Submission Data File

General Information	
Form Type*	10-Q
Contact Name	Loev Corporate Filings, Inc.
Contact Phone	646-627-7722
Filer Accelerated Status*	Non-Accelerated Filer
Filer File Number	
Filer CIK*	0001372183 (Monaker Group, Inc.)
Filer CCC*	**********
Filer is Shell Company*	N
Filer is Smaller Reporting Company	Yes
Confirming Copy	No
Notify via Website only	No
Return Copy	No
SROS*	NASD
Period*	11-30-2020
Emerging Growth Company	No
Elected not to use extended transition period	No
(End General Information)	

Document Information	
File Count*	10
Document Name 1*	mkgi-10q_113020.htm
Document Type 1*	10-Q
Document Description 1	Quarterly Report
Document Name 2*	ex10-30.htm
Document Type 2*	EX-10.30
Document Description 2	Founding Investment and Subscription Agreement
Document Name 3*	ex10-31.htm
Document Type 3*	EX-10.31
Document Description 3	Founding Shareholders' Agreement
Document Name 4*	ex31-1.htm
Document Type 4*	EX-31.1
Document Description 4	Certification of Principal Executive Officer
Document Name 5*	ex31-2.htm
Document Type 5*	EX-31.2
Document Description 5	Certification of Principal Financial Officer
Document Name 6*	ex32-1.htm
Document Type 6*	EX-32.1
Document Description 6	Certification of Principal Executive
Document Name 7*	ex32-2.htm
Document Type 7*	EX-32.2
Document Description 7	Certification of Principal Financial Officer
Document Name 8*	ex1030001.jpg
Document Type 8*	GRAPHIC
Document Description 8	Graphic
Document Name 9*	ex1031001.jpg
Document Type 9*	GRAPHIC
Document Description 9	Graphic
Document Name 10*	ex1031002.jpg
Document Type 10*	GRAPHIC
Document Description 10	Graphic
(End Document Information)	

Notifications	
Notify via Website only	No
E-mail 1	submit@asapedgar.com
(End Notifications)	

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended: **November 30, 2020**

☐ 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. **001-38402**

MONAKER GROUP, INC.

(Exact name of registrant as specified in its charter)

Nevada	**26-3509845**
(State or other jurisdiction of incorporation or formation)	(I.R.S. Employer Identification Number)

2893 Executive Park Drive Suite 201
Weston, FL 33331
(Address of principal executive offices) (zip code)

(954) 888-9779
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.00001 Par Value Per Share	MKGI	The NASDAQ Stock Market LLC (Nasdaq Capital Market)

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 every Interactive Data File required to be submitted 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 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 ☐
Non-accelerated filer ☒
Emerging growth ☐

Accelerated filer ☐
Smaller reporting company ☒

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 January 19, 2021, the registrant had 18,520,839 shares of its common stock, par value $0.00001 per share, outstanding.

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Monaker Group, Inc. and Subsidiaries
Consolidated Balance Sheet

	November 30, 2020 (Unaudited)	February 29, 2020 (Audited)
Assets		
Current Assets		
Cash	$ 3,596,130	$ 162,506
Prepaid expenses and other current assets	786,867	334,995
Investments in unconsolidated affiliates - Short-term	54,886	979,954
Notes receivable, net	37,500	37,500
Other receivable	7,657,024	—
Security deposits	54,786	53,279
Total current assets	12,187,193	1,568,234
Non-current Assets		
Investments in unconsolidated affiliates	574,344	1,849,077
Investments in affiliates	9,272,121	—
Website Development costs and intangible assets, net	10,321,343	6,712,547
Fixed Assets, net	28,702	19,664
Operating lease right-of-use asset	15,843	76,762
Total assets	$ 32,399,546	$ 10,226,284
Liabilities and Stockholders' Equity		
Current Liabilities		
Line of Credit & Notes Payable	$ 7,709,890	$ 1,192,716
Accounts payable and accrued expenses	969,233	833,679
Other current liabilities	1,228,253	400,692
Operating lease liability	16,362	76,762
Revolving promissory notes - related party	2,797,592	1,575,000
Total current liabilities	12,721,330	4,078,849
Total liabilities	12,721,330	4,078,849
Commitments and contingencies		
Stockholders' equity		
Series A Preferred Stock, $0.01 par value; 3,000,000 authorized; no shares issued and outstanding at November 30, 2020 and February 29, 2020	—	—
Series B Preferred Stock, $0.00001 par value; 10,000,000 authorized; 10,000,000 and 0 shares issued and outstanding at November 30, 2020 and February 29, 2020, respectively	100	—
Series C Preferred Stock, $0.00001 par value; 3,828,500 authorized; 3,828,500 and 0 shares issued and outstanding at November 30, 2020 and February 29, 2020, respectively	38	—
Common stock, $0.00001 par value; 500,000,000 shares authorized; 14,811,089 and 13,069,339 shares issued and outstanding at November 30, 2020 and February 29, 2020, respectively	148	131
Additional paid-in-capital	142,633,694	122,000,201
Accumulated deficit	(122,955,764)	(115,852,897)
Total stockholders' equity	19,678,216	6,147,435
Total liabilities and stockholders' equity	$ $32,399,546	$ 10,226,284

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		For the Nine Months ended	
	November 30, 2020	November 30, 2019	November 30, 2020	November 30 2019
Revenues				
Travel and Commission revenues	$ 5,346	$ 89,168	$ 47,765	$ 358,818
Gross revenues	5,346	89,168	47,765	358,818
Cost of revenues	(9,419)	(87,368)	(43,186)	(298,805)
Gross profit/(loss)	(4,073)	1,800	4,579	60,013
Operating Expenses				
General and administrative	549,398	899,925	2,296,529	1,440,656
Salaries and benefits	642,343	453,476	1,665,661	1,185,587
Technology and development	148,839	319,938	464,861	1,298,134
Stock-based compensation	277,508	(149,911)	446,970	440,750
Selling and promotions expense	55,183	44,898	204,363	57,492
Depreciation and Amortization	89,948	73,784	253,254	220,686
Total operating expenses	1,763,219	1,642,110	5,331,638	4,643,305
Operating (Loss)	(1,767,292)	(1,640,310)	(5,327,059)	(4,583,292)
Other Income/(Expense)				
Valuation gain/(loss), net	(597,416)	(1,584,877)	(1,241,725)	(3,994,511)
Interest expense	(98,650)	(41,201)	(284,602)	(107,715)
Realized gain/(loss) on sale of Investments in unconsolidated affiliates	(109,915)	—	(594,431)	—
Other Income/(Expense)	229,477	(30,705)	344,950	(22,032)
Total other income/(expense)	(576,504)	(1,656,783)	(1,775,808)	(4,124,258)
Net (Loss)	$ (2,343,796)	$ (3,297,093)	$ (7,102,867)	$ (8,707,550)
Weighted average number of common shares outstanding				
Basic	14,598,149	12,993,362	13,870,277	11,352,020
Diluted	14,598,149	12,993,362	13,870,277	11,352,020
Basic net loss per share	$ (0.16)	$ (0.25)	$ (0.51)	$ (0.77)
Diluted net loss per share	$ (0.16)	$ (0.25)	$ (0.51)	$ (0.77)

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

Monaker Group, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity

For the Nine months ended November 30, 2020

	Preferred Stock A Shares	Preferred Stock A Amount	Preferred Stock B Shares	Preferred Stock B Amount	Preferred Stock C Shares	Preferred Stock C Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Equity
Balances, February 29, 2020	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**13,069,339**	**$ 131**	**$122,000,201**	**$(115,852,897)**	**$ 6,147,435**
Common stock issued for cash	—	$ —	—	$ —	—	$ —	1,000,000	$ 10	$ 1,819,990	$ —	$ 1,820,000
Shares issued for stock compensation	—	$ —	—	$ —	—	$ —	203,750	$ 2	$ 383,855	$ —	$ 383,857
Shares issued for Investor Relations	—	$ —	—	$ —	—	$ —	290,000	$ 3	$ 980,298	$ —	$ 980,301
Shares issued for marketing services	—	$ —	—	$ —	—	$ —	48,000	$ 1	$ 92,345	$ —	$ 92,345
Shares issued for business combination	—	$ —	—	$ —	—	$ —	200,000	$ 2	$ 427,998	$ —	$ 428,000
Shares issued for Investment in an Affiliate	—	$ —	10,000,000	$ 100	3,828,500	$ 38	—	$ —	$ 16,929,007	$ —	$ 16,929,145
Net income (loss)	—	$ —	—	$ —	—	$ —	—	$ —	$ —	$ (7,102,867)	$ (7,102,867)
Balances, November 30, 2020	**—**	**$ —**	**10,000,000**	**$ 100**	**3,828,500**	**$ 38**	**$14,811,089**	**$ 148**	**$142,633,694**	**$(122,955,764)**	**$ 19,678,216**

For the three months ended November 30, 2020

	Preferred Stock A Shares	Preferred Stock A Amount	Preferred Stock B Shares	Preferred Stock B Amount	Preferred Stock C Shares	Preferred Stock C Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Equity
Balances, August 31, 2020	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**14,461,839**	**$ 144**	**$124,724,106**	**$(120,611,968)**	**$ 4,112,283**
Common stock issued for cash	—	$ —	—	$ —	—	$ —	—	$ —	$ —	$ —	$ —
Shares issued for stock compensation	—	$ —	—	$ —	—	$ —	101,250	$ 1	$ 257,295	$ —	$ 257,295
Shares issued for Investor Relations	—	$ —	—	$ —	—	$ —	35,000	$ 0	$ 246,643	$ —	$ 246,644
Shares issued for marketing services	—	$ —	—	$ —	—	$ —	13,000	$ 0	$ 48,645	$ —	$ 48,645
Shares issued for business combination	—	$ —	—	$ —	—	$ —	200,000	$ 2	$ 427,998	$ —	$ 428,000
Shares issued for Investment in an Affiliate	—	$ —	10,000,000	$ 100	3,828,500	$ 38	—	$ —	$ 16,929,007	$ —	$ 16,929,145
Net income (loss)	—	$ —	—	$ —	—	$ —	—	$ —	$ —	$ (2,343,796)	$ (2,343,796)
Balances, November 30, 2020	**—**	**$ —**	**10,000,000**	**$ 100**	**3,828,500**	**$ 38**	**$14,811,089**	**$ 148**	**$142,633,694**	**$(122,955,764)**	**$ 19,678,216**

Monaker Group, Inc. and Subsidiaries
Consolidated Statements of Stockholders' Equity

For the Nine months ended November 30, 2019

	Preferred Stock A Shares	Preferred Stock A Amount	Preferred Stock B Shares	Preferred Stock B Amount	Preferred Stock C Shares	Preferred Stock C Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Equity
Balances, February 28, 2019	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**9,590,956**	**$ 96**	**$114,265,762**	**$(106,398,211)**	**$ 7,867,647**
Common stock issued for cash	—	$ —	—	$ —	—	$ —	1,000,500	$ 10	1,785,920	—	1,785,930
Warrants Exercised	—	$ —	—	$ —	—	$ —	122,350	$ 1	275,086	—	275,087
Stock issued for stock compensation	—	$ —	—	$ —	—	$ —	138,228	$ 1	397,698	—	397,700
Shares issued for Investor Relations	—	$ —	—	$ —	—	$ —	159,000	$ 2	372,248	—	372,250
Shares issued for Intangible Assets	—	$ —	—	$ —	—	$ —	1,968,000	$ 20	4,919,980	—	4,920,000
Shares issued for marketing services	—	$ —	—	$ —	—	$ —	15,000	$ —	32,400	—	32,400
Shares issued for unearned compensation	—	$ —	—	$ —	—	$ —	12,000	$ —	31,800	—	31,800
Warrants expired	—	$ —	—	$ —	—	$ —	—	$ —	(254,943)	—	(254,943)
Net income (loss)	—	$ —	—	$ —	—	$ —	—	$ —	—	(8,707,550)	(8,707,550)
Balances, November 30, 2019	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**$13,006,034**	**$ 130**	**$121,825,952**	**$(115,105,761)**	**$ 6,720,321**

For the three months ended November 30, 2019

	Preferred Stock A Shares	Preferred Stock A Amount	Preferred Stock B Shares	Preferred Stock B Amount	Preferred Stock C Shares	Preferred Stock C Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Stockholders' Equity
Balances, August 31, 2019	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**12,838,930**	**$ 128**	**$121,464,616**	**$(111,808,668)**	**$ 9,656,076**
Common stock issued for cash	—	$ —	—	$ —	—	$ —	—	$ —	—	—	—
Warrants Exercised	—	$ —	—	$ —	—	$ —	—	$ —	—	—	—
Stock issued for stock compensation	—	$ —	—	$ —	—	$ —	27,916	$ 1	60,711	—	60,712
Shares issued for Investor Relations	—	$ —	—	$ —	—	$ —	125,000	$ 1	270,249	—	270,250
Shares cancelled	—	$ —	—	$ —	—	$ —	(12,812)	$ —	(33,824)	—	(33,824)
Shares issued for marketing services	—	$ —	—	$ —	—	$ —	15,000	$ —	32,400	—	32,400
Shares issued for unearned compensation	—	$ —	—	$ —	—	$ —	12,000	$ —	31,800	—	31,800
Warrants Expired	—	$ —	—	$ —	—	$ —	—	$ —	—	—	—
Net income (loss)	—	$ —	—	$ —	—	$ —	—	$ —	—	(3,297,093)	(3,297,093)
Balances, November 30, 2019	**—**	**$ —**	**—**	**$ —**	**—**	**$ —**	**$13,006,034**	**$ 130**	**$121,825,952**	**$(115,105,761)**	**$ 6,720,321**

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 Nine Months Ended	
	November 30, 2020	**November 30, 2019**
Cash flows from operating activities:		
Net loss	$ (7,102,867)	$ (8,707,550)
Adjustments to reconcile net loss to net cash (used in) from operating activities:		
Amortization and depreciation	253,254	220,686
Stock based compensation and consulting fees	1,405,203	142,756
Unrealized (gain) loss on marketable securities	1,836,156	—
Valuation loss, net	—	5,386,289
Shares issued for intangible assets	—	4,920,000
Shares issued for services	—	372,250
Changes in operating assets and liabilities:		
Increase/(Decrease) in prepaid expenses and other current assets	(104,078)	(263,719)
(Decrease)/Increase in accounts payable and accrued expenses	135,554	22,472
(Decrease)/Increase in other current liabilities	773,220	426,713
Net cash provided by (used in) operating activities	$ (2,803,558)	$ 2,519,897
Cash flows from investing activities:		
Payment related to Intangible assets	(823,357)	(4,981,622)
Purchase of furniture, fixture, and equipment	(11,500)	(14,000)
Payment related to website development costs	(501,372)	(183)
Payment for business combination	(2,100,000)	—
Proceeds from sale of investment in unconsolidated affiliate	113,645	—
Net cash (used in) investing activities	$ (3,322,584))	$ (4,995,805)
Cash flows from financing activities:		
Proceeds from issuance of common stock	1,820,000	1,785,930
Proceeds from exercise of warrants	—	275,087
Proceeds from shareholder loans	—	175,000
Proceeds from promissory notes	4,765,000	350,000
Payment on promissory notes	(747,826)	—
Payment on promissory notes - related party	(367,408)	—
Proceeds from promissory notes - related party	4,090,000	—
Net cash provided by financing activities	$ 9,559,766	$ 2,586,017
Net increase in cash	$ 3,433,624	$ 110,109
Cash at beginning of period	$ 162,506	$ 32,979
Cash at end of period	$ 3,596,130	$ 143,088
Supplemental disclosure:		
Cash paid for interest	$ 284,602	$ 107,715
Supplemental disclosure of non-cash investing and financing activity:		
Shares issued for investment in an affiliate	$ 17,357,145	—

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") is an innovative technology company that is building next generation solutions to power the travel, gaming, and cryptocurrency industries. We believe the most promising part of the business plan for our travel operations is the incorporation of Monaker's proprietary Booking Engine and sizeable alternative lodging rental (ALR) properties into well-established marketplaces (i.e., a business-to-business (B2B) model) thereby facilitating easy access of alternative lodging rentals inventory to contracted global distributor partners.

The Company's travel operation serves three major constituents: (1) property managers, (2) travelers, and (3) other travel/lodging distributors. Property managers integrate their detailed property listings into the Monaker Booking Engine with the goal of reaching a broad audience of travelers seeking ALRs, through distribution channels they could not access otherwise.

The Company's planned gaming and cryptocurrency operations are expected to provide fully regulated and licensed (through the Thai Securities and Exchange Commission) digital asset financing, and investment services for digital assets. This innovative business model opens the door for new digital currency financing mechanisms and new digital investment products. Monaker has plans to use this innovative technology and digital asset capabilities to create regulated cryptocurrencies designed to allow consumers to invest in unique revenue streams in wholesale travel, real estate homes and hotels, gaming assets and digital advertising – as well as potential token and loyalty program opportunities complementary to Monaker's planned gaming (in connection with the acquisition of HotPlay Enterprise Limited, assuming such acquisition is completed, as discussed below) and current travel businesses.

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 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 29, 2020 and notes thereto and other pertinent information contained in the Form 10-K the Company has filed with the Securities and Exchange Commission (the "SEC") on May 29, 2020.

The results of operations for the nine months ended November 30, 2020, are not necessarily indicative of the results to be expected for the full fiscal year ending February 28, 2021.

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 the fair value of investments, the carrying amounts of intangible assets, depreciation and amortization, the valuation of stock options, 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 November 30, 2020 and February 29, 2020.

Website Development Costs

The Company accounts for website development costs in accordance with Accounting Standards Codification (ASC) 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 after 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 straight-line method over the remaining estimated economic life of the product.

Business Combination

The acquisition of Longroot, Inc. was accounted for using the acquisition method of accounting in accordance with ASC 805, Business Combinations ("ASC 805"). ASC 805 requires, among other things, that assets acquired, and liabilities assumed be recognized at their fair values, as determined in accordance with ASC 820, Fair Value Measurements, as of the closing date. ASC 805 establishes a measurement period to provide the Company with a reasonable amount of time to obtain the information necessary to identify and measure various items in a business combination and cannot extend beyond one year from the acquisition date.

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. Intangible assets that have finite useful lives are amortized over their useful lives. The Company incurred amortization expense of $248,980 and $220,353 during the nine months ended November 30, 2020 and 2019, 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 Financial Accounting Standards Board (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.

Reclassification

Certain prior period amounts have been reclassified to conform with the current period presentation. The reclassification has no impact on the total assets, total liabilities, stockholders' equity, and net loss for the period.

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 are 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.

Revenue Recognition

We recognize revenue when the customer has purchased the product, the occurrence of the earlier of date of travel or the date of cancellation has expired, the sales price is fixed or determinable and collectability is reasonably assured.

Revenue for customer travel packages purchased directly from the Company are recorded gross (the amount paid to the Company by the customer is shown as revenue and the cost of providing the respective travel package is recorded to cost of revenues).

We generate our revenues from sales directly to customers as well as through other distribution channels of tours and activities at destinations throughout the world. We also generate revenue from commissions on bookings and sales of ancillary products and services.

Payments for tours or activities received in advance of services being rendered are recorded as deferred revenue and recognized as revenue at the earlier of the date of travel or the last date of cancellation (i.e., the customer's refund privileges lapse).

Cost of Revenue

Cost of revenue consists of cost of the tours and activities, commissions and merchant fees charged by credit card processors.

Selling and Promotions Expense

Selling and promotion expenses consist primarily of advertising and promotional expenses, expenses related to our participation in industry conferences, and public relations expenses.

Warrant Modifications

The Company treats a modification of the terms or conditions of an equity award in accordance with ASC Topic 718-20-35-3 by treating the modification as an exchange of the original award for a new award. In substance, the entity repurchases the original instrument by issuing a new instrument of equal or greater value, incurring additional compensation cost for any incremental value. Incremental compensation cost shall be measured as the excess, if any, of the fair value of the modified award determined in accordance with the provisions of this Topic over the fair value of the original award immediately before its terms are modified, measured based on the share price and other pertinent factors at that date.

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 it does provide 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 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets of liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company uses Level 3 inputs for its valuation methodology for the warrant derivative liabilities and embedded conversion option liabilities.

Financial instruments consist principally of cash, accounts receivable, prepaid expenses, notes receivable, net, accounts payable, accrued liabilities, notes payable, related parties, line of credit and certain 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. 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 November 30, 2020, and February 29, 2020, the Company had an accumulated deficit of $122,955,764 and $115,852,897, respectively. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern.

We have very limited financial resources. We currently have a monthly cash requirement of approximately $525,000.

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 and increases in operating costs resulting from additional staff and office space until such time as we generate revenues sufficient to support current 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. We anticipate obtaining a portion of such funds from HotPlay (defined below), pursuant to the terms of HotPlay Exchange Agreement (defined below), and in the event the HotPlay Exchange Agreement closes. Our failure to close the HotPlay Share Exchange or 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 November 30, 2020, we had $12,721,330 of current liabilities. 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.

On July 23, 2020, we entered into (a) a Share Exchange Agreement with HotPlay Enterprise Limited ("HotPlay" and such share exchange agreement, as amended from time to time, the "HotPlay Exchange Agreement") and the stockholders of HotPlay (the "HotPlay Stockholders" and the transactions contemplated by the HotPlay Exchange Agreement, the "HotPlay Share Exchange"); and (b) a Share Exchange Agreement with certain stockholders holding shares of Axion Ventures, Inc. ("Axion", the "Axion Stockholders" and as amended and restated from time to time, the "Axion Exchange Agreement" and collectively with the HotPlay Exchange Agreement, the "Exchange Agreements") and certain debt holders holding debt of Axion (the "Axion Creditors" and the transactions contemplated by the Axion Exchange Agreement, the "Axion Share Exchange", and together with the HotPlay Share Exchange, the "Share Exchanges").

Pursuant to the HotPlay Exchange Agreement, the HotPlay Stockholders have agreed to exchange 100% of the outstanding capital shares of HotPlay (making HotPlay a wholly-owned subsidiary of the Company following the closing of the transactions contemplated therein) in consideration for 67.87% of the Company's post-closing capitalization (defined below) (the "HotPlay percentage" and the "HotPlay shares"). The Company's "post-closing capitalization" is equal to the total number of shares of common stock issued and outstanding following the completion of the HotPlay Exchange Agreement and Axion Preferred Conversion (defined below) and calculated by dividing the total number of shares of the Company's common stock outstanding immediately prior to the closing of the HotPlay Exchange Agreement (the "Closing"), by 17.45%, and rounding such number up to the nearest whole share. The post-closing capitalization does not take into account options, warrants or other convertible securities of Monaker outstanding at the Closing.

Pursuant to the Axion Exchange Agreement, which closed on November 16, 2020, (a) the Axion Stockholders (including Cern One Limited ("Cern One")), exchanged ordinary shares of Axion equal to 33.85% of the outstanding common shares of Axion, in consideration for 10,000,000 shares of newly designated shares of Series B Convertible Preferred Stock of the Company (the "Series B Preferred Stock"), which are automatically convertible into common shares of the Company upon the occurrence of certain events, including the approval of such issuances by the stockholders of the Company, into 14.68% of the post-closing capitalization (the "Axion percentage"), less the number of shares of the Company's common stock issuable upon conversion of the Series C Preferred Stock (defined below) and the exercise of the Creditor Warrants (defined below); and (b) the Axion Creditors exchanged debt of Axion in the aggregate amount of $7,657,024 (the "Axion Debt"), for (i) 3,828,500 shares of newly designated shares of Series C Convertible Preferred Stock of the Company (the "Series C Preferred Stock"), which are automatically convertible into common shares of the Company upon the occurrence of certain events, including the approval of such issuances by the stockholders of the Company, on a one-for-one basis; and (ii) a warrant, granted to Cern One, to purchase 1,914,250 shares of the Company's common at an exercise price of $2.00 (the "Creditor Warrants"), which is only exercisable upon the occurrence of certain events, including the approval of such issuance by the stockholders of the Company. The Creditor Warrants vest on the later of (a) the date the Series B Preferred Stock and Series C Preferred Stock convert into common stock and the earlier of (i) the date the Axion Debt is fully repaid by Axion or (ii) the date that the Company obtains 51% or more of the voting control of, and economic rights to, Axion, provided that such vesting date must occur before November 16, 2021, or the Creditor Warrants will terminate. The conversion of the Series B Preferred Stock and Series C Preferred Stock pursuant to their terms upon the closing of the HotPlay Share Exchange is defined herein as the "Axion Preferred Conversion".

Also, on November 16, 2020, the Company acquired 100% of Longroot, Inc., a Delaware corporation ("Longroot"), which in turn owned 57% of Longroot Limited, a Cayman Islands company ("Longroot Cayman"). Longroot Cayman owned 49% of the outstanding shares (100% of the ordinary shares) of Longroot Holding (Thailand) Company Limited ("Longroot Thailand"), provided that Longroot Cayman controls 90% of Longroot Thailand's voting shares and therefore effectively controls Longroot Thailand.

The acquisition was made pursuant to the November 2, 2020 Stock Purchase Agreement (the "SPA") entered into with Dr. Jason Morton ("Morton"), and for certain limited purposes set forth therein, Longroot. Pursuant to the SPA, the Company purchased, 100% of Longroot, in consideration for (a) $1,700,000 in cash; and (b) 200,000 shares of restricted common stock. A total of $100,000 was paid as a non-refundable deposit towards the purchase of Longroot on October 15, 2020, and a total of $700,000 was paid at the closing on November 16, 2020, along with the issuance of the shares. Additionally, prior to the closing, the Company advanced a separate $400,000 to Longroot which was used for working capital prior to closing which brought the purchase price to a total of $2.2 million. The remaining $900,000 owed to Morton pursuant to the terms of the SPA (the "Remaining Cash Payments") is payable in three installments of $300,000 each, due on or prior to (i) December 16, 2020 (30 days after the closing), which amount has been paid in full; (ii) March 16, 2021 (120 days after the closing); and (iii) April 15, 2021 (150 days after the closing), of which $150,000 was paid on December 11, 2020. Pursuant to the SPA, Morton has the option to elect to receive any or all the Remaining Cash Payments in shares of common stock of the Company, with such number of shares issuable based on a Company stock price of $3.00 per share.

A total of 22.9% of Longroot Cayman is owned by True Axion Interactive Ltd., of which Axion holds a 60% interest. Monaker currently owns approximately 33.85% of Axion's shares.

Longroot Thailand is an Initial Coin Offering (ICO) portal operator authorized and regulated under Thai Digital Asset Business Law and licensed by the Thai Securities and Exchange Commission. Longroot Thailand provides fully regulated and licensed digital assets financing, and investment services for digital assets. Monaker, as a majority stakeholder in Longroot Thailand, is planning to use the technology and digital asset capabilities to create cryptocurrencies regulated under Thai law, designed to allow consumers to invest in unique revenue streams in wholesale travel, real estate homes and hotels, gaming assets and digital advertising – as well as potential token and loyalty program opportunities complementary to Monaker's gaming and travel businesses.

Our current plan is to close the transactions contemplated by the HotPlay Share Exchange. We currently operate in the travel and cryptocurrency industries. Upon the completion of the HotPlay Exchange Agreement, the Company plans to transition its operations to those of a travel, cryptocurrency, and an in-game advertising company. During the period until the Closing of the HotPlay Exchange Agreement, and in the event the HotPlay Exchange Agreement is not consummated, the Company intends to continue to actively operate in the travel and cryptocurrency industries.

Management's plans with regard to this going concern are as follows: the Company plans to work towards closing the HotPlay share exchange, which is subject to certain closing conditions and other requirements, will continue to raise funds with third parties by way of public or private offerings (similar to the December 2020 underwritten offering discussed below under "Note 10 - Subsequent Events") and seek to obtain advances from HotPlay pursuant to the HotPlay Convertible Notes, discussed below under "Note 5 – Line of Credit and Notes Payable — HotPlay Convertible Notes" the Company is working aggressively to increase the viewership of its products by promoting it across other mediums which the Company hopes 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.

Although we currently cannot predict the full impact of the COVID-19 pandemic on our fourth quarter fiscal 2021 financial results relating to our operations, or for the year ended February 28, 2021, we anticipate a significant decrease in year-over-year revenue (similar to the decrease in quarter-over-quarter revenue we experienced during the quarters ended May 31, 2020, August 31, 2020 and November 30, 2020), which decreases we currently expect to continue into fiscal 2022 and possibly beyond. However, the ultimate extent of the COVID-19 pandemic and its impact on global travel and overall economic activity is unknown and impossible to predict currently.

Separately, our capital requirements may increase in the near term and long-term due to the impact of the COVID-19 pandemic, the resulting reduced demand for travel services, the increases in cancellations and re-bookings, and the extent to which such pandemic may further impact the ability of our customers to fulfill their payment obligations.

Practical Expedients and Exemptions

The Company does not disclose the value of unsatisfied performance obligations since its contracts generally have an original expected term of one year or less and the Company recognizes revenues at the amount to which it has the right to invoice for services performed.

The Company applies a practical expedient, as permitted within ASC 340, to expense as incurred the incremental costs to obtain a contract when the amortization period of the asset that would have otherwise been recognized is one year or less.

Leases

The Company utilizes operating leases for its offices. The Company determines if an arrangement is a lease at inception. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's contractual obligation to make lease payments under the lease. Operating leases are included in operating lease right-to-use assets, non-current, and operating lease liabilities current and non-current captions in the consolidated balance sheets.

Operating lease right-to-use assets and liabilities are recognized on the commencement date based on the present value of lease payments over the lease term. Lease agreements may contain periods of free rent or reduced rent, predetermined fixed increases in the minimum rent and renewal or termination options, all impacting the determination of the lease term and lease payments to be used in calculating the lease liability. Lease cost is recognized on a straight-line basis over the lease term. The Company uses the implicit rate in the lease when determinable. As most of the Company's leases do not have a determinable implicit rate, the Company uses a derived incremental borrowing rate based on borrowing options under its credit agreement. The Company applies a spread over treasury rates for the indicated term of the lease based on the information available on the commencement date of the lease.

Recent Accounting Policies Adopted

Leases. In February 2016, the FASB issued new guidance related to accounting and reporting guidelines for leasing arrangements [Accounting Standards Update No. 2016-02, Leases (Topic 842) (the Update)]. The new guidance requires entities that lease assets to recognize assets and liabilities on the balance sheet related to the rights and obligations created by those leases regardless of whether they are classified as finance or operating leases. Consistent with current guidance, the recognition, measurement, and presentation of expenses and cash flows arising from a lease primarily will depend on its classification as a finance or operating lease. The guidance also requires new disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. This guidance is effective for annual and interim reporting periods beginning after December 15, 2018. Early adoption is permitted and should be applied using a modified retrospective approach. We adopted this new guidance as of March 1, 2019.

The key difference between the previous guidance and the Update is the recognition of a right-to-use asset and lease liability on the statement of financial position for those leases previously classified as operating leases under the old guidance. Implementation of the Update will primarily impact the statement of financial position. It does not include provisions that would significantly impact the statements of operations or cash flows.

The Company's leases are classified as operating leases. Therefore, the operating right-to-use asset and operating lease liability were recorded on the balance sheet. There is no impact to retained earnings upon adoption. Our monthly rent payment is recorded as an expense on the straight-line basis on the statement of operations.

Measurement of Credit Losses on Financial Instruments. In June 2016, the FASB issued new guidance on the measurement of credit losses for financial assets measured at amortized cost, which includes accounts receivable, and available-for-sale debt securities. The new guidance replaces the existing incurred loss impairment model with an expected loss methodology, which will result in more timely recognition of credit losses. This update is effective for annual periods beginning after December 15, 2019, including interim periods within those annual periods. Early adoption is permitted for annual periods beginning after December 15, 2018, including interim periods within those annual periods. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In December 2019, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (ASU 2019-12), which simplifies the accounting for income taxes. This guidance will be effective for entities for the fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 on a prospective basis, with early adoption permitted. We will adopt the new standard effective March 1, 2021 and do not expect the adoption of this guidance to have a material impact on our consolidated financial statements.

In January 2020, the FASB issued Accounting Standards Update No. 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) (ASU 2020-01), which clarifies the interaction of the accounting for equity securities under Topic 321, the accounting for equity method investments in Topic 323, and the accounting for certain forward contracts and purchased options in Topic 815. This guidance will be effective for entities for the fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020 on a prospective basis, with early adoption permitted. We are currently evaluating the impact of the new guidance.

Note 2 – Notes Receivable and Other Receivable

Current

$230,000 Promissory Note from Bettwork Industries Inc.

On October 10, 2018, we entered into a Promissory Note with Bettwork Industries Inc. ("Bettwork"), a related party, in the amount of $200,000 which was amended and superseded by an Amended Promissory Note dated October 19, 2018, in the amount of $230,000 (the "Bettwork Note"). The Bettwork Note bears interest at 12% per year and matured on February 28, 2019. All interest and the principal balance are due and payable on the maturity date. The Bettwork Note includes a "Default Rate" of eighteen percent (18.0%) per annum and is secured by all of the outstanding preferred stock shares held by the Chairman of the Board of Directors of Bettwork (which provide for super-majority voting rights) and Bettwork is precluded from issuing additional shares of common stock or preferred stock without consent from Monaker. In November 2018, a payment of $40,000 was received and the outstanding principal balance of the Bettwork Note as of November 30, 2020 and February 29, 2020 is $190,000 and $190,000, respectively. An allowance for bad debt of $190,000 (i.e., 100%) was reserved against the Bettwork Note as of November 30, 2020 and February 29, 2020; this amount was recognized as a bad debt expense and is included in general and administrative expenses.

On March 12, 2019, and effective on February 28, 2019, we and Bettwork entered into a First Amendment to Amended Promissory Note (the "Note Amendment"), which amended the Bettwork Note to: (a) extend the maturity date thereof from February 28, 2019 to August 31, 2019; (b) provide Monaker the right to convert the principal and accrued interest owed under the Bettwork Note into common stock of Bettwork at a conversion price of $0.75 per share (as equitably adjusted for stock splits and recapitalizations); and (c) provide that Bettwork is required to provide Monaker at least 10 days written notice before any prepayment of the Bettwork Note. The Note Amendment also included a beneficial ownership limit, prohibiting Monaker from converting the Bettwork Note, if doing so would result in Monaker (together with its affiliates and/or any persons acting as a group together with Monaker) beneficially owning more than 19.99% of Bettwork's outstanding common stock after giving effect to such conversion, provided that, at the election of Monaker and with at least 61 days' written notice to Bettwork, such beneficial ownership limitation may be decreased (but not increased) to whatever percentage Monaker may determine. The Bettwork Note had a balance of $190,000 at the time of the parties' entry into the Note Amendment. Interest and principal had been paid through the date of the original maturity (in the amount of $40,000 of principal and $9,255 of interest as of February 28, 2019) and this Note Amendment is an extension to pay the principal, under the same terms and conditions as the Bettwork Note.

