or equity-linked securities. In connection with the engagement, Roth may review the Company’s capital requirements and potential sources of funds and such other activities as may be mutually agreed to from time to time between the Company and Roth. In exchange the Company shall, upon the consummation of an offering, pay Roth a cash advisory fee equal to \$25,000 and stock equal to \$25,000 in value at the time of closing (10,000 shares of common stock, valued at \$25,000). Either party may terminate this Agreement at any time, without liability or continuing obligation to the other party. Additionally, in the event the Company terminates this Agreement during the Engagement Period, the Company shall compensate Roth a cash advisory fee equal to \$25,000 and stock equal to \$25,000 in value at the time of closing in connection with any transaction entered into or consummated during the Engagement Period or for three (3) months after the termination of the Engagement Period.

On June 27, 2017, Monaker issued a total of 1,500 shares of common stock, valued at \$3,000, for payment due for June pursuant to the terms of a consulting agreement.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

### **Forward Looking Statements**

*The following discussion should be read in conjunction with the attached consolidated unaudited financial statements and notes thereto, and our consolidated audited financial statements and related notes for our fiscal year ended February 28, 2017 found in our Annual Report on Form 10-K. In addition to historical information, the following discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Where possible, we have tried to identify these forward looking statements by using words such as “anticipate,” “believe,” “intends,” or similar expressions. Our actual results could differ materially from those anticipated by the forward-looking statements due to important factors and risks including, but not limited to, those set forth in our Annual Report on Form 10-K.*

This Report contains statements that we believe are, or may be considered to be, “forward-looking statements”. All statements other than statements of historical fact included in this Report regarding the prospects of our industry or our prospects, plans, financial position or business strategy, may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as “may,” “will,” “expect,” “intend,” “estimate,” “foresee,” “project,” “anticipate,” “believe,” “plans,” “forecasts,” “continue” or “could” or the negatives of these terms or variations of them or similar terms. Furthermore, such forward-looking statements may be included in various filings that we make with the Securities and Exchange Commission or press releases or oral statements made by or with the approval of one of our authorized executive officers. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements contained herein, which reflect management’s opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements. You are advised, however, to consult any additional disclosures we make in our reports to the SEC. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this Report.

You should read the matters described in “Risk Factors” and the other cautionary statements made in this Report, and incorporated by reference herein, as being applicable to all related forward-looking statements wherever they appear in this Report. We cannot assure you that the forward-looking statements in this Report will prove to be accurate and therefore prospective investors are encouraged not to place undue reliance on forward-looking statements.

### **Critical Accounting Policies and Estimates**

The discussion and analysis of the Company’s financial condition and results of operations are based upon its consolidated unaudited financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these unaudited financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities. On an on-going basis, management evaluates past judgments and estimates, including those related to bad debts, accrued liabilities, convertible promissory notes and contingencies. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The accounting policies and related risks described in the Company’s annual report on Form 10-K as filed with the Securities and Exchange Commission on May 8, 2017 are those that depend most heavily on these judgments and estimates. As of May 31, 2017, there had been no material changes to any of the critical accounting policies contained therein.

### **Definitions:**

Unless the context requires otherwise, references to the “Company,” “we,” “us,” “our,” “Monaker” and “Monaker Group, Inc.” refer specifically to Monaker Group, Inc. and its consolidated subsidiaries including Extraordinary Vacations USA, Inc. (100% interest), NextTrip Holdings, Inc. (100% interest) and Voyages North America, LLC (72.5% interest).

In addition, unless the context otherwise requires and for the purposes of this report only:

- “Exchange Act” refers to the Securities Exchange Act of 1934, as amended;
- “SEC” or the “Commission” refers to the United States Securities and Exchange Commission; and
- “Securities Act” refers to the Securities Act of 1933, as amended.

This information should be read in conjunction with the interim unaudited financial statements and the notes thereto included in this Quarterly Report on Form 10-Q, and the unaudited financial statements and notes thereto and Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended February 28, 2017.

Certain capitalized terms used below and otherwise defined below, have the meanings given to such terms in the footnotes to our consolidated financial statements included above under "Part I - Financial Information" - "Item 1. Financial Statements".

In this Quarterly Report on Form 10-Q, we may rely on and refer to information regarding the refining, re-refining, used oil and oil and gas industries in general from market research reports, analyst reports and other publicly available information. Although we believe that this information is reliable, we cannot guarantee the accuracy and completeness of this information, and we have not independently verified any of it.

## **Overview**

Monaker Group, Inc. and its subsidiaries operate an online marketplace for the alternative lodging rental industry. Alternative lodging rentals (ALRs) are whole unit vacation homes or timeshare resort units that are fully furnished, privately owned residential properties, including homes, condominiums, villas and cabins, that property owners and managers rent to the public on a nightly, weekly or monthly basis. As an added feature to our ALR offerings, we also provide access to airline, car rental, hotel and activities products along with concierge tours and activities, at the destinations, that are catered to the traveler through our Maupintour products.

We provide a vacation rental platform with auxiliary services so travelers can purchase vacations through one site; our NextTrip.com, Maupintour.com or EXVG.com (or through distributors the Company provides ALRs to) while providing inquiries and bookings to property owners and managers. NextTrip serves three major constituents: (1) property owners and managers, (2) travelers, and (3) other distributors. Property owners and managers provide detailed listings of their properties to the Company with the goal of reaching a broad audience of travelers seeking ALRs. The property owners and managers provide us their properties, at a preferential net rate for each booking and, in return, their properties are listed for free as an available ALR on NextTrip.com (as well as other distributors who the Company has provided ALRs to). Travelers visit NextTrip.com (as well as other distributors who the Company has provided ALRs to) and are able to search and compare our large and detailed inventory of listings to find ALRs meeting their needs.