On October 10, 2019, and effective on August 31, 2019, we and Bettwork entered into the Second Amendment to Amended Promissory Note to extend the maturity date thereof from August 31, 2019 to February 29, 2020. All terms of the Bettwork Note remained unchanged. The Bettwork Note is currently in default.

$37,500 Promissory Note from Crystal Falls Investments LLC.

On January 13, 2020, we entered into a Promissory Note with Crystal Falls Investments LLC. ("Crystal" and the "Crystal Note"), a related party, in the amount of $37,500. The Crystal Note bears interest at 12% per year and matured on April 14, 2020. On April 16, 2020 and effective April 14, 2020, a first amendment to the Crystal Note was entered into extend the maturity date to August 14, 2020. All interest and the principal under the Crystal Note are due and payable on the maturity date. The Crystal Note includes a "Default Rate" of eighteen percent (18.0%) per annum and is secured by 2,000,000 shares of Bettwork's common stock currently held in escrow. The Company has the right to elect at maturity of the Crystal Note to either take payment of the amount due (i) in cash, or (ii) pledged shares, or any combination of cash and shares. The outstanding principal balance of the Crystal Note as of November 30, 2020 and February 29, 2020 is $37,500 and $37,500, respectively.

On September 15, 2020, and effective August 14, 2020, a second amendment to the Crystal Note was entered into between us and Crystal Falls, to extend the maturity date of the Crystal Note to February 14, 2021. All other terms of the Crystal Note remain unchanged.

Other Receivable

The Other Receivable of $7,657,024 as of November 30, 2020, represents the acquired Axion debt which was acquired on November 16, 2020, as described in greater detail in "Note 1 – Summary of Business Operations and Significant Accounting Policies", under "Going Concern". Pursuant to the Axion Exchange Agreement, which closed on November 16, 2020, the Axion Creditors exchanged debt of Axion in the aggregate amount of $7,657,024, for (i) 3,828,500 shares of newly designated shares of Series C Convertible Preferred Stock of the Company, which are automatically convertible into common shares of the Company upon the occurrence of certain events, including the approval of such issuances by the stockholders of the Company, on a one-for-one basis; and (ii) a warrant, granted to Cern One, to purchase 1,914,250 shares of the Company's common, which is only exercisable upon the occurrence of certain events, including the approval of such issuance by the stockholders of the Company. The Creditor Warrants vest on the later of (a) the date the Series B Preferred Stock and Series C Preferred Stock convert into common stock and the earlier of (i) the date the Axion Debt is fully repaid by Axion or (ii) the date that the Company obtains 51% or more of the voting control of, and economic rights to, Axion, provided that such vesting date must occur before November 16, 2021, or the Creditor Warrants will terminate.

Non-current

Conversion of $1,600,000 Promissory Note Into 2,133,333 Common Stock Shares of Bettwork Industries Inc.

On November 21, 2017, we entered into a Purchase Agreement and an addendum thereto (the "Purchase Addendum") with A-Tech LLC ("A-Tech") on behalf of its wholly-owned subsidiary Parula Village Ltd. ("Parula") whereby we purchased from A-Tech, through Parula, ownership of 12 parcels of land on Long Caye, Lighthouse Reef, Belize (the "Property") for 240,000 shares of restricted common stock valued at a total of $1,500,000. As part of the same consideration, A-Tech agreed to construct 12 vacation rental residences on the Property within 270 days of closing of the transaction (the "Construction Obligation"); and the agreement provided that if the vacation rental residences were not completed within the 270 days, Monaker would cancel 12,000 shares, valued at $75,000 (of the previously issued 240,000 shares of restricted common stock) for each residence not completed. Additionally, in the event the average closing price of Monaker's common stock for the 10 trading days prior to the 90th day after the closing of the transaction was less than $6.25 per share, Monaker was required to issue additional shares of restricted common stock such that the value of the shares issued to A-Tech totaled $1.5 million. On February 20, 2018 (the first business day following the 90th day after the closing), Monaker issued an additional 66,632 shares of common stock valued at $4.80 per share, for a total of $319,834, to meet the 90-day look-back provision for a guaranteed purchase price of $1.5 million. Bettwork and A-Tech share a common principal.

On May 31, 2018, Monaker and Bettwork entered into an agreement whereby Bettwork acquired the 'right to own' the Property from the Company in consideration for a Secured Convertible Promissory Note in the amount of $1.6 million (the "Secured Note"). The amount owed under the Secured Note accrues interest at a fluctuating interest rate, based on the prime rate, and is due and payable on May 31, 2020. The repayment of the Secured Note is secured by a first priority security interest in the 'right to own' and after the exercise thereof, the Property. Bettwork may prepay the Secured Note at any time, subject to its obligation to provide the Company 15 days prior written notice prior to any prepayment. The Secured Note was convertible into shares of Bettwork's common stock, at our option, subject to a 9.99% beneficial ownership limitation. The conversion price of the Secured Note was $1.00 per share, unless, prior to the Secured Note being paid in full, Bettwork completed a capital raise or acquisition and issued common stock or common stock equivalents (including, but not limited to convertible securities) with a price per share (as determined in our reasonable discretion) less than the Conversion Price then in effect (each a "Transaction"), at which time the Conversion Price was to be adjusted to match such lower pricing structure associated with the Transaction (provided such repricing shall continue to apply to subsequent Transactions which occur prior to the Secured Note being paid in full as well). On July 2, 2018, this promissory note was exchanged for 2,133,333 shares of Bettwork's common stock at $0.75 per share. The outstanding principal balance of the Secured Note as of November 30, and February 29, 2020 is $0. A deferred gain liability of $1.6 million had been reserved against the Secured Note on May 31, 2018. Upon the exchange of the note for common stock shares of Bettwork, on July 2, 2018, the deferred gain liability reserve of $1.6 million was reversed and recognized in net income as other income, gain on sales of assets for the quarter ended August 31, 2018. Bettwork's common stock was quoted on the OTC Pink market under the symbol "BETW".

Conversion of $2,900,000 Promissory Note Into 3,866,667 Common Stock Shares of Bettwork Industries Inc.

Effective on August 31, 2017, we entered into a Purchase Agreement (the "Purchase Agreement") with Bettwork. Pursuant to the Purchase Agreement, we sold Bettwork:

(a) Our 71.5% membership interest in Voyages North America, LLC, a Delaware limited liability company ("Voyages"), including the voyage.tv website and 16,000 hours of destination and promotional videos;

(b) Our 10% ownership in Launch360 Media, Inc., a Nevada corporation ("Launch360");

(c) Rights to broadcast television commercials for 60 minutes every day on R&R TV network stations which rights remain in place until the earlier of (i) the date the shares of Launch360 are no longer held by Bettwork; and (ii) the date that Launch360 no longer has rights to broadcast television commercials on R&R TV network stations, for whatever reason; and

(d) Our Technology Platform for Home & Away Club and supporting I.C.E. partnership (collectively (a) through (d), the "Assets").

Bettwork agreed to pay $2.9 million for the assets, payable in the form of a Secured Convertible Promissory Note (the "$2.9 Million Secured Note"). The amount owed under the $2.9 Million Secured Note accrues interest at the rate of (a) six percent per annum until the end of the last day of the month in which the sale occurred; and (b) the greater of (i) six percent per annum and (ii) the prime rate plus 3 3/4% per annum, thereafter through maturity, which maturity date was August 31, 2020, provided that the interest rate increases to twelve percent upon the occurrence of an event of default.

Bettwork may prepay the $2.9 Million Secured Note at any time, subject to its obligation to provide us 15 days prior written notice prior to any prepayment. The $2.9 Million Secured Note is convertible into shares of Bettwork's common stock, at our option, subject to a 4.99% beneficial ownership limitation (which may be waived by us with at least 61 days prior written notice). The conversion price of the $2.9 Million Secured Note is $1.00 per share (the "Conversion Price"), unless, prior to the $2.9 Million Secured Note being paid in full, Bettwork completes a capital raise or acquisition and issues common stock or common stock equivalents (including, but not limited to convertible securities) with a price per share (as determined in our reasonable discretion) less than the Conversion Price then in effect (each a "Transaction"), at which time the Conversion Price will be adjusted to match such lower pricing structure associated with the Transaction (provided such repricing shall continue to apply to subsequent Transactions which occur prior to the Secured Note being paid in full as well). On July 2, 2018, this promissory note was exchanged for 3,866,667 shares of Bettwork's common stock at $0.75 per share. The outstanding principal balance of the $2.9 Million Secured Note as of November 30, 2020 and February 29, 2020 is $0, and an allowance of $2,900,000 (i.e., 100%) had been reserved against the $2.9 Million Secured Note since its inception on August 31, 2017, through the date of exchange. Upon the exchange of the note into common stock shares of Bettwork on July 2, 2018, the deferred gain liability reserve of $2.9 million was reversed and recognized in net income as other income, gain on sales of assets for the quarter ended August 31, 2018. Bettwork's common stock was quoted on the OTC Pink market under the symbol "BETW".

Note 3 – Investment in Unconsolidated Affiliates

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.

Verus International, Inc and NestBuilder.com Corp (OTCMKTS: VRUS)

We have recognized an impairment loss on investment in unconsolidated affiliate. As of November 30, 2020, and February 29, 2020, Monaker owned 16,345,101 shares of Verus International, Inc. (formerly known as RealBiz Media Group, Inc. ("Verus")) Series A Preferred Stock. This interest was written down to zero ($0) as of February 28, 2015.

On December 22, 2017, we entered into a Settlement Agreement with Verus, NestBuilder.com Corp. ("Nestbuilder") and American Stock Transfer & Trust Company, LLC ("AST") relating to the dismissal with prejudice of certain pending lawsuits with Verus, including Case No.: 1:16-cv-24978- DLG in the United States District Court for the Southern District of Florida. As part of the Settlement Agreement, Monaker agreed to pay Nestbuilder $100,000 and to issue 20,000 shares of Monaker's restricted common stock to person(s) to be designated by Nestbuilder; Verus reinstated to Monaker 44,470,101 shares of Verus Series A Convertible Preferred Stock and ratified all rights under the Certificate of Designation as reformed and amended (to provide for a conversion ratio of 1 share of Verus common stock for each 1 share of Verus Series A preferred stock converted) and remove any dividend obligations. The Verus designation was also amended to provide us with anti-dilution protection below $0.05 per share. Also, as part of the Settlement Agreement, Monaker received 49,411 shares of common stock of Nestbuilder. The agreement further provided for each party to dismiss the above referenced lawsuits with prejudice and for general releases from each party.

On April 10, 2019 and effective on February 8, 2019, we entered into an Inducement Agreement with Verus. Pursuant to the Inducement Agreement, we agreed to amend the designation of the Series A Convertible Preferred Stock of Verus (the "Series A Preferred Stock")(of which we held 44,470,101 shares of Series A Preferred Stock as of the date of our entry into the Inducement Agreement, which converts into common stock of Verus, and votes on all stockholder matters, on a one-for-one basis, subject to the Ownership Blocker (discussed below)), to remove certain anti-dilution rights described therein; and Verus agreed to issue us 152,029,899 shares of its common stock (valued at approximately $2.2 million, based on a then current trading price of Verus' common stock of approximately $0.015 per share), following Verus' planned increase in authorized shares of common stock, pursuant to the anti-dilution rights of that certain Settlement Agreement by and among the Company, Verus, American Stock Transfer & Trust Company, LLC and NestBuilder.com Corp. executed on or about December 22, 2017, as previously disclosed. The designation of the Series A Preferred Stock, as amended, includes a 9.99% beneficial ownership limitation, preventing the Company from converting such Series A Preferred Stock into common stock of Verus (and reducing the voting rights of such preferred stock proportionally), if upon such conversion, the Company, its affiliates and/or any group which it is a part of, would own greater than 9.99% of Verus' common stock (the "Ownership Blocker").

On April 16, 2019, Verus filed a Certificate of Amendment (the "Amendment") to its Amended and Restated Certificate of Incorporation, as amended, to increase its authorized common stock from 1,500,000,000 shares to 7,500,000,000 shares and to decrease the par value of its common stock and preferred stock from $0.001 per share to $0.000001 per share. On April 23, 2019, Verus issued us the 152,029,899 shares of common stock.

Since the issuance date of such common stock, the Company has sold and transferred various shares of common stock of Verus.

As of February 29, 2020, the Company owned 61,247,139 shares of Verus's common stock which had a fair value of $0.016 per share or $979,954 in aggregate.

As of November 30, 2020, the Company owned 54,887,546 shares of common stock of Verus. As of November 30, 2020, the 54,887,546 shares of Verus's common stock held by the Company had a value of $0.001 per share ($54,888 in aggregate) which resulted in a decrease in the fair value of such shares of $835,281 for the nine months ended November 30, 2020. The change in fair value of $835,281 is recognized in net loss as other expense, valuation loss, net, as of November 30, 2020.

6,142,856 shares of Bettwork Industries Inc. Common Stock (formerly OTC Pink: BETW)

On July 2, 2018, three Secured Convertible Promissory Notes aggregating $5,250,000 (as described in "Note 2 – Note Receivable"), evidencing amounts we were owed by Bettwork, were exchanged for 7,000,000 shares of Bettwork's common stock at $0.75 per share for a fair value of $5,250,000 as of July 2, 2018. Bettwork's common stock had a readily determinable fair value as it was quoted on the OTC Pink market under the symbol "BETW". On November 29, 2018 and December 6, 2018, the Company entered into Stock Purchase Agreements with each of (a) the Donald P. Monaco Insurance Trust, of which Donald Monaco is the trustee and the Chairman of the Board of Directors of the Company; and (b) Charcoal Investment Ltd, which entity is owned by Simon Orange, a member of the Board of Directors of the Company, respectively (collectively, the "Purchasers" and the "Stock Purchase Agreements"). Pursuant to the Stock Purchase Agreements, the Company agreed to sell each of the Purchasers 428,572 shares of restricted common stock (857,144 in total) of Bettwork, which the Company then held (out of the 7 million shares of restricted common stock obtained by the Company pursuant to that certain Debt Conversion Agreement entered into with Bettwork, dated July 3, 2018, as previously disclosed) for an aggregate of $300,000 ($600,000 in total), or $0.70 per share. The purchase price for the Bettwork shares was determined by the Board of Directors of the Company, based on among other things, the then recent trading prices of Bettwork's common stock on the OTC Pink Market, as publicly reported. As additional consideration for entering into the Stock Purchase Agreements, the Company granted each of the Purchasers an option to acquire an additional 1,000,000 shares of restricted common stock of Bettwork for $700,000 ($0.70 per share), which option is exercisable by the applicable Purchaser at any time prior to the twenty-four (24) month anniversary of the closing date of the applicable Stock Purchase Agreement (which options expired unexercised). The allocation of the original acquisition price to the shares purchased by the Monaco Trust resulted in a realized loss on the sale of marketable securities of $21,429. The allocation of the original acquisition price to the shares purchased by Charcoal resulted in a realized loss on the sale of marketable securities of $21,429.

As of August 31, 2018 (the end of the last fiscal quarter prior to the entry into the Stock Purchase Agreements), the Company had valued the above-noted shares of Bettwork's common stock at the stock's trading price which was $0.70 per share. The carrying value of the Bettwork shares have been marked to market at the end of each reporting period through November 30, 2020.

As of February 29, 2020, the shares of Bettwork's common stock were trading at $0.25 per share which decreased the fair value of the 6,142,856 remaining shares of Bettwork common stock to $1,535,714 and caused an accumulated fair value loss of $6,081,427 to be realized. The change in fair value of $6,081,427 is recognized in net loss as other income, valuation loss, net, as of February 29, 2020.

As November 30, 2020, the 6,142,856 remaining shares of Bettwork's common stock were trading at $0.06 per share valued at $368,571, which decreased the fair value by $1,167,143 for the fiscal year to date. The change in fair value of $1,167,143 is recognized in net loss as other expense, valuation loss, net for the nine months ended November 30, 2020.

Recruiter.com Group, Inc., formerly Truli Technologies Inc (OTCQB: RCRT)

On August 31, 2016, Monaker entered into a Marketing and Stock Exchange Agreement with Recruiter.com ("Recruiter"). The Agreement required Monaker to issue to Recruiter 75,000 shares of Monaker common stock in exchange for 2,200 shares of Recruiter common stock. Also, Monaker issued to Recruiter an additional 75,000 shares of Monaker common stock for marketing initiatives within the Recruiter platform. In essence, Monaker issued 75,000 shares of its common stock to purchase 2,200 shares of Recruiter, and Monaker issued an additional 75,000 shares of its common stock as a prepayment for marketing and advertising within the Recruiter platform. Recruiter was at that time a private company with a platform that companies and individuals use for employment placements. Monaker's investment in Recruiter was valued on May 31, 2019 at $412,247.

On January 15, 2019, pursuant to an Agreement and Plan of Merger / Merger Consideration, Truli Technologies Inc which subsequently changed its name to Recruiter.com Group, Inc. (OTCQB: RCRT) ("Recruiter.com"), acquired Recruiter and Monaker exchanged its 2,200 shares in Recruiter for 11,141,810 shares of Recruiter.com common stock.

On August 22, 2019, Recruiter.com announced a reverse stock split of its issued and outstanding common stock at a ratio of 1-for-80. This resulted in a reduction in the shares of Recruiter.com's common stock held by the Company from 11,141,810 shares to 139,273 shares, which shares were valued at $2.70 per share at market closing on the date of the reverse.

As of February 29, 2020, each share of Recruiter.com's common stock was valued at $2.25 per share which decreased the fair value of the 139,273 shares of Recruiter.com common stock to $313,363 and caused an accumulated fair value loss of $160,164 to be realized. The change in fair value of $160,164 is recognized in net loss as other income, valuation loss, net, as of February 29, 2020.

As of November 30, 2020, the 124,710 shares of Recruiter.com's common stock were trading at $1.65 per share and valued at $205,772, which decreased the fair value of such shares by $107,592, for the nine months ended November 30, 2020. The change in fair value of $107,592 is recognized in net loss as other income, valuation loss, net, as of November 30, 2020.

During the quarter ended November 30, 2020, the Company sold 14,563 shares of Recruiter.com common stock to the public in open market transactions and received gross proceeds of $26,329.

Note 4 – Acquisitions and Dispositions

Sale of Verus International, Inc Shares to Public

During the month of March 2020, the Company sold 3,367,664 shares of Verus' common stock to the public in open market transactions and received gross proceeds of $46,670 from such sales.

During the month of April 2020, the Company sold 2,991,929 shares of Verus' common stock to the public in open market transactions and received gross proceeds of $40,646 from such sales.

During the second and third quarters from June 1, 2020 to August 31, 2020 and September 1, 2020 to November 30, 2020, the Company sold no shares of Verus' common stock to the public in open market transactions.

Acquisition of Axion Shares

The Investment in affiliate of $9,272,121 as of November 30, 2020, represents the Company's acquisition of Axion equity as described in greater detail in "Note 1 – Summary of Business Operations and Significant Accounting Policies", under "Going Concern", on November 16, 2020. Pursuant to the Axion Exchange Agreement, which closed on November 16, 2020, (a) the Axion Stockholders, exchanged ordinary shares of Axion equal to 33.85% of the outstanding common shares of Axion, in consideration for 10,000,000 shares of newly designated shares of Series B Convertible Preferred Stock of the Company, which are automatically convertible into common shares of the Company upon the occurrence of certain events, including the approval of such issuances by the stockholders of the Company, into 14.68% of the post-closing capitalization, less the number of shares of the Company's common stock issuable upon conversion of the Series C Preferred Stock and the exercise of the Creditor Warrants; and (b) the Axion Creditors exchanged debt of Axion in the aggregate amount of $7,657,024, for (i) 3,828,500 shares of newly designated shares of Series C Convertible Preferred Stock of the Company, which are automatically convertible into common shares of the Company upon the occurrence of certain events, including the approval of such issuances by the stockholders of the Company, on a one-for-one basis; and (ii) a warrant, granted to Cern One, to purchase 1,914,250 shares of the Company's common, which is only exercisable upon the occurrence of certain events, including the approval of such issuance by the stockholders of the Company. The Creditor Warrants vest on the later of (a) the date the Series B Preferred Stock and Series C Preferred Stock convert into common stock and the earlier of (i) the date the Axion Debt is fully repaid by Axion or (ii) the date that the Company obtains 51% or more of the voting control of, and economic rights to, Axion, provided that such vesting date must occur before November 16, 2021, or the Creditor Warrants will terminate.

Purchase of Longroot, Inc.

As described in greater detail in "Note 1 – Summary of Business Operations and Significant Accounting Policies", under "Going Concern", on November 16, 2020, the Company acquired 100% of Longroot, which in turn owned 57% of Longroot Cayman. Longroot Cayman owned 49% of the outstanding shares (100% of the ordinary shares) of Longroot Thailand, provided that Longroot Cayman controls 90% of Longroot Thailand's voting shares and therefore effectively controls Longroot Thailand.

The acquisition was made pursuant to the November 2, 2020 SPA entered into with Dr. Jason Morton, and for certain limited purposes set forth therein, Longroot. Pursuant to the SPA, the Company purchased, 100% of Longroot, in consideration for (a) $1,700,000 in cash; and (b) 200,000 shares of restricted common stock. A total of $100,000 was paid as a non-refundable deposit towards the purchase of Longroot on October 15, 2020, and a total of $700,000 was paid at the closing on November 16, 2020, along with the issuance of the shares. Additionally, prior to the closing, the Company advanced a separate $400,000 to Longroot which was used for working capital prior to closing which brought the purchase price to a total of $2.2 million. The remaining $900,000 owed to Morton pursuant to the terms of the SPA is payable in three installments of $300,000 each, due on or prior to (i) December 16, 2020 (30 days after the closing), which amount has been paid in full; (ii) March 16, 2021 (120 days after the closing); and (iii) April 15, 2021 (150 days after the closing), of which $150,000 has previously been paid as discussed below. Pursuant to the SPA, Morton has the option to elect to receive any or all the Remaining Cash Payments in shares of common stock of the Company, with such number of shares issuable based on a Company stock price of $3.00 per share.

In order to exercise such right, Morton must provide the Company notice no later than 5 days prior to the applicable due date of such applicable Remaining Cash Payment(s). In the event we fail to pay any of the Remaining Cash Payments when due, the amount not timely paid will bear interest at the rate of 7% per annum, until paid in full.

Pursuant to the SPA, Morton agreed not to compete for a period of two years following the closing date, in connection with the operation of an initial coin offering portal in Thailand, subject to customary exceptions. The SPA also contains an indemnification obligation whereby the Company agreed to indemnify and hold Morton harmless against any claims made by Axion Ventures, Inc. or any of its shareholders, directors, officers, agents or representatives against Morton in connection with the SPA or the Company's purchase of Longroot.

The Company hopes that the access to Longroot Limited's technology and digital asset capabilities will enable the Company to offer new financing mechanisms and participation options, including in wholesale travel, gaming, and digital advertising.

In accordance with ASC 805, as described in "Note 1 – Summary of Business Operations and Significant Accounting Policies", the Company has accounted for this business combination utilizing the following values in connection with the purchase of Longroot, Inc.: total consideration to selling shareholder of $2,528,000 and fair value of net assets acquired of $233,357 and an intangible asset (including license) of $2,294,643. The business combination accounting is provisionally complete for all assets and liabilities acquired on the acquisition date.

Note 5 – Line of Credit and Notes Payable

The National Bank of Commerce (FKA: Republic Bank) Line of Credit

On June 15, 2016, we entered into a revolving line of credit agreement with Republic Bank, Inc. of Duluth, Minnesota ("Republic"), 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 remained unchanged. On September 15, 2017, we entered into a replacement revolving line of credit agreement with Republic, which replaced and superseded the prior line of credit with Republic. The replacement revolving line of credit extended the due date of the Line of Credit to September 15, 2018. On September 15, 2018, we entered into another replacement revolving line of credit agreement with Republic, which replaced and superseded the prior line of credit with Republic and extended the due date of the Line of Credit to September 15, 2019.

On September 16, 2019, the Company entered into a commercial debt modification agreement with Republic to extend the maturity date of the line of credit to December 15, 2019. On December 6, 2019, the Company entered into another commercial debt modification agreement with National Bank of Commerce (which merged with Republic)("National Bank") to extend the maturity date of the line of credit to June 30, 2020. The line of credit, as amended and extended, provides that 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 September 28, 2018.

On May 7, 2020, the Company entered into a new Promissory Note with National Bank (the "New Note"). The Note replaced the prior promissory note we had in place with National Bank and extended the due date of the prior note from June 30, 2020 to December 31, 2020. The New Note also amended the interest rate of the prior note to provide that amounts due under the New Note accrue interest at the rate of prime plus 3% (which rate is currently 6.25%)(the interest rate of the prior note was prime plus 1%), subject to a floor of 4.5%. The New Note may be prepaid at any time without penalty. The New Note contains standard and customary events of default.

As of November 30, 2020, the principal balance of the note payable was $1,192,716.

Interest expense charged to operations relating to this line of credit was $52,595 and $107,715 for the nine months ended November 30, 2020 and 2019, respectively. The Company has accrued interest as of November 30, 2020 and 2019 of $-0- and $-0-, respectively.

As discussed in greater detail below under "Note 10 – Subsequent Events", the line of credit was repaid in full on December 1, 2020.

Note Purchase Agreement: Iliad Research and Trading, L.P.

On April 3, 2020, the Company entered into a Note Purchase Agreement (the "Note Purchase Agreement") with Iliad Research and Trading, L.P. ("Iliad"), pursuant to which the Company sold the Lender a Secured Promissory Note in the original principal amount of $895,000 (the "Iliad Note"). Iliad paid consideration of $800,000 for the Iliad Note, which included an original issue discount of $80,000 and reimbursement of Iliad's transaction expenses of $15,000.

The Iliad Note bears interest at a rate of 10% per annum and matures 12 months after its issuance date (i.e., on April 3, 2021). From time to time, beginning six months after issuance, Iliad may redeem a portion of the Iliad Note, not to exceed an amount of $200,000 per month. In the event we do not pay the amount of any requested redemption within three trading days, an amount equal to 25% of such redemption amount is added to the outstanding balance of the Iliad Note. Under certain circumstances the Company may defer the redemption payments up to three times, for a duration of 30 days each, provided that upon each such deferral the outstanding balance of the Iliad Note is increased by 2%. Subject to the terms and conditions set forth in the Iliad Note, the Company may prepay all or any portion of the outstanding balance of the Iliad Note at any time subject to a prepayment penalty equal to 15% of the amount of the outstanding balance to be prepaid. For so long as the Iliad Note remains outstanding, the Company has agreed to pay to Iliad 20% of the gross proceeds that the Company receives from the sale of any of its common stock or preferred stock, which payments will be applied towards and will reduce the outstanding balance of the Iliad Note, which percentage increases to 30% upon the occurrence of, and continuance of, an event of default under the Iliad Note (each an "Equity Payment"). Each time that we fail to pay an Equity Payment, the outstanding balance of the Iliad Note automatically increases by 10%. Additionally, in the event we fail to timely pay any such Equity Payment, Iliad may seek an injunction which would prevent us from issuing common or preferred stock until or unless we pay such Equity Payment.

Pursuant to the Iliad Note, we provided Iliad a right of first refusal to purchase any promissory note, debenture or other debt instrument which we propose to sell, other than sales to officers or directors of the Company and/or sales to the government. Each time, if ever, that we provide Iliad such right, and Iliad does not exercise such right to provide such funding, the outstanding balance of the Iliad Note increases by 3%. Each time, if ever, that we fail to comply with the terms of the right of first refusal, the outstanding balance of the Iliad Note increases by 10%. Additionally, upon each major default described in the Iliad Note (i.e., the failure to pay amounts under the Iliad Note when due or to observe any covenant under the Note Purchase Agreement (other than the requirement to make Equity Payments)) the outstanding balance of the Iliad Note automatically increases by 15%, and for each other default, the outstanding balance of the Iliad Note automatically increases by 5%, provided such increase can only occur three times each as to major defaults and minor defaults, and that such aggregate increase cannot exceed 30% of the balance of the Iliad Note immediately prior to the first event of default.

In connection with the Note Purchase Agreement and the Iliad Note, the Company has entered into a Security Agreement with Iliad (the "Security Agreement"), pursuant to which the obligations of the Company are secured by substantially all of the assets of the Company, subject to the priority lien and security interest of National Bank (as defined above) which secures amounts due under its $1.2 million line of credit.

On July 30, 2020, we made a prepayment of $347,826 towards the Iliad Note.

On October 6, 2020 and November 4, 2020, we received and paid redemption notices of $200,000 each or $400,000 in total which reduced the principal balance. As of November 30, 2020, the outstanding principal amount of the Iliad Note is $147,174 and the accrued interest is $45,283.

As discussed in greater detail below under "Note 10 – Subsequent Events", the outstanding balance of the Iliad Note was repaid in full on December 1, 2020.

Note Purchase Agreement: Streeterville Capital, LLC

On November 23, 2020, the Company entered into a Note Purchase Agreement (the "Note Purchase Agreement") with Streeterville Capital, LLC ("Streeterville"), pursuant to which the Company sold the Lender a Secured Promissory Note in the original principal amount of $5,520,000 (the "Streeterville Note"). Streeterville paid consideration of an initial cash purchase price of $3,500,000 for the note, and issued the Company a promissory note in the amount of $1,500,000 (the "Investor Note"). Subsequent to the $245,000 deduction of advisory fees paid to Ascendiant Capital Markets, LLC, the Company received net proceeds of $3,255,000.

The Streeterville Note bears interest at a rate of 10% per annum and matures 12 months after the Purchase Price Date (i.e., on November 23, 2021). From time to time, beginning six months after issuance, Streeterville may redeem a portion of the Streeterville Note, not to exceed the "Maximum Monthly Redemption Amount" as described in the note. In the event we do not pay the amount of any requested redemption within three trading days, an amount equal to 25% of such redemption amount is added to the outstanding balance of the Streeterville Note. Under certain circumstances the Company may defer the redemption payments up to three times, for a duration of 30 days each, provided that upon each such deferral the outstanding balance of the Streeterville Note is increased by 2%. Subject to the terms and conditions set forth in the Streeterville Note, the Company may prepay all or any portion of the outstanding balance of the Streeterville Note at any time subject to a prepayment penalty equal to 10% of the amount of the outstanding balance to be prepaid. For so long as the Streeterville Note remains outstanding, the Company has agreed to pay to Streeterville 20% of the gross proceeds that the Company receives from the sale of any of its common stock or preferred stock, which payments will be applied towards and will reduce the outstanding balance of the Streeterville Note, which percentage increases to 30% upon the occurrence of, and continuance of, an event of default under the Streeterville Note (each an "Equity Payment"). Each time that we fail to pay an Equity Payment, the outstanding balance of the Streeterville Note automatically increases by 10%. Additionally, in the event we fail to timely pay any such Equity Payment, Streeterville may seek an injunction which would prevent us from issuing common or preferred stock until or unless we pay such Equity Payment.

Pursuant to the Streeterville Note, we provided Streeterville a right of first refusal to purchase any promissory note, debenture or other debt instrument which we propose to sell, other than sales to officers or directors of the Company and/or sales to the government. Each time, if ever, that we provide Streeterville such right, and Streeterville does not exercise such right to provide such funding, the outstanding balance of the Streeterville Note increases by 3%. Each time, if ever, that we fail to comply with the terms of the right of first refusal, the outstanding balance of the Streeterville Note increases by 10%. Additionally, upon each major default described in the Streeterville Note (i.e., the failure to pay amounts under the Streeterville Note when due or to observe any covenant under the Note Purchase Agreement (other than the requirement to make Equity Payments)) the outstanding balance of the Streeterville Note automatically increases by 15%, and for each other default, the outstanding balance of the Streeterville Note automatically increases by 5%, provided such increase can only occur three times each as to major defaults and minor defaults, and that such aggregate increase cannot exceed 30% of the balance of the Streeterville Note immediately prior to the first event of default.

In connection with the Note Purchase Agreement and the Streeterville Note, the Company has entered into a Security Agreement with Streeterville (the "Security Agreement"), pursuant to which the obligations of the Company are secured by substantially all the assets of the Company, subject to a priority lien and security interest in the collateral of the Company.

The Investor Note, in the principal amount of $1,500,000, evidences the amount payable by Streeterville to the Company as partial consideration for the acquisition of the Streeterville Note. The Investor Note accrues interest at the rate of 10% per annum, payable in full on November 23, 2021, subject to a 30-day extension exercisable at the option of Streeterville and may be prepaid at any time. Streeterville may, in its sole discretion, designate collateral as security for its obligations under the Investor Note, provided that currently there is no collateral evidencing the repayment of such note. In the event (i) of the occurrence of any event of default under the Streeterville Note, (ii) of a breach of any material term, condition, representation, warranty, covenant or obligation of the Company under any agreement entered into with Streeterville along with the Note Purchase Agreement, or (iii) if the Company sells, transfers, assigns, pledges or hypothecates the Investor Note, or attempts to do any of the foregoing, Streeterville is entitled to deduct and offset any amount owing by the Company under the Streeterville Note from any amount owed by Streeterville under the Investor Note (provided that such amount is automatically offset if Streeterville has not exercised its offset right within 30 days prior to the maturity date of the Investor Note). The Investor Note includes customary events of default, subject to cure rights where applicable. The amount of the Investor Note has been offset against the amount of the Streeterville Note in the balance sheet as of November 30, 2020, as both notes have substantially similar terms, and the Investor Note was provided in consideration for the acquisition of a portion of the Streeterville Note.

The Paycheck Protection Program (PPP) Loan

On May 8, 2020, the Company obtained a $176,534 loan (the "Loan") from The Commercial Bank (the "Lender"), pursuant to the Paycheck Protection Program (the "PPP") under the "CARES Act". The Loan is evidenced by a promissory note (the "PPP Note"), dated effective May 8, 2020, issued by the Company to the Lender. The Note is unsecured with a 2-year term, matures on May 8, 2022, and bears interest at a rate of 1.00% per annum, payable monthly commencing on November 8, 2020, following an initial deferral period as specified under the PPP. The PPP Note may be prepaid at any time prior to maturity with no prepayment penalties. Proceeds from the Loan will be available to the Company to fund designated expenses, including certain payroll costs, rent, utilities and other permitted expenses, in accordance with the PPP. Under the terms of the PPP, up to the entire amount of principal and accrued interest may be forgiven to the extent Loan proceeds are used for qualifying expenses as described in the CARES Act and applicable implementing guidance issued by the U.S. Small Business Administration under the PPP (including that at least 60% of such Loan funds are used for payroll). The Company intends to use the entire Loan amount for designated qualifying expenses and to apply for forgiveness of the respective Loan in accordance with the terms of the PPP. No assurance can be given that the Company will obtain forgiveness of the Loan in whole or in part. With respect to any portion of the Loan that is not forgiven, the Loan will be subject to customary provisions for a loan of this type, including customary events of default relating to, among other things, payment defaults, breaches of the provisions of the PPP Note and cross-defaults.

On August 14, 2020, the Company submitted the loan forgiveness application to Commercial Bank for the entire amount of $176,534. The accrued interest was $561 as of August 31, 2020.

On November 10, 2020, the Company received notification from The Commercial Bank that the entire loan balance was forgiven. The principal was recorded as other income and the accrued interest was reversed.

HotPlay Convertible Notes

On September 1, 2020, September 18, 2020, September 30, 2020, on or around November 2, 2020, and on November 24, 2020, HotPlay advanced Monaker $300,000, $700,000, $1,000,000, $400,000, $100,000, respectively, under the terms of the HotPlay Exchange Agreement. The advances were evidenced by convertible promissory notes ("HotPlay Convertible Notes") in the amount of each advance, and an effective date as of the date of each advance. The HotPlay Convertible Notes totaled $2.5 million as of November 30, 2020.

The advances, and the entry into the HotPlay Convertible Notes, were required conditions to the HotPlay Exchange Agreement, pursuant to which HotPlay was required to loan us $1,000,000 on or before August 31, 2020 (provided that Monaker waived such delay in providing such initial $1,000,000 of HotPlay advances) and is required to loan us an additional $1,000,000 (each a "Subsequent Loan", and such loans, the "HotPlay Loans"), on September 30, 2020, and on the 15th day of each calendar month thereafter (each a "Required Lending Date"), through the date of closing of the HotPlay Exchange Agreement (provided that Monaker has waived any delay in timely providing such amounts to date).

The HotPlay Notes are automatically forgiven by HotPlay in the event the HotPlay Exchange Agreement is terminated (a) by written agreement of the parties thereto; (b) by HotPlay (and its stockholders) or the Company, if the closing has not occurred on or before the required date set forth in the HotPlay Exchange Agreement (currently February 28, 2021), unless the failure of the closing to have occurred is attributable to a failure on the part of the terminating party; (c) by the Company, if there is a material adverse effect on HotPlay or any schedule delivered by HotPlay is found to be materially misleading or conflict with any prior written or oral statement delivered to the Company; or (d) by the Company, if any representations or warranties made by HotPlay or its stockholders in the HotPlay Exchange Agreement are found to be materially inaccurate or any covenants are breached.

Alternately, if the HotPlay Exchange Agreement is terminated (a) by HotPlay or its principal stockholder (as applicable) because a governmental authority of competent jurisdiction issues a final non-appealable order, or takes any other action having the effect of, permanently restraining, enjoining, or otherwise prohibiting the consummation of the transactions contemplated by the HotPlay Exchange Agreement (a "Government Action"); (b) by HotPlay if any event occurs that makes it impossible to satisfy a condition precedent to the HotPlay Exchange Agreement; (c) by HotPlay if there is a material adverse effect on the Company; or (d) by HotPlay if any representations or warranties made by the Company in the HotPlay Exchange Agreement are found to be materially inaccurate or any covenant of the Company is breached; or by the Company in connection with a Government Action or any event occurs that makes it impossible to satisfy a condition precedent to the HotPlay Exchange Agreement (except as discussed above in connection with events which result in the automatic forgiveness of the HotPlay Notes), then the outstanding principal amount of the HotPlay Notes together with all accrued and unpaid interest thereon, automatically convert into fully paid and nonassessable shares of the Company's common stock at a conversion price of $2.00 per share.

In the event the transactions contemplated by the Share Exchange close, it is anticipated that the HotPlay Notes will be forgiven as intracompany loans.

If the Company fails to deliver the shares due upon a conversion within five business days, or the Company enters into a voluntary or involuntary bankruptcy proceeding, then HotPlay can declare the entire amount of the notes due and payable (provided the notes are automatically due upon the occurrence of certain bankruptcy events), and such note will accrue interest at the rate of 18% per annum until paid in full.

Note 6 –Related Party Promissory Notes and Transactions

Promissory Notes with Directors

The Company has entered into three promissory notes, two with two Directors (the "Director Notes") and one with the Donald P. Monaco Insurance Trust (the "Revolving Monaco Trust Note"), of which Donald P. Monaco is the trustee and the Chairman of the Board of Directors of the Company. The (i) Promissory Note with the Donald P. Monaco Insurance Trust is in the amount of up to $2,700,000, (ii) Promissory Note with Robert J. Mendola, Jr. (the "Director Notes") is in the amount of $150,000, and (iii) Promissory Note with Pasquale LaVecchia (the "Director Notes") is in the amount of $25,000.

On March 13, 2020 and March 26, 2020, the Company borrowed an additional $100,000 and $75,000, respectively, from the Monaco Trust pursuant to the terms of the Revolving Monaco Trust. On June 9, 2020 and June 10, 2020, the Company borrowed an additional $300,000 and $50,000, respectively, from the Monaco Trust. On July 7, 2020 and July 20, 2020, the Company borrowed an additional $250,000 and $50,000, respectively, from the Monaco Trust. On July 27, 2020, the Company paid principal of $50,000 and accrued interest of $49,784. On September 22, 2020, the Company paid principal of $142,408 and interest of $57,592. On November 16, 2020, the Company borrowed an additional $765,000 of the available amount remaining. As of November 30, 2020, the Revolving Monaco Trust Note has a balance of $2,797,592 and the amount remaining under the note of $2,408, can be accessed by the Company on a revolving basis, at any time, prior to the maturity date of the Revolving Monaco Trust Note, with the approval of the Monaco Trust.

On March 27, 2020, the Company entered into second amendments to the Director Notes to extend the maturity date of such Director Notes from April 1, 2020 to June 1, 2020 and entered into an amendment to extend the due date of the Revolving Monaco Trust Note from April 1, 2020 to December 1, 2020 (the "Second Note Amendment"). All remaining terms of the promissory notes remained unchanged.

On April 17, 2020, the Company paid off the Promissory Note with Pasquale LaVecchia in the amount of $26,225 (the principal of $25,000 and the interest of $6,225). On May 1, 2020, the Company paid off the Promissory Note with Robert J. Mendola, Jr. in the amount of $157,595 (the principal of $150,000 and the interest of $7,595). As of August 31, 2020, and August 31, 2019, the outstanding balances of the promissory notes with Pasquale LaVecchia and Robert J. Mendola, Jr. were $0 and $0, respectively.

On November 6, 2020, the Company entered into a third amendment to the Revolving Trust Note with the Monaco Trust, to extend the maturity date of such Revolving Monaco Trust Note to February 28, 2021. No other changes were made to such note as a result of such amendment.

On November 16, 2020, the Company entered into a fourth amendment to the Revolving Trust Note with the Monaco Trust, to increase the amount available under such Revolving Monaco Trust Note to $2,800,000. No other changes were made to such note as a result of such amendment.

The Revolving Trust Note had a balance of $2,797,592 as of November 30, 2020, and as discussed below under "Note 10 – Subsequent Events", was fully repaid on January 4, 2021.

Related Party Transactions

On November 16, 2020, the Company acquired 100% of Longroot, Inc., a Delaware corporation ("Longroot"), which in turn owned 57% of Longroot Limited, a Cayman Islands company ("Longroot Cayman"). Longroot Cayman owned 49% of the outstanding shares (100% of the ordinary shares) of Longroot Holding (Thailand) Company Limited ("Longroot Thailand"), provided that Longroot Cayman controls 90% of Longroot Thailand's voting shares and therefore effectively controls Longroot Thailand. Subsequent to this acquisition, the Company signed a service contract with Atato, an IT provider of cryptocurrency website maintenance. As of November 30, 2020, Miss Worapin Tatun, wife of the CEO of Atato and Mr. Pongsabutra Viraseranee, an employee and developer employed by Atato, both are minority shareholders of Longroot Thailand with a 25.5% interest of Preferred stock in Longroot Thailand each.

Note 7 – Stockholders' Equity

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 per share. 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. There are no Series A Preferred Stock shares outstanding.

Per the terms of the Certificate of Designations relating to the Series A Preferred Stock (as amended), 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) $1.24 per share; or

b) the lowest price the Company has issued stock as part of a financing after January 1, 2006; or

- 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 $62.50 of debt for each share of Series A Preferred Stock; or

- 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 financing such as new debt and equity financing and stock issuances as well as existing debt conversions into stock.

In the event of any liquidation, dissolution or winding up of this 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.

The Company had 0 shares of Series A Preferred Stock issued and outstanding as of November 30, 2020 and February 29, 2020.

Dividends in arrears on the previously outstanding Series A Preferred Stock shares totaled $1,102,066 as of November 30, 2020 and February 29, 2020. These dividends will only be payable when and if declared by the Board.

Series B Convertible Preferred Stock

In connection with the Axion Exchange Agreement, Monaker filed a certificate of designation of its Series B Convertible Preferred Stock with the Secretary of State of Nevada on November 13, 2020 (the "Series B designation"). The Series B designation designated 10,000,000 shares of Series B Preferred Stock, $0.00001 par value per share ("Series B Preferred Stock"). The Series B Preferred Stock has the following rights:

Dividend Rights. The Series B Preferred Stock does not accrue dividends.

Liquidation Preference. The Series B designation provides that the Series B Preferred Stock has a liquidation preference which is (a) pari passu with respect to the Company's common stock and Series C Preferred Stock; and (b) junior to all current and future senior indebtedness of the Company. If the Company determines to liquidate, dissolve or wind-up its business and affairs, the Company will prior to or concurrently with the closing, effectuation or occurrence of any such action, pay the holders of the Series B Preferred Stock, pari passu with the holders of the Series C Preferred Stock and common stock, an amount equal to $0.9272121 per share, or $9,272,121 in aggregate.

Conversion Rights. Each share of Series B Preferred Stock is automatically convertible on the Approval Date (defined below), into that number of shares of common stock as equal the Conversion Rate. For the purposes of the following sentence:

- "Approval Date" means the later of (a) the fifth business day after the approval by Monaker's stockholders of the issuance of shares of common stock upon conversion of the Series B Preferred Stock and Series C Preferred Stock; (b) the business day that the Company has affected a reverse stock split of its outstanding common stock subsequent to the approval by Monaker's stockholders of the issuance of shares of common stock upon conversion of the Series B Preferred Stock, to the extent such reverse stock split is deemed necessary by a Majority In Interest (defined below); (c) the date that NASDAQ has approved the continued listing of the Company's common stock on NASDAQ following the Closing; and (d) the Closing.

- "Conversion Rate" equals (i) (a) 14.68%; multiplied by, the post-closing capitalization, rounded up to the nearest thousandths place, less (b) the number of shares of the Company's common stock issuable upon conversion of the Series C Preferred Stock (defined below) and the exercise of the Creditor Warrants, divided by (ii) 10,000,000.

- "Majority In Interest" means holders holding a majority of the then aggregate shares of Series B Preferred Stock issued and outstanding or the majority of the then aggregate shares of Series C Preferred Stock issued and outstanding, depending on which class of preferred stockholders are approving such matter.

Additionally, the maximum number of shares of common stock to be issued in connection with the conversion of all of the outstanding shares of Series B Preferred Stock and Series C Preferred Stock shares (and upon conversion or exercise of any other securities required to be aggregated with the Series B Preferred Stock and Series C Preferred Stock shares pursuant to the applicable rules and requirements of NASDAQ), cannot exceed such number of shares of common stock that would violate applicable listing rules of NASDAQ in the event the Company's stockholders do not approve the issuance of the common stock issuable in connection with such conversion.

Voting Rights. The Series B Preferred Stock have no voting rights on general matters to come before the stockholders of the Company; however, the Company is prohibited from undertaking any of the following actions without the approval of a Majority In Interest:

(a) Increasing or decreasing (other than by redemption or conversion) the total number of authorized shares of Series B Preferred Stock;

(b) Re-issuing any shares of Series B Preferred Stock converted pursuant to the terms of the Series B designation;

(c) Effecting an exchange, reclassification, or cancellation of all or a part of the Series B Preferred Stock;

(d) Effecting an exchange, or creating a right of exchange, of all or part of the shares of another class of shares into shares of Series B Preferred Stock;

(e) Issuing any shares of Series B Preferred Stock other than pursuant to the Axion exchange agreement;

(f) Altering or changing the rights, preferences or privileges of the shares of Series B Preferred Stock so as to affect adversely the shares of such series; or

(g) Amending or waiving any provision of the Company's articles of incorporation or bylaws relative to the Series B Preferred Stock so as to affect adversely the shares of Series B Preferred Stock in any material respect as compared to holders of other series of shares.

Redemption Rights. The Series B Preferred Stock does not have any redemption rights.

Series C Convertible Preferred Stock

In connection with the Axion exchange agreement, Monaker filed a certificate of designation of its Series C Convertible Preferred Stock with the Secretary of State of Nevada on November 13, 2020 (the "Series C designation"). The Series C designation, which was approved by the Board of Directors of the Company on November 12, 2020, designates 3,828,500 shares of Series C Preferred Stock, $0.00001 par value per share of the Company ("Series C Preferred Stock"). The Series C Preferred Stock has the following rights:

Dividend Rights. The Series C Preferred Stock does not accrue dividends.

Liquidation Preference. The Series C designation provides that the Series C Preferred Stock has a liquidation preference which is (a) pari passu with respect to the Company's common stock and Series B Preferred Stock; and (b) junior to all current and future senior indebtedness of the Company. If the Company determines to liquidate, dissolve or wind-up its business and affairs, the Company will prior to or concurrently with the closing, effectuation or occurrence any such action, pay the holders of the Series C Preferred Stock, pari passu with the holders of the Series B Preferred Stock and common stock, an amount equal to $2.00 per share, or $7,657,000 in aggregate.

Conversion Rights. Each share of Series C Preferred Stock is automatically convertible on the Approval Date (defined and described above under "Series B Convertible Preferred Stock"), into one share of common stock (adjustable for stock splits and similar recapitalizations).

Additionally, the maximum number of shares of common stock to be issued in connection with the conversion of all of the outstanding shares of Series C Preferred Stock and Series B Preferred Stock shares (and upon conversion or exercise of any other securities required to be aggregated with the Series C Preferred Stock and Series B Preferred Stock shares pursuant to the applicable rules and requirements of NASDAQ), cannot exceed such number of shares of common stock that would violate applicable listing rules of NASDAQ in the event the Company's stockholders do not approve the issuance of the common stock issuable in connection with such conversion.

Voting Rights. The Series C Preferred Stock have no voting rights on general matters to come before the stockholders of the Company; however, the Company is prohibited from undertaking any of the following actions without the approval of a Majority In Interest:

(a) Increasing or decreasing (other than by redemption or conversion) the total number of authorized shares of Series C Preferred Stock;

(b) Re-issuing any shares of Series C Preferred Stock converted pursuant to the terms of the Series C designation;

(c) Effecting an exchange, reclassification, or cancellation of all or a part of the Series C Preferred Stock;

(d) Effecting an exchange, or creating a right of exchange, of all or part of the shares of another class of shares into shares of Series C Preferred Stock;

(e) Issuing any shares of Series C Preferred Stock other than pursuant to the Axion Exchange Agreement;

(f) Altering or changing the rights, preferences or privileges of the shares of Series C Preferred Stock so as to affect adversely the shares of such series; or

(g) Amending or waiving any provision of the Company's articles of incorporation or bylaws relative to the Series C Preferred Stock so as to affect adversely the shares of Series C Preferred Stock in any material respect as compared to holders of other series of shares.

Redemption Rights. The Series C Preferred Stock does not have any redemption rights.

Share Repurchase Transactions

During the nine months ended November 30, 2020 and 2019, there were no repurchases of the Company's common stock by Monaker.

Common Stock

During the nine months ended November 30, 2020, the following shares of common stock and other securities were issued and granted:

- On March 2, 2020, the Company issued 41,250 shares of restricted common stock to several directors of the Company, in consideration for services rendered to the Board during the quarter ended February 29, 2020, valued at $79,082.
- On March 9, 2020, the Company issued 140,000 shares of restricted common stock to several consultants, valued at $254,800, for investor and public relations services, and digital marketing services rendered.
- On April 23, 2020, the Company entered into a Consulting Agreement, pursuant to which the Company issued 20,000 shares of restricted common stock to a consultant, valued at $16,400, for digital marketing and corporate communications services rendered.
- On June 9, 2020, the Company issued 41,250 shares of restricted common stock to the Directors of the Company, in consideration for services rendered to the Board during the quarter ended May 31, 2020, valued at $58,575.
- On June 22, 2020, the Company issued 10,000 shares of restricted common stock, valued at $10,200 to an employee, in connection with a new employee agreement.
- On June 22, 2020, the Company issued 50,000 shares of restricted common stock to a consultant, valued at $92,500 for public and investor relations services rendered.
- On July 27, 2020, the Company issued 1,000,000 shares of common stock valued at $2,000,000 in a public offering whereby it sold 1,000,000 shares at a $2.00 per share offering price. We paid 7% of the aggregate public offering price to the placement agent in the offering.

- On August 10, 2020, the Company issued 80,000 shares of restricted common stock to several consultants, valued at $178,408, for investor and public relations services rendered.
- On September 8, 2020, the Company issued 60,000 shares of restricted common stock to several employees, valued at $145,200, for services rendered.
- On September 8, 2020, the Company issued 41,250 shares of restricted common stock to several Directors of the Company, in consideration for services rendered to the Board during the quarter ended August 31, 2020, valued at $99,825.
- On October 9, 2020, the Company issued 1,500 shares of restricted common stock to a consultant, valued at $3,315, for general consulting services rendered.
- On November 6, 2020, the Company issued 36,500 shares of restricted common stock to several consultants, valued at $68,280, for investor relations and general consulting services rendered.
- On November 16, 2020, the Company issued 200,000 shares of restricted common stock to Morton, valued at $428,000, pursuant to the terms of the Longroot SPA.
- On November 19, 2020, the Company issued 10,000 shares of restricted common stock to a consultant, valued at $24,000, for marketing services rendered.

The Company had 14,811,089 and 13,069,339 shares of common stock issued and outstanding as of November 30, 2020 and February 29, 2020, respectively.

Common Stock Warrants

On July 31, 2017, the Company issued warrants to purchase an aggregate of 613,000 shares of common stock in connection with a private placement offering of 613,000 shares of common stock and warrants. The warrants were exercisable immediately at $5.25 per share and expire on July 30, 2022. These warrants contain a subsequent equity sale reset "down round", which provides that if the Company sells or grants any option to purchase any common stock of the Company at any effective price per share less than the exercise price of the warrants, the exercise price shall be reduced to equal that lower exercise price.

During January 2018, the Company entered into a First Amendment To Warrant ("Amendment") agreement with Pacific Grove Capital LP ("Pacific Grove") which amended the warrants then held by Pacific Grove (acquired on July 31, 2017). This amendment led to a reduction in the exercise price of the warrants to purchase 350,000 shares of common stock held by Pacific Grove from $5.25 per share to $2.625 per share. This exercise price reduction was to incentivize the exercise of these warrants and to raise cash.

Additionally, as a result of the reduction in the exercise price of the Pacific Grove warrants which was agreed to pursuant to the Amendment, the anti-dilution provisions of the purchase agreement entered into with the purchasers pursuant to the July 31, 2017 purchases were triggered. Specifically, because the Company issued shares of common stock below (a) the $5.00 price per share of the securities sold pursuant to the purchase agreement, the purchasers were due an additional 14,458 shares of the Company's common stock; and (b) the $5.25 exercise price of the warrants sold pursuant to the purchase agreement (and the warrants granted to the placement agent), automatically decreased to $5.125 per share.

Additionally, as a result of the reduction in the exercise price of the Stadlin warrants which was agreed to pursuant to the amendment, the anti-dilution provisions of the purchase agreement and the purchasers' warrants granted in connection therewith was triggered. Specifically, because the Company issued shares of common stock below (a) the $5.00 price per share of the securities sold pursuant to the purchase agreement, the purchasers were due an additional 1,220 shares of the Company's common stock; and (b) the $5.125 exercise price of the warrants sold pursuant to the purchase agreement (and the warrants granted to the placement agent), the exercise price of such warrants remained unchanged at $5.125 per share.

At first, the warrants were accounted for as part of Company equity since the warrants were considered indexed to the Company's own stock. However, under ASC 815, the "down round" protection can sever the indexing to the Company's own stock and the warrants could be accounted for as derivative liabilities at the time the reset was triggered, which is how the Company accounted for such warrants, and the change in fair value resulting from the reset of $26,060 was recognized as change in fair value of derivative liabilities.

In July 2017, the FASB issued ASU 2017-11, Earnings Per Share (Topic 260) Distinguishing Liabilities from Equity (Topic 480) Derivatives and Hedging (Topic 815):

I. Accounting for Certain Financial Instruments with Down Round Features, II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception. ASU 2017-11 intends to reduce the complexity associated with the issuer's accounting for certain financial instruments with characteristics of liabilities and equity. Specifically, the Board determined that a down round feature (as defined) would no longer cause a freestanding equity-linked financial instrument (or an embedded conversion option) to be accounted for as a derivative liability at fair value with changes in fair value recognized in current earnings and is effective in fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The Company adopted the new standard during 2017, preventing the need to account for the Company to account for the outstanding warrants that contain down round features as derivative instruments.

As a result of the Company's April 2019 underwritten offering, the exercise price of the then outstanding warrants to purchase 724,000 shares of common stock granted as part of the Company's October 2, 2018 registered offering was automatically adjusted from $2.85 per share to $2.00 per share.

On November 16, 2020, in connection with the closing of the Axion Share Exchange Agreement, the Company granted Cern One, a warrant to purchase 1,914,250 shares of the Company's common at an exercise price of $2.00 per share (the "Creditor Warrants"), which is only exercisable upon the occurrence of certain events, including the approval of such issuance by the stockholders of the Company. The Creditor Warrants vest on the later of (a) the date the Series B Preferred Stock and Series C Preferred Stock convert into common stock and the earlier of (i) the date the Axion Debt is fully repaid by Axion or (ii) the date that the Company obtains 51% or more of the voting control of, and economic rights to, Axion (the "Vesting Date"), provided that such Vesting Date must occur before November 16, 2021, or the Creditor Warrants will terminate. The Creditor Warrants have a term ending on the second anniversary of the Vesting Date.

The following table sets forth common stock purchase warrants outstanding as of November 30, 2020 and February 29, 2020, and changes in such warrants outstanding for the nine months ended November 30, 2020:

	Warrants		Weighted Average Exercise
Outstanding, February 29, 2020	**1,347,391**	**$**	**3.32**
Warrants granted	1,923,850	$	2.00
Warrants exercised/forfeited/expired	(100,320)	$	(3.30)
Outstanding, November 30, 2020	**3,170,921**	**$**	**2.48**
Common stock issuable upon exercise of warrants	3,170,921	$	2.48

At February 29, 2020, there were warrants outstanding to purchase 1,347,391 shares of common stock with a weighted average exercise price of $3.32 and a weighted average remaining life of 2.30 years.

At November 30, 2020, there were warrants outstanding to purchase 3,170,921 shares of common stock with a weighted average exercise price of $2.48 and a weighted average remaining life of 1.59 years.

Related Party Transactions

Dividends in arrears on the previously outstanding Series A Preferred Stock shares totaled $1,102,066 as of November 30, 2020 and February 29, 2020. These dividends will only be payable when and if declared by the Board. The dividends are owed to Donald P. Monaco, our Chairman, and William Kerby, our CEO and a director.

Note 8 – Commitments and Contingencies

Our executive, administrative and operating offices are primarily located in Weston, Florida where we leased approximately 2,500 square feet of office space at 2690 Weston Road, Suite 200, Weston, Florida 33331. In accordance with the terms of the office space lease agreement, the Company was renting the commercial office space, for a term of three years from January 1, 2016 through December 31, 2018. Monthly rental costs for calendar years 2017, 2018 and 2019 were $6,695, $6,896 and $6,243, respectively per month.

The office lease described above terminated early on March 31, 2018, at the request of the landlord, without penalties to the Company. The Company entered into a new contract for new office space encompassing approximately 2,500 square feet at 2893 Executive Park Drive Suite 201, Weston, Florida 33331. The lease has a term of three years from April 15, 2018 through April 14, 2021. Monthly rental costs for the periods ending April 14, 2019, 2020 and 2021 are $6,243, $6,492 and $6,781, respectively.

On October 1, 2019, the Company entered into a new contract for a new call center, approximately 4,048 square feet, at 6345 South Pecos Road, Suites 206, 207, and 208, Las Vegas, Nevada 89120. The lease has a term of one year from October 1, 2019 through September 30, 2020. Monthly base rental costs; (i) $ 3,643 from October 1, 2019 through November 30, 2019 and (ii) $3,789 from December 1, 2019 through September 30, 2020. The rent also includes the monthly payment of the operating expenses (Tenant's Proportionate Share of the Building and/or Project) which costs approximately $1,100 per month. We did not renew this lease.

The rent for the quarters ended November 30, 2020, August 31, 2020 and May 31, 2020 was $16,855, $33,628 and $19,447, respectively. The Company recorded operating lease Right-to-Use asset of $15,843 along with current operating lease liability of $16,362 and long-term operating lease liability of $0 as of November 30, 2020.

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

	Current	Long Term	
	For the year ended		
	2021	2022	Total
Leases	$ 20,342	$ 1,471	$ 21,813
Insurance	8,946	7,288	16,234
Other	2,025	8,100	10,125
Totals	$ 31,313	$ 16,859	$ 48,172

The Company is committed to pay three to six months' severance in the case of termination or death to certain key officers, and up to 12 months upon a termination in connection with a change in control in some cases.

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. (and subsequently Verus International, 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.

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; however, the Company denies the plaintiffs' claims and intends to vehemently defend itself against the allegations. As of November 30, 2020, there has been no further update on the arbitration.

On April 27, 2020, the Company filed a verified complaint for injunctive relief against IDS, Inc. ("IDS") and certain other defendants affiliated with IDS in the Circuit Court of the Seventeenth Judicial Circuit in and for Broward County, Florida (Case No. CACE-20-007088). Pursuant to the complaint, the Company alleged causes of action against the defendants, including IDS, based on among other things, fraud, conspiracy to commit fraud, aiding and abetting fraud, rescission, and breach of contract, and seeks a temporary and permanent injunction against the defendants, requiring such persons to return the 1,968,000 shares of restricted common stock of the Company (the "IDS Shares") issued to IDS pursuant to the terms of an Intellectual Property Purchase Agreement in August 2019 (the "IP Purchase Agreement") and preventing such persons from selling or transferring any IDS Shares, seeks damages from the defendants, rescission of the IP Purchase Agreement, attorneys fees and other amounts.

The complaint was filed as a result of IDS's failure to deliver the intellectual property assets which the Company purchased pursuant to the IP Purchase Agreement (the "IP Assets"), certain other actions of IDS and the other defendants which the Company alleges constitutes fraud and to seek to unwind the IP Purchase Agreement and provide damages to the Company due to IDS's and the other defendants' breaches thereunder. IDS, through its counsel, sent a letter threatening to bring a shareholders' derivative action and/or direct suit against the Company. In response to such letter, the Board of Directors empowered the governance committee to conduct an internal investigation into the claims, which investigation is ongoing. Management of the Company believes the claims are meritless.

On April 29, 2020, the Company filed a Verified Motion for Temporary Injunction (the "Injunction Motion"). The Court has not yet scheduled a hearing on the Injunction Motion. A clerk's default has been entered against one of the defendants, TD Assets Holding, LLC for failing to timely respond to the complaint. By agreement of the parties, the deadline for certain of the defendants, Navarro Hernandez, P.L., and Aaron M. McKown, to respond to the Complaint has been stayed. Defendants IDS, TD Assets Holding, LLC, and Ari Daniels were served, but did not file with the clerk of the court, an answer, affirmative defenses, and counterclaims (the "Answer and Counterclaim"). The Answer and Counterclaim included alleged breach of contract and tort claims against the Company. On September 17, 2020, the Company moved to strike the affirmative defenses and dismiss the counterclaims. On October 5, 2020, defendants IDS, TD Assets Holding, LLC, and Ari Daniels filed an amended Answer and Counterclaim, including alleged breach of contract, tort, and federal securities claims against the Company, Mr. William Kerby, our Chief Executive Officer and an employee of the Company. The Company intends to vigorously pursue the claims asserted in the complaint and the Company and its officer/employee denies the claims alleged in the Answer and Counterclaim and will vigorously defend such claims.

If the Company does not prevail, it will retain the rights to the IP Assets and may elect to complete the source code that was acquired from IDS to make the source code production ready. If the Company prevails in the lawsuit, the Company will return the IP Assets to IDS. Therefore, until such time as the disposition of the lawsuit is determined, the Company will keep the "CIP – IDS Project" assets recorded at a value of $5 Million. Once a determination on the lawsuit has been made, Monaker will take appropriate action regarding the value of these assets. Mediation is scheduled for February 3rd and a three day hearing is scheduled for the week of February 15th.

On July 27, 2020, the Company entered into a confidential settlement agreement with certain of the defendants in the IDS matter, Navarro Hernandez, P.L., Aaron M. McKown, and Jeffery S. Bailey. The settlement provided for mutual releases of the parties and amounts payable from such parties to the Company in four tranches, in consideration for such settlement, of which all such payments have been timely paid pursuant to the terms 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 December 1, 2020, the Company made a payment of $1,196,030 to National Bank to satisfy the outstanding balance of the line of credit which consisted of $1,192,716 of principal and $3,313 of accrued interest (which line of credit is described above under "Note 5 – Line of Credit and Notes Payable—The National Bank of Commerce (FKA: Republic Bank Line of Credit)".

On December 1, 2020, the Company made a payment of $800,000 under the Revolving Monaco Trust Note, including $748,069 of principal and $51,931 of interest owed thereunder (which note is described above under "Note 6 – Related Party Promissory Notes and Transactions").

On December 1, 2020, the Company made a payment of $192,511 to Iliad to satisfy the outstanding balance of the Iliad Note which consisted of $147,174 of principal and $45,337 of accrued interest (which note is described above under "Note 5 – Line of Credit and Notes Payable—Note Purchase Agreement: Iliad Research and Trading, L.P.").

On December 7, 2020, the Company made a payment of $250,000 to exercise its agreement option with JANIIS, Inc., to purchase a perpetual license of JANIIS' proprietary vacation rental management software, which is used by property managers to manage the property rental business.

On December 8, 2020, on December 28, 2020 and on January 6, 2021, HotPlay advanced Monaker $350,000, $100,000 and $50,000, respectively, under the terms of the HotPlay Exchange Agreement. The advances were evidenced by HotPlay Convertible Notes in the amount of each advance, and an effective date as of the date of each advance. The HotPlay Convertible Notes totaled $3.0 million as of the date of this report. The HotPlay Convertible Notes are described in greater detail under "Note 5 – Line of Credit and Notes Payable—HotPlay Convertible Notes", above.

On or around December 9, 2020, a warrant holder exercised warrants to purchase 40,000 shares of the Company's common stock and paid the aggregate exercise price of $80,000 ($2.00) per share. The shares underlying the warrants were registered on a Form S-3 registration statement.

On December 11, 2020, the Company entered into an agreement with, and paid an implementation fee of $31,500 to, Odysseus Solutions, LLC, to license its white-label booking platform to support the Company's launch of a cruise program in early 2021.

On or around December 11, 2020, a warrant holder exercised warrants to purchase 65,000 shares of the Company's common stock and paid the aggregate exercise price of $130,000 ($2.00) per share. The shares underlying the warrants were registered on a Form S-3 registration statement.

Effective on December 11, 2020, the Company entered into a letter agreement with Morton, which revised the terms of the SPA. Pursuant to the letter agreement, we agreed to accelerate the payment of an aggregate of $150,000 of the $300,000 which was payable pursuant to the terms of the SPA on or prior to April 15, 2021 (which amount was promptly paid), in consideration for Morton agreeing to withdraw a prior demand he had made for the Company to file a registration statement to register the 200,000 shares of common stock previously issue to Morton pursuant to the terms of the SPA. We also agreed to file a registration statement to register the 200,000 shares no later than January 31, 2021. The SPA is described in greater detail above under "Note 4 – Acquisitions and Dispositions— Purchase of Longroot, Inc."

On December 15, 2020, the Company made a payment of $450,000 to Morton pursuant to the terms of the SPA to acquire Longroot. The SPA is described in greater detail above under "Note 4 – Acquisitions and Dispositions— Purchase of Longroot, Inc."

On or around December 28, 2020, a warrant holder exercised warrants to purchase 5,000 shares of the Company's common stock and paid the aggregate exercise price of $10,000 ($2.00) per share. The shares underlying the warrants were registered on a Form S-3 registration statement.

On December 28, 2020, the Company entered into an underwriting agreement (the "Underwriting Agreement") with Kingswood Capital Markets, division of Benchmark Investments, Inc. ("Kingswood") and Aegis Capital Corp. ("Aegis"), as representatives of the underwriters name therein (the "Underwriters"), pursuant to which the Company agreed to sell to the Underwriters in a firm commitment underwritten public offering (the "Offering") an aggregate of 3,080,000 shares of the Company's common stock at a public offering price of $2.50 per share. The Company also granted the underwriters a 45-day option to purchase up to an additional 462,000 shares of Common Stock to cover over-allotments, if any, which over-allotment option was exercised in full on January 13, 2021. The Offering closed on December 31, 2020. Kingswood and Aegis acted as the book-running managers for the Offering. The shares of common stock sold in the Offering were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3, which was filed with the Securities and Exchange Commission (the "SEC") on April 17, 2018 and declared effective on July 2, 2018 (File No. 333-224309) (the "Registration Statement"). The Offering was made by means of a prospectus forming a part of the effective registration statement. The Company paid the Underwriters a cash fee equal to 6% of the aggregate gross proceeds received by the Company in connection with the Offering, paid the Underwriters a non-accountable expense allowance equal to 1% of the aggregate gross proceeds received by the Company in connection with the Offering, and reimbursed certain expenses of the Underwriters. The net proceeds to the Company from the Offering, after deducting the underwriting discounts and commissions and Offering expenses, were approximately $8.1 million.