Monaker is a technology driven travel and logistics company with ALR products as its distinguishing niche. The ALRs are owned and leased by third parties and are available to rent through Monaker's websites as well as other distributors who Monaker has provided ALRs to. Monaker's services include critical elements such as technology, an extensive film library, media distribution, trusted brands and established partnerships that enhance product offerings and reach. Monaker has video content, media distribution, key industry relationships and a prestigious Travel Brand as cornerstones for the development and planned deployment of core-technology on both proprietary and partnership platforms.

## Summary

Monaker sells travel services to leisure and corporate customers around the world. The primary focus is on providing ALR options as well as providing schedule, pricing and availability information for booking reservations for airlines, hotels, rental cars, cruises and other travel products such as sightseeing tours, show and event tickets and theme park passes. The Company sells these travel services both individually and as components of dynamically-assembled packaged travel vacations and trips. In addition, the Company provides content that presents travelers with information about travel destinations, maps and other travel details; this content information is the product of proprietary video-centered technology that allows the Company to create targeted travel videos from its film libraries. In April 2017, the Company introduced its new Travel Platform under the NextTrip brand. This platform continues to be improved with a focus on maximizing the consumer's experience and assisting them in the decision and purchasing process.

The platform is a combination of proprietary and licensed technology (described below) that connects and searches large travel suppliers of alternative lodging inventories to present to consumers comprehensive and optimal alternatives at the most inexpensive rates to choose from.

The Company sells its travel services through various distribution channels. The primary distribution channel will be providing real-time bookable ALRs to other distributors (such as other travel companies' websites and networks of third-party travel agents) who will sell the ALRs to their customers. The second distribution channel is through its own website at NextTrip.com and the NextTrip mobile application ("app") as well as EXVG.com. The third distribution channel is selling travel services to customers through a toll-free telephone number designed to assist customers with complex or high-priced offerings of Maupintour.

Monaker's core holdings include NextTrip.com, Maupintour.com and EXVG.com. NextTrip.com is the primary website, where travel services and products are booked. The travel services and products include ALRs, tours, activities/attractions, airline, hotel, and car rentals. Maupintour complements the Nexttrip.com offering by providing high-end tour packages and activities/attractions. EXVG.com is the website where ALRs, that are not real-time bookable, will be promoted.

Additional holdings include an interest in RealBiz Media Group, Inc. ("RealBiz") of 44,470,101 RealBiz Preferred Series A Shares and 10,359,890 shares of RealBiz common stock which was deconsolidated on October 31, 2014 and written off as of February 29, 2016 as an unrealizable investment.

On October 31, 2014, RealBiz Media Group, Inc. (RealBiz) was deconsolidated from the Company as the interest in RealBiz had fallen from 61% to 43% and as of May 31, 2017, the interest in RealBiz is represented by 44,470,101 RealBiz Preferred Series A Shares and 10,359,890 shares of RealBiz common stock, notwithstanding RealBiz's attempt in January 2017 to cancel the majority of such shares as discussed below and the pending litigation in connection therewith. In addition, the Company is owed in excess of \$11.2 million in funds as a net receivable balance due from RealBiz for amounts paid for the benefits and services provided by Monaker on behalf of RealBiz. Both the shares and the net receivable have been written down to zero (\$0) as of May 31, 2017 and February 28, 2017, to reflect the realizable value of this investment and asset. These entities' accounts are no longer consolidated in the accompanying financial statements because we no longer have a controlling financial interest. All inter-company balances and transactions have been eliminated.

On November 16, 2016, RealBiz notified Monaker that the Board of Directors of RealBiz voted to unilaterally cancel and retire all issued and outstanding shares of RealBiz Preferred Stock and all but 1,341,533 shares of common stock of RealBiz held by Monaker, which were cancelled in January 2017. RealBiz's announced cancellation and retirement was without Monaker's consent, and done in violation of Delaware law, federal law and the terms of RealBiz's preferred and common stock. We filed a complaint on November 30, 2016 (Monaker Group, Inc., f/k/a Next 1 Interactive, Inc. v. RealBiz Media Group, Inc., f/k/a Webdigs, Inc. and American Stock Transfer & Trust Company, LLC Case No.: 1:16-cv-24978-DLG), seeking damages and injunctive and declaratory relief, arising from RealBiz's declared cancellation and retirement of the shares.

The Company is a Nevada corporation headquartered in Weston, Florida.

### **Sufficiency of Cash Flows**

Because current cash balances and our projected cash generated from operations are not sufficient to meet our cash needs for working capital and capital expenditures, management intends to seek additional equity or obtain additional credit facilities. However, there can be no assurance that we will be able to issue additional capital upon terms acceptable to us. The sale of additional equity will result in additional dilution to our shareholders. A portion of our cash may be used to acquire or invest in complementary businesses or products or to obtain the right to use complementary technologies. From time to time, in the ordinary course of business, we evaluate potential acquisitions of such businesses, products or technologies.

### **RESULTS OF OPERATIONS**

*For the Three Months Ended May 31, 2017 Compared to the Three Months Ended May 31, 2016*

#### **Revenues**

Our total revenues increased 64% to \$156,046 for the three months ended May 31, 2017, compared to \$95,099 for the three months ended May 31, 2016, an increase of \$60,947. The increase in sales is mainly due to an increase in the amount of travel trips being fulfilled for our luxury tour operations in the spring months that were booked prior to the three months ended May 31, 2017. These tour operations provide escorted and independent tours worldwide to upscale travelers. The Company has focused its efforts and resources on completing its platforms for alternative lodging products and has not budgeted marketing funds for revenue growth until the NextTrip.com platform was launched; as of May 31, 2017, the NextTrip.com website has been launched and marketing efforts for both NextTrip.com and tour operations will commence, funding permitting.

### **Operating Expenses**

Our operating expenses include salaries and benefits, general and administrative expenses, costs of revenues and selling and promotions expenses. Our operating expenses decreased 43% to \$895,126 for the three months ended May 31, 2017, compared to \$1,558,257 for the three months ended May 31, 2016, a decrease of \$663,131. This decrease was mainly attributable to the decrease in general and administrative expenses, which decreased \$791,536 or 83%, to \$159,664 for the three months ended May 31, 2017, compared to \$951,200 for the three months ended May 31, 2016. This was due to the \$450,945 credit from the settlement of the failed financial advisory agreement, a significant reduction in amortization of website development and related intangibles for platforms that were written-off as of fiscal year end February 28, 2017, and a corresponding decrease in technology and development costs which were due to less reliance on outside consultants for technology development. These aforementioned decreases were offset by (i) an increase in cost of sales due to the increase in tours being fulfilled, (ii) an increase in salaries and benefits mainly due to a stock bonus award to an officer and director of the Company and (iii) additional legal fees associated with defending lawsuits presented by RealBiz as well as the filing of Complaints against RealBiz during the three months ended May 31, 2017, compared to the prior year's period.

### **Other Income (Expenses)**

Interest expense decreased 1% to \$59,507 for the three months ended May 31, 2017, compared to \$59,916 for three months ended May 31, 2016, a decrease of \$409, which is due primarily to similar balances on interest bearing debt during both periods.

Gain on settlement of debt decreased to \$0 for the three months ended May 31, 2017, compared to \$284,300 for three months ended May 31, 2016, due to the settlement of a disputed note payable as of May 31, 2016.

Gain on sales of investment decreased to \$0 for the three months ended May 31, 2017, compared to \$112,150 for three months ended May 31, 2016, due to the sale of Name Your Fee, Inc. as of May 31, 2016 (as described in Note 4 of the financial statements included herein).

### **Net Loss**

We had a net loss \$798,587 for the three months ended May 31, 2017, compared to a net loss of \$1,126,624 for the three months ended May 31, 2016, a decrease of \$328,037 or 29%. The decrease in net loss was primarily due to a decrease of \$791,536 in general and administrative expense, which includes a \$450,945 credit from the settlement of the advisory agreement.

### **Contractual Obligations**

The following schedule represents obligations under written commitments on the part of the Company that are not included in liabilities:

	<u>Current</u>	<u>Long Term</u>		
	<u>February 28, 2018</u>	<u>February 28, 2019</u>	<u>February 28, 2020 and thereafter</u>	<u>Totals</u>
Leases	\$ 81,344	\$ 48,271	\$ —	\$ 129,615
Other	36,090	8,700	3,500	48,290
Totals	<u>\$ 117,434</u>	<u>\$ 56,971</u>	<u>\$ 3,500</u>	<u>\$ 177,905</u>

The Company is committed to pay three to six months' severance in the case of termination or death to certain key officers.

### **Liquidity and Capital Resources**

As of May 31, 2017, we had \$441,262 of cash on-hand, a decrease of \$565,803 from \$1,007,065 at the start of fiscal 2018. The decrease in cash was due primarily to the payment of operating expenses and website development costs during the three months ended May 31, 2017.

As of May 31, 2017, the Company had total current liabilities of \$2,913,272, consisting of a Line of Credit facility of \$1,193,000 from Republic Bank, accounts payable and accrued expenses of \$182,499, convertible promissory notes – related party of \$1,409,326 and other current liabilities of \$128,447. We anticipate that we will satisfy these amounts from proceeds derived from equity sales, warrant exercises and revenue generated from sales.

We had negative working capital of \$1,653,172 as of May 31, 2017 and an accumulated deficit of \$101,458,219.

Net cash used in operating activities was \$979,191 for the three months ended May 31, 2017, compared to \$898,700 for the three months ended May 31, 2016, an increase of \$80,491. This increase was primarily due to increases in stock based compensation and consulting fees which were offset by the \$450,945 credit from the settlement of the advisory agreement, the payoff of accounts payable, accrued expenses and other current liabilities.

Net cash used in investing activities was \$76,500 and \$4,200 for the three months ended May 31, 2017 and 2016, respectively which was primarily the result of the capitalized website development costs.

Net cash provided by financing activities decreased \$370,832 to \$489,888 for the three months ended May 31, 2017, compared to \$860,720, for the three months ended May 31, 2016. This decrease was primarily due to the net decrease of proceeds from the issuance of common stock and the exercise of warrants of \$350,832.