On January 4, 2021, the Company made a payment of $2,070,411 under the Revolving Monaco Trust Note, including $2,049,523 of principal and $20,888 of interest owed thereunder (described above under "Note 6 – Related Party Promissory Notes and Transactions") to satisfy the outstanding balance thereof.

On January 4, 2021, the Company made a payment of $188,061 to Sunrise Sawgrass LLC for a security and rent deposit related to 5,952 rentable square feet of new office space for which occupancy will commence no later than April 1, 2021. The lease agreement, which was signed on December 24, 2020, will become the Company's new corporate office located at 1560 Sawgrass Corporate Parkway Suite 130, Sunrise, Florida 33323, and will expire on the last day of the 89th month following the commencement date. The current office space lease at 2893 Executive Park Dr, Suite 201, Weston, Florida 33331 will not be renewed. Monthly rent under the lease increases each year during the term of the lease, from between $11,160 per month (for the first year of the lease), to $13,734 during the last year of the lease term, provided that no rent is due for the first five months of the lease term.

On January 5, 2021, the Company, through Longroot, subscribed to purchase an additional 100 shares of Longroot Cayman, in consideration for $1 million. The subscription was made pursuant to certain pre-emptive rights set forth in a shareholders' agreement entered into between the shareholders of Longroot Cayman and brought Longroot's ownership of Longroot Cayman up to 75%.

Currently Longroot owns an approximate 36.75% indirect interest in Longroot Thailand, due to its ownership of 75% of Longroot Cayman, which in turn owns 49% of Longroot Thailand (75% x 49% = 36.75%)), provided that Longroot Cayman controls 90% of Longroot Thailand's voting shares and therefore effectively controls Longroot Thailand.

On January 6, 2021, the Company, HotPlay and the HotPlay Stockholders entered into a Third Amendment to Share Exchange Agreement (the "Third HotPlay Amendment"), which amended the HotPlay Exchange Agreement to:

- Fix the number of shares of Monaker common stock issuable to the HotPlay stockholders at the Closing at 52,000,000 shares of common stock;

- Extend the date by which the HotPlay Exchange Agreement is required to be completed until February 28, 2021 (from December 31, 2020);

- Allow Monaker the ability to issue (a) shares of common stock or options to employees, consultants, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the board of directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company and (b) securities issued upon the exercise or exchange of or conversion of any securities outstanding on the date of the agreement, without the prior consent of HotPlay or the HotPlay stockholders and further allow for additional securities of Monaker to be issued prior to closing with the approval of HotPlay or Red Anchor;

- Provide for HotPlay and the HotPlay Stockholders to approve all transactions of Monaker which were disclosed in its Securities and Exchange Commission filings from the date of the original HotPlay Exchange Agreement, through the date of the Third HotPlay Amendment;

- Provide for there to be eight members of the board of directors at closing (provided that the parties have since agreed informally to increase such number of directors to nine), with four appointed by HotPlay, two appointed by Monaker, and two (now three pursuant to the agreement of the parties) appointed mutually by Monaker and HotPlay; and

- Allow for Monaker to enter into agreements and take actions outside of the ordinary course of business through the closing date with the prior consent of HotPlay.

On January 6, 2021, the Company, the Axion Stockholders and the Axion Creditors entered into a First Amendment to the Amended and Restated Share Exchange Agreement, which amended the Amended and Restated Share Exchange entered into between the Company, the Axion Stockholders and the Axion Creditors, to:

- correct certain errors originally included in the Axion Share Exchange Agreement, regarding the ownership of certain shares of Axion which were exchanged by the Axion Stockholders party thereto, and to correct the allocation of the shares of Series B Preferred Stock issuable to certain of the Axion Stockholders in connection therewith;

- provide for the assignment of various shares of Series B Preferred Stock between certain of the Axion stockholders to correct the allocations of the Series B Preferred Stock between such stockholders, based on the pro rata issuance of such shares in exchange for the shares of Axion held by such Axion stockholders on the effective date of such Axion Share Exchange Agreement;

- remove Uniq Other Vendors as an Axion Stockholder (and Series B Preferred Stockholder), from such Axion Share Exchange Agreement;

- allow for the parties to mutually determine to not transfer record ownership of the shares of Axion which the Company acquired pursuant to the Axion Share Exchange Agreement to the Company and that the parties can instead enter into an agreement providing the Company voting and economic rights to such shares, until such time, if ever, as the Company determines it is in its best interests to affect such transfer of record ownership of such shares; and

- agree to the amendment and restatement of the Series B Preferred Stock of the Company as discussed below.

Also on January 6, 2021, stockholders holding a majority of the outstanding shares of Series B Preferred Stock of the Company approved an amendment and restatement of the designation of the Series B Preferred Stock, which was previously approved by the board of directors of the Company on December 14, 2020, and which amended and restated designation was filed with the Secretary of State of Nevada on January 8, 2021, which amended the Series B Preferred Stock to fix the number of shares of common stock issuable upon conversion of the Series B Preferred Stock at 7,417,700 shares of Monaker common stock.

On January 6, 2021 and January 14, 2021, the Company made payments of $1,540,000 and $231,000 respectively, under the Streeterville Note, which payment was required pursuant to the terms of such note (as a required prepayment thereof, and in connection with a 10% penalty thereon), in connection with the Company's underwritten offering. The Streeterville Note is described in greater detail under "Note 5 – Line of Credit and Notes Payable—Note Purchase Agreement: Streeterville Capital, LLC".

Effective on January 12, 2021, Monaker, NextTrip Holdings, LLC, a newly formed Florida limited liability, which is wholly-owned by Monaker ("NextTrip"), HotPlay, and the HotPlay Stockholders, entered into a Subsidiary Formation and Funding Agreement (the "Formation and Funding Agreement"). The entry into the Formation and Funding Agreement was a required condition to closing the HotPlay Exchange Agreement, which required that Monaker transfer all of its pre-existing operations into a newly formed, wholly-owned subsidiary and that Monaker execute an agreement acceptable in form to Monaker and the principal HotPlay Stockholder providing for the operations of NextTrip, including governance and funding requirements associated therewith.

According to the Formation and Funding Agreement, Monaker agreed, prior to the closing date of the HotPlay Share Exchange, to transfer all of the assets, operations, material agreements, employees, and goodwill of Monaker relating to travel operations and business (collectively, the "travel operations") to NextTrip to insulate the travel operations from the remainder of Monaker's post-closing operations and allow for Monaker's pre-closing management to continue to manage the travel operations post-closing pursuant to the terms of the NextTrip operating agreement (defined below). The Formation and Funding Agreement also provides for all North American payroll for Monaker's travel operations to be paid through, and run by, NextTrip.

The Formation and Funding Agreement also requires Monaker (which at that time will have acquired 100% ownership of HotPlay), to transfer, within five (5) business days of the closing, no less than $5.8 million (less pre-closing advances (defined below)) of the cash held on the books of HotPlay at the time of closing to NextTrip (the "initial advance"). The initial advance will be available for use by NextTrip to retire debt of NextTrip (and/or debt of Monaker), fund operations, further develop the travel operations, and for such other purposes which are approved by the Board of Managers of NextTrip. "Pre-closing advances" means the aggregate amount of the HotPlay loans. The initial advance shall not be a loan, but shall instead be deemed a capital contribution from Monaker to NextTrip.

The Formation and Funding Agreement also requires Monaker to advance an additional $10 million to NextTrip in 2021, pursuant to a mutually agreed-upon schedule of advances (the "subsequent advances", and together with the initial advance, the "advances"). The subsequent advances shall similarly not be a loan, but shall instead be deemed further capital contributions by Monaker to NextTrip.

Additionally, as a separate requirement from the requirement to make the advances, Monaker is required to continue to fund all NextTrip expenses and operations, for so long as Monaker owns at least 50% of NextTrip, provided that NextTrip stays within 130% of a budget approved by the Board of Managers of NextTrip on an annual (calendar year) basis (the "budget threshold"). In the event NextTrip exceeds the budget threshold in any calendar year, Monaker shall not be required to fund more than the budget threshold in such calendar year, but shall be required to fund the approved budget (in an amount of up to the then applicable budget threshold) in subsequent calendar years. Monaker is also required to promptly pay for, or reimburse NextTrip for (at the option of NextTrip), all legal, audit, insurance, employee, administrative work, and other expenses paid or incurred by NextTrip on behalf of Monaker.

Under the Funding and Formation Agreement, NextTrip is required to assume all of the contractual and other obligations and liabilities of Monaker incurred before closing, provided that if such formal assumption is deemed too difficult or impracticable by NextTrip, or such formal assumption would trigger any defaults, required consents, or would be subject to any prerequisites, instead of formally assuming such obligations, NextTrip is required to pay such obligations as they come due and according to their terms (as such may be amended and modified from time to time).

Additionally, if Monaker's currently pending lawsuit with IDS, Inc. ("IDS"), results in IDS returning the 1,968,000 shares of restricted common stock of Monaker which were originally issued to IDS in August 2019 (the "IDS Shares"), NextTrip shall, with the approval of the Board of Directors of Monaker, which shall not be unreasonably withheld or delayed, be able to use, and have issued for its benefit, such number of shares of Monaker for acquisitions and strategic transactions which benefit NextTrip and the travel operations, at the request of the NextTrip Board of Managers.

Finally, the Funding and Formation Agreement provided that NextTrip was required, before the closing, to adopt an operating agreement, which is discussed below, and which was adopted on January 11, 2021.

On January 11, 2021, Monaker, as sole-owner of NextTrip adopted the Operating Agreement of NextTrip (the "operating agreement"). The operating agreement sets forth the framework for the governance and operation of NextTrip. The operating agreement includes standard representations and warranties of members of NextTrip, customary indemnification and confidentiality obligations, and other customary and standard terms relating to the governance of limited liabilities companies.

The operating agreement provides for a three-person Board of Managers ("Board of Managers") who manage NextTrip. Of those three members, two of such members are appointed by William Kerby and Donald P. Monaco, the current Chief Executive Officer and director and Chairman of the board of directors of NextTrip, and one of the members of the Board of Directors is selected by Monaker. Such designees can remove the managers they can appoint, replace such members from time to time in their discretion, and choose which persons fill vacancies created on the Board of Managers (to the extent such vacancies relate to positions they have authority to fill).

The initial members of the Board of Managers of NextTrip are (1) Mr. Kerby, (2) Mr. Monaco, and (3) J. Todd Bonner, a director of HotPlay.

The Board of Managers are tasked with creating a budget for NextTrip from time to time, but at least annually. The Managers have authority, without member approval, to have full, complete, and exclusive authority to manage and control the business, affairs, and properties of NextTrip, which includes, among other things, the ability to operate NextTrip and to enter into agreements and contracts, open and maintain bank accounts, borrow money, take actions in connection with the operation of NextTrip's business, acquire, sell and operate properties and assets, obtain insurance, incur legal and other fees, employ employees and consultants, make expenditures and undertake other decisions or acts.

Member approval is required however if the Board of Managers desires to take certain material transactions affecting NextTrip, including to (a) amend the operating agreement or the Articles of Organization of NextTrip; (b) change the character of the business of the company; (c) sell all or substantially all of NextTrip's assets; (d) mortgage or encumber all or substantially all of NextTrip's assets; (e) undertake any action that would make it impossible for NextTrip to carry on its business, subject to certain limited exceptions; (f) approve any transaction with any affiliate of NextTrip other than arm's length terms; (g) make any expenditure greater than $50,000, which is not outlined in an approved budget; or (h) confess a judgment against NextTrip.

Mr. Kerby serves as the Chief Executive Officer of NextTrip, and has the authority to appoint employees of NextTrip, and set forth their positions and salaries with NextTrip, and to further provide for the bonuses payable to such persons, provided that such compensation and bonuses do not exceed more than $500,000 in aggregate.

The operating agreement also provides that the Board of Managers, in their sole discretion, subject to applicable law, and advice of counsel, may determine that it is in the best interests of NextTrip to spin-off the membership interests of NextTrip held by Monaker to Monaker's stockholders (a "spin-off" and a "spin-off determination"). In the event of a spin-off determination, the board of directors of Monaker is required to hold a Special Meeting of the board of directors to discuss such spin-off determination (the "spin-off meeting"), and whether or not such spin-off determination is in the best interests of Monaker and its stockholders. Notwithstanding the foregoing, it is to be presumed that such spin-off is in the best interests of Monaker and its stockholders. In the event the board of directors determines not to move forward with a spin-off, the Board of Managers may make additional spin-off determinations in the future, subject to the obligation of the board of directors of Monaker to approve such spin-offs. If the board of directors of Monaker determines to move forward with the spin-off, the spin-off will proceed according to applicable law, and if necessary, NextTrip will convert into a corporation prior to, or in connection with, such spin-off. Notwithstanding the rights of the Board of Managers above, neither Monaker, NextTrip, or the Board of Managers have any present intention to affect a spin-off of NextTrip.

Additionally, if the board of directors of Monaker has determined to proceed with a spin-off, the number of authorized membership interests of NextTrip are automatically increased by 33%, after which time the Board of Managers are authorized to issue additional membership interests of NextTrip to managers, officers, management, employees, or consultants of NextTrip, in their sole discretion, in consideration for services rendered or to be rendered.

The operating agreement may only be amended with the majority approval of the Board of Managers and the unanimous approval of the members (i.e., Monaker).

Monaker does not anticipate transferring its operations to NextTrip until right before the closing of the HotPlay Share Exchange, and currently NextTrip has no assets or operations.

On January 15, 2021, the Company entered into a Founding Investment and Subscription Agreement (the "Investment Agreement") with Reinhart Interactive TV AG, a company organized in Switzerland ("Reinhart"), and Jan C. Reinhart, the founder of Reinhart ("Founder"). The Investment Agreement contemplates the Company acquiring 51% of the ownership of Reinhart, in consideration for a capital contribution of 10,000,000 Swiss Francs (approximately $11.2 million), of which it is contemplated that one-half (approximately $5.6 million), will be paid in cash and one-half will be paid in restricted shares of the Company's common stock (valued at approximately $5.6 million). The closing of the transactions contemplated by Investment Agreement is to take place on April 1, 2021, or earlier if the conditions to closing are earlier satisfied. Conditions to closing include the Company paying the required capital contribution, approval of the transaction by the board of directors of the Company and Reinhart, and certain requirements and confirmations required by Swiss law. The Investment Agreement includes customary representations and warranties of the parties. We also agreed to reimburse the Founder's legal fees of up to 30,000 Swiss Francs (approximately $33,670) in connection with the transaction. Additionally, in the event we fail to close the transactions contemplated by the Investment Agreement by April 1, 2021, we agreed to pay the Founder 500,000 Swiss Francs (approximately $560,000), as a break-up fee.

Reinhart is in the business of providing a software-based TV and video distribution platform to telecom operators and digital content owners and providing services to telecom operators and digital content owners for user interaction design, as well as software development, deployment and support.

In connection with our entry into the Investment Agreement, we entered into a Founding Shareholders' Agreement with the Founder setting forth certain rules for the governance and control of Reinhart.

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 29, 2020 found in our Annual Report on Form 10-K that the Company has filed with the Securities and Exchange Commission on May 29, 2020 (the "Annual Report"). 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.

This Report contains statements that we believe are, or may be considered to be, "forward-looking statements", within the meaning of the Private Securities Litigation Reform Act of 1995. 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 are those that depend most heavily on these judgments and estimates. As of November 30, 2020, there had been no material changes to any of the critical accounting policies contained therein.

Where You Can Find Other Information

We file annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy and information statements and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended. The SEC maintains a website (http: //www.sec.gov) that contains reports, proxy and information statements and other information regarding us and other companies that file materials with the SEC electronically. Additional information about us is available on our website at www.Monakergroup.com. We do not incorporate the information on or accessible through our websites into this filing, and you should not consider any information on, or that can be accessed through, our websites as part of this filing.

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 Longroot, Inc. (100% 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.

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 global vacation rental industry and/or market for cryptocurrencies 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., is an innovative technology company that is building next generation solutions to power the travel, gaming, and cryptocurrency industries. We believe the most promising part of our business plan is our ability to achieve shareholder value through acquisition and organic growth that presents new opportunities in the leisure space and strengthens our existing technology platforms.

Through our subsidiaries NextTrip and Maupintour, we provide travel technology solutions with a primary emphasis on alternative lodging rental (ALR) properties. Our proprietary Booking Engine provides travel distributors access to a sizeable inventory of ALR properties allowing them to combine ALR with traditional components of travel (Air, Car, Cruise, etc.).

Our industry-leading platform assists property managers in booking, and broadening the market for, their homes. The Company serves three major constituents: (1) property managers, (2) travelers, and (3) other travel/lodging distributors. Property managers integrate their detailed property listings into the Monaker Booking Engine with the goal of reaching a broad audience of travelers seeking ALRs, through distribution channels they could not access otherwise.

All of Monaker's ALRs, also commonly referred to as Vacation Rentals are:

i) Controlled by Property Management Companies. This is a key point of differentiation for Monaker, as the sole focus of Property Management Companies is to rent and service their properties, unlike an individual homeowner who often rents their property on a casual or part-time basis. We believe working with property managers results in four key benefits:

   ► All properties are Instantly Bookable (all Property Management Company inventory is integrated into Monaker's Booking Engine allowing for instant confirmations);

   ► Higher levels of service for renters (property managers are full-time operators);

   ► Higher Quality Assurance (property managers generally have an incentive to eliminate trouble properties); and

   ► Certified Rentable (most property managers are licensed and bonded requiring them to ensure properties are "legal to rent" and are further responsible for paying required taxes on behalf of homeowners.

ii) Exclusively Individual Units. Our vacation homes and residential resort units are never shared, nor do we rent rooms in homes like other ALR companies. All ALR inventory is fully furnished, privately owned residential properties, including homes, condominiums, apartments, villas and cabins that property managers rent to the public on a nightly, weekly or monthly basis.

Monaker has uniquely positioned itself in the ALR sector - which is one of the fastest growth segments within the travel industry. ALR inventory provides a key solution to traditional travel distributors. According to a January 3, 2017 article by Kevin May, the Editor In Chief of PhocusWire, as posted on Tnooz.com ("*Private accommodation travel bookings to reach $106 billion by 2018*"), it is estimated that roughly 1 out of 5 lodging accommodations in 2018 was an ALR transaction and by most accounts this growth is continuing to accelerate (notwithstanding the current decreases in lodging and travel caused by COVID-19).

Monaker B2B ALR offerings are timely in addressing traditional travel distributors' needs to protect their client base by allowing them seamless access to ALR products. With the rapid growth of companies like Airbnb, we believe that traditional travel companies are realizing that not having access to this high demand vacation rental inventory means risking the loss of their consumers to other ALR sites. By connecting to Monaker's Booking Engine, travel distributors can sell ALR inventory alongside their existing travel products (i.e., Air/Car/Hotel/Cruise/Tour bookings). This, solves a key issue by allowing the customers of traditional travel distributors to complete their entire vacation package booking on their website versus forcing them to go to an ALR website and potentially lose the entire booking.

Monaker's Direct to Consumer Websites

Monaker has established a direct-to-consumer presence though a number of websites.

These sites include NextTrip.com, our corporate travel management platform focused on small to medium-sized business, that provides companies the ability to book travel, manage travel expenses, and process employee expense reports. A differentiating feature of our NextTrip.com solution is the ability for corporate travelers to book ALR properties as part of their travel itinerary. Our Maupintour.com marketplace provides luxury, personalized tours, and activities at destinations, as well as the ability to book ALR properties.

Monaker identifies and sources ALR properties which it consolidates through its Monaker Booking Engine, allowing for instantly bookable properties being packaged alongside other travel products; this is its distinguishing niche. The ALRs are owned and leased by third parties and are available to rent through Monaker's websites as well as through other distributors. Monaker's services include critical elements such as technology, an extensive film library, 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, key industry relationships and a prestigious travel brand as cornerstones for the development and deployment of core-technology on both proprietary and partnership platforms.

Monaker sells travel services to leisure and corporate customers around the world. Our primary focus is to incorporate ALR options into our current offerings of scheduling, pricing and availability information for booking reservations for airlines, hotels, rental cars, as well as other travel products such as sightseeing tours, shows 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. In December 2020, the Company introduced its new corporate travel platform under the NextTrip brand. This platform allows our users to search large travel suppliers of alternative lodging inventories and combine ALR with their air and car booking.

In March 2018, the Company introduced Travelmagazine.com, an online travel publication with the aim of giving travelers around the world inspiration for future travel destinations and trips. The publication offers written articles, videos, and podcasts. Moving forward, we hope that Travelmagazine.com will become a central hub of information for travelers who are looking to get detailed information on destinations all around the world. We also plan to move Travelmagazine.com from having content created by a team of staff writers, to a team of worldwide writers who will contribute content for publication in the future, funding permitting. The website is expected to be supported by advertising and allow for promotion of both ALR and Maupintour vacation products.

The Company sells its ALR travel inventory through various distribution channels. The primary distribution channel is through its business-to-business (B2B) channel partners which include sales via (i) other travel companies' websites and (ii) networks of third-party travel agents. Secondary distribution will occur through the Company's own websites at NextTrip.com and Maupintour.com. Additionally, we will be offering high end ALR products along with specialty travel products and services via Maupintour.com, targeting high value inventory to customers with complex or high-end travel needs.

Monaker's core holdings are planned to be streamlined by this summer into four key platforms being; the Monaker Booking Engine (MBE), NextTrip.com, Maupintour.com, and TravelMagazine.com.

- The Monaker Booking Engine (MBE) is the Company's proprietary technology and platform providing access to more than 3.4 million instantly bookable vacation rental homes, villas, chalets, apartments, condos, resort residences, and castles. This ALR product can be accessed by other travel distributors using the Company's API.

- NextTrip.com is targeted at small to midsized businesses offering them a customized travel solution for business travel to meetings, conferences, conventions or even vacation travel and gives the companies lower costs, better expense control and in the future the option for a "self-branded" website.

- Maupintour complements the Nextrip.com offerings by providing high-end tour packages, activities/attractions, and specialized ALRs that cannot be booked on a real-time basis. These ALRs tend to be sourced from owners and managers who have not invested in a reservation management system and/or the owner or manager prefers to personally vet the customer before accepting a booking; typically, because the ALR is a high value property.

- Travelmagazine.com, an online travel publication with the aim of giving travelers around the world inspiration for future travel destinations and trips. The publication offers written articles, videos, and podcasts. Moving forward, we plan for Travelmagazine.com to become a central hub of information for travelers who are looking to get detailed information on destinations all around the world.

Cryptocurrency Portal

As discussed in greater detail below under "Recent Events", on November 16, 2020, the Company acquired 100% of Longroot, Inc., a Delaware corporation ("Longroot"), which in turn owned 57% of Longroot Limited, a Cayman Islands company ("Longroot Cayman"). Longroot Cayman owned 49% of the outstanding shares (100% of the ordinary shares) of Longroot Holding (Thailand) Company Limited ("Longroot Thailand"), provided that Longroot Cayman controls 90% of Longroot Thailand's voting shares and therefore effectively controls Longroot Thailand. Longroot has since increased its ownership in Longroot Cayman and currently Longroot owns an approximate 36.75% indirect interest in Longroot Thailand, due to its ownership of 75% of Longroot Cayman, which in turn owns 49% of Longroot Thailand (75% x 49% = 36.75%)), provided that Longroot Cayman controls 90% of Longroot Thailand's voting shares and therefore effectively controls Longroot Thailand.

Longroot Thailand, provides blockchain technology solutions for the fast-growing cryptocurrency marketplace. Longroot Thailand is an Initial Coin Offering (ICO) portal operator authorized and regulated under the Thai Digital Asset Business Law and licensed by the Thai Securities and Exchange Commission. Longroot Thailand provides fully regulated and licensed digital assets financing, and investment services for digital assets. This innovative business model opens the door for new digital currency financing mechanisms, and new digital investment products. Monaker, with its indirect control over Longroot Thailand, is planning to use Longroot Thailand's technology and digital asset capabilities to create regulated cryptocurrencies designed to allow consumers to invest in unique revenue streams in wholesale travel, real estate homes and hotels, gaming assets and digital advertising – as well as potential token and loyalty program opportunities complementary to Monaker's planned gaming (with the acquisition of HotPlay) and current travel businesses.

Travel Products and Services

Monaker plans to focus on marketing ALR options directly to consumers and to other travel distributors. The Company's concentration on ALRs is driven by contracts with vacation home (including timeshare) unit owners and managers that make their properties available to consumers and to other travel portals (Distributors) for nightly or extended stays. In addition, we offer travelers activities and tours through our subsidiary, Maupintour. Therefore, not only can we assist a traveler with identifying a destination and the lodging at the destination, but we can provide options of activities while at the destination. We also provide the means for making arrangements for airline tickets, car rentals and lodging (i.e., hotels and ALRs in the near future). In summary, Monaker offers travelers the complete travel package made easy or... Travel Made EasyTM.

The average ALR search and booking takes a few hours while the average vacation planning process typically involves the consumer visiting up to seven travel websites and spending over 10 hours to book their vacation (according to Susan Ho, Founder of Journy). We believe the NextTrip.com website using the above features should reduce ALR/Vacation planning time from hours to minutes and with the convenience of one site (truly "Travel Made Easy").

Products and Services for Property Owners and Managers

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

Listings that are "request-accept" properties will require communication and approval from the property owner or manager and will not be managed through an API (as discussed above). We will provide a set of tools for the property owner or manager that will enable them to manage an availability calendar, reservations, inquiries and the content of the listing. These tools will allow the property owner or manager to create the listing by uploading photographs, text descriptions or lists of amenities, a map showing the location of the property, and property availability, all of which can be updated throughout the term of the listing. Each listing will provide travelers the ability to use email or other methods to contact property owners and managers.

The listings will include tools and services to help property owners and managers run their vacation rental businesses more efficiently: responding to and managing inquiries, preparing and sending rental quotes and payment invoices, allowing travelers to book online and, enter into rental agreements, and processing online payments. Property owners and managers who elect to process online payments will be subject to a transaction fee.

Redistribution of Listings. We will make selected, online bookable properties available to online travel agencies as well as channel partners (jointly referred to as "Distributors"). We will be compensated for these services by receiving a commission that is added to the negotiated net rate for each booking.

Products and Services for Travelers

Search Tools and Ability to Compare. Our online marketplace NextTrip.com provides travelers with tools to search for and filter several travel products including air, car, accommodations (including ALRs) and activities based on various criteria, such as destination, travel dates, type of property, number of bedrooms, amenities, price, or keywords. NextTripVacations.com provides travelers access to our entire listing of ALRs; only lodgings are presented on this website.

Traveler Login. Travelers are able to create accounts on the NextTrip.com website that give them access to their booking activity through the website.

Travel Blog. Travel guides, videos and pictures as well as travel articles can be accessed through Travelmagazine.com.

Security. We use a combination of technology and human review to evaluate the content of listings and to screen for inaccuracies or fraud with the goal of providing only accurate and trustworthy information to travelers. Our company is Payment Card Industry (PCI) compliant to ensure the safety and security of our customer credit card data.

Reviews and Ratings. Travelers are able to submit online reviews of the ALRs they have rented through our websites. These reviews should convey the accuracy of the listing information found on our websites.

Communication. Travelers who create an account on our website will receive regular communications, including notices about places of interest, special offers, new listings, and an email newsletter. The newsletter will be available to any traveler who agrees to receive it and offers introductions to new destinations and vacation rentals, as well as tips and useful information when staying in vacation rentals.

Mobile Websites and Applications. We provide versions of our websites formatted for web browsers, smart-phones and tablets so that property owners, managers and travelers can access our websites and tools from mobile devices.

To date, we have focused on developing our booking engine and establishing relationships with suppliers to increase the size of our instantly bookable inventory. The booking engine has produced little revenue to date because, among other reasons, of the limited number of widely-used distribution partners with which we have been able to establish relationships. We have recently begun contracting with established, widely-used distribution partners to make our inventory available through their distribution channels. The success of the booking engine will depend on users of those distribution partners booking properties supplied by our booking engine, and on our ability to expand the number of such distribution partners that utilize our booking engine.

The Company has completed integrating several distributors for the booking of our ALR products and the Company continues to integrate suppliers of ALR products. We now have more than 3.4 million properties listed on our booking engine.

Products and Services for Cryptocurrency Investors

ICO Portal. Through our indirect control of Longroot Thailand, we, through Longroot Thailand, offer an ICO Portal located at Longroot.com, that provides investors a new digital investment product and gives suppliers a new digital currency financing mechanism. Monaker, through its indirect control of Longroot Thailand, is planning to use the technology and digital asset capabilities to create regulated cryptocurrencies designed to allow consumers to invest in unique revenue streams in wholesale travel, real estate homes and hotels, gaming assets and digital advertising – as well as potential token and loyalty program opportunities complementary to Monaker's gaming (planned through the acquisition of HotPlay) and travel businesses.

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

Sufficiency of Cash Flows

In connection with our entry into the HotPlay Exchange Agreement (described below), we have received advances from HotPlay, totaling $3,000,000 as of the date of this filing, pursuant to the terms of that agreement, which are required to continue on a monthly basis through the closing date of the HotPlay Share Exchange. Additionally, as discussed below, we raised funds through an underwritten offering in December 2020, pursuant to which net proceeds to us were approximately $8.1 million. Notwithstanding that funding, in the event the HotPlay Share Exchange does not close on a timely basis, HotPlay ceases making required advances, or the HotPlay Share Exchange is terminated, we anticipate requiring additional funding, because our projected cash generated from operations is not sufficient to meet our cash needs for working capital and capital expenditures, and if such additional funds are required, management intends to seek additional equity or obtain additional credit facilities or loans. However, we may be unable to raise 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, or to increase our ownership of Axion and/or Longroot Cayman. From time to time, in the ordinary course of business, we evaluate potential acquisitions of such businesses, products or technologies.

Recent Events

Axion and HotPlay Share Exchange Agreements

As disclosed in the Current Report on Form 8-K filed by the Company SEC on July 23, 2020, on July 23, 2020, the Company entered into a Share Exchange Agreement (as amended by the first amendment thereto dated October 28, 2020, as disclosed in the Current Report on Form 8-K filed with the SEC on October 29, 2020, the second amendment thereto dated November 12, 2020, as disclosed in the Current Report on Form 8-K filed with the SEC on November 18, 2020, and the third amendment thereto dated January 6, 2021, as disclosed in the Current Report on Form 8-K filed with the SEC on January 11, 2021, the "HotPlay Exchange Agreement" and the transactions contemplated therein, the "HotPlay Share Exchange") with HotPlay Enterprise Limited ("HotPlay") and the stockholders of HotPlay (the "HotPlay Stockholders"). The transactions contemplated by the HotPlay Exchange Agreement are subject to certain closing conditions, including, but not limited to, the approval of such transactions, and the issuance of the shares of common stock in connection therewith, by the shareholders of the Company.

Additionally, as disclosed in the Current Report on Form 8-K filed with the SEC on November 18, 2020, on November 12, 2020, the Company entered into an Amended and Restated Share Exchange Agreement (as amended by the first amendment thereto dated January 6, 2021, as disclosed in the Current Report on Form 8-K filed with the SEC on January 11, 2021, the "Axion Exchange Agreement") with certain stockholders holding shares of Axion Ventures, Inc. ("Axion" and the "Axion Stockholders") and certain debt holders holding debt of Axion (the "Axion Creditors")(the "Axion Share Exchange", and collectively with the HotPlay Exchange Agreement, the "Exchange Agreements" and the transactions contemplated therein, the "Share Exchanges"). The transactions contemplated by the Axion Exchange Agreement closed on November 16, 2020.

Pursuant to the HotPlay Exchange Agreement, the HotPlay Stockholders agreed to exchange 100% of the outstanding capital shares of HotPlay (making HotPlay a wholly-owned subsidiary of the Company following the closing of the transactions contemplated therein) for 52 million shares of the Company's common stock (the "HotPlay Shares").

Pursuant to the Axion Exchange Agreement, (a) the Axion Stockholders (including Cern One Limited ("Cern One")), exchanged ordinary shares of Axion equal to 33.85% of the outstanding common shares of Axion, in consideration for 10,000,000 shares of newly designated shares of Series B Convertible Preferred Stock of the Company (the "Series B Preferred Stock"), which are automatically convertible into common shares of the Company upon the occurrence of certain events, including the approval of such issuances by the stockholders of the Company, into an aggregate of 7,417,700 shares of Monaker common stock; and (b) the Axion Creditors exchanged debt of Axion in the aggregate amount of $7,657,024 (the "Axion Debt"), for (i) 3,828,500 shares of newly designated shares of Series C Convertible Preferred Stock of the Company (the "Series C Preferred Stock"), which are automatically convertible into common shares of the Company upon the occurrence of certain events, including the approval of such issuances by the stockholders of the Company, on a one-for-one basis; and (ii) a warrant, granted to Cern One, to purchase 1,914,250 shares of the Company's common stock (the "Creditor Warrants"), which is only exercisable upon the occurrence of certain events, including the approval of such issuance by the stockholders of the Company. The terms of the Series B Preferred Stock and Series C Preferred Stock are described in greater detail above under "Part I – Financial Statements – Item. Financial Statements – Notes to the Consolidated Financial Statements - Note 7 – Stockholders' Equity", above.

The Creditor Warrants, have cashless exercise rights, an exercise price of $2.00 per share and have a term of two years, beginning on the Vesting Date (defined below). The Creditor Warrants vest on the later of (a) the date that of the Axion Preferred Conversion, and the earlier of (i) the date the Axion Debt is fully repaid by Axion or (ii) the date that Monaker obtains 51% or more of the voting control of, and economic rights to, Axion, provided that such vesting date must occur before November 16, 2021, or the Creditor Warrants will terminate (as applicable, the "Vesting Date"). All of the Creditor Warrants were granted to Cern One.

The HotPlay Exchange Agreement can be terminated by the parties thereto under various circumstances, including if the transactions contemplated thereby have not both been completed by February 28, 2021.