The growth and development of our business will require a significant amount of additional working capital. We currently have limited financial resources and based on our current operating plan, we will need to raise additional capital in order to continue as a going concern. However, there can be no assurance that we will be able to raise additional capital upon terms that are acceptable to us. We currently do not have adequate cash to meet our short or long-term objectives. In the event additional capital is raised, it may have a dilutive effect on our existing stockholders.

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Monaker is a technology driven travel and logistics company with alternative lodging rental inventory. Monaker's inventory consists of ALRs owned and leased by third parties which are available to rent through Monaker's websites. Core to the Company's services are key elements including technology, an extensive film library, media distribution, trusted brands and established partnerships that enhance product offerings and reach. We believe that consumers are quickly adopting video for researching and educating themselves prior to purchases, and Monaker has carefully amassed video content, media distribution, key industry relationships and a prestigious Travel Brand as cornerstones for the development and planned deployment of core-technology on both proprietary and partnership platforms.

We are subject to all the substantial risks inherent in the development of a new business enterprise within an extremely competitive industry. Due to the absence of a long standing operating history and the emerging nature of the markets in which we compete, we anticipate operating losses until we can successfully implement our business strategy, which includes all associated revenue streams. Our revenue model is new and evolving, and we cannot be certain that it will be successful. The potential profitability of this business model is unproven. We may never ever achieve profitable operations or generate significant revenues. Our future operating results depend on many factors, including demand for our products, the level of competition, and the ability of our officers to manage our business and growth. As a result of the emerging nature of the market in which we compete, we may incur operating losses until such time as we can develop a substantial and stable revenue base. Additional development expenses may delay or negatively impact the ability of the Company to generate profits. Accordingly, we cannot assure you that our business model will be successful or that we can sustain revenue growth, achieve or sustain profitability, or continue as a going concern.

We have very limited financial resources. We currently have a monthly cash requirement of approximately \$300,000, exclusive of capital expenditures. We will need to raise substantial additional capital to support the on-going operation and increased market penetration of our products and services including the development of national advertising relationships, increases in operating costs resulting from additional staff and office space until such time as we generate revenues sufficient to support our operations, if ever. We believe that in the aggregate, we could require several millions of dollars to support and expand the marketing and development of our travel products and services, repay debt obligations, provide capital expenditures for additional equipment and development costs, payment obligations, office space and systems for managing our business, and cover other operating costs until our planned revenue streams from travel products are fully-implemented and begin to offset our operating costs. Our failure to obtain additional capital to finance our working capital needs on acceptable terms, or at all, will negatively impact our business, financial condition and liquidity. As of May 31, 2017, we had approximately \$2.9 million of current liabilities (a decrease of approximately \$100,000 from the \$3.0 million of current liabilities as of February 28, 2017). We currently do not have the resources to satisfy these obligations, and our inability to do so could have a material adverse effect on our business, our ability to continue as a going concern, and the value of our securities.

Since our inception, we have funded our operations with the proceeds from the private equity financings. Currently, revenues provide less than 10% of our cash requirements. Our remaining cash needs are derived from debt and equity raises.

### **Recent Significant Funding Transactions**

On March 7, 2017, we received \$150,000 in proceeds and sold 75,000 shares of common stock and common stock warrants to purchase 75,000 shares of common stock expiring on March 6, 2020, with an exercise price of \$2.00 per share.

On March 9, 2017, we received \$100,000 in proceeds from the Robert Post 2007 Revocable Trust, whose Trustee is Robert Post, a Director of the Company, and issued 50,000 shares of common stock and common stock warrants to purchase 50,000 shares of common stock, expiring on March 8, 2020, with an exercise price of \$2.00 per share.

On March 10, 2017, we received \$100,000 in proceeds and issued 50,000 shares of common stock and common stock warrants to purchase 50,000 shares of common stock, expiring March 9, 2020 with an exercise price of \$2.00 per share

On June 12, 2017, we entered into an extension of our revolving line of credit agreement with Republic Bank, Inc. of Duluth, Minnesota, in the maximum amount of \$1,200,000 (the "Line of Credit"). The maturity of the line of credit was extended from June 15, 2017 to September 13, 2017. On December 22, 2016, the revolving line of credit was increased from \$1,000,000 to \$1,200,000; all terms of the revolving line of credit remain unchanged. Amounts borrowed under the Line of Credit accrue interest at the Wall Street Journal U.S. Prime Rate plus 1% (updated daily until maturity), payable monthly in arrears beginning on July 15, 2016. Any amounts borrowed under the Line of Credit are due on September 13, 2017. The loan contains standard and customary events of default. There are no financial covenants for this agreement. From June 16, 2016 through May 31, 2017, we have made draws of \$1,193,000 under the line of credit.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

#### ***Market Risk***

This represents the risk of loss that may result from the potential change in value of a financial instrument because of fluctuations in interest rates and market prices. We do not currently have any trading derivatives nor do we expect to have any in the future. We have established policies and internal processes related to the management of market risks, which we use in the normal course of our business operations.

### **Item 4. Controls and Procedures.**

#### **Evaluation of Disclosure Controls and Procedures**

We have established and maintain a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed with the Securities and Exchange Commission pursuant to the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Commission and that such information is accumulated and communicated to our management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate, to allow timely decisions regarding required disclosures.

Management, with the participation of our CEO and CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this report. As of May 31, 2017, based on the evaluation of these disclosure controls and procedures, and in light of the material weaknesses we found in our internal controls over financial reporting as of February 28, 2017 (as described in greater detail in our annual report on Form 10-K for the year ended February 28, 2017), our CEO and CFO have concluded that our disclosure controls and procedures were not effective to provide reasonable assurance that information required to be disclosed in our reports filed with the Securities and Exchange Commission pursuant to the Exchange Act, is recorded properly, processed, summarized and reported within the time periods specified in the rules and forms of the Commission and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures.

In light of the material weaknesses described above, we have performed additional analysis and other post-quarter procedures to ensure our consolidated financial statements are prepared in accordance with generally accepted accounting principles and we have contracted with experts, where necessary, for assistance in analyzing and determining the proper accounting and financial reporting treatment for various of the Company's complicated business transactions. Accordingly, management has concluded that the financial statements fairly present, in all material respects, our financial condition, results of operations and cash flows as at, and for, the periods presented in this report.

Changes In Internal Control Over Financial Reporting

We regularly review our system of internal control over financial reporting to ensure we maintain an effective internal control environment. There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings.

The Company is involved, from time to time, in litigation, other legal claims and proceedings involving matters associated with or incidental to our business, including, among other things, matters involving breach of contract claims, intellectual property, employment issues, and other related claims and vendor matters. The Company believes that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on our financial condition or results of operations. However, assessment of the current litigation or other legal claims could change in light of the discovery of facts not presently known to the Company or by judges, juries or other finders of fact, which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

On March 28, 2016, the Company was presented with a Demand for Arbitration, pursuant to Rule 4(a) of the American Arbitration Association Commercial Rules of Arbitration, whereby Acknew Investments, Inc. and Vice Regal Developments Inc. (Claimants) are arguing that \$700,000 is due to them, even though they have already been paid said amounts through preferred shares that were issued as a guarantee and which Claimants converted into shares of common stock. In connection with the purchase of the stock of the entity that eventually became RealBiz Media Group, Inc., the Company issued 380,000 shares of Monaker Series D Preferred Stock shares with a value of \$1,900,000, which was considered the \$1,200,000 value of the stock portion of the purchase price, and was also meant to guaranty the payment of the balance of \$700,000. The Company contends that the obligation to pay the \$700,000 was extinguished with the conversion of the Monaker Series D Preferred Stock shares into shares of common stock. The date for arbitration has not been set and the Company will vehemently defend its position.

On June 2, 2016, the Company paid an arbitration award of \$81,572 (\$73,959 plus interest of \$7,613) to Twelfth Child Entertainment, LLC for a License Agreement settlement for rights to air programs regarding "Foreclosure to Fabulous" television programming on the Company's previously owned media business that was sold on January 21, 2016. The Company absorbed this settlement as part of its partnership commitment with Launch Media 360 which is an investment of the Company.

#### **Litigation related to RealBiz Media Group, Inc. ("RealBiz")**

*Case Number 1:16-cv-61017-FAM*

On May 11, 2016, RealBiz filed a Complaint against us in the United States District Court for the Southern District of Florida (the "Complaint"). The Complaint alleges \$1,287,517 is due from us to RealBiz, and seeks the recovery of such amount, plus pre-judgment interest from October 31, 2015 and costs. The Complaint alleges causes of action including 'account stated' and 'unjust enrichment'.

On May 19, 2016, we filed an Answer and Counterclaim to the Complaint (the "Counterclaim") denying RealBiz's allegations and claims and pleading affirmative defenses including 'failure to state a claim for which relief can be granted', 'set-off' rights (including that if there was any amount owed, RealBiz's obligation to us far exceeded the \$1.2 million amount that RealBiz alleges is due to it), 'mistake or error', 'unclean hands', 'waiver', 'release', 'breach of contract' (we allege there was an oral agreement that all intercompany balances would be written-off) and 'rescission of letter addressing partial balance due' (confirming that a letter upon which RealBiz's case is predicated was rescinded shortly after its issuance and is of no force or effect). The Counterclaim against RealBiz alleges causes of action including 'unjust enrichment' (we allege that the net amount due to us from RealBiz is in excess of \$10 million dollars if there is no oral agreement), 'money had and received', and 'breach of contract' (we allege there was an oral agreement that all intercompany balances would be written-off), and seeks recovery of all actual damages, consequential damages and incidental damages, if any, including but not limited to attorney's fees and costs, plus-prejudgment and post-judgment interest. We believe the claims asserted in the Complaint, as amended, are without merit and intend to vigorously defend ourselves against the lawsuit while simultaneously seeking damages against RealBiz. The Company has no basis for determining whether there is any likelihood of material loss associated with the claims and/or the potential and/or the outcome of the litigation.

*Case No.: CACE-16-019818*

On October 27, 2016, the Company filed a Complaint (Monaker Group, Inc., f/k/a Next 1 Interactive, Inc. v. RealBiz Media Group, Inc., f/k/a Webdigs, Inc. and American Stock Transfer & Trust Company, LLC ("AST")) for damages and injunctive relief from the defendant's unreasonable delay and/or refusal to register the transfer of certain securities. We instructed RealBiz to transfer our preferred or common stock in RealBiz to certain of our shareholders on several occasions. Defendants, however, wrongfully refused to register the transfers in violation of the Delaware Code and the terms of RealBiz's preferred and common stock.