Following the closing of the HotPlay Share Exchange, the current HotPlay securityholders are expected to own approximately 64.0% of the outstanding common stock of Monaker, and the Axion Stockholders and Axion Creditors are expected to own, upon the automatic conversion of the outstanding Series B Shares and Series C Shares into common stock of the Company upon the closing of the HotPlay Share Exchange, approximately 13.8% of the aggregate outstanding common stock of Monaker, without taking into account the shares of common stock issuable upon exercise of the Creditor Warrants, with the Monaker stockholders prior to the effective date of the closing holding approximately 22.2% of the aggregate outstanding common stock of the combined company, in each case based on the current outstanding shares of common stock of Monaker.

We previously operated solely in the travel industry. With the recent acquisition of Longroot Inc, as previously discussed, we are now venturing into the cryptocurrency industry. Upon the completion of the HotPlay Exchange Agreement, the Company plans to transition its operations to those of a travel, cryptocurrency, and an in-game advertising company. During the period until the closing of the HotPlay Exchange Agreement, and in the event the HotPlay Exchange Agreement is not consummated, the Company intends to continue to actively operate in the travel and cryptocurrency industries.

July 2020 SPA Offering

On July 24, 2020, we entered into a Share Purchase Agreement (the "Purchase Agreement") with an institutional investor (the "Purchaser") for the sale of 1,000,000 shares of the Company's common stock in a registered direct offering. The shares of common stock were sold at $2.00 per share for aggregate gross proceeds of $2.0 million, before deducting the placement agent fees and related offering expenses. The closing of the sale of common stock occurred on July 27, 2020.

Kingswood Capital Markets, division of Benchmark Investments, Inc., acted as the sole placement agent for the Company (the "Placement Agent") on a "reasonable best efforts" basis, in connection with the Offering. The Company entered into a Placement Agency Agreement, dated as of July 24, 2020, by and between the Company and the Placement Agent (the "Placement Agency Agreement"). Pursuant to the Placement Agency Agreement, the Placement Agent was paid a cash fee of 7% of the gross proceeds paid to the Company for the securities and was reimbursed for certain out-of-pocket expenses.

The shares of common stock sold in the offering were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3, which was filed with the SEC on April 17, 2018 and declared effective on July 2, 2018 (File No. 333-224309).

HotPlay Convertible Note Advances

On September 1, 2020, September 18, 2020, September 30, 2020, on or around November 2, 2020, on November 24, 2020, December 11, 2020, on December 28, 2020 and on January 6, 2021, HotPlay advanced Monaker $300,000, $700,000, $1,000,000, $400,000, $100,000, $350,000, $100,000 and $50,000, respectively, under the terms of the HotPlay Exchange Agreement. The advances were evidenced by convertible promissory notes ("HotPlay Convertible Notes") in the amount of each advance, and an effective date as of the date of each advance.

The advances, and the entry into the HotPlay Convertible Notes, were required conditions to the HotPlay Exchange Agreement, pursuant to which HotPlay was required to loan us $1,000,000 on or before August 31, 2020 (provided that Monaker waived such delay in providing such initial $1,000,000 of HotPlay advances) and is required to loan us an additional $1,000,000 (each a "Subsequent Loan", and such loans, the "Hotplay Loans"), on September 30, 2020, and on the 15th day of each calendar month thereafter (each a "Required Lending Date"), through the date of closing of the HotPlay Exchange Agreement (provided that Monaker has waived any delay in timely providing such amounts to date). The HotPlay Convertible Notes totaled $3.0 million as of the date of this report. The HotPlay Convertible Notes are described in greater detail in the notes to the unaudited financial statements, including above under "Part I – Financial Statements – Item. Financial Statements – Notes to the Consolidated Financial Statements - Note 5 – Line of Credit and Notes Payable—HotPlay Convertible Notes", above.

Letter of Intent for Acquisition of Additional Shares of Axion

On October 28, 2020, the Company entered into a non-binding Letter of Intent with two stockholders of Axion. Pursuant to the Letter of Intent, we agreed, subject to certain condition precedents, including regulatory approvals and the entry into material agreements with the sellers, to acquire approximately 12 million shares of Axion, equal to 5.7% of Axion's outstanding shares, from the stockholders for approximately $2 million in cash and warrants to purchase an aggregate of 200,000 shares of common stock of the Company, with a six-month term, and an exercise price of $3.00 per share. In connection with our entry into the Letter of Intent, we paid the sellers approximately $460,000, as a non-refundable deposit towards the cash purchase price of the shares. The purchase is subject to the negotiation of, and entry into, a definitive purchase agreement with the sellers, as well as other closing conditions, which have not been entered into to date.

Amended Revolving Monaco Trust Note

On December 9, 2019, the Company entered into an Amended and Restated Promissory Note with the Donald P. Monaco Insurance Trust, of which Donald P. Monaco is the trustee and the Chairman of the Board of Directors of the Company (the "Monaco Trust"), in the amount of up to $2,700,000 (the "Revolving Monaco Trust Note").

The amount owed pursuant to the Revolving Monaco Trust Note accrues interest at the rate of 12% per annum (18% upon the occurrence of an event of default). The Revolving Monaco Trust Note contains standard and customary events of default.

On January 29, 2020, the Company entered into a first amendment to the Revolving Trust Note with the Monaco Trust, to extend the maturity date of such note from February 1, 2020 to April 1, 2020. No other changes were made to such note as a result of such amendment.

On March 27, 2020, Company entered into a second amendment to the Revolving Trust Note with the Monaco Trust, to extend the maturity date of such Revolving Monaco Trust Note to December 1, 2020. No other changes were made to such note as a result of such amendment.

On November 6, 2020, the Company entered into a third amendment to the Revolving Trust Note with the Monaco Trust, to extend the maturity date of such Revolving Monaco Trust Note to February 28, 2021. No other changes were made to such note as a result of such amendment.

On November 16, 2020, the Company entered into a fourth amendment to the Revolving Trust Note with the Monaco Trust, to increase the amount available under such Revolving Monaco Trust Note to $2,800,000. No other changes were made to such note as a result of such amendment.

The Revolving Monaco Trust Note was fully repaid on January 4, 2021, with funds raised through the underwritten offering discussed below.

Longroot Acquisition

On November 16, 2020, Monaker acquired 100% of Longroot, Inc. ("Longroot"), which in turn owned 57% of Longroot Limited, a Cayman Islands company ("Longroot Cayman"). Longroot Cayman owns 49% of the outstanding shares (100% of the ordinary shares) of Longroot Holding (Thailand) Company Limited ("Longroot Thailand"), provided that Longroot Cayman controls 90% of Longroot Thailand's voting shares and therefore effectively controls Longroot Thailand.

The acquisition was made pursuant to the November 2, 2020 Stock Purchase Agreement (the "SPA") entered into with Dr. Jason Morton ("Morton"), and for certain limited purposes set forth therein, Longroot. Pursuant to the SPA, the Company purchased, 100% of Longroot, in consideration for (a) $1,700,000 in cash; and (b) 200,000 shares of restricted common stock. A total of $100,000 was paid as a non-refundable deposit towards the purchase of Longroot on October 15, 2020, and a total of $700,000 was paid at the closing on November 16, 2020, along with the issuance of the shares. Additionally, prior to the closing, the Company advanced a separate $400,000 to Longroot which was used for working capital prior to closing which brought the purchase price to a total of $2.2 million. The remaining $900,000 owed to Morton pursuant to the terms of the SPA (the "Remaining Cash Payments") is payable in three installments of $300,000 each, due on or prior to (i) December 16, 2020 (30 days after the closing), which amount has been paid in full; (ii) March 16, 2021 (120 days after the closing); and (iii) April 15, 2021 (150 days after the closing), of which $150,000 has previously been paid as discussed below. Pursuant to the SPA, Morton has the option to elect to receive any or all of the Remaining Cash Payments in shares of common stock of the Company, with such number of shares issuable based on a Company stock price of $3.00 per share.

The Company provided Morton demand registration rights in connection with shares of restricted common stock of the Company held by Morton, provided that Morton is not authorized to request more than one demand registration in any 12-month period. In the event such demand registration right is exercised, the Company has 60 days to file a registration statement to register the shares demanded to be registered and is required to use commercially reasonable best efforts thereafter to gain effectiveness of such registration statement, with all fees being paid for by the Company. The demand registration right has no expiration date.

Effective on December 11, 2020, the Company entered into a letter agreement with Morton, which revised the terms of the SPA. Pursuant to the letter agreement, we agreed to accelerate the payment of an aggregate of $150,000 of the $300,000 which was payable pursuant to the terms of the SPA on or prior to April 15, 2021 (which amount was promptly paid), in consideration for Morton agreeing to withdraw a prior demand he had made for the Company to file a registration statement to register the 200,000 shares of common stock previously issue to Morton pursuant to the terms of the SPA. We also agreed to file a registration statement to register the 200,000 shares no later than January 31, 2021.

On January 5, 2021, the Company, through Longroot, subscribed to purchase an additional 100 shares of Longroot Cayman, in consideration for $1 million. The subscription was made pursuant to certain pre-emptive rights set forth in a shareholders' agreement entered into between the shareholders of Longroot Cayman, and brought Longroot's ownership of Longroot Cayman up to 75%.

A total of 22.9% of Longroot Cayman is owned by True Axion Interactive Ltd., of which Axion holds a 60% interest. Monaker currently owns approximately 33.85% of Axion's shares.

Currently Longroot owns an approximate 36.75% indirect interest in Longroot Thailand, due to its ownership of 75% of Longroot Cayman, which in turn owns 49% of Longroot Thailand (75% x 49% = 36.75%)), provided that Longroot Cayman controls 90% of Longroot Thailand's voting shares and therefore effectively controls Longroot Thailand.

Longroot Thailand is an Initial Coin Offering (ICO) portal operator authorized and regulated under Thai Digital Asset Business Law and licensed by the Thai Securities and Exchange Commission. Longroot Thailand provides fully regulated and licensed digital assets financing, and investment services for digital assets. The Company believes that this innovative new business model opens the door to new financing mechanisms, and new investment products. Monaker, as a majority stakeholder in Longroot Thailand, is planning to use the technology and digital asset capabilities to create cryptocurrencies regulated under Thai law, designed to allow consumers to invest in unique revenue streams in wholesale travel, real estate homes and hotels, gaming assets and digital advertising – as well as potential token and loyalty program opportunities complementary to Monaker's gaming and travel businesses.

Streeterville Note Purchase

On November 23, 2020, the Company entered into a Note Purchase Agreement (the "Note Purchase Agreement") with Streeterville Capital, LLC, an accredited investor ("Streeterville"), pursuant to which the Company sold Streeterville a Secured Promissory Note in the original principal amount of $5,520,000 (the "Streeterville Note"). Streeterville paid consideration of (a) $3,500,000 in cash; and (b) issued the Company a promissory note in the amount of $1,500,000 (the "Investor Note"), in consideration for the Streeterville Note, which included an original issue discount of $500,000 (the "OID") and reimbursement of Streeterville's transaction expenses of $20,000. A total of $350,000 of the OID is fully earned and the remaining $150,000 is not fully earned until the Investor Note is fully-funded by Streeterville.

The Streeterville Note bears interest at a rate of 10% per annum and matures 12 months after its issuance date (i.e., on November 23, 2021). From time to time, beginning six months after issuance, Streeterville may redeem a portion of the Streeterville Note, not to exceed an amount of $875,000 per month if the Investor Note has not been funded by Streeterville, and $1.25 million in the event the Investor Note has been funded in full. In the event we don't pay the amount of any requested redemption within three trading days, an amount equal to 25% of such redemption amount is added to the outstanding balance of the Streeterville Note. Under certain circumstances, the Company may defer the redemption payments up to three times, for 30 days each, provided that upon each such deferral the outstanding balance of the Streeterville Note is increased by 2%. Subject to the terms and conditions set forth in the Streeterville Note, the Company may prepay all or any portion of the outstanding balance of the Streeterville Note at any time subject to a prepayment penalty equal to 10% of the amount of the outstanding balance to be prepaid. For so long as the Streeterville Note remains outstanding, the Company has agreed to pay to Streeterville 20% of the gross proceeds that the Company receives from the sale of any of its common stock or preferred stock, which payments will be applied towards and will reduce the outstanding balance of the Streeterville Note, which percentage increases to 30% upon the occurrence of, and continuance of, an event of default under the Streeterville Note (each an "Equity Payment"). Each time that we fail to pay an Equity Payment, the outstanding balance of the Streeterville Note automatically increases by 10%. Additionally, in the event we fail to timely pay any such Equity Payment, Streeterville may seek an injunction which would prevent us from issuing common or preferred stock until or unless we pay such Equity Payment.

The Streeterville Note provides that if any of the following events have not occurred on or before April 30, 2021, the then outstanding balance of the note (including accrued and unpaid interest) increases by an amount equal to 25% of the then-current outstanding balance thereof: (a) the closing has not occurred; (b) during the period beginning on July 21, 2020, and ending on the date that the closing occurs, HotPlay must have raised at least $15,000,000 in cash through equity investments; (c) at the closing, all outstanding debt owed by the Company to HotPlay must have either been forgiven by HotPlay or converted into the Company's common stock; (d) HotPlay must have become a co-borrower on the Streeterville Note; and (e) the Company must have paid off all outstanding debt obligations to the Monaco Trust and National Bank of Commerce (formerly Republic Bank)("National Bank"), which amount owed to National Bank has been repaid in full.

Pursuant to the Streeterville Note, we provided Streeterville a right of first refusal to purchase any promissory note, debenture, or other debt instruments which we propose to sell, other than sales to officers or directors of the Company and/or sales to the government. Each time, if ever, that we provide Streeterville such right, and Streeterville does not exercise such right to provide such funding, the outstanding balance of the Streeterville Note increases by 3%, unless the proceeds from such sale(s) are used to repay the Streeterville Note in full. Each time, if ever, that we fail to comply with the terms of the right of first refusal, the outstanding balance of the Streeterville Note increases by 10%. The Streeterville Note includes offset rights against the Investor Note.

Additionally, upon each major default described in the Streeterville Note (i.e., the failure to pay amounts under the Streeterville Note when due or to observe any covenant under the Note Purchase Agreement (other than the requirement to make Equity Payments)) the outstanding balance of the Streeterville Note automatically increases by 15%, and for each other default, the outstanding balance of the Streeterville Note automatically increases by 5%, provided such increase can only occur three times each as to major defaults and minor defaults, and that such aggregate increase cannot exceed 30% of the balance of the Streeterville Note immediately prior to the first event of default.

In connection with the Note Purchase Agreement and the Streeterville Note, the Company entered into a Security Agreement with Streeterville (the "Security Agreement"), pursuant to which the obligations of the Company are secured by substantially all of the assets of the Company.

The Investor Note, in the principal amount of $1,500,000, evidences an amount payable by Streeterville to the Company as partial consideration for the acquisition of the Streeterville Note. The Investor Note accrues interest at the rate of 10% per annum, payable in full on November 23, 2021, subject to a 30-day extension exercisable at the option of Streeterville and may be prepaid at any time. Streeterville may, in its sole discretion, designate collateral as security for its obligations under the Investor Note, provided that currently there is no collateral evidencing the repayment of such note. In the event (i) of the occurrence of any event of default under the Streeterville Note, (ii) of a breach of any material term, condition, representation, warranty, covenant or obligation of the Company under any agreement entered into with Streeterville along with the Note Purchase Agreement, or (iii) if the Company sells, transfers, assigns, pledges or hypothecates the Investor Note, or attempts to do any of the foregoing, Streeterville is entitled to deduct and offset any amount owing by the Company under the Streeterville Note from any amount owed by Streeterville under the Investor Note (provided that such amount is automatically offset if Streeterville has not exercised its offset right within 30 days prior to the maturity date of the Investor Note). The Investor Note includes customary events of default, subject to cure rights where applicable.

The Company engaged Ascendiant Capital Markets, LLC to serve as placement agent for the transaction between the Company and Streeterville in exchange for a commission equal to 7% of the gross cash proceeds received from the sale of the Streeterville Note ($245,000).

The Company used a portion of the net proceeds from the sale of the Streeterville Note to repay indebtedness owed to National Bank, which has been repaid in full; and repay amounts owed to the Monaco Trust.

December 2020 Underwritten Offering

On December 28, 2020, the Company entered into an underwriting agreement (the "Underwriting Agreement") with Kingswood Capital Markets, division of Benchmark Investments, Inc. ("Kingswood") and Aegis Capital Corp. ("Aegis"), as representatives of the underwriters name therein (the "Underwriters"), pursuant to which the Company agreed to sell to the Underwriters in a firm commitment underwritten public offering (the "Offering") an aggregate of 3,080,000 shares of the Company's common stock, at a public offering price of $2.50 per share. The Company also granted the underwriters a 45-day option to purchase up to an additional 462,000 shares of common stock to cover over-allotments, if any, which over-allotment option was fully exercised on January 13, 2021. The Offering closed on December 31, 2020.

Kingswood and Aegis acted as the book-running managers for the Offering. The shares of common stock sold in the Offering were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3. The Company paid the Underwriters a cash fee equal to 6% of the aggregate gross proceeds received by the Company in connection with the Offering, paid the Underwriters a non-accountable expense allowance equal to 1% of the aggregate gross proceeds received by the Company in connection with the Offering, and reimbursed certain expenses of the Underwriters.

The net proceeds to the Company from the Offering, after deducting the underwriting discounts and commissions and Offering expenses, were approximately $7.1 million. The Company intends to use the net proceeds from the Offering to accelerate Longroot Thailand's internet coin offering platform and our NextTrip platform and call center, to repay outstanding debt obligations (certain of which have already been paid, as discussed above), to pay outstanding obligations owed pursuant to prior acquisition agreements, for the potential acquisition of additional ownership interests in Axion and/or Longroot Cayman (of which additional interests have been purchased as described above), for general corporate purposes and working capital.

Pursuant to the Underwriting Agreement, the Company agreed, subject to certain exceptions, not to offer, issue or sell any shares of common stock or securities convertible into or exercisable or exchangeable for shares of common stock for a period of thirty days following the Offering without the prior written consent of Kingswood and Aegis.

In connection with the Offering, each of our officers, directors, and certain holders of our outstanding securities agreed, subject to certain exceptions, not to offer, issue, sell, contract to sell, encumber, grant any option for the sale of or otherwise dispose of any shares of our common stock or other securities convertible into or exercisable or exchangeable for shares of our common stock for a period of thirty days after the Offering is completed, without the prior written consent of Kingswood and Aegis.

NextTrip Formation, Funding Agreement and Operations Agreement

Effective on January 12, 2021, Monaker, NextTrip Holdings, LLC, a newly formed Florida limited liability, which is wholly-owned by Monaker ("NextTrip"), HotPlay, and the HotPlay Stockholders, entered into a Subsidiary Formation and Funding Agreement (the "Formation and Funding Agreement"). The entry into the Formation and Funding Agreement was a required condition to closing the HotPlay Exchange Agreement, which required that Monaker transfer all of its pre-existing operations into a newly formed, wholly-owned subsidiary and that Monaker execute an agreement acceptable in form to Monaker and the principal HotPlay Stockholder providing for the operations of NextTrip, including governance and funding requirements associated therewith.

According to the Formation and Funding Agreement, Monaker agreed, prior to the closing date of the HotPlay Share Exchange, to transfer all of the assets, operations, material agreements, employees, and goodwill of Monaker relating to travel operations and business (collectively, the "travel operations") to NextTrip to insulate the travel operations from the remainder of Monaker's post-closing operations and allow for Monaker's pre-closing management to continue to manage the travel operations post-closing pursuant to the terms of the NextTrip operating agreement (defined below). The Formation and Funding Agreement also provides for all North American payroll for Monaker's travel operations to be paid through, and run by, NextTrip.

The Formation and Funding Agreement also requires Monaker (which at that time will have acquired 100% ownership of HotPlay), to transfer, within five (5) business days of the closing, no less than $5.8 million (less pre-closing advances (defined below)) of the cash held on the books of HotPlay at the time of closing to NextTrip (the "initial advance"). The initial advance will be available for use by NextTrip to retire debt of NextTrip (and/or debt of Monaker), fund operations, further develop the travel operations, and for such other purposes which are approved by the Board of Managers of NextTrip. "Pre-closing advances" means the aggregate amount of the HotPlay loans. The initial advance shall not be a loan but shall instead be deemed a capital contribution from Monaker to NextTrip.

The Formation and Funding Agreement also requires Monaker to advance an additional $10 million to NextTrip in 2021, pursuant to a mutually agreed-upon schedule of advances (the "subsequent advances", and together with the initial advance, the "advances"). The subsequent advances shall similarly not be a loan, but shall instead be deemed further capital contributions by Monaker to NextTrip.

Additionally, as a separate requirement from the requirement to make the advances, Monaker is required to continue to fund all NextTrip expenses and operations, for so long as Monaker owns at least 50% of NextTrip, provided that NextTrip stays within 130% of a budget approved by the Board of Managers of NextTrip on an annual (calendar year) basis (the "budget threshold"). In the event NextTrip exceeds the budget threshold in any calendar year, Monaker shall not be required to fund more than the budget threshold in such calendar year but shall be required to fund the approved budget (in an amount of up to the then applicable budget threshold) in subsequent calendar years. Monaker is also required to promptly pay for or reimburse NextTrip for (at the option of NextTrip), all legal, audit, insurance, employee, administrative work, and other expenses paid or incurred by NextTrip on behalf of Monaker.

Under the Funding and Formation Agreement, NextTrip is required to assume all of the contractual and other obligations and liabilities of Monaker incurred before closing, provided that if such formal assumption is deemed too difficult or impracticable by NextTrip, or such formal assumption would trigger any defaults, required consents, or would be subject to any prerequisites, instead of formally assuming such obligations, NextTrip is required to pay such obligations as they come due and according to their terms (as such may be amended and modified from time to time).

Additionally, if Monaker's currently pending lawsuit with IDS, Inc. ("IDS"), results in IDS returning the 1,968,000 shares of restricted common stock of Monaker which were originally issued to IDS in August 2019 (the "IDS Shares"), NextTrip shall, with the approval of the Board of Directors of Monaker, which shall not be unreasonably withheld or delayed, be able to use, and have issued for its benefit, such number of shares of Monaker for acquisitions and strategic transactions which benefit NextTrip and the travel operations, at the request of the NextTrip Board of Managers.

Finally, the Funding and Formation Agreement provided that NextTrip was required, before the closing, to adopt an operating agreement, which is discussed below, and which was adopted on January 11, 2021.

On January 11, 2021, Monaker, as sole-owner of NextTrip adopted the Operating Agreement of NextTrip (the "operating agreement"). The operating agreement sets forth the framework for the governance and operation of NextTrip. The operating agreement includes standard representations and warranties of members of NextTrip, customary indemnification and confidentiality obligations, and other customary and standard terms relating to the governance of limited liabilities companies.

The operating agreement provides for a three-person Board of Managers ("Board of Managers") who manage NextTrip. Of those three members, two of such members are appointed by William Kerby and Donald P. Monaco, the current Chief Executive Officer and director and Chairman of the board of directors of NextTrip, and one of the members of the Board of Directors is selected by Monaker. Such designees can remove the managers they can appoint, replace such members from time to time in their discretion, and choose which persons fill vacancies created on the Board of Managers (to the extent such vacancies relate to positions they have authority to fill).

The initial members of the Board of Managers of NextTrip are (1) Mr. Kerby, (2) Mr. Monaco, and (3) J. Todd Bonner, a director of HotPlay.

The Board of Managers are tasked with creating a budget for NextTrip from time to time, but at least annually. The Managers have authority, without member approval, to have full, complete, and exclusive authority to manage and control the business, affairs, and properties of NextTrip, which includes, among other things, the ability to operate NextTrip and to enter into agreements and contracts, open and maintain bank accounts, borrow money, take actions in connection with the operation of NextTrip's business, acquire, sell and operate properties and assets, obtain insurance, incur legal and other fees, employ employees and consultants, make expenditures and undertake other decisions or acts.

Member approval is required however if the Board of Managers desires to take certain material transactions affecting NextTrip, including to (a) amend the operating agreement or the Articles of Organization of NextTrip; (b) change the character of the business of the company; (c) sell all or substantially all of NextTrip's assets; (d) mortgage or encumber all or substantially all of NextTrip's assets; (e) undertake any action that would make it impossible for NextTrip to carry on its business, subject to certain limited exceptions; (f) approve any transaction with any affiliate of NextTrip other than arm's length terms; (g) make any expenditure greater than $50,000, which is not outlined in an approved budget; or (h) confess a judgment against NextTrip.

Mr. Kerby serves as the Chief Executive Officer of NextTrip, and has the authority to appoint employees of NextTrip, and set forth their positions and salaries with NextTrip, and to further provide for the bonuses payable to such persons, provided that such compensation and bonuses do not exceed more than $500,000 in aggregate.

The operating agreement also provides that the Board of Managers, in their sole discretion, subject to applicable law, and advice of counsel, may determine that it is in the best interests of NextTrip to spin-off the membership interests of NextTrip held by Monaker to Monaker's stockholders (a "spin-off" and a "spin-off determination"). In the event of a spin-off determination, the board of directors of Monaker is required to hold a Special Meeting of the board of directors to discuss such spin-off determination (the "spin-off meeting"), and whether or not such spin-off determination is in the best interests of Monaker and its stockholders. Notwithstanding the foregoing, it is to be presumed that such spin-off is in the best interests of Monaker and its stockholders. In the event the board of directors determines not to move forward with a spin-off, the Board of Managers may make additional spin-off determinations in the future, subject to the obligation of the board of directors of Monaker to approve such spin-offs. If the board of directors of Monaker determines to move forward with the spin-off, the spin-off will proceed according to applicable law, and if necessary, NextTrip will convert into a corporation prior to, or in connection with, such spin-off. Notwithstanding the rights of the Board of Managers above, neither Monaker, NextTrip, or the Board of Managers have any present intention to affect a spin-off of NextTrip.

Additionally, if the board of directors of Monaker has determined to proceed with a spin-off, the number of authorized membership interests of NextTrip are automatically increased by 33%, after which time the Board of Managers are authorized to issue additional membership interests of NextTrip to managers, officers, management, employees, or consultants of NextTrip, in their sole discretion, in consideration for services rendered or to be rendered.

The operating agreement may only be amended with the majority approval of the Board of Managers and the unanimous approval of the members (i.e., Monaker).

Monaker does not anticipate transferring its operations to NextTrip until right before the closing of the HotPlay Share Exchange, and currently NextTrip has no assets or operations.

Reinhart Acquisition Agreement

On January 15, 2021, the Company entered into a Founding Investment and Subscription Agreement (the "Investment Agreement") with Reinhart Interactive TV AG, a company organized in Switzerland ("Reinhart"), and Jan C. Reinhart, the founder of Reinhart ("Founder"). The Investment Agreement contemplates the Company acquiring 51% of the ownership of Reinhart, in consideration for a capital contribution of 10,000,000 Swiss Francs (approximately $11.2 million), of which it is contemplated that one-half (approximately $5.6 million), will be paid in cash and one-half will be paid in restricted shares of the Company's common stock (valued at approximately $5.6 million). The closing of the transactions contemplated by Investment Agreement is to take place on April 1, 2021, or earlier if the conditions to closing are earlier satisfied. Conditions to closing include the Company paying the required capital contribution, approval of the transaction by the board of directors of the Company and Reinhart, and certain requirements and confirmations required by Swiss law. The Investment Agreement includes customary representations and warranties of the parties. We also agreed to reimburse the Founder's legal fees of up to 30,000 Swiss Francs (approximately $33,670) in connection with the transaction. Additionally, in the event we fail to close the transactions contemplated by the Investment Agreement by April 1, 2021, we agreed to pay the Founder 500,000 Swiss Francs (approximately $560,000), as a break-up fee.

Reinhart is in the business of providing a software-based TV and video distribution platform to telecom operators and digital content owners and providing services to telecom operators and digital content owners for user interaction design, as well as software development, deployment and support.

In connection with our entry into the Investment Agreement, we entered into a Founding Shareholders' Agreement with the Founder setting forth certain rules for the governance and control of Reinhart.

Additional information regarding the Investment Agreement is disclosed below under "Part II – Other Information—Item 5. Other Information".

Novel Coronavirus (COVID-19)

In December 2019, a novel strain of coronavirus, which causes the infectious disease known as COVID-19, was reported in Wuhan, China. The World Health Organization declared COVID-19 a "Public Health Emergency of International Concern" on January 30, 2020 and a global pandemic on March 11, 2020. In March and April, many U.S. states and local jurisdictions began issuing 'stay-at-home' orders. For example, the state of Florida, where the Company's principal business operations are, issued a 'stay-at-home' order effective on April 1, 2020, which remained in place, subject to certain exceptions, through June 2020, when the order was gradually lifted. Since that time the U.S., and Florida in particular, have seen rapid increases in the spread of COVID-19. It is currently unclear whether the state of Florida, or the other states, countries or other jurisdictions in which we provide travel services, will issue new or expanded 'stay-at-home' orders, or how those orders, or others, may affect our operations and/or results of operations, notwithstanding the recent start of the roll-out of COVID-19 vaccines. It is also too early to determine how effective or widespread the available vaccines will be to curb the spread or effects of COVID-19.

The COVID-19 pandemic, and governmental responses thereto, including travel restrictions, 'stay-at-home' orders and required social distancing orders, have severely restricted the level of economic activity around the world, and is having an unprecedented effect on the global travel industry. Additionally, the ability to travel has been curtailed through border closures, mandated travel restrictions and limited operations of hotels, airlines, and may be further limited through additional voluntary or mandated closures of travel-related businesses.

The measures implemented to contain the COVID-19 pandemic have had, and are expected to continue to have, a significant negative effect on our business, financial condition, results of operations, cash flows and liquidity position. In particular, such measures have led to unprecedented levels of cancellations and limited new travel bookings. Moreover, any additional measures or changes in laws or regulations, whether in the United States or other countries, that further impair the ability or desire of individuals to travel, including laws or regulations banning travel, requiring the closure of hotels or other travel-related businesses (such as restaurants) or otherwise restricting travel due to the risk of the spreading of COVID-19, may exacerbate the negative impact of the COVID-19 pandemic on our business, financial condition, results of operations, cash flows and liquidity position.

The duration and severity of the COVID-19 pandemic are uncertain and difficult to predict at this time. The pandemic could continue to impede global economic activity for an extended period of time, even as restrictions are beginning to be lifted in many jurisdictions and vaccines are beginning to be made available, leading to decreased per capita income and disposable income, increased and sustained unemployment or a decline in consumer confidence, all of which could significantly reduce discretionary spending by individuals and businesses on travel and may create a recession in the United States or globally. In turn, that could have a negative impact on demand for our services. We also cannot predict the long-term effects of the COVID-19 pandemic on our partners and their business and operations or the ways that the pandemic may fundamentally alter the travel industry. The aforementioned circumstances could result in a material adverse impact on our business, financial condition, results of operations and cash flows, potentially for a prolonged period.

The Company's liquidity could also be adversely impacted by delays in payments of outstanding accounts receivable amounts beyond normal payment terms and insolvencies. All of that could be exacerbated by the Company's financial position, and working capital deficit of $534,137 as of November 30, 2020.

It is difficult to estimate COVID-19's impact on future revenues, results of operations, cash flows, liquidity or financial condition, but such impacts have been and will continue to be significant and could continue to have a material adverse effect on our business, financial condition, results of operations, cash flows and liquidity position for the foreseeable future. In the near term, we do expect that the COVID-19 pandemic will continue to negatively affect our operating results and year-over-year results.

Separately, our capital requirements may increase in the near term and long-term due to the impact of the COVID-19 pandemic, the resulting reduced demand for travel services, the increases in cancellations and re-bookings, and the extent to which such pandemic may further impact the ability of our customers to fulfill their payment obligations.

As a result of the above, in the event the HotPlay Share Exchange described above do not close timely, if at all, and/or if the HotPlay Share Exchange is terminated, or HotPlay ceases making advances to us as required under the terms of the HotPlay Share Exchange, we may be forced to scale back our operations, adjust our plan of operations, borrow or raise additional funding, which may not be available on favorable terms if at all. In the event we require and are unable to raise additional funding in the future, we may be forced to seek bankruptcy protection.

RESULTS OF OPERATIONS

For the Three Months Ended November 30, 2020 Compared to the Three Months Ended November 30, 2019

Revenues

Our total revenues decreased 94% to $5,346 for the three months ended November 30, 2020, compared to $89,168 for the three months ended November 30, 2019, a decrease of $83,822 from the prior period. The decrease in sales is mainly due to the impact of the COVID-19 pandemic on the global travel industry. We received many cancellations during the quarter and thereafter as travelers were unwilling, or unable, due to COVID-19 and worldwide travel restrictions associated therewith, to undertake travel and tours. Our sales have decreased drastically as a result of the pandemic. Some travelling schedules have been postponed to later in the year, or the beginning of next year; however, the ultimate effect, duration and effects of the COVID-19 pandemic are currently unknown at this time; provided that we expect such pandemic to continue to have a material adverse effect on our revenues for the remainder of the calendar year and continuing into 2021.

Cost of Revenues

Our total cost of revenues decreased 89% to $9,419 for the three months ended November 30, 2020, compared to $87,368 for the three months ended November 30, 2019, a decrease of $77,949. Our gross loss was $4,073 for the three months ended November 30, 2020, compared to gross profit of $1,800 for the three months ended November 30, 2019. Cost of revenues and gross profit decreased as a result of the decrease in revenues discussed above.

Operating Expenses

Our operating expenses include general and administrative expenses, salaries and benefits, technology and development, stock-based compensation, selling and promotions expenses, and depreciation and amortization. Our operating expenses increased by $121,109 or 7% to $1,763,219 for the three months ended November 30, 2020, compared to $1,642,110 for the three months ended November 30, 2019. This increase was mainly as a result of (i) an increase in stock-based compensation of $427,419 which consisted of $157,470 of employee related issuances and $253,791 of reclassifications of accruals in prior period, and (ii) a $188,867 increase in salaries and benefits related to additional personnel needed to support product launches. These increases were partially offset by a (i) a decrease in general and administrative expenses of $350,527, of which $288,155 related to a reduction in asset management expenses for the IDS project asset and a $44,173 decrease in travel related expenses, and (ii) a decrease in technology and development expenses of $171,099, as a result of the capitalization of development costs.

Other Expenses

Our other expenses include valuation gain or loss on investments, interest expense, and other income.