*Case No.: 16-24978-CIV-GRAHAM*

On November 30, 2016, the Company filed a Complaint (Monaker Group, Inc., f/k/a Next 1 Interactive, Inc. v. RealBiz Media Group, Inc., f/k/a Webdigs, Inc. and American Stock Transfer & Trust Company, LLC) for damages and injunctive and declaratory relief, arising from RealBiz's declared cancellation, retirement, and/or termination of certain securities. RealBiz notified Monaker of its intent to unilaterally cancel, retire, and/or terminate its preferred and common stock held by Monaker. RealBiz's announced cancellation, retirement, and termination was without Monaker's consent, and done in violation of Delaware law, federal law and the terms of RealBiz's preferred and common stock.

In December 2016, RealBiz cancelled the 44,470,101 Series A preferred shares and 10,359,892 common shares which were held by the Company in connection with an alleged over issuance of common shares relating to the conversion of Monaker's dual convertible preferred shares. In December 2016, the Company filed a lawsuit against RealBiz in the 11th Circuit Federal Court seeking an injunction against RealBiz's action to claw back the aforementioned shares; the injunction was denied and the lawsuit is proceeding. Additionally, the Company seeks to reverse the clawback in its entirety.

*Case No.: 0:16-cv-62902-WJZ*

A class action lawsuit has been filed against us, William Kerby, our Chief Executive Officer and Chairman, Donald Monaco, our director, and D'Arelli Pruzansky, P.A., our former auditor, in the U.S. District Court for the Southern District of Florida on behalf of persons who purchased our common stock and exercised options between April 6, 2012 and June 23, 2016 (the "Class Period"). The case, McLeod v. Monaker Group, Inc. et al, was filed on December 9, 2016. The lawsuit focuses on whether the Company and its executives violated federal securities laws and whether the Company's former auditor was negligent and makes allegations regarding the activities of certain Company executives. The lawsuit alleges and estimates total shareholders losses totaling approximately \$20,000,000. The lawsuit stems from the Company's announcement in June 2016 that it would have to restate its financial statements due to issues related to the Company's investment in RealBiz. The lawsuit asks the court to confirm the action is a proper class action. We believe the claims asserted in the lawsuit are without merit and intend to vigorously defend ourselves against the claims made in the lawsuit. The Company has no basis for determining whether there is any likelihood of material loss associated with the claims and/or the potential and/or the outcome of the litigation. On February 16, 2017, we filed a Motion to Dismiss the lawsuit and on March 3, 2017, the Court entered an order staying discovery and all other proceedings pending resolution of the Motion to Dismiss.

*Case No.: C.A 2017-0189*

On March 14, 2017, we filed a lawsuit against RealBiz pursuant to Section 220 of Delaware General Corporation Law, seeking relief in the form of an order compelling RealBiz to make available to Monaker, for inspection and copying, certain corporate books and records as demanded by Monaker in a February 27, 2017 letter (the "Demand"). In addition to our statutory right to inspection under Section 220, we have contractual rights to access books and records as outlined in the documents governing our investment in RealBiz. Monaker's purpose in making the Demand is, among other things, to: (1) determine the status of its investment and interest in RealBiz; (2) determine the appropriateness of certain actions recently announced by RealBiz; (3) investigate suspected wrongdoing by certain officers and directors of RealBiz; and (4) determine whether the RealBiz's directors advanced their personal interests at the expense of Monaker and other investors. RealBiz has declined to produce the requested books and records despite the Demand and communications between the parties' counsels, filed a motion to dismiss taking the position that the Company is no longer a shareholder of RealBiz, and has insisted instead that Monaker serve a second request for production in a separate action, Monaker Group, Inc. v. RealBiz Media Group, Inc., No. 1:16-cv-24978-DLG, currently pending in the Southern District of Florida (the "Florida Action").

*Case No.: 2017-0351*

On May 8, 2017, we filed a lawsuit against Alex Aliksanyan, Thomas Grbelja, Keith White, Warren Kettlewell, Anshu Bhatnagar (collectively, the "Director Defendants", each former directors of non-party RealBiz) and AST. The action against the Director Defendants is for damages for breaching their fiduciary duties to Monaker and the action against AST is for aiding and abetting those breaches. The suit alleges that the Director Defendants acted in concert to dilute and terminate Monaker's ownership interest in and control of RealBiz to enrich themselves. The suit also alleges that the Director Defendants entered into self-serving agreements, issued securities below the stated value of the preferred stock as well as the sale of common stock at a substantial discount to the market value and improperly terminated and cancelled Monaker's preferred and common stock in RealBiz. Finally, the suit alleges that AST aided and abetted the Defendants Directors in converting and eliminating Monaker's beneficial ownership in RealBiz securities.

*Case No.: 2017-0189-JRS*

On March 14, 2017, the Company filed a verified complaint in the Court of Chancery of the State of Delaware, seeking to exercise its statutory right to review books and records of RealBiz.

The Company is unable to determine the estimate of the probable or reasonable possible loss or range of losses arising from the above legal proceedings.

**Item 1A. Risk Factors.**

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended February 28, 2017, filed with the Commission on May 8, 2017, under the heading "Risk Factors", and investors should review the risks provided in the Form 10-K, prior to making an investment in the Company. The business, financial condition and operating results of the Company can be affected by a number of factors, whether currently known or unknown, including but not limited to those described in the Form 10-K for the year ended February 28, 2017, under "Risk Factors", any one or more of which could, directly or indirectly, cause the Company's actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect the Company's business, financial condition, operating results and stock price.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

During the three months ended May 31, 2017 the Company issued the following unregistered securities:

***Subscriptions***

- On March 7, 2017, we received \$150,000 in proceeds and sold 75,000 shares of common stock and common stock warrants to purchase 75,000 shares of common stock expiring on March 6, 2020, with an exercise price of \$2.00 per share.
- On March 9, 2017, we received \$100,000 in proceeds from the Robert Post 2007 Revocable Trust, whose Trustee is Robert Post, a Director of the Company, and issued 50,000 shares of common stock and common stock warrants to purchase 50,000 shares of common stock, expiring on March 8, 2020, with an exercise price of \$2.00 per share.
- On March 10, 2017, we received \$100,000 in proceeds and issued 50,000 shares of common stock and common stock warrants to purchase 50,000 shares of common stock, expiring March 9, 2020 with an exercise price of \$2.00 per share.

- On April 3, 2017, we received \$10,000 in proceeds and issued 5,000 shares of common stock and common stock warrants to purchase 5,000 shares of common stock, expiring April 20, 2020 with an exercise price of \$2.00 per share.

#### ***Warrant Exercise***

- On April 18, 2017, we received \$114,888 from Stephen Romsdahl, a 5% shareholder in the Company, and issued 57,444 shares of common stock in connection with a warrant exercise for \$2.00 per share.
- On April 28, 2017, we received \$15,000 in proceeds and issued 10,000 shares of common stock in connection with a warrant exercise for \$1.50 per share.

#### ***Consulting Agreements***

- On March 10, 2017, we issued 2,000 shares of common stock, valued at \$4,800, for payment due pursuant to the terms of a consulting agreement.
- On March 17, 2017 we issued 10,000 shares of common stock, valued at \$24,000, for payment due pursuant to the terms of a consulting agreement.
- On April 17, 2017, we issued 800 shares of common stock, valued at \$2,120 and common stock warrants to purchase 800 shares of common stock, expiring April 16, 2020, with an exercise price of \$2.00 per share, for commissions due pursuant to the terms of a consulting agreement.
- On April 18, 2017, we issued 10,000 shares of common stock, valued at \$27,500, for payment due pursuant to the terms of a consulting agreement.
- On May 8, 2017, we issued 20,000 shares of common stock, valued at \$54,600, for payment due pursuant to the terms of a consulting agreement.
- On May 8, 2017, we issued 2,000 shares of common stock, valued at \$5,460, for payment due pursuant to the terms of a consulting agreement.

#### ***Other***

- On April 19, 2017, we issued 100,000 shares of common stock to Omar Jimenez, a member of the Board of Directors and Executive of the Company, valued at \$268,000, as a fiscal year end February 28, 2017, employee bonus.
- Retired 167,635 shares of common stock valued at \$450,945 in connection with the settlement of the financial advisory agreement.

Subsequent to May 31, 2017, and through the filing date of this report, the Company issued the following unregistered securities:

#### ***Consulting Agreements***

- On June 5, 2017, we issued 2,000 shares of common stock, valued at \$4,000, for payment due pursuant to the terms of a consulting agreement.
- On June 12, 2017, we entered into a Settlement and Release Agreement to terminate a Letter of Intent dated March 21, 2016 with ViewTrade Securities, Inc. (“ViewTrade”). We issued 17,500 shares of restricted common stock and warrants to purchase 17,500 shares of common stock, expiring on July 12, 2022, with an exercise price of \$2.25 per share in settlement of disputed compensation in connection with the Letter of Intent. In addition, the Company entered into a new Capital Markets & Business Advisory Agreement with ViewTrade for a one year period, terminating on June 11, 2018. ViewTrade will receive 35,000 shares of restricted common stock and warrants to purchase 35,000 shares of common stock, expiring on July 12, 2022, with an exercise price of \$2.25 per share, as compensation for the advisory services pursuant to the agreement.
- On June 19, 2017, Monaker issued 10,000 shares of common stock, valued at \$25,000, for a one-time issuance owed as of the date of an investor relations and financial public relations consulting agreement.
- On June 26, 2017, we engaged Roth Capital Partners, LLC (“Roth”) to act as a financial advisor for a period of three (3) months (Engagement Period) with respect to any offering of our equity or equity-linked securities. In connection with the engagement, Roth may review the Company’s capital requirements and potential sources of funds and such other activities as may be mutually agreed to from time to time between the Company and Roth. In exchange the Company shall, upon the consummation of an offering, pay Roth a cash advisory fee equal to \$25,000 and stock equal to \$25,000 in value at the time of closing (10,000 shares of common stock, valued at \$25,000). Either party may terminate this Agreement at any time, without liability or continuing obligation to the other party. Additionally, in the event the Company terminates this Agreement during the Engagement Period, the Company shall compensate Roth a cash advisory fee equal to \$25,000 and stock equal to \$25,000 in value at the time of closing in connection with any transaction entered into or consummated during the Engagement Period or for three (3) months after the termination of the Engagement Period.

- On June 27, 2017 Monaker issued a total of 1,500 shares of common stock, valued at \$3,000, for payment due for June pursuant to the terms of a consulting agreement.