Our total other expenses decreased to $576,504 for the three months ended November 30, 2020, compared to $1,656,783 for the three months ended November 30, 2019, a change of $1,080,280 from the prior period. The reduction is mainly attributable to the valuation change of our holdings in Bettwork, Verus and Recruiter.com, as described in greater detail in "Note 3 – Investment in Unconsolidated Affiliates", which resulted in a loss of $597,416 for the three months ended November 30, 2020, compared to a loss of $1,584,877 for the three months ended November 30, 2019, for an improvement of $987,461. This improvement was partially offset by an increase of $57,449 in interest expense and an increase of $260,182 in other income/expense. We also had a $109,915 loss on sale of marketable securities during the three months ended November 30, 2020, related to the realized loss on sale of our Verus holdings.

Net Loss

We had a net loss of $2,343,796 for the three months ended November 30, 2020, compared to a net loss of $3,297,093 for the three months ended November 30, 2019, resulting in an improvement in net loss of $953,298 or 29% from the prior period. This improvement in net loss was primarily due to a reduction in other income and expenses of $1,080,280 which was partially offset by an increase of $121,109 in operating expenses as described in greater detail above.

RESULTS OF OPERATIONS

For the Nine Months Ended November 30, 2020 Compared to the Nine Months Ended November 30, 2019

Revenues

Our total revenues decreased 87% to $47,765 for the nine months ended November 30, 2020, compared to $358,818 for the nine months ended November 30, 2019, a decrease of $311,053. The decrease in sales is mainly due to the impact of the COVID-19 pandemic on the global travel industry. We received numerous cancellations during the first nine months of the fiscal year and thereafter as travelers were unwilling, or unable, due to COVID-19 and worldwide travel restrictions associated therewith. Our sales have decreased drastically as a result of the pandemic. Some travelling schedules have been postponed to next year; however, the ultimate effect, duration and effects of the COVID-19 pandemic are currently unknown at this time; provided that we expect such pandemic to continue to have a material adverse effect on our revenues for calendar 2021.

Cost of Revenues

Our total cost of revenues decreased 86% to $43,186 for the nine months ended November 30, 2020, compared to $298,805 for the nine months ended November 30, 2019, a decrease of $255,619. Our gross profit was $4,579 for the nine months ended November 30, 2020, compared to $60,013 for the nine months ended November 30, 2019. Cost of revenues and gross profit decreased as a result of the decrease in revenues discussed above.

Operating Expenses

Our operating expenses include general and administrative expenses, salaries and benefits, technology and development, stock-based compensation, selling and promotions expenses, and depreciation and amortization. Our operating expenses increased by $688,333 or 15% to $5,331,638 for the nine months ended November 30, 2020, compared to $4,643,305 for the nine months ended November 30, 2019. This increase was mainly attributable to an increase in general and administrative expenses of $855,873 for the nine months ended November 30, 2020 which increased to $2,296,529, for the nine months ended November 30, 2020, compared to $1,440,656, for the nine months ended November 30, 2019, which was mainly the result of (i) an increase in investor relations activities of $230,850, to $735,620 for the nine months ended November 30, 2020, compared to $504,770, for the nine months ended November 30, 2019, and (ii) a $661,896 increase in legal and professional fees related to the aforementioned legal proceedings, which increased to $848,703 for the nine months ended November 30, 2020, from $186,807 for the nine months ended November 30, 2019. Salaries and benefits increased by $480,074, for the nine months ended November 30, 2020 to $1,665,661, compared to $1,185,587, for the nine months ended November 30, 2019, due to additional personnel needed to support product launches. Selling and promotions expenses increased by $146,871, for the nine months ended November 30, 2020, to $204,363, compared to $57,492, for the nine months ended November 30, 2019, as a result of new websites and product launches as previously described. All of these increases were partially offset by a decrease of $833,273 in technology and development related expenses, to $464,861 for the nine months ended November 30, 2020, compared to $1,298,134 for the nine months ended November 30, 2019, mainly as a result of capitalization of development costs.

Other Expenses

Our other expenses include valuation gain or loss on investments, interest expense, and other income.

Our total other expenses decreased to $1,775,808 for the nine months ended November 30, 2020, compared to $4,124,258 for the nine months ended November 30, 2019, a change of $2,348,451 from the prior period. The reduction is mainly attributable to the change in equity of our investment in Bettwork and Recruiter.com, as described in greater detail in "Note 3 – Investment in Unconsolidated Affiliates", which resulted in less of a valuation gain/loss of $1,241,725 for the nine months ended November 30, 2020, compared to $3,994,511 for the nine months ended November 30, 2019, for an improvement of $2,752,786. This improvement was partially offset by a realized loss of $594,431 mainly related to the sale of a portion of our equity position in Verus.

Net Loss

We had a net loss of $7,102,867 for the nine months ended November 30, 2020, compared to a net loss of $8,707,550 for the nine months ended November 30, 2019, resulting in a decrease in net loss of $1,604,684 or 18% from the prior period. The decrease in the net loss was primarily due to a decrease of $2,348,451 in total other income and expense mainly related to valuation changes in our investment holdings, which was offset by an increase in total operating expenses of $688,333, a decrease in gross profit of $55,434 as described in greater detail above.

Liquidity and Capital Resources

At November 30, 2020, we had $3,596,130 of cash on-hand, an increase of $3,433,624 from the $162,506 of cash on hand we had at February 29, 2020. This increase was driven primarily by $9,559,766 of cash provided by financing activities offset by cash used by investing and operating activities of $3,322,584, and $2,803,558, respectively.

Net cash used in operating activities was $2,803,558 for the nine months ended November 30, 2020, a decrease of $5,323,455 from the $2,519,897 of cash provided by operating activities during the nine months ended November 30, 2019. The main items driving this decrease was (i) a net decrease of $3,550,133 in valuation losses and unrealized losses on marketable securities resulting in $1,836,156 for November 30, 2020 as compared to $5,386,289 as of November 30, 2019, (ii) a decrease of $4,920,000 on shares issued for intangible assets resulting in $0 for the nine months ended November 30, 2020, compared to $4,920,000 for the nine months ended November 30, 2019. These were offset by increases in stock-based compensation and consulting activities of $1,262,447 and a decrease of $1,604,683 in net loss from operations.

Net cash used in investing activities decreased to $3,322,584 for the nine months ended November 30, 2020, a decrease of $1,673,221 from the $4,995,805 of cash used in investing activities during the nine months ended November 30, 2019. The decrease was mainly driven by reduced spending on intangible assets of $4,158,265, from $4,981,622 for the nine months ended November 30, 2019, compared to $823,357 during the nine months ended November 30, 2020. The cash used for the nine months ended November 30, 2019, related to intangible assets of $4,981,622, related primarily to the purchase of certain intellectual property assets from IDS, Inc. ("IDS") as described in detail under "Note 8 – Commitments and Contingencies", under the heading "Legal Matters", as compared to $0 for the nine months ended November 30, 2020, which was partially offset by $2,100,000 of payments related to the acquisition of Longroot Inc. in November 2020, as described in greater detail under "Note 4 – Acquisitions and Dispositions" —"Purchase of Longroot, Inc." and $501,189 of payments related for our travel website development costs for the nine months ended November 30, 2020.

Net cash provided by financing activities was $9,559,766 for the nine months ended November 30, 2020, an increase of $6,973,748 from the $2,586,017 of cash provided by financing activities during the nine months ended November 30, 2019. Most of this increase is a result of proceeds from promissory notes from related parties of $4,090,000 which were partially offset by $367,408 of payments on those related notes for the nine months ended November 30, 2020 as compared to $0 for the nine months ended November 30, 2019. The sale of these promissory notes generated net proceeds of $1,397,592 associated with amounts borrowed under the Revolving Monaco Trust Note (discussed in greater detail above under "Note 6 –Related Party Promissory Notes and Transactions", to the unaudited financial statements included herein) and $2,500,000 related to the HotPlay Convertible Notes (discussed in greater detail above under "Note 5 – Line of Credit and Notes Payable"). Additionally, the increase in cash provided by financing activities was also driven by proceeds from the issuance of non-related party promissory notes of $4,765,000, which were partially offset by payments of $747,826 for the nine months ended November 30, 2020. The main drivers of these proceeds were $3,870,000 of gross proceeds related to the Streeterville Note and $895,000 related to gross proceeds from the Iliad Note (both discussed in greater detail above under "Note 5 – Line of Credit and Notes Payable", to the unaudited financial statements included herein) during the nine months ended November 30, 2020, which was partially offset by note repayments of $747,826 associated with repayments on the Iliad Note.

Our largest asset as of November 30, 2020, was $10,321,343 of website development costs and intangible assets, net, mainly related to the IDS project and Longroot, Inc. acquisition. As of November 30, 2020, most of the Company's current liabilities consisted of $11,407,482 of notes payable mainly related to the Streeterville Capital, LLC, HotPlay Convertible Notes, Revolving Monaco Trust Note, and Longroot, Inc. agreements as previously discussed. The $9,272,121 of investment in affiliate as of November 30, 2020, represented the value of the Series B Convertible Preferred Stock issued in connection with acquisition of a 33.85% interest in Axion, which closed on November 16, 2020, provided that ownership of such Axion shares has not been formally transferred to the Company yet, due to a Cease Trade Order issued by the British Columbia Securities Commission, and as such, the ownership of those shares are not yet included on the balance sheet. The $7,657,024 of other receivable constitutes the debt acquired from the Axion Creditors in connection with the closing of the Axion Share Exchange on November 16, 2020.

As of November 30, 2020, we had $32,399,546 in total assets, $12,721,330 in total liabilities (all of which were current liabilities), negative working capital of $534,137 and a total accumulated deficit of $122,955,764. The negative working capital of $534,137 as of November 30, 2020, represented a decrease in working capital deficit of $1,976,478, compared to $2,510,615 of negative working capital which we had as of February 29, 2020, which decrease was mainly due to the increase in current assets associated with the acquisition of the $7,657,024 of debt owed by Axion, pursuant to the closing of the Axion Share Exchange and the increase in cash, offset by the increase in current liabilities related to borrowings.

Additionally, as described in greater detail above under "Recent Events", on November 23, 2020, we received $3,255,000 of net proceeds in connection with the sale of the Streeterville Note and on December 31, 2020, we closed the underwritten Offering of 3,080,000 shares of our common stock (with an additional 462,000 shares of our common stock being sold on January 13, 2021, in connection with the underwriters exercise of their overallotment option), for $2.50 per share and raised net proceeds of approximately $8.1 million.

Additional information regarding our notes receivable, investments in equity instruments, acquisitions and dispositions, line of credit and notes payable can be found under "Part I – Financial Statements – Item. Financial Statements – Notes to Consolidates Financial Statements" — "Note 2 – Notes Receivable", "Note 3 – Investment in Equity Instruments", "Note 4 – Acquisitions and Dispositions", "Note 5 – Line of Credit and Notes Payable", "Note 6 –Related Party Promissory Notes and Transactions", and "Note 10 – Subsequent Events".

We have very limited financial resources. We currently have a monthly cash requirement of approximately $525,000, exclusive of capital expenditures. We anticipate the advances made, and required to be continued to made on a monthly basis by HotPlay, pursuant to the terms of the HotPlay Exchange Agreement, assuming they continue as required pursuant to the terms of the HotPlay Exchange Agreement, and funds raised through the sale of the Streeterville Note and pursuant to the underwritten Offering, will be sufficient to provide us working capital through the closing of the HotPlay Share Exchange. In the event the HotPlay Share Exchange does not close on a timely basis, HotPlay ceases making required advances, or the HotPlay Share Exchange is terminated, we anticipate requiring additional funding, because our projected cash generated from operations is not sufficient to meet our cash needs for working capital and capital expenditures, and if such additional funds are required, management intends to seek additional equity or obtain additional credit facilities or loans. However, we may be unable to raise 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 to increase our ownership of Axion and/or Longroot Cayman 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.

We will need 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 ourselves. 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 all 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 November 30, 2020, we had approximately $13 million of current liabilities. 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.

To date, we have funded our operations with the proceeds from equity and debt financings and we anticipate we will need to meet our funding requirements through the sale of equity or debt financing, which funds may not be available on favorable terms, if at all. We anticipate that we would need several millions of dollars to properly market our services and fund the operations for the next 12 months.

Although we currently cannot predict the full impact of the COVID-19 pandemic on our fourth quarter fiscal 2021 financial results or for the year ended February 28, 2021, we currently anticipate a significant decrease in year-over-year revenue (similar to the decrease in quarter-over-quarter revenue we experienced during the quarters ended May 31, 2020, August 31, 2020 and November 30, 2020), which decreases we currently expect to continue throughout at least the early portion of fiscal 2022. However, the ultimate extent of the COVID-19 pandemic and its impact on global travel and overall economic activity is unknown and impossible to predict at this time.

Separately, our capital requirements may increase in the near term and long-term due to the impact of the COVID-19 pandemic, the resulting reduced demand for travel services, the increases in cancellations and re-bookings, and the extent to which such pandemic may further impact the ability of our customers to fulfill their payment obligations.

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.

Disclosure Controls and Procedures

The Company maintains a set of disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures, as of November 30, 2020, the end of the period covered by this Quarterly Report on Form 10-Q, were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

As of November 30, 2020, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions, and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

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.

Such current litigation and prior settlements are described in, and incorporated by reference in, this "Item 1. Legal Proceedings" from, Part I, Item 1 of this Form 10-Q in the Notes to Consolidated Financial Statements in "Note 8 - Commitments and Contingencies", under the heading "Legal 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.

Additionally, the outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts in excess of management's expectations, the Company's financial condition and operating results for that reporting period could be materially adversely affected.

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 29, 2020, filed with the Commission on May 29, 2020, under the heading "Risk Factors" except as discussed below, and investors should review the risks provided in the Form 10-K and below, 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 29, 2020, under "Risk Factors" or below, 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.

Risks Relating to Our Business:

We need additional capital which may not be available on commercially acceptable terms, if at all, which raises questions about our ability to continue as a going concern.

As of November 30, 2020, the Company had an accumulated deficit of $122,955,764. Net loss for the nine months ended November 30, 2020, amounted to $7,102,867. Our travel and commission operations generated a gross profit of only $4,579 for the nine months ended November 30, 2020, and as of November 30, 2020, we had a working capital deficit of $534,137. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern.

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. Furthermore, due to our relatively small size and market footprint, we may be more susceptible to issues affecting the global travel and cryptocurrency industries in general, such as COVID-19, contractions in the global travel industry, and cryptocurrency regulatory changes, as compared to larger competitors.

We currently have a monthly cash requirement of approximately $525,000. We believe that in the aggregate, we could require several millions of dollars to support and expand the marketing and development of our 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 all products are fully implemented and begin to offset our operating costs. We require additional funding in the future and if we are unable to obtain additional funding on acceptable terms, or at all, it will negatively impact our business, financial condition, and liquidity.

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

We have experienced liquidity issues due to, among other reasons, our limited ability to raise adequate capital on acceptable terms. We have historically relied upon the sale of common stock and the issuance of promissory notes to fund our operations and have devoted significant efforts to reduce that exposure. We anticipate that we will need to issue equity to fund our operations and continue to repay our outstanding debt for the foreseeable future. If we are unable to achieve operational profitability or are not successful in securing other forms of financing, we will have to evaluate alternative actions to reduce our operating expenses and conserve cash.

These conditions raise substantial doubt about our ability to continue as a going concern for the next twelve months. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, the financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The financial statements included herein also include a going concern footnote from our auditors.

In the event we are unable to raise adequate funding in the future for our operations and to pay our outstanding debt obligations, we may be forced to scale back our business plan and/or liquidate some or all our assets or may be forced to seek bankruptcy protection, which could result in the value of our outstanding securities declining in value or becoming worthless.

The COVID-19 pandemic has had, and is expected to continue to have, a material adverse impact on the travel industry and our business, operating results, and liquidity.

The COVID-19 pandemic, and governmental responses thereto, including travel restrictions, 'stay-at-home' orders and required social distancing orders, have severely restricted the level of economic activity around the world, and is having an unprecedented effect on the global travel industry. Additionally, the ability to travel has been curtailed through border closures, mandated travel restrictions and limited operations of hotels and airlines and may be further limited through additional voluntary or mandated closures of travel-related businesses.

The measures implemented to contain the COVID-19 pandemic have had, and are expected to continue to have, a significant negative effect on our business, financial condition, results of operations, cash flows and liquidity position. In particular, such measures have led to unprecedented levels of cancellations and limited new travel bookings in our travel division. Moreover, any additional measures or changes in laws or regulations, whether in the United States or other countries, that further impair the ability or desire of individuals to travel, including laws or regulations banning travel, requiring the closure of hotels or other travel-related businesses (such as restaurants) or otherwise restricting travel due to the risk of the spreading of COVID-19, may exacerbate the negative impact of the COVID-19 pandemic on our business, financial condition, results of operations, cash flows and liquidity position.

The duration and severity of the COVID-19 pandemic are uncertain and difficult to predict. The pandemic could continue to impede global economic activity for an extended period, even as restrictions are beginning to be lifted in many jurisdictions and vaccines are beginning to be rolled out, leading to decreased per capita income and disposable income, increased and sustained unemployment or a decline in consumer confidence, all of which could significantly reduce discretionary spending by individuals and businesses on travel and may create a recession in the United States or globally. In turn, that could have a negative impact on demand for our services. We also cannot predict the long-term effects of the COVID-19 pandemic on our partners and their business and operations or the ways that the pandemic may fundamentally alter the travel industry. The aforementioned circumstances could result in a material adverse impact on our business, financial condition, results of operations and cash flows, potentially for a prolonged period.

The Company's liquidity could also be adversely impacted by delays in payments of outstanding accounts receivable amounts beyond normal payment terms and insolvencies.

It is difficult to estimate COVID-19's impact on future revenues, results of operations, cash flows, liquidity or financial condition, but such impacts have been and will continue to be significant and could continue to have a material adverse effect on our business, financial condition, results of operations, cash flows and liquidity position for the foreseeable future. In the near term, we do expect that the COVID-19 pandemic will continue to negatively affect our operating results and year-over-year results.

Separately, our capital requirements associated with our travel division may increase in the near term and long-term due to the impact of the COVID-19 pandemic, the resulting reduced demand for travel services, the increases in cancellations and re-bookings, and the extent to which such pandemic may further impact the ability of our customers to fulfill their payment obligations.

As a result of the above, in the event the HotPlay Share Exchange described above under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Events", does not close timely, if at all, we may be forced to scale back our operations, adjust our plan of operations, borrow or raise additional funding, which may not be available on favorable terms if at all. In the event we require, and are unable to raise additional funding in the future, we may be forced to seek bankruptcy protection.

A significant portion of our assets are subject to ongoing litigation, the result of which may cause a reduction in the value of such assets on our balance sheet and/or require such assets to be written off.

The Company is currently in ongoing litigation with IDS, Inc. ("IDS") and certain other defendants affiliated with IDS. In August 2019, the Company acquired certain intellectual property from IDS pursuant to the terms of an Intellectual Property Purchase Agreement (the "IP Purchase Agreement"). The litigation seeks rescission of the IP Purchase Agreement and return of the 1,968,000 shares of restricted common stock of the Company (the "IDS Shares") issued to IDS pursuant to the IP Purchase Agreement, among other things. In the event the IP Purchase Agreement is unwound, the value of our assets, or more specifically, the value of website development costs and intangible assets, net, on our balance sheet (currently $10,321,343), may be decreased by the value of such acquired assets ($5,015,593). Separately, depending on the outcome of the litigation, we may determine that a partial or full write-down of such intellectual property assets obtained from IDS is necessary or warranted. The outcome of the litigation with IDS and related parties may result in the value of our assets decreasing in value significantly, which could have a material adverse effect on our financial statements, our ability to raise funding, could trigger a default under our loan and other agreements, and/or could result in us failing to meet the continued listing requirements of The NASDAQ Capital Market, all of which could cause the value our securities to decline in value.

Axion owes us a substantial amount of money, the payment of which is in default, and which may not be timely repaid, if at all.

Pursuant to the Axion Share Exchange, which closed on November 16, 2020, the Company acquired $7,657,024 of debt owed by Axion. As of June 30, 2019, the last date that publicly available information for Axion is available, Axion had $2.5 million more liabilities than assets. The Axion debt acquired by the Company pursuant to the November 16, 2020 closing of the Axion Share Exchange is currently past due and has not been paid to date. We may have to take legal action to enforce the repayment of such debt. Furthermore, Axion may not have sufficient cash to repay such debt. The debt is unsecured and as such, secured creditors of Axion may have priority rights to Axion's assets in connection with any liquidation or bankruptcy. In the event the Axion debt is not paid and/or not paid in full, it could have a material adverse effect on our cash flows and our ability to pay our debts as they become due. Any continued failure by Axion to timely repay their debt obligations under the Axion debt acquired pursuant to the Axion Share Exchange could cause the value of our securities to decline in value or become worthless.

Our obligations under the Streeterville Capital, LLC Promissory Note are secured by a first priority security interest in substantially all of our assets.

On November 23, 2020, we sold Streeterville Capital, LLC ("Streeterville"), a Secured Promissory Note in the original principal amount of $5,520,000 (the "Streeterville Note"). Streeterville paid consideration of (a) $3,500,000 in cash; and (b) issued the Company a promissory note in the amount of $1,500,000 (the "Investor Note"), in consideration for the Streeterville Note, which included an original issue discount of $500,000 (the "OID") and reimbursement of Streeterville's transaction expenses of $20,000. A total of $350,000 of the OID is fully earned and the remaining $150,000 is not fully earned until the Investor Note is fully funded by Streeterville. The Streeterville Note bears interest at a rate of 10% per annum and matures 12 months after its issuance date (i.e., on November 23, 2021). From time to time, beginning six months after issuance, Streeterville may redeem a portion of the Streeterville Note, not to exceed an amount of $875,000 per month if the Investor Note has not been funded by Streeterville, and $1.25 million in the event the Investor Note has been funded in full. In the event we don't pay the amount of any requested redemption within three trading days, an amount equal to 25% of such redemption amount is added to the outstanding balance of the Streeterville Note. Under certain circumstances, the Company may defer the redemption payments up to three times, for 30 days each, provided that upon each such deferral the outstanding balance of the Streeterville Note is increased by 2%. For so long as the Streeterville Note remains outstanding, the Company has agreed to pay to Streeterville 20% of the gross proceeds that the Company receives from the sale of any of its common stock or preferred stock, which payments will be applied towards and will reduce the outstanding balance of the Streeterville Note, which percentage increases to 30% upon the occurrence of, and continuance of, an event of default under the Streeterville Note.

In connection with the Streeterville Note, the Company entered into a Security Agreement with Streeterville (the "Security Agreement"), pursuant to which the obligations of the Company are secured by substantially all of the assets of the Company.

As such, Streeterville may enforce its security interests over our assets and/or our subsidiaries which secure the repayment of such obligations, take control of our assets and operations, force us to seek bankruptcy protection or force us to curtail or abandon our current business plans and operations. If that were to happen, any investment in the Company could become worthless.

Risks Relating to The Share Exchanges:

The number of shares of common stock issuable pursuant to the HotPlay Share Exchange and in connection with the Axion Preferred Conversion will cause significant dilution to existing stockholders and a change of control of the Company.

Pursuant to the HotPlay Share Exchange, following the completion of the HotPlay Share Exchange and at the time the outstanding shares of the Company's Series B Convertible Preferred Stock and Series C Convertible Preferred Stock automatically converts into common stock of the Company (the "Axion Preferred Conversion")(anticipated to occur near or at the same time as the closing of the HotPlay Share Exchange), the current HotPlay securityholders are expected to own approximately 64.0% of the aggregate outstanding shares of common stock of Monaker, and the Axion Stockholders and Axion Creditors are expected to own approximately 13.8% of the aggregate outstanding common stock of Monaker (without taking into account shares of common stock issuable upon exercise of the Creditor Warrants), with the Monaker stockholders prior to the effective date of the closing and conversion holding approximately 22.2% of the aggregate outstanding common stock of the combined company (without taking into account shares of common stock issuable upon exercise of the Creditor Warrants). As a result, the total shares of common stock issuable upon closing of the HotPlay Share Exchange and in connection with the Axion Preferred Conversion will cause significant dilution to existing stockholders, and result in a change of control.

The Company has not yet transferred the shares of Axion acquired pursuant to the closing of the Axion Share Exchange into its name.

Although the Axion Share Exchange closed on November 16, 2020, the Company has yet to formally complete the transfer of the ownership of the Axion shares into its name, due to a Cease Trade Order issued by the British Columbia Securities Commission, which impacts Axion, and the Company may choose to not formally complete such transfer, but to instead obtain the contractual rights to vote and receive the economic rights to such shares, until such time as such shares can be formally transferred. In the event the transfer of the Axion shares is not approved, or delayed, the Company may be unable to take title to such shares, which could have adverse effects on the Company's accounting for such acquisition and may ultimately prevent the Company from recognizing the value of such shares. For example, as of November 30, 2020, the Company has accounted for its 33.85% interest in Axion as an investment in affiliate, valued at the aggregate liquidation preference of the Series B Convertible Preferred Stock issued in consideration for such shares of Axion, as ownership of such Axion shares have not yet been formally transferred to the Company.

Combining HotPlay and the Company may be more difficult, costly or time-consuming than expected and the Company may fail to realize the anticipated benefits of the HotPlay Share Exchange, including expected financial and operating performance of the combined company.

The success of the HotPlay Share Exchange will depend, in part, on the combined company's ability to realize anticipated cost savings from combining the businesses of the Company and HotPlay. To realize the anticipated benefits and cost savings from the HotPlay Share Exchange, the Company and HotPlay must successfully integrate and combine their businesses in a manner that permits those cost savings to be realized. If the Company and HotPlay are not able to successfully achieve these objectives, the anticipated benefits of the HotPlay Share Exchange may not be realized fully or at all or may take longer to realize than expected. In addition, the actual cost savings of the HotPlay Share Exchange could be less than anticipated.

The Company and HotPlay have operated and, until the completion of the HotPlay Share Exchange, must continue to operate independently. It is possible that the integration process could result in the loss of key employees, the disruption of our ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with customers, suppliers and employees or to achieve the anticipated benefits and cost savings of the HotPlay Share Exchange. Integration efforts between the two companies may also divert management attention and resources. These integration matters could have an adverse effect on each of the Company and HotPlay during this transition period and for an undetermined period after completion of the HotPlay Share Exchange on the combined company.

The combined company may be unable to retain Company and/or HotPlay personnel successfully after the HotPlay Share Exchange is completed.

The success of the HotPlay Share Exchange will depend in part on the combined company's ability to retain the talents and dedication of key employees currently employed by the Company and HotPlay. It is possible that these employees may decide not to remain with the Company or HotPlay, as applicable, while the HotPlay Share Exchange is pending, or with the combined company after the HotPlay Share Exchange is consummated. If key employees terminate their employment, the combined company's business activities may be adversely affected and management's attention may be diverted from successfully integrating the Company and HotPlay to hiring suitable replacements, all of which may cause the combined company's business to suffer. In addition, the Company and HotPlay may not be able to locate or retain suitable replacements for any key employees who leave either company.

Regulatory and other approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated or that could have an adverse effect on the combined company following the HotPlay Share Exchange.

Before the HotPlay Share Exchange may be completed, applicable approvals may need to be obtained under certain laws and regulations and from various third parties. In deciding whether to grant regulatory clearances and approvals, the relevant governmental entities may consider, among other things, the effect of the HotPlay Share Exchange on competition within their relevant jurisdiction. The terms and conditions of the approvals that are granted may impose requirements, limitations or costs or place restrictions on the conduct of the combined company's business. We and HotPlay may need to provide significant additional consideration to third parties who hold contractual rights to approve and consent to the HotPlay Share Exchange. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions and that such conditions, terms, obligations or restrictions will not have the effect of delaying completion of the HotPlay Share Exchange or that obtaining the consent of such regulators or third parties will not result in additional material costs. In addition, any such conditions, terms, obligations or restrictions may result in the delay or abandonment of the HotPlay Share Exchange.

The consummation of the HotPlay Share Exchange will result in a change of control of the Company.

Due to the significant number of shares issuable at the closing of the HotPlay Share Exchange (i.e., 52,000,000 shares of Monaker common stock (currently representing approximately 64.0% of the shares of common stock which will be outstanding at closing, based on Monaker's current outstanding shares)), a change of control of the Company will be deemed to have occurred, and the owners of HotPlay prior to the HotPlay Share Exchange will obtain control of the Company (both as to the board of directors and voting control over the Company). Additionally, the HotPlay Exchange Agreement requires all but three of our current directors to resign and the appointment of four new directors, which are to be nominated by the principal stockholder of HotPlay, and such principal stockholder and Monaker are required to mutually agree on a seventh, eight and nineth director who will be independent, unless otherwise agreed by the parties (one of which is currently anticipated to be one of Monaker's current directors). Additionally, the new stockholders obtaining shares in the HotPlay Share Exchange will exercise control in determining the outcome of all corporate transactions or other matters, including the election and removal of directors, mergers, consolidations, the sale of all or substantially all of our assets, and also the power to prevent or cause a further change in control. Any investors who purchase shares or hold shares prior to the HotPlay Share Exchange will be minority stockholders and as such will have little to no say in the direction of the Company and the election of directors. Additionally, it will be difficult if not impossible for investors to remove the directors appointed by the prior owners of HotPlay, which will mean they will remain in control of who serves as officers of the Company as well as whether any changes are made in the board of directors. An owner of the Company's securities should keep in mind that your shares, and your voting of such shares, will likely have little effect on the outcome of corporate decisions.

Upon the closing of the HotPlay Share Exchange we plan to transition the majority of our business operations to those of HotPlay.

While we plan to continue to operate in the travel industry, and through Longroot, following the closing of the HotPlay Share Exchange, we anticipate that the more significant portion of our assets and operations will be related to in-game advertising. We have no experience operating as an in-game advertising company and our operations in such industry will be subject to all of the risks of any new business in a new industry. Our change in business structure may not be successful. Additionally, such new controlling stockholders, directors and officers may not be able to properly manage our new direction. If our new management fails to properly manage and direct our operations, we may be forced to scale back or abandon our operations, which may cause the value of our common stock to decline or become worthless.

We will be subject to business uncertainties and contractual restrictions while the HotPlay Share Exchange is pending.

Uncertainty about the effect of the HotPlay Share Exchange on employees and partners may have an adverse effect on us. These uncertainties may impair our ability to attract, retain and motivate key personnel until the HotPlay Share Exchange is completed, and could cause partners and others that deal with us to seek to change existing business relationships, cease doing business with us or cause potential new partners to delay doing business with us until the HotPlay Share Exchange has been successfully completed or terminated. Retention of certain employees may be challenging during the pendency of the HotPlay Share Exchange, as certain employees may experience uncertainty about their future roles or compensation structure. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the business, our business following the HotPlay Share Exchange could be negatively impacted. In addition, the HotPlay Share Exchange restricts us from making certain acquisitions and taking other specified actions until the HotPlay Share Exchange is completed without certain consents and approvals. These restrictions may prevent us from pursuing attractive business opportunities that may arise prior to the completion of the HotPlay Share Exchange.

The HotPlay Share Exchange limits our ability to pursue alternatives to the HotPlay Share Exchange.

The HotPlay Share Exchange contains provisions that could adversely impact competing proposals to acquire us. These provisions include the prohibition on us generally from soliciting any acquisition proposal or offer for a competing transaction. These provisions might discourage a third party that might have an interest in acquiring all or a significant part of our company from considering or proposing an acquisition, even if that party were prepared to pay consideration with a higher value than the current proposed consideration payable pursuant to the HotPlay Share Exchange.

The HotPlay Exchange Agreement may be terminated in accordance with its terms and the HotPlay Share Exchange may not be completed.

The HotPlay Exchange Agreement is subject to several conditions that must be fulfilled in order to complete the HotPlay Share Exchange. These conditions to the closing of the HotPlay Share Exchange may not be fulfilled and, accordingly, the HotPlay Share Exchange may not be completed. In addition, the parties to the HotPlay Exchange Agreement can generally terminate such agreement if the transactions contemplated thereby do not close by February 28, 2021, under certain other conditions if the terms of the HotPlay Share Exchange are breached, and the parties can mutually decide to terminate the HotPlay Exchange Agreement at any time. In addition, the Company and the counterparties to the HotPlay Exchange Agreement may elect to terminate the HotPlay Exchange Agreement in certain other circumstances.

Litigation could prevent or delay the closing of the HotPlay Share Exchange or otherwise negatively impact the business and operations of the Company.

The Company may incur costs in connection with the defense or settlement of any stockholder lawsuits filed in connection with the HotPlay Share Exchange. Such litigation could have an adverse effect on the financial condition and results of operations of the Company and could prevent or delay the consummation of the HotPlay Share Exchange. Such litigation, affecting HotPlay and/or the HotPlay Stockholders, could delay or prevent the closing of the HotPlay Share Exchange.

Certain of the Company's warrant holders will need to approve the HotPlay Share Exchange or agree to modify such warrants, or such warrant holders will have the right to require the Company to repurchase such warrants upon the closing of the HotPlay Share Exchange.

Certain of the Company's outstanding warrants agreements include provisions which allow such holders the right, following a fundamental transaction, such as the HotPlay Share Exchange, to require the Company to repurchase such securities at their Black Scholes values, which repurchase amounts may be significant and may be several times more than the exercise prices of such warrants, even if they are significantly out-of-the-money. As a result, in the event such warrant holders do not consent to the HotPlay Share Exchange, exercise their warrants prior to the date of closing of the HotPlay Share Exchange, or otherwise agree to modify such warrants, the Company may be forced to expend significant resources repurchasing such warrants and the funding for such repurchases may not be available on favorable terms, if at all, and/or such conditions and requirements may ultimately prevent the HotPlay Share Exchange from closing.

Termination of the HotPlay Share Exchange could negatively impact the Company.

In the event the HotPlay Share Exchange is terminated, our business may have been adversely impacted by our failure to pursue other beneficial opportunities due to the focus of management on the HotPlay Share Exchange, and the market price of our common stock might decline to the extent that the current market price reflects a market assumption that the HotPlay Share Exchange will be completed. If the HotPlay Share Exchange is terminated and our board of directors seeks another acquisition or business combination, our stockholders cannot be certain that we will be able to find a party willing to offer equivalent or more attractive consideration than the consideration provided for by the HotPlay Share Exchange.

The combined company will likely be required to re-meet the initial listing standards of The NASDAQ Capital Market in order to close the HotPlay Share Exchange.