\*\*\*

We claim an exemption from registration for the issuances and sales described above pursuant to Section 4(a)(2) and/or Rule 506 of Regulation D of the Securities Act, since the foregoing issuances did not involve a public offering, the recipients were (a) “accredited investors”; and/or (b) had access to similar documentation and information as would be required in a Registration Statement under the Securities Act, the recipients acquired the securities for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. The securities were offered without any general solicitation by us or our representatives. No underwriters or agents were involved in the foregoing issuances and grants and we paid no underwriting discounts or commissions. The securities sold are subject to transfer restrictions, and the certificates evidencing the securities contain an appropriate legend stating that such securities have not been registered under the Securities Act and may not be offered or sold absent registration or pursuant to an exemption therefrom. The securities were not registered under the Securities Act and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws.

**Item 3. Defaults upon Senior Securities.**

There were no defaults upon senior securities during the quarter ended May 31, 2017.

**Item 4. Mine Safety Disclosures**

Not applicable

**Item 5. Other Information.**

There is no other information required to be disclosed under this item, which was not previously disclosed.

**Item 6. Exhibits.**

See the Exhibit Index following the signature page to this Quarterly Report on Form 10-Q for a list of exhibits filed or furnished with this report, which Exhibit Index is incorporated herein by reference.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**MONAKER GROUP, INC.**

Date: July 14, 2017

*/s/ William Kerby*  
\_\_\_\_\_  
William Kerby  
Chief Executive Officer  
(Principal Executive Officer)

Date: July 14, 2017

*/s/ Omar Jimenez*  
\_\_\_\_\_  
Omar Jimenez  
Chief Financial Officer  
(Principal Accounting/Financial Officer)

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>	<b>Filed or Furnished Herewith</b>	<b>Incorporated By Reference</b>			
			<b>Form</b>	<b>Exhibit</b>	<b>Filing Date/Date of Report</b>	<b>File No.</b>
10.1	Form of Orange and Charcoal January 26, 2017 Warrants to Purchase Common Stock		8-K	10.4	2/8/2017	000-52669
10.2	Form of Subscription Agreement for Units (February and March 2017)		8-K	10.1	3/10/2017	000-52669
10.3	Form of Warrant (February and March 2017 Subscriptions)		8-K	10.2	3/10/2017	000-52669
10.4	Joint Venture Acquisition Agreement between the Company and Launch 360 Media Inc. dated June 5, 2014		10-K	10.34	2/28/2017	000-52669
10.5	\$750,000 Promissory Note dated May 16, 2016, between Crystal Falls Investments, LLC as borrower and the Company as Lender		10-K	10.35	2/28/2017	000-52669
10.6	Amendment to Line of Credit Agreement dated December 22, 2016 by and between Monaker Group, Inc. and Republic Bank, Inc.		10-K	10.36	2/28/2017	000-52669
14.1	Code of Ethics		S-1/A	14.1	3/12/2009	333-154177
14.2	Code of Business Conduct		S-1/A	14.2	3/12/2009	333-154177
14.3	Whistleblower Protection Policy		8-K	14.1	4/25/2017	000-52669
<a href="#"><u>31.1*</u></a>	<a href="#"><u>Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act</u></a>	X				
<a href="#"><u>31.2*</u></a>	<a href="#"><u>Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act</u></a>	X				
<a href="#"><u>32.1**</u></a>	<a href="#"><u>Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>	X				
<a href="#"><u>32.2**</u></a>	<a href="#"><u>Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>	X				
99.1	Charter of the Audit Committee		8-K	99.1	4/25/2017	000-52669
99.2	Charter of the Compensation Committee		8-K	99.2	4/25/2017	000-52669
99.3	Charter of the Nominating and Corporate Governance Committee		8-K	99.3	4/25/2017	000-52669
101.INS	XBRL Instance Document	X				
101.SCH	XBRL Schema Document	X				
101.CAL	XBRL Calculation Linkbase Document	X				
101.DEF	XBRL Definition Linkbase Document	X				
101.LAB	XBRL Label Linkbase Document	X				
101.PRE	XBRL Presentation Linkbase Document	X				
*	Filed herewith.					
**	Furnished herewith.					

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, William Kerby, certify that:

1. I have reviewed this Form 10-Q of Monaker Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. Along with the Principal Accounting Officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13- a-15(f) and 15d-15 (f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financing reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 14, 2017

By: /s/ William Kerby  
William Kerby  
Chief Executive Officer  
(Principal Executive Officer)  
Monaker Group, Inc.

**CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Omar Jimenez, certify that:

1. I have reviewed this Form 10-Q of Monaker Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods present in this report;
4. Along with the Principal Executive Officer, I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13-a-15(f) and 15d-15 (f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financing reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 14, 2017

By: /s/ Omar Jimenez  
Omar Jimenez  
Chief Financial Officer  
(Principal Accounting/Financial Officer)  
Monaker Group, Inc.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of Monaker Group, Inc. (the “Company”), on Form 10-Q for the quarter ended May 31, 2017, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, William Kerby, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the quarter ended May 31, 2017, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Quarterly Report on Form 10-Q for the quarter ended May 31, 2017, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 14, 2017

By: /s/ William Kerby  
William Kerby  
Chief Executive Officer  
(Principal Executive Officer)  
Monaker Group, Inc.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of Monaker Group, Inc. (the “Company”), on Form 10-Q for the quarter ended May 31, 2017, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Omar Jimenez, Principal Accounting Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q for the quarter ended May 31, 2017, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in such Quarterly Report on Form 10-Q for the quarter ended May 31, 2017, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 14, 2017

By: /s/ Omar Jimenez  
Omar Jimenez  
Chief Financial Officer  
(Principal Accounting/Financial Officer)  
Monaker Group, Inc.