The closing of the HotPlay Share Exchange requires that the Company requalify for initial listing on The NASDAQ Capital Market, pursuant to the applicable guidance and requirements of NASDAQ as of the date of the closing of the HotPlay Share Exchange, if required, and we currently anticipate being required to re-meet such initial listing standards upon closing. The NASDAQ Capital Market initial listing standards include more stringent requirements than The NASDAQ Capital Market continued listing standards.

The NASDAQ Capital Market initial listing standards require that issuers meeting one of the following tests: (1) $750,000 of pre-tax income (in either the last fiscal year or two of the three most recent years), $5 million of public float, $4 million of stockholders' equity and a minimum closing price of $3 per share; (2) $15 million of public float, $5 million of stockholders' equity, a $3 per share price and 2 years of operating history; or (3) a $50 million market cap; $15 million of public float, $4 million of stockholders' equity, and a $2 per share price, plus in each case 300 round lot stockholders and 1,000,000 shares of total public float, with at least half of such required number of round lot stockholders holding unregistered securities with a minimum value of $2,500.

We may not be able to re-meet the initial listing standards described above upon closing of the HotPlay Share Exchange, which is a required condition to closing the HotPlay Share Exchange, if required by The NASDAQ Capital Market.

The HotPlay Share Exchange contain provisions that may discourage other companies from trying to combine with us on more favorable terms while the HotPlay Share Exchange is pending.

The HotPlay Share Exchange contains provisions that may discourage a third party from submitting a business combination proposal to us that might result in greater value to our stockholders than the HotPlay Share Exchange. These provisions include a general prohibition on us from soliciting, or, subject to certain exceptions, entering into discussions with any third party regarding any acquisition proposal or offers for competing transactions.

Failure to complete the HotPlay Share Exchange could negatively impact our stock price and future business and financial results.

If the HotPlay Share Exchange is not completed, our ongoing business may be adversely affected and we would be subject to a number of risks, including the following:

- we will not realize the benefits expected from the HotPlay Share Exchange, including a potentially enhanced competitive and financial position, expansion of assets and therefore opportunities, and will instead be subject to all the risks we currently face as an independent company;

- we may experience negative reactions from the financial markets and our partners and employees;

- the HotPlay Share Exchange places certain restrictions on the conduct of our business prior to the completion of the HotPlay Share Exchange or the termination of the HotPlay Share Exchange. Such restrictions, the waiver of which is subject to the consent of the counterparties to such agreement, may prevent us from making certain acquisitions, taking certain other specified actions or otherwise pursuing business opportunities during the pendency of the HotPlay Share Exchange; and

- matters relating to the HotPlay Share Exchange (including integration planning) may require substantial commitments of time and resources by our management, which would otherwise have been devoted to other opportunities that may have been beneficial to us as an independent company**.**

Significant costs are expected to be incurred in connection with the consummation of the HotPlay Share Exchange and integration of the Company and HotPlay into a single business, including legal, accounting, financial advisory and other costs.

If the HotPlay Share Exchange is consummated, the Company and HotPlay expect to incur significant costs in connection with integrating their operations and personnel. These costs may include costs for:

- employee redeployment, relocation or severance;

- integration of information systems; and

- reorganization or closures of facilities.

In addition, the Company and HotPlay expect to incur a number of non-recurring costs associated with combining the operations of the two companies, which cannot be estimated accurately at this time. The Company and HotPlay will also incur transaction fees and other costs related to the HotPlay Share Exchange. Additional unanticipated costs may be incurred in the integration of the businesses of the Company and HotPlay. Although the Company and HotPlay expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction and transaction-related costs over time, this net benefit may not be achieved in the near term, or at all. There can be no assurance that the Company and HotPlay will be successful in these integration efforts.

The conversion of the HotPlay Notes (and future HotPlay convertible notes) into common stock pursuant to their terms, will cause immediate and substantial dilution.

As described in greater detail above under "Part I – Financial Statements – Item. Financial Statements – Notes to the Consolidated Financial Statements - Note 5 – Line of Credit and Notes Payable—HotPlay Convertible Notes", in certain situations the HotPlay Notes (and future convertible notes issued to HotPlay) automatically convert into common stock of the Company at a conversion price of $2.00 per share. If converted in full as of the date of this report, without taking into account accrued interest, which also converts into common stock at a conversion price of $2.00 per share, HotPlay would be issued an aggregate of 1,500,000 shares of common stock. Such issuance would result in immediate and substantial dilution to the interests of other stockholders.

Risks Relating to Longroot Thailand

Cryptocurrency exchanges and other trading venues are relatively new.

When cryptocurrency exchanges or other trading venues are involved in fraud or experience security failures or other operational issues, such events could result in a reduction in cryptocurrency prices, impact the success of Longroot Thailand and have a material adverse effect on the ability of Longroot Thailand to continue as a going concern, which correspondingly could harm the business, prospects and operations of the Company. Cryptocurrency market prices depend, directly or indirectly, on the prices set on exchanges and other trading venues, which are new and, in most cases, largely unregulated as compared to established, regulated exchanges for securities, commodities or currencies. In the event Longroot Thailand faces fraud, security failures, operational issues or similar events, such factors would have a material adverse effect on the ability of Longroot Thailand to continue as a going concern, which could have a material adverse effect on the business, prospects or operations of Longroot Thailand.

Longroot Thailand's business may be adversely affected by market uncertainty or lack of confidence among investors.

Longroot Thailand's revenues are derived from the participation in fundraising activities via the issuance of crypto tokens through its Initial Coin Offering (ICO) Portals. Uncertain economic and market conditions, and other poor geopolitical conditions, may adversely affect investor confidence and business activities of potential clients. This could result in declines in size and number of fundraises, which would likely negatively impact Longroot Thailand's results of operations.

Regulatory changes or actions may alter the nature of the Company's ownership of Longroot Thailand or restrict the use of cryptocurrencies in a manner that adversely affects Longroot Thailand's business, prospects or operations.

As cryptocurrencies have grown in both popularity and market size, governments around the world have reacted differently to cryptocurrencies, with certain governments deeming them illegal while others have allowed their use and trade. Thailand, where Longroot Thailand is regulated, is the first country to approve a legal initial coin offering ("ICO") portal for issuers. Under Thai Securities and Exchange Commission ("Thai SEC") regulation, all crypto token issuance in Thailand must be approved by the Thai SEC and carried out via an approved ICO Portal such as Longroot Thailand. Governments may in the future take regulatory actions that prohibit or severely restrict the right to acquire, own, hold, sell, use or trade cryptocurrencies or to exchange cryptocurrencies for fiat currency. Similar actions by governments or regulatory bodies could impact the ability of Longroot Thailand to continue to operate and such actions could affect the ability of Longroot Thailand to continue as a going concern, which could have a material adverse effect on the business, prospects or operations of the Company.

Furthermore, tokens issued by Longroot Thailand may be classified as securities depending on the nature of the token and the regulatory frameworks of the respective jurisdictions. Longroot Thailand's activities may be subject to securities regulations in different jurisdictions, which could limit its business activity, such as limits on the personnel it can issue tokens to, and this may negatively impact Longroot Thailand's profitability. In addition, compliance with existing laws and regulations, will involve significant amounts of time, including that of Longroot Thailand's senior leaders and that of dedicated compliance personnel, all of which might negatively impact Longroot Thailand's results of operations.

The development and acceptance of cryptographic and algorithmic protocols governing the issuance of and transactions in cryptocurrencies are subject to a variety of factors that are difficult to evaluate.

The use of cryptocurrencies to, among other things, buy and sell goods and services and complete transactions, is part of a new and rapidly evolving industry that employs digital assets based upon a computer-generated mathematical and/or cryptographic protocol. The growth of this industry in general, and the use of cryptocurrencies in particular, is subject to a high degree of uncertainty, and the slowing or stopping of the development or acceptance of developing protocols may occur and is unpredictable.

Longroot Thailand's coins might be used for illegal or improper purposes, which could expose Longroot Thailand to additional liability and harm its business.

Longroot Thailand's coins remain susceptible to potentially illegal or improper uses as criminals are using increasingly sophisticated methods to engage in illegal activities involving internet services, such as money laundering, terrorist financing, drug trafficking, human trafficking, illegal online gaming, romance and other online scams, prohibited sales of pharmaceuticals, fraudulent sale of goods or services, piracy of software, movies, music and other copyrighted or trademarked goods, unauthorized uses of credit and debit cards or bank accounts and similar misconduct. Coinholders may also encourage, promote, facilitate or instruct others to engage in illegal activities. If the measures Longroot Thailand has taken are too restrictive and inadvertently screen proper transactions, this could diminish customer experience which could harm its business. Thailand's business could be harmed if customers use its system for illegal or improper purposes.

Acceptance and/or widespread use of cryptocurrency is uncertain.

Currently, there is a relatively small use of cryptocurrencies in the retail and commercial marketplace for goods or services. In comparison, there is relatively large use by speculators contributing to price volatility. The relative lack of acceptance of cryptocurrencies in the retail and commercial marketplace limits the ability of end-users to use them to pay for goods and services. Such lack of acceptance or decline in acceptances would have a material adverse effect on the ability of Longroot Thailand to continue as a going concern or to pursue this segment at all, which would have a material adverse effect on the business, prospects or operations of Longroot Thailand and ultimately the Company.

There are cyber security risks related to cryptocurrency trading.

Trading platforms and third-party service providers may be vulnerable to hacking or other malicious activity. As with any computer code generally, flaws in cryptocurrency codes may be exposed to such negative activities. Several errors and defects have been found previously, including those that disabled some functionality for users of cryptocurrency trading platforms and exposed such users' personal information. Flaws in and exploitations of the source code allowing malicious actors to take or create money have previously occurred. Any of the above events effecting Longroot Thailand may adversely affect its operations and results of operations and ultimately have a material adverse effect on the Company.

Competing blockchain platforms and technologies may cause consumers to use alternative distributed ledgers.

The development and acceptance of competing blockchain platforms or technologies may cause consumers to use alternative distributed ledgers or an alternative to distributed ledgers altogether. This may adversely affect Longroot Thailand.

Future regulatory changes affecting Longroot Thailand are unable to predict.

Digital assets in Thailand are regulated under the Securities and Exchange Commission of Thailand, and are subject to comprehensive statutes, regulations and margin requirements. In addition, the Securities and Exchange Commission of Thailand is authorized to take extraordinary actions in the event of a market emergency, including, for example, the retroactive implementation of speculative position limits or higher margin requirements, the establishment of daily price limits and the suspension of trading. The regulation of digital assets both inside and outside Thailand is a rapidly changing area of law and is subject to modification by government and judicial action. Digital assets also currently face an uncertain regulatory landscape in various jurisdictions. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect digital assets and its users, particularly digital asset operators and service providers that fall within such jurisdictions' regulatory scope. Such laws, regulations or directives may conflict with those of Thailand and may negatively impact the acceptance of digital assets by users, merchants and service providers outside of Thailand and may therefore impede the growth of the digital asset economy. The effect of any future domestic or foreign regulatory change on the Longroot Thailand is unable to be predicted, but such change could be substantial and adverse to Longroot Thailand's operations and prospects.

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

There have been no sales of unregistered securities during the three months ended November 30, 2020 and from the period from November 1, 2020 to the filing date of this report, which have not previously been disclosed in the Company's August 31, 2020, Quarterly Report, or in a Current Report on Form 8-K, except as disclosed below:

- In November 2020, the Company issued 35,000 shares of restricted common stock to a consultant in consideration for investor relations services.
- In November 2020, the Company issued 10,000 shares of restricted common stock to a consultant in consideration for consulting services in connection with a medical tourism project.
- On September 1, 2020, the Company entered into a consulting agreement with Beachfront Travel Consulting LLC for their services and expertise in Call Center and Sales Operations. The consultant agreed to assist the Company in the development and design of a Call Center Operation to support the Company's brand. The Company agreed to pay the consultant compensation of 1,500 restricted shares of common stock per month, with a price equal to the closing price on the last day of the month and the consultant agreed to advise the Company on policies and procedures, performance metrics and reporting, operational standards and training of call center staff. The Company issued the consultant 1,500 shares of restricted common stock for the months of September, October and November 2020. The agreement was terminated on December 7, 2020, and the parties entered into as a new consulting agreement, with an annual fee of $110,000 instead of the 1,500 per month stock compensation.

We claim an exemption from registration for the issuances described above pursuant to Section 4(a)(2) and/or Rule 506(b) 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 securities were offered without any general solicitation by us or our representatives. No underwriters or agents were involved in the foregoing issuances and we paid no underwriting discounts or commissions. The securities are subject to transfer restrictions, and the certificates evidencing the securities will 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 there-from. 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.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Because this Quarterly Report on Form 10-Q is being filed within four business days from the date of the reportable events described below, we have elected to make the following disclosures in this Quarterly Report on Form 10-Q, instead of in a Current Report on Form 8-K under Items 1.01, 2.03, and 3.02, as applicable:

Item 1.01 Entry into a Material Definitive Agreement.

On January 15, 2021, the Company entered into a Founding Investment and Subscription Agreement (the "Investment Agreement") with Reinhart Interactive TV AG, a company organized in Switzerland ("Reinhart"), and Jan C. Reinhart, the founder of Reinhart ("Founder"). The Investment Agreement contemplates the Company acquiring 51% of the ownership of Reinhart, in consideration for a capital contribution of 10,000,000 Swiss Francs (approximately $11.2 million), of which it is contemplated that one-half (approximately $5.6 million), will be paid in cash and one-half will be paid in restricted shares of the Company's common stock (valued at approximately $5.6 million). The closing of the transactions contemplated by Investment Agreement is to take place on April 1, 2021, or earlier if the conditions to closing are earlier satisfied. Conditions to closing include the Company paying the required capital contribution, approval of the transaction by the board of directors of the Company and Reinhart, and certain requirements and confirmations required by Swiss law. The Investment Agreement includes customary representations and warranties of the parties. We also agreed to reimburse the Founder's legal fees of up to 30,000 Swiss Francs (approximately $33,670) in connection with the transaction. Additionally, in the event we fail to close the transactions contemplated by the Investment Agreement by April 1, 2021, we agreed to pay the Founder 500,000 Swiss Francs (approximately $560,000), as a break-up fee.

Reinhart is in the business of providing a software-based TV and video distribution platform to telecom operators and digital content owners and providing services to telecom operators and digital content owners for user interaction design, as well as software development, deployment and support.

In connection with our entry into the Investment Agreement, we entered into a Founding Shareholders' Agreement with the Founder (the "Shareholders' Agreement"). The Shareholders' Agreement set forth certain rules for the governance and control of Reinhart. The Shareholders' Agreement provides that the Board of Directors of Reinhart will consist of five members, three of which will be appointed by the Founder and other shareholders of Reinhart, and two of which will be appointed by the Company; that any material shareholder matters are required to be approved by shareholders holding at least 66 2/3% of the total outstanding vote of Reinhart; that in the event Reinhart issues, within five years after the closing date, any equity or convertible equity, with a price less than the most recent valuation of Reinhart's shares, the shares held by each director who is appointed by the Founder are subject to weighted average anti-dilution protection; provides for various restrictions on transfers of shares of Reinhart, including right of first refusal rights, tag-along rights, and drag-along rights, as well as certain rights which would trigger the right of the other parties to the Shareholders' Agreement to acquire the shares held by an applicable shareholder, for the higher of the fair market value and the nominal value of the shares (except in the case of (c) where the purchase price is the lower of such amounts), if such shareholder (a) commits a criminal act against the interests of another party, Reinhart or its affiliates; (b) breaches the Shareholders' Agreement, and fails to cure such breach 20 days after notice thereof is provided; or (c) the employment of any employed shareholder is terminated for certain reasons.

The Shareholders Agreement also provides a right for the Founder and any other persons appointed as directors by the Founder to put their shares to the Company, at which time the Company will be required to purchase such shares (the "Founder's Shares"), based on the following schedule:

Date right is triggered	**Percent of Founder's Shares eligible to be sold**	**Required Purchase Price**
January 1, 2024	33%	15 times EBITDA based on audited 2023 Reinhart financials
January 1, 2025	66%	15 times EBITDA based on audited 2024 Reinhart financials
December 20, 2025, if the Board of Directors of Reinhart, together with a majority of the directors appointed by the Company, agree to sell Reinhart to a third party, but the Company and the Founder can't agree on such sale, by such date	100%	Higher of (a) 15 times EBITDA based on audited 2025 Reinhart financials; and (b) the value of a fully-funded acquisition proposal based on audited 2025 Reinhart financials
January 1, 2026	100%	Lower of (a) 15 times EBITDA based on audited 2025 Reinhart financials; and (b) the value of a fully-funded acquisition proposal based on audited 2025 Reinhart financials

The Shareholders' Agreement also allows the parties to file for an initial public offering on a Swiss trading exchange. The Shareholders' Agreement has a term of 10 years, extendable thereafter for successive five-year periods, unless terminated by either party with 12 months prior written notice (provided that any such termination shall only be applicable to the terminating shareholder), subject to earlier termination in connection with certain initial public offerings.

As discussed above, the transactions contemplated by the Investment Agreement are subject to certain conditions and are not expected to close until April 1, 2021.

The foregoing description of the Investment Agreement and Shareholders' Agreement, do not purport to be complete and are qualified in their entirety by reference to the full text of the Investment Agreement and Shareholders' Agreement, which are filed as Exhibits 10.30, and 10.31 to this Quarterly Report on Form 10-Q.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information and disclosures regarding the Investment Agreement set forth in Item 1.01 above are incorporated by reference into this Item 2.03 of this "Item 5. Other Information", in their entirety.

Item 3.02. Unregistered Sales of Equity Securities.

As described in Item 1.01 of this "Item 5. Other Information", the Company contemplates issuing shares of restricted common stock to Reinhart to pay its required capital contribution under the terms of the Investment Agreement, which shares will be equal in value to 10,000,000 Swiss Francs (approximately $5.6 million).

We claim an exemption from registration for the offer of the restricted stock described above, and plan to claim an exemption for the issuance of such restricted stock, pursuant to Section 4(a)(2), Rule 506(b) and/or Regulation S of the Securities Act ("Regulation S"), since the shares of common stock were offered to, and will be obtained by, an "accredited investor" and/or a non-U.S. person (as defined under Rule 902 section (k)(2)(i) of Regulation S), pursuant to an offshore transaction, and no directed selling efforts were made in the United States by the Company, a distributor, any of their respective affiliates, or any person acting on behalf of any of the foregoing. The securities will be subject to transfer restrictions, and the certificates evidencing the securities will 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 6. Exhibits.

			Incorporated By Reference			
Exhibit No.	**Description**	**Filed or Furnished Herewith**	**Form**	**Exhibit**	**Filing Date**	**File No.**
1.1	Placement Agency Agreement, dated July 24, 2020 between the Company and Kingswood Capital Markets, division of Benchmark Investments, Inc.		8-K	1.1	7/27/2020	001-38402
1.2	Underwriting Agreement, dated December 28, 2020, by and between Monaker Group, Inc., Kingswood Capital Markets, division of Benchmark Investments, Inc. and Aegis Capital Corp.		8-K	1.1	12/31/2020	001-38402
2.1#	Share Exchange Agreement by and among Monaker Group, Inc., HotPlay Enterprise Limited and the Stockholders of HotPlay Enterprise Limited, dated as of July 21, 2020		8-K	2.1	7/23/2020	001-38402
2.2	First Amendment to Share Exchange Agreement by and among Monaker Group, Inc., HotPlay Enterprise Limited and the Stockholders of HotPlay Enterprise Limited, entered into October 28, 2020, and dated as of October 23, 2020		8-K	2.2	10/29/2020	001-38402
2.3	Second Amendment to Share Exchange Agreement by and among Monaker Group, Inc., HotPlay Enterprise Limited and the Stockholders of HotPlay Enterprise Limited, dated November 12, 2020		8-K	2.3	11/18/2020	001-38402
2.4	Third Amendment to Share Exchange Agreement by and among Monaker Group, Inc., HotPlay Enterprise Limited and the Stockholders of HotPlay Enterprise Limited, dated January 6, 2021		8-K	2.4	1/11/2021	001-38402
2.5#	Share Exchange Agreement by and among Monaker Group, Inc. and the Stockholders Holding Shares or Debt of Axion Ventures, Inc., dated as of July 21, 2020		8-K	2.2	7/23/2020	001-38402
2.6	First Amendment to Share Exchange Agreement by and among Monaker Group, Inc., HotPlay Enterprise Limited and the Stockholders of HotPlay Enterprise Limited, entered into October 28, 2020, and dated as of October 23, 2020		8-K	2.4	10/29/2020	001-38402

2.7#	Amended and Restated Share Exchange Agreement by and among Monaker Group, Inc. and the Stockholders Holding Shares or Debt of Axion Ventures, Inc., dated as of November 12, 2020	8-K	2.6	11/18/2020	001-38402
2.8	Stock Purchase Agreement dated November 2, 2020, by and between Dr. Jason Morton (seller), Monaker Group, Inc. (purchaser), and Longroot, Inc., for certain limited purposes	8-K	2.1	11/19/2020	001-38402
2.9	December 11, 2020 Letter Agreement between Monaker Group, Inc. and Dr. Jason Morton relating to the November 2, 2020 Stock Purchase Agreement	8-K	2.2	12/18/2020	001-38402
2.10	First Amendment to Amended and Restated Share Exchange Agreement by and among Monaker Group, Inc. and the Stockholders Holding Shares or Debt of Axion Ventures, Inc., dated as of January 6, 2021	8-K	2.7	1/11/2021	001-38402
3.1	Articles of Incorporation	SB-2	3.1	8/14/2006	333-136630
3.2	Certificate of Amendment to Articles of Incorporation (changing name to Next 1 Interactive, Inc. and increasing authorized shares)	S-1/A	3.1.2	3/12/2009	333-154177
3.3	Certificate of Amendment to Articles of Incorporation (increasing authorized shares)	S-1	3.3	9/25/2017	333-220619
3.4	Certificate of Amendment to Articles of Incorporation (increasing authorized shares)	S-1	3.4	9/25/2017	333-220619
3.5	Certificate of Change Filed Pursuant to NRS 78.209	8-K	3.1	5/21/2012	000-52669
3.6	Certificate of Amendment to Articles of Incorporation (increasing authorized shares)	S-1	3.6	9/25/2017	333-220619
3.7	Amendment to the Articles of Incorporation of Next 1 Interactive, Inc. changing its name to Monaker Group, Inc. and affect a 1-for-50 reverse stock split	8-K	3.1	6/26/2015	000-52669
3.8	Amended and Restated Certificate of Designations of Series A 10% Cumulative Convertible Preferred Stock of Next 1 Interactive, Inc.	8-K	3.1	7/9/2013	000-52669
3.9	Amendment to Certificate of Designation of Series A 10% Cumulative Convertible Preferred Stock, filed with the Secretary of State of Nevada on October 22, 2009	S-1	3.6	9/23/2016	333-213753
3.10	Certificate of Withdrawal of Certificate of Designation of Series B Convertible Preferred Stock filed with the Secretary of State of Nevada on September 22, 2017	8-K	3.1	9/25/2017	000-52669
3.11	Certificate of Withdrawal of Certificate of Designation of Series C Convertible Preferred Stock filed with the Secretary of State of Nevada on September 22, 2017	8-K	3.2	9/25/2017	000-52669
3.12	Certificate of Withdrawal of Certificate of Designation of Series D Convertible Preferred Stock filed with the Secretary of State of Nevada on September 22, 2017	8-K	3.3	9/25/2017	000-52669
3.13	Certificate of Amendment to Articles of Incorporation (1-for-2.5 Reverse Stock Split of Common Stock) filed with the Nevada Secretary of State on February 8, 2018 and effective on February 12, 2018	8-K	3.1	2/12/2018	000-52669

3.14	Certificate of Designation of Monaker Group, Inc. Establishing the Designation, Preferences, Limitations and Relative Rights of Its Series B Convertible Preferred Stock as filed with the Secretary of State of Nevada on November 13, 2020	8-K	3.1	11/18/2020	001-38402
3.15	Certificate of Designation of Monaker Group, Inc. Establishing the Designation, Preferences, Limitations and Relative Rights of Its Series C Convertible Preferred Stock as filed with the Secretary of State of Nevada on November 13, 2020	8-K	3.2	11/18/2020	001-38402
3.16	Amended and Restated Certificate of Designation of Monaker Group, Inc. Establishing the Designation, Preferences, Limitations and Relative Rights of Its Series B Convertible Preferred Stock as filed with the Secretary of State of Nevada on January 8, 2021	8-K	3.1	1/11/2021	001-38402
3.17	Operating Agreement of NextTrip Holdings, LLC	8-K	3.1	1/13/2021	001-38402
3.18	Amended and Restated Bylaws of Monaker Group, Inc., effective July 27, 2017	8-K	3.1	8/1/2017	000-52669
10.1	Second Amendment to Amended and Restated Promissory Note dated March 27, 2020, by and between Monaker Group, Inc. and the Donald P. Monaco Insurance Trust	8-K	10.1	3/30/2020	001-38402
10.2	First Amendment to Promissory Note ($25,000) dated January 29, 2020, by and between Monaker Group, Inc. and Pasquale LaVecchia	8-K	10.4	1/31/2020	001-38402
10.3	Second Amendment to Promissory Note ($25,000) dated March 27, 2020, by and between Monaker Group, Inc. and Pasquale LaVecchia	8-K	10.2	3/30/2020	001-38402
10.4	First Amendment to Promissory Note ($150,000) dated January 29, 2020, by and between Monaker Group, Inc. and Robert J. Mendola, Jr.	8-K	10.6	1/31/2020	001-38402
10.5	Second Amendment to Promissory Note ($150,000) dated March 27, 2020, by and between Monaker Group, Inc. and Robert J. Mendola, Jr.	8-K	10.3	3/30/2020	001-38402
10.6#	Note Purchase Agreement dated April 3, 2020, by and between Monaker Group, Inc. and Iliad Research and Trading, L.P.	8-K	10.1	4/9/2020	001-38402
10.7	$895,000 Secured Promissory Note dated April 3, 2020 evidencing amounts owed by Monaker Group, Inc. to Iliad Research and Trading, L.P.	8-K	10.2	4/9/2020	001-38402
10.8	Security Agreement dated April 3, 2020 by Monaker Group, Inc. in favor of Iliad Research and Trading, L.P.	8-K	10.3	4/9/2020	001-38402
10.9	$1,200,000 Promissory Note payable by Monaker Group, Inc. to National Bank of Commerce dated May 7, 2020	8-K	10.1	5/13/2020	001-38402
10.10	$176,534 U.S. Small Business Administration Paycheck Protection Plan Note dated May 8, 2020	8-K	10.2	5/13/2020	001-38402
10.11	First Amendment to Promissory Note dated April 16, 2020 and effective April 14, 2020, between Monaker Group, Inc. and Crystal Falls Investments LLC	10-Q	10.11	7/13/2020	001-38402
10.12	Form of Share Purchase Agreement, dated July 24, 2020, by and between the Company and the Purchaser thereunder	8-K	10.1	7/17/2020	001-38402
10.13	$300,000 Convertible Note by and among Monaker Group, Inc. and HotPlay Enterprise Limited, dated as of September 1, 2020	8-K	10.1	9/8/2020	001-38402

10.14	$700,000 Convertible Note by and among Monaker Group, Inc. and HotPlay Enterprise Limited, effective as of September 18, 2020	8-K	10.1	9/18/2020	001-38402
10.15	$1,000,000 Convertible Note by and among Monaker Group, Inc. and HotPlay Enterprise Limited, effective as of September 30, 2020	8-K	10.1	10/1/2020	001-38402
10.16	Second Amendment to Promissory Note dated September 15, 2020 and effective August 14, 2020, between Monaker Group, Inc. and Crystal Falls Investments LLC	10-Q	10.16	10/15/2020	001-38402
10.17	$400,000 Convertible Note by and among Monaker Group, Inc. and HotPlay Enterprise Limited, effective as of November 3, 2020	8-K	10.1	11/6/2020	001-38402
10.18	Third Amendment to Amended and Restated Promissory Note dated November 6, 2020, by and between Monaker Group, Inc. and the Donald P. Monaco Insurance Trust	8-K	10.5	11/6/2020	001-38402
10.19	Common Stock Purchase Warrant dated November 16, 2020 (exercisable upon certain events for 1,914,250 shares of common stock and granted to Cern One Limited)	8-K	10.1	11/18/2020	001-38402
10.20	Fourth Amendment to Amended and Restated Promissory Note dated November 16, 2020, by and between Monaker Group, Inc. and the Donald P. Monaco Insurance Trust	8-K	10.5	11/19/2020	001-38402
10.21#	Note Purchase Agreement dated November 23, 2020, by and between Monaker Group, Inc. and Streeterville Capital, LLC	8-K	10.1	11/27/2020	001-38402
10.22#	$5,520,000 Secured Promissory Note dated November 23, 2020, evidencing amounts owed by Monaker Group, Inc. to Streeterville Capital, LLC	8-K	10.2	11/27/2020	001-38402
10.23	$1,500,000 Investor Note dated November 23, 2020, evidencing amounts owed by Streeterville Capital, LLC to Monaker Group, Inc.	8-K	10.3	11/27/2020	001-38402
10.24	Security Agreement dated November 23, 2020, by Monaker Group, Inc. in favor of Streeterville Capital, LLC	8-K	10.4	11/27/2020	001-38402
10.25	$100,000 Convertible Note by and among Monaker Group, Inc. and HotPlay Enterprise Limited, effective as of November 24, 2020	8-K	10.5	11/27/2020	001-38402
10.26	$350,000 Convertible Note by and among Monaker Group, Inc. and HotPlay Enterprise Limited, executed December 14, 2020 and effective as of December 11, 2020	8-K	10.1	12/14/2020	001-38402
10.27	Form of Lock-Up Agreement (December 2020 Offering)	8-K	10.1	12/31/2020	001-38402
10.28	$150,000 Convertible Note by and among Monaker Group, Inc. and HotPlay Enterprise Limited, dated January 6, 2021	8-K	10.1	1/7/2020	001-38402
10.29	Subsidiary Formation and Funding Agreement dated and effective January 12, 2021, by and between Monaker Group, Inc., NextTrip Group, LLC, HotPlay Enterprise Limited, and the stockholders of HotPlay	8-K	10.1	1/13/2020	001-38402
10.30*%#	Founding Investment and Subscription Agreement dated January 15, 2021, by and between Monaker Group, Inc., Jan C. Reinhart, and Reinhart Interactive IV AG	X			
10.31*#	Founding Shareholders' Agreement dated January 15, 2021, by and between Monaker Group, Inc., Jan C. Reinhart, certain other shareholders of Reinhart Interactive IV AG, certain directors of Reinhart Interactive IV AG and Reinhart Interactive IV AG	X			
16.1	Letter dated October 5, 2020 from Thayer O'Neal Company, LLC to the Securities and Exchange Commission	8-K	16.1	10/5/2020	001-38402
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act	X			
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act	X			

32.1**	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	X
32.2**	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	X
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.

*** Indicates a management contract or any compensatory plan, contract or arrangement.
# Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) and/or 601(b)(2) of Regulation S-K. A copy of any omitted schedule or Exhibit will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however that Monaker Group, Inc. may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule or Exhibit so furnished.

% Certain information has been redacted from the exhibit pursuant to Item 601(a)(6) of Regulation S-K (and replaced with #'s) as the disclosure of such information would constitute a clearly unwarranted invasion of personal privacy. A copy of any omitted information will be furnished supplementally to the Securities and Exchange Commission upon request; provided, however that Monaker Group, Inc. may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any information so furnished.

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: January 19, 2021

/s/ William Kerby
William Kerby
Chief Executive Officer
(Principal Executive Officer)

Date: January 19, 2021

/s/ Sirapop 'Kent' Taepakdee
Sirapop 'Kent' Taepakdee
Chief Financial Officer
(Principal Accounting/Financial Officer)

Exhibit 10.30

Founding Investment and Subscription Agreement

dated January 15, 2021 (**"Signing Date"**)

by and among

1. Investor

1.1 Monaker Group, Inc. 2893 Executive Park Drive, Suite 201, Weston, Florida 33331; USA

("**Investor**")

2. Founder

2.1 Jan C. Reinhart, Underrietstrasse 3, CH-8700 Küsnacht (Zurich); Switzerland ("**Founder**")

and

3. Company **(«Company»)**

Reinhart Interactive TV AG, Underrietstrasse 3

CH-8700 Küsnacht (Zurich); Switzerland

(Company, Investor, collectively "**Parties**" and individually a "**Party**")

Table of Contents

Preamble

A) The Company is in founding and intends to be organized in the form of a Swiss stock corporation (*Aktiengesellschaft*) registered with the commercial register of the Canton of Zurich having its office at Underrietstrasse 3, CH-8700 Küsnacht (Zurich); Switzerland.

B) The Zappware N.V. with its principal address at Ilgatlaan 21, B-3500 Hasselt; Belgium represents the core business, hereafter indicated as ("**Business**"), and consists of the following main activities:

(a) the providing of a software-based TV and video distribution platform to telecom operators and digital content owners; and

(b) the providing of services to telecom operators and digital content owners for user interaction design as well as software development, deployment and support.

C) Firstly, upon Closing the Founder will acquire the majority of shares in "Business" on behalf of the Company, with a target to taking over 100%, provided the key people stay on board: Messrs. Ives Decraene and Patrick Vos (hereafter indicated as "**Other Shareholders**"). At this point, the Founder together with the Other Shareholders will hold 49% of the Company and the Investor 51%. Secondly, the Founder intends to acquire another company active in the sector of Business on behalf of the Company with the remainder of the assets of the Company. Further into the future, the Founder and the Investor agree that a continuation of this sector roll-up would be beneficial for the Company.

D) The Parties and the Other Shareholders enter into a Shareholders' Agreement substantially in the form attached hereto as **Appendix E)** ("**Shareholders' Agreement**") as of the date hereof.

E) The Parties wish to determine in this Agreement their respective rights and obligations in relation to the Investor' investment in the Company and the subscription and issuance of new Common Shares in the Company.

F) The Parties are aware that the detailed structuring of the incorporation of the company and the acquisition of the Business is still being reviewed from a tax and legal perspective and the finally determined structure might deviate from the one envisioned herein. Hence, the Parties agree that this Agreement shall be considered at least a framework agreement and that they will support any structuring that results in the same economic intentions as set forth herein.

G) For purposes of this Agreement (including the introductory paragraphs and the Appendices), capitalized terms shall have the meanings set forth in **Appendix G)**.

Based on the foregoing, the Parties agree as follows:

1. INJECTION OF FOUNDING SHARE CAPITAL

1.1 General undertaking

Subject to the terms and conditions of this Agreement:

(a) the Investor will provide for **"Cash Contribution"** equity funding to the Company in the amount of CHF 10'000'000.00 to acquire newly issued shares of the Company;

(b) at its own discretion, the Investor will provide either 100% of its commitment in cash or 50% in cash and 50% as an **"In-Kind Contribution"** of its own NASDAQ-listed shares. Initially, Investor's shares will be restricted; and

(c) upon the planned acquisition of the shares in the Business held by other minority shareholders by the Company, the Founder and the Other Shareholders will exchange their shares in the Business for 49% of the Company's shares and the Investor will hold 51% of the shares.

1.2 Self Constituting Board

Founder initially shall be the sole Director of the Company. Once the acquisition of the Business by the Company has taken place, Founder, Other Shareholders and Investor undertake to procure that each Director nominated by it will convene for the constitutional meeting and will approve its constitution**.**

1.3 Subscription

Subject to the terms and conditions of this Agreement, Investor herewith subscribes for the such number of common shares in the Company ("**Common Shares**") at such subscription amount, that, after the acquisition of the Business including the share swap of the Founder and the Other Shareholders, results in a 51% shareholding in the Company's share capital.

The final distribution of Common Shares in Company will be according to Preamble C and determined after the acquisition of the Business by the Company. **Appendix 2.3.4** shall be updated accordingly.

1.4 Cash Contribution

Not later than five "**Business Days**" prior to the "**Closing Date"** Investor shall pay its **"Subscription Amount"** to the following blocked capital account of the Company (*Kapitaleinzahlungssperrkonto*):

Swiss Bank:	Crédit Suisse, Zurich
In favour of:	Crédit Suisse, Zurich

Kontoinhaber	##########################
Konto-Nr.	##########################
IBAN	##########################
SWIFT	##########################
Clearing-Nr	##########################

Reference: Founding Capital of Reinhart Interactive TV AG, Küsnacht (Zurich); Switzerland

1.5 In-Kind Contribution (MKGI Shares)

Prior to Closing, Investor and Company agree in a separate Contribution In-Kind Agreement (*Sacheinlagevertrag*) substantially in the form attached hereto as **Appendix K** that Investor will transfer shares in the Investor listed on NASDAQ (ticker symbol MKGI) in the equivalent value of CHF 5'000'000 to the Company. In order to get this investment accepted as paid-in capital in exchange for Common Shares, an auditor will need to have certified the value of this in-kind contribution in a report (*Prüfungsbestätigung*) prior to **"Closing"** as described in Section 2 below.

1.6 Ownership Structure after the Founding Capital Injection

At "**Closing Date"** (as described in Section 2 below), the ownership structure of the Company shall be specified in the cap table set forth in **Appendix 1.6** and updated as the various transactions unfold according to Preamble C.

2. CLOSING

2.1 Place and Date of Closing

The **"Closing"** shall take place on April 1, 2021 at the offices of Eversheds Sutherland Ltd., Gotthardsstrasse 26, CH-6300 Zug, Switzerland or such other date or place as the Parties mutually agree ("**Closing Date**"). If Conditions Precedent to Closing are fulfilled earlier, the Parties are free to agree on an earlier date.

2.2 Conditions Precedent to Closing

The Closing shall be subject to the prior fulfilment of the following condition precedent:

(a) Following the subscription of the Investor (as attached hitherto as **Appendix 3.4**) at Signing Date, the Company has received funding commitments in cash with regard to the Founding Share Capital of a minimum amount of CHF 5,000,000.00.

2.3 Closing Actions

2.3.1 At Closing, the relevant Party shall deliver the following documents concurrently (*Zug um Zug*), duly executed and in form and substance satisfactory to the Company and the Investor:

(a) acceptance declarations of the Directors (*Wahlannahmeerklärungen*);

(b) a duly signed application to the commercial register ("**Application**");

(c) employment agreements with Founder, substantially in the form attached hereto as **Appendix 2.3.1(d)**;

(d) bank confirmation evidencing that all cash Subscription Amounts have been paid in cash and fully credited to the Company's blocked account specified in Section 1.5. Or, in case Investor has chosen to pay for half of his Subscription Amount with the In-Kind Contribution according to the separate Contribution In-Kind Agreement (*Sacheinlagevertrag*) as set forth in **Appendix K,** Investor will document evidence of complying with the terms agreed in the Contribution In-Kind Agreement;

(e) auditors' report (*Prüfungsbestätigung*) confirming the completeness and accuracy of the Founder's founding report according to articles 635 CO and 635a CO, particularly with respect to the value of the In-Kind Contribution of the Investor's transfer of its own NASDAQ-listed shares with the ticker symbol MKGI in case the Investor has chosen to invest half of his total Subscription Amount in the form of his own shares;

(f) notification of beneficial ownership in accordance with art. 697j CO; and

(g) minutes evidencing the Board resolutions of the constitutional board meeting.

2.3.2 The Company shall file the Application together with all supporting documents with the competent commercial register immediately after receipt of the above documents.

2.3.3 Upon registration of the Application with the competent commercial register, the Company shall deliver to each Party a copy of the share register evidencing Investor as the owner of the appropriate number of Common Shares, substantially in the form of **Appendix 2.3.4**.

3. SUBSEQUENT CLOSING

A subsequent closing might be necessary in case the Investor decides to pay in half of his agreed Subscription Amount with his own, NASDAQ-listed shares and the initial closing has taken place before the auditors could finalize their report (*Prüfungsbestätigung*) confirming the completeness and accuracy of the Founder's founding report, particularly with respect to the value of the in-kind contribution of the Investor's transfer of its own NASDAQ-listed shares with the ticker symbol MKGI.

3.1 Principle

The Company may issue, in a subsequent closing ("**Subsequent Closing**"), additional Common Shares with a value of CHF 5'000'000.00 based on the same pre-money valuation and at an aggregate maximum subscription amount of CHF 10'000'000.00 by no later than June 1, 2021 to Investor.

3.2 Place and Date of Subsequent Closings

The Subsequent Closing shall take place on June 1, 2021, or at a date agreed between the Company and the Investor, however by no later than the applicable deadline as per Section 3.1 (each a "**Subsequent Closing Date**") at the offices of Eversheds Sutherland Ltd., Zug, or such other place as the Parties mutually agree.

3.3 Closing Actions

At the Subsequent Closing, the Investor shall deliver all documents required for such Subsequent Closing, in particular a confirmation evidence of a fully concluded Share Transfer of its own NASDAQ-listed Shares with the ticker symbol MKGI to a relevant bank depot at Crédit Suisse, Zurich as well as a duly signed subscription from with regard to the Common Shares subscribed for by each Founder substantially in the form attached hereto as **Appendix 3.4**.

Prior to the Subsequent Closing, Investor and Company agree in a separate Contribution In-Kind Agreement (*Sacheinlagevertrag*) substantially in the form attached hereto as **Appendix K** that Investor will transfer the equivalent value of CHF 5'000'000 on behalf of Company. In order to get this investment accepted as paid-in capital in exchange for Shares, an auditor will need to have certified the value of this in-kind contribution in a report (*Prüfungsbestätigung*) prior to Closing.Sections 2.3.1 (c), (e) and (g), 2.3.2(b), (e) and (f), 2.3.3 and 2.3.4 shall apply *mutatis mutandis*.

3.3.1 Upon the delivery of the documents listed in Section 2.3.1 (e) and (f), the following actions shall be performed:

(a) The Extraordinary General Meeting shall be held in the presence of a public notary, approving the necessary capital increase to execute the Subsequent Closing ("**Capital Increase**"); and

(b) The Board shall take the resolutions on the ascertainment and the execution of the Capital Increase (*Feststellungsbeschluss*) in the presence of a public notary.

4. REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Founder

The Founder hereby represents and warrants to the Investor that the representations and warranties set forth in Sections 2 of **Appendix 4.1** are true and accurate as of the date of this Agreement, except for those representations and warranties which are explicitly made as of a specific date.

4.2 Representations and Warranties of Investor

Investor hereby represents and warrants to the Founder that the representations and warranties set forth in **Appendix 4.2** are true and accurate both as of the date of this Agreement and through to the Closing Date, except for those representations and warranties which are explicitly made as of a specific date.

5. MISCELLANEOUS

5.1 Nature of Parties' Rights and Obligations

Except as specifically provided otherwise in this Agreement, the rights and obligations of the Parties hereunder shall be several (and not joint). The Founder and the Investor may exercise and enforce its rights hereunder individually in accordance with this Agreement.

The obligations of the Parties hereunder are contractual in nature and the Parties agree that they do not form, and this Agreement shall not be deemed to constitute, a simple partnership (*einfache Gesellschaft*) pursuant to Art. 530 et seq. CO.

5.2 Mutual Exclusivity

From the date of this Agreement until the Closing or the Termination of this Agreement in accordance with Sections 2 and 5.10, both Parties, Founder and Investor, will not (and will not permit its respective Affiliates or any of its Affiliates' representatives to) directly or indirectly: (a) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to, or enter into or consummate any transaction relating to, the founding of the Company or the acquisition of the Business or any similar transaction or alternative to the contemplated transactions hereunder or (b) participate in any discussions or negotiations regarding, furnish any information with respect to, assist or participate in, or facilitate in any other manner any effort or attempt by any Person to do or seek any of the foregoing, except as may be required under the laws of Switzerland.

5.3 Confidentiality

Except for disclosures to regulators like the SEC, employees, advisors or the banks of each Party who are subject to a corresponding duty of confidentiality, the terms and conditions of individual acquisitions as laid out in Preamble C, and any information exchanged among the Parties (including their respective representatives or advisors) during the negotiation of the definitive agreements for acquisitions of the individual companies of the sector roll-up (all such information collectively "**Confidential Information**"), shall be kept strictly confidential by each Party until Investor is legally required to publish them by the SEC. The Parties shall ensure that their employees, directors and any other representatives as well as the advisors of each Party to whom any such Confidential Information is entrusted comply with these restrictions.

The term Confidential Information shall not include any information: (1) which as of the time of its disclosure by a Party was already lawfully in the possession of the receiving Party as evidenced by written records, or (2) which at the time of the disclosure was in the public domain, or (3) the disclosure of which was previously explicitly authorized by the respective Party.

The non-disclosure obligation shall not apply to any disclosure of Confidential Information required by law or regulations (in particular, but without limitation, tax authorities or the SEC filings).

Finally, it is acknowledged and agreed that the Investor will report regularly to its investors and/or any of its affiliates on all information pertaining to the Company and the equity investment made or to be made in the Company in accordance with its legal and regulatory reporting obligations to the authorities as a public company or to the extent required for tax or audit purposes.

Immediately upon entry into this Agreement and at Closing, the Investor may issue a public announcement according to its legal and regulatory reporting obligations to the authorities including the SEC as a public company, *however*, such announcement shall essentially cover both cash and In-Kind Contributions to Company rather than individual acquisitions as set forth in Preamble C..

Future announcement or press releases regarding the matters contemplated by this Agreement shall be made by the Company only in agreement with the Investor's Public Relations department.

Nothing herein shall restrict the Company from disclosing this Agreement to a third party being interested in good faith in an acquisition of or subscription for shares in or a financing of the Company, all based on appropriate non-disclosure and non-use agreements, as well as disclosing Confidential Information in order to make use of the rights and to comply with the obligations under this Agreement.

5.4 Successors and Assigns; Adherence

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective permitted successors and assigns; *provided, however*, that no Party shall be entitled to assign or transfer any of the rights or obligations hereunder to any other party except with the prior written consent of each Party.

Subject to the terms and conditions set forth in this Agreement, Other Shareholders may adhere to this Agreement with the rights and obligations of Investor and Founder by providing a written declaration of adherence. Such adherence by Other Shareholders shall be subject to such Other Shareholders providing a duly signed copy of the Shareholders' Agreement concurrently.

5.5 Costs and Expenses, Taxes

Subject to the following paragraph, it is agreed that each Party shall bear its own costs and expenses arising out of or incurred, and any taxes imposed on it, in connection with this Agreement.

The Company shall bear all Swiss issuance and stamp taxes arising out of the Financing Round and shall reimburse the Investor for all reasonable legal fees and expenses incurred by the Investor and his advisors in connection with the transactions contemplated by this Agreement up to a total amount not exceeding CHF 30'000.00 (excl. VAT). Equally, the Company shall reimburse the Founder for all reasonable legal fees and expenses incurred by the Founder and his advisors in connection with the transactions contemplated by this Agreement up to a total amount not exceeding CHF 30'000.00 (excl. VAT). Based on evidence sent to the company within ten Business Days after Closing, such reimbursement shall be paid to the Investor and the Founder within ten Business Days after the Subscription Amounts have been released from the blocked account and transferred to the Company's current account.

The Company is obliged to declare and pay the Swiss issuance and stamp taxes within 30 days after its initial registration in the commercial register.

5.6 Notices

All notices and other communications made or to be made under this Agreement shall be given in writing by email, fax or courier to the following addresses:

If to Investor:	to the address stated on the first page of this Agreement, attn. to Mr. William Kerby; bkerby@monakergroup.com
If to Founder:	to the address stated on the first page of this Agreement; jan@reinhart.vc
If to the Company:	to the address stated on the second page of this Agreement, attn. to the Chairman of the Board; jan@reinhart.vc
In each case with a copy to:	Eversheds Sutherland AG, RA Michael Mosimann; CH-6300 Zug; Michael.Mosimann@eversheds-sutherland.ch

Each Party may change or amend the addresses given above or designate additional addresses for the purposes of this Section 7.5 by giving the other Parties written notice of the new address in the manner set forth in this Section 7.5.

5.7 Entire Agreement

This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes any agreement or understanding that may have been concluded with respect to the subject matter hereof between any of the Parties prior to the date of this Agreement.

The Parties confirm that in addition to this Agreement, there are no side agreements relating to the subject matter hereof between any of them.

5.8 Severability

If at any time any provision of this Agreement or any part thereof is or becomes invalid or unenforceable, then neither the validity nor the enforceability of the remaining provisions or the remaining part of the provision shall in any way be affected or impaired thereby. The Parties agree to replace the invalid or unenforceable provision or part thereof by a valid or enforceable provision which shall best reflect the Parties' original intention and shall to the extent possible achieve the same economic result. The same applies *mutatis mutandis* in case of any gaps.

5.9 Amendments

This Agreement may be amended only in writing by an instrument signed by all Parties.

5.10 Termination

Should no Closing as described in Section 2 have taken place by Closing Date, the Founder has the right to Terminate this Agreement.

5.11 Reverse Termination Fee

If Investor fails to Close the transaction laid out in this Agreement in Sections 1 and 2 by Closing Date, particularly the binding payment of Subscription Amount to cover Founding Share Capital, Investor agrees to pay a Reverse Termination Fee of CHF 500'000 to Founder within 30 business days.

5.12 Waiver of Rights

No waiver by a Party of a failure of any other Party to perform any provision of this Agreement shall operate or be construed as a waiver in respect of any other or further failure whether of a similar or different character.

6. GOVERNING LAW AND JURISDICTION

6.1 Governing Law

This Agreement shall in all respects be governed by and construed in accordance with substantive Swiss law.

6.2 Jurisdiction

The courts of Zurich (Canton of Zurich, Switzerland) shall have exclusive jurisdiction for any and all disputes arising out of or in connection with this Agreement, the venue being Zurich 1.

* * * * *

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date first written above

Investor

William Kerby
CEO – Monaker Group, Inc.

Founder

/s/ Jan C. Reinhart

Jan C. Reinhart

List of Appendices

Appendix E):	Shareholders' Agreement
Appendix G):	Defined Terms
Appendix K):	Contribution In-Kind Agreement (*Sacheinlagevertrag*)
Appendix 1.6:	Ownership Structure after Completion of Capital Increase (Cap Table)
Appendix 2.3.1(d):	Form of Employment Agreements
Appendix 2.3.4:	Form of Share Register
Appendix 3.4:	Subscription Form for Investor
Appendix 4.1:	Representations and Warranties of Founder
Appendix 4.3:	Representations and Warranties of Investor

Appendix G)

Defined Terms

"**Agreement**" shall mean this investment and subscription agreement including all Appendixes.
"**Application**" shall have the meaning set forth in Section 2.3.1(c).
"**Articles of Incorporation**" shall mean the articles of incorporation (sometimes also referred to as "Articles of Associations" or "Bylaws") (*Statuten*) of the Company as in effect and in force as per the date of this Agreement.
"**Authorizations**" shall mean all official authorizations, orders, permissions, product registrations, certifications, certificates, approvals, notices or consents (including all written amendments, supplements or replacements).
"**Board**" shall mean the board of directors of the Company, as appointed from time to time in accordance with the terms of this Agreement.
"**Board Regulations**" shall mean the organisational regulations (*Organisationsreglement*) of the Board substantially in the form attached to the Shareholders' Agreement and as amended from time to time.
"**Business**" shall have the meaning set forth in Preamble B).
"**Business Day**" shall mean any day other than Saturday or Sunday on which banks are open for business in Zurich.
"**Chairman**" or **"Executive Chairman"** shall mean the chairman of the Board (*Verwaltungsratspräsident*).
"Cash Contribution" shall have the meaning set forth in Section 1.1.
"**Claim**" shall mean any claim, legal action, proceeding, suit, litigation, prosecution, investigation, enquiry or arbitration, whether actual or threatened, whether as claimant or as defendant, whether domestic or foreign, whether civil, criminal or administrative.
"**Closing**" shall mean the closing of the legal creation of the Company and the Founding Capital as set forth in Section 2.
"**Closing Date**" shall have the meaning set forth in Section 2.1.
"**CO**" shall mean the Swiss Code of Obligations as of March 30, 1911, as amended from time to time.
"**Common Shares**" shall mean shares (*Aktien*) with a nominal value of CHF 1.- each, to be fully paid-in in cash pursuant to the terms of this Agreement.
"**Company**" shall have the meaning set forth on page 1.
"**Confidential Information**" shall have the meaning set forth in Section 5.3.
"**Contribution In-Kind Agreement**" (*Sacheinlagevertrag*) shall have the meaning set forth in Section 1.5.
"**Director**" shall mean a member of the Board appointed from time to time in accordance with the terms of this Agreement.
"**Founder**" shall have the meaning set forth on page 1.
"Founding Capital" and **"Founding Share Capital"** shall mean the paid in capital called Subscription Amount as set forth in Section 1.
"In-Kind Contribution" shall have the meaning set forth in Section 1.1.
"**Investor**" shall have the meaning set forth on page 1.
"**Material Adverse Change**" shall mean any adverse change relating to the structure, business, financial condition, prospects, assets and liabilities, or results of operations of or other material adverse effect on the Company that would cause, or is likely to cause, a reasonable investor to abstain from entering into and/or consummating the transactions contemplated under this Agreement.
"**Mutual Exclusivity**" shall mean as defined in Section 5.2.

"Other Shareholder" and **"Other Shareholders"** shall mean either a future employee of the company, an Executive or a Shareholder of another company acquired by the Company in the future as set forth in Preamble C.
"**Party**" and "**Parties**" shall have the meaning set forth on page 1.
"**Premises**" shall mean any premises required by the Company to conduct its Business.
"Restriction Filing Schedule" shall have the meaning set forth in Section 2.3.1 and again in 3.3 and outlined in Appendix F.
"Reverse Termination Fee" shall have the meaning set forth in Section 5.11.
"**Shareholders' Agreement**" shall have the meaning set forth in Preamble E).
"**Signing Date**" shall have the meaning set forth on page 1.
"**Subscription Amount**" shall mean the total of the subscription amounts payable by the Investor for all of its Common Shares in accordance with Section 1.4 or in connection with the Founding Authorized Capital.
"**Subsequent Closing**" shall have the meaning set forth in Section 3.1.
"**Subsequent Closing Date**" shall have the meaning set forth in Section 3.3.
"**Taxes**" shall mean all forms of taxation and statutory, governmental, state, federal, provincial, local, government or municipal charges, duties, imposts, contributions, levies, withholdings or liabilities wherever chargeable and whether of Switzerland or any other jurisdiction, and any penalty, fine, surcharge, interest, charges or costs relating thereto or to any account, record, form, return or computation required to be kept, preserved, maintained or submitted to any Tax Authority, and Taxation shall have the same meaning.
"Termination" shall have the meaning set forth in Section 5.10.
"U.S. Securities and Exchange Commission" and "**SEC**" is an independent agency of the United States federal government holding the primary responsibility for enforcing federal securities laws at publicly-traded companies in the United States.

Appendix 4.1

Representations and Warranties of Founder

1. Insurance

The Company intends to obtain adequate insurance coverage relating to the Business and for which it is customary in the Company's line of Business, including without limitation Directors and Officers ("D&O"), product liability, general liability, property and workers' compensation insurance.

2. No Brokerage or Commissions

No person is entitled to receive from the Company any options, a finder's fee, brokerage, commission or other form of remuneration in connection with this Agreement or anything in it.

Appendix 4.3

Representations and Warranties of Investor

1. Authority

Investor has the unrestricted right and authority to enter into this Agreement and to perform all undertakings under or in connection with this Agreement. This Agreement constitutes a valid, legal and binding obligation of the Investor, enforceable against the Investor in accordance with its terms.

2. Execution and Performance

As of Closing, the execution and the performance of this Agreement by the Investor have been authorized by all necessary corporate action of the Investor and it will not:

(a) result in a breach of any provision of the constitutional documents, such as the articles of incorporation or board regulations, of the Investor; or

(b) result in a breach, or default under, any term or provision of any agreement, license or other instrument or of any order, judgment or decree of any court, governmental agency or regulatory body to which the Investor is a party or by which the Investor is bound.

3. No Consents Required

The Investor does not require any notice, consent, waiver, approval or clearance by any governmental agency or regulatory body of any nature other than mentioned in this Agreement to enter into this Agreement. There are no proceedings or investigations whatsoever pending or threatened against the Investor that could compromise the consummation of the transactions contemplated by this Agreement.

Exhibit 10.31

APPENDIX E

FOUNDING SHAREHOLDERS' AGREEMENT

Dated January 15, 2021

entered into by and among:

1. Investor

1.1 Monaker Group, Inc. 2893 Executive Park Drive, Suite 201, Weston, Florida 33331; USA

("**Investor**")

2. Founder

2.1 Jan C. Reinhart, Underrietstrasse 3, CH-8700 Küsnacht (Zurich); Switzerland ("**Founder**")

3. Other Shareholders ("**Other Shareholders**")

Key people, senior executives and Directors who might join the Company as part of the Company's planned buy & build strategy

4. Investment Directors **("Investment Directors")**

4.1 William Kerby, 1427 Capri Lane #5004, Weston, Florida 33326; USA

4.2 Mark Vange, 10315 East Shangri La Road, Scottsdale AZ 86260; USA

and

5. Company **("Company")**

Reinhart Interactive TV AG, Underrietstrasse 3

CH 8700 Küsnacht (Zurich); Switzerland

(Company, Investor, collectively "**Parties**" and individually a "**Party**")

Table of Contents

Preamble

A) The Company is in founding and intends to be organized in the form of a Swiss stock corporation (*Aktiengesellschaft*) registered with the commercial register of the Canton of Zurich having its office at Underrietstrasse 3, CH-8700 Küsnacht (Zurich); Switzerland.

B) The Zappware N.V. with its principal address at Ilgatlaan 21, B-3500 Hasselt; Belgium represents the core business ("**Business**") and consists of the following main activities:

(a) the providing of a software-based TV and video distribution platform to telecom operators and digital content owners; and

(b) the providing of services to telecom operators and digital content owners for user interaction design as well as software development, deployment and support.

C) Firstly, upon Closing the Founder will acquire the majority of shares in "Business" on behalf of the Company, with a target to taking over 100%, provided the key people stay on board: Messrs. Ives Decraene and Patrick Vos (hereafter indicated as "**Other Shareholders**"). At this point, the Founder together with the Other Shareholders will hold 49% of the Company and the Investor 51%. Secondly, the Founder intends to acquire another company active in the sector of Business on behalf of the Company with the remainder of the assets of the Company. Further into the future, the Founder and the Investor agree that a continuation of this sector roll-up would be beneficial for the Company.

D) The Parties wish to determine in this Agreement their respective rights and obligations in relation to the Common Shares in the Company.

E) The Parties are aware that the detailed structuring of the incorporation of the company and the acquisition of the Business is still being reviewed from a tax and legal perspective and the finally determined structure might deviate from the one envisioned herein. Hence, the Parties agree that this Agreement shall be considered at least a framework agreement and that they will support any structuring that results in the same economic intensions as set forth herein.

F) For purposes of this Agreement (including the introductory paragraphs and the Appendices), capitalized terms shall have the meanings set forth in **Appendix E)** or as defined in the Founding Investment and Subscription Agreement as of the same date as this Agreement.

Based on the foregoing, the Parties agree as follows:

1. GENERAL UNDERTAKING

1.1. General

Each Shareholder hereby undertakes to:

(a) generally exercise its powers and voting rights as a Shareholder; and

(b) procure that the Director(s) nominated by such Shareholder exercise their powers and voting rights on the Board to the extent legally permissible and compatible with the fiduciary duties of such Director(s), in a manner which is consistent with the terms of this Agreement, and to ensure that the provisions of this Agreement are given full effect at all times during the term of this Agreement.

1.2. **Share Certificates**

The Company will not physically issue share certificates. Rather, all holdings of Shares will be recorded in the Company's share register.

2. ARTICLES / ORDER OF PRECEDENCE

The Parties undertake to adopt, implement and maintain the Company's articles of incorporation in the form as attached hereto as **Appendix 2.a)**, subject to amendments and modifications resolved in accordance with the articles of incorporation and this Agreement from time to time ("**Articles**").

In the event of any conflict or discrepancies between the provisions of this Agreement and the Articles or any other governing documents of the Company, the provisions of this Agreement shall prevail between the Parties as contractual obligations.

3. BOARD OF DIRECTORS

3.1. **Representation of the Board and Initial Composition**

The Board shall comprise of only the Founder as Director as the beginning of this Agreement. After the initial transaction integrating the "Business" into the Company, the Board of Directors will be increased for operational purposes as discussed in Section 3.2 below. The initial Director shall have single signature (*Einzelzeichnungsberechtigung*) to expedite the acquisition process of the Business.

3.2. **Representation of the Board after the Acquisition of Business**

The Board shall comprise of a maximum of five Directors. Throughout the remaining time of this Agreement:

(a) the Investor shall have the right to be represented on the Board by two Directors (each an "**Investor Director**"), initially being William Kerby and Mark Vange;

(b) the Founder and Other Shareholders shall have the right to be represented on the Board by three Directors (each a "**Founder Director**"), Founder and Other Shareholders.

The initial Chairman shall be Founder. Thereafter, the Chairman shall be one of the Founder Directors nominated by the Founder and the Other Shareholders for any subsequent terms. The Chairman shall be elected by the Board.

Subject to special powers of attorney granted by the Board from time to time on a case-by-case basis, the Board shall no longer grant individual signing authorities (*Einzelzeichnungsberechtigung*) to Directors and/or officers of the Company and all Directors shall be granted collective signing powers (*Kollektivzeichnungsberechtigung zu Zweien*).

3.3. **Representation of the Board after Founder Dilution**

The composition and the voting rights of the Board shall evolve with the Share ownership of the Parties. Therefore, if the Founder Directors' joint total Share participation in the Company is diluted down, the following rules shall apply:

(c) As of a total Share ownership of Founder Directors **below 39%** of the Company's total outstanding Shares, the Investor shall have the right to be represented on the Board by three Directors, while the Chairman can still be appointed by the three Founder Directors. The Chairman as of this moment shall also be granted a casting vote;

(d) As of a total Share ownership of Founder Directors **below 29%** of the Company's total outstanding Shares, the three Investor Directors shall now also have the right to appoint a Chairman. The Chairman shall continue to be granted a casting vote. The Founder Directors will continue to be represented by three Directors.

All Directors and/or officers of the Company and all Directors shall continue to be granted collective signing powers (*Kollektivzeichnungsberechtigung zu Zweien*).

3.4. **Quorum of Attendance**

Each Shareholder acknowledges and agrees that the Board shall only be deemed to be validly constituted and entitled to transact business after the acquisition of the Business, if:

(a) at least one Investor Director; and

(b) at least one Founder Director; and

(c) at least half of all Directors;

are present (including by video, computer or telephone conference), and each Shareholder hereby undertakes to the other Shareholders to procure that the Director(s) nominated by it abstain from participating in Board meetings and from transacting business if the Board is not validly constituted in accordance with this Section 3.2.

Should the quorum as per the preceding paragraph not be met with regard to a certain agenda item, such agenda item shall be put on the agenda for the next Board meeting. In such next Board meeting, the Board shall, with regard to such agenda item only, be deemed to be validly constituted if the majority of the Directors is present (including by video, computer or telephone conference).

Notwithstanding the foregoing, no quorum of attendance shall be required if the only agenda item of the meeting of the Board consists in the confirmation of the execution of a capital increase and the corresponding change of the Articles (in particular Art. 634a, 651 para. 4, 651a, 652e, 652g and 653g CO).

3.5. **D&O Insurance**

The Company will procure appropriate directors' and officers' insurance coverage to be determined by the Board in the first Board meeting following the acquisition of the Business by the Company.

4. CONTROL / IMPORTANT SHAREHOLDER AND BOARD MATTERS

Each of the Shareholders acknowledges and agrees that:

(a) any affirmative vote on any of the important shareholder matters (whether being a matter in the competence of the shareholders meeting or the board of directors) specified in Part A of **Appendix 4** ("**Important Shareholder Matters**") requires the approval of at least two thirds (66 2/3 %) of shareholder votes of the holders of Shares represented at the relevant General Meeting of Shareholders, whereby each Share shall entitle its holder to one vote; and

(b) any affirmative decision with respect to any of the important Board matters specified in Part B of **Appendix 4** ("**Important Board Matters**") shall require, besides the consent of the majority of the Board members present at the meeting, the consent of at least one Investor Director.

The Company shall procure that none of the members of the board of directors takes any measure which constitutes an Important Shareholder Matter or an Important Board Matter without the above consents.

5. INFORMATION RIGHTS

During the term of this Agreement, the Company shall provide Investor with the following information:

(a) within 90 days of the end of each financial year, audited financial statements to comply with Investor's 10-K report to the SEC;

(b) within 20 days of the end of each month, a monthly report based on the standard KPI reporting sheet defined by Investor; and

(c) no later than 60 days prior to the end of each financial year, the proposed budget for the next following financial year.

The Investor shall receive a report in the format requested within 30 days of the end of each fiscal quarter.

6. PREFERENCES

6.1. **No Dividends**

During the duration of this agreement, the Company shall not pay any dividends without consent of (i) the absolute majority of shareholder votes of all holders of Shares represented at the relevant General Meeting of Shareholders and (ii) two thirds (66 2/3 %) of Board of Directors votes.

6.2. **Anti-Dilution Adjustments**

In the event the Company issues, within five years after the Closing Date,

(i) equity at a subscription or purchase price, or

(ii) securities convertible into equity at a conversion price,

below the most recent valuation of the Shares ("**Last Price**"), each Founder Director holding Shares shall be entitled to a weighted average anti-dilution adjustment ("**Anti-dilution Adjustment**").

The Anti-dilution Adjustment shall be effected by the issuance to each Founder Director of the required number of additional Shares at CHF 1.00 value payable by the Founder Directors for the quantity of Anti-dilution Shares resulting from the formula set forth in Appendix 6.2 to achieve the Anti-dilution Adjustment.

Investor hereby irrevocably waives, to the benefit of the Founder Directors and to the extent necessary to give full effect to the preferential subscription rights set forth in this Section 6.2, any statutory subscription right (Bezugsrecht) it may have.

7. TRANSFER AND TRANSFER RESTRICTIONS

7.1. **Permitted Transfers**

The restrictions under Sections 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of this Agreement shall not apply to the following transfers (each a "**Permitted Transfer**"):

7.1.1. Wholly Owned Subsidiary

A transfer of all Shares held by a Shareholder to a wholly owned subsidiary shall be permitted, provided that (i) such wholly owned subsidiary declares to all Parties in writing to be bound by the terms and conditions of this Agreement and to assume the transferring Shareholder's rights and obligations hereunder, (ii) the transferring Shareholder shall remain the ultimate beneficial owner of 100% of such transferred Shares and be jointly liable with its wholly owned subsidiary for the fulfilment of and, and cause such subsidiary to comply with, its obligations under this Agreement and, (iii) if the wholly owned subsidiary is about to cease being a wholly owned subsidiary of the transferring Shareholder, then such subsidiary must immediately retransfer the transferred shares to the transferring Shareholder.

7.1.2. Affiliate

A transfer of all Shares to an Affiliate of a Founder shall be permitted, provided that (i) such Affiliate declares to all Parties in writing to be bound by the terms and conditions of this Agreement and to assume the transferring Shareholder's rights and obligations hereunder, (ii) the transferring Founder shall be personally involved in managing or advising such an Affiliate, and (iii) the transferring Founder shall remain member of the Company's Board of Directors. If an Affiliate ceases to be an Affiliate of the holder of Shares who Transferred the Shares or acquired them on behalf of such Affiliate, then such Affiliate must immediately re-transfer the Shares to the holder of Shares concerned.

7.2. **General Restrictions**

All other Transfers of Shares and pre-emption rights (*Bezugsrechte*) on Shares not covered by Section 7.1 ("**Permitted Transfer**") shall require the consent of (i) the majority of Shareholders and (ii) the majority of the Founder Directors taken as one group.

7.3. **Accession**

No person or entity shall become a shareholder of the Company unless and until such person or entity shall first have executed an unilateral accession declaration pursuant to which such person or entity agrees to be fully bound by and be entitled pursuant to the terms and conditions of this Agreement in the same capacity as the transferor or predecessor (in case of a Transfer or succession). Each of the Parties agrees in advance that any person or entity executing such unilateral accession declaration that is based on an acquisition of Shares permitted pursuant to this Agreement shall become a Party, and that such accession declaration does not need to be countersigned by the Parties.

7.4. **Right of First Refusal**

7.4.1. Notification

If a Shareholder (or a group of Shareholders) wishes to Transfer all or a part of its Shares ("**Relevant Shares**") to a third party other than described in Section 7.1 (including another Shareholder) ("**Right of First Refusal Event**"), such Shareholder(s) ("**Selling Shareholder(s)**") shall submit (i) an offer to all other Shareholders stating in writing the price and terms of the proposed Transfer ("**Right of First Refusal Notice**") and (ii) a copy of such offer to the Company. If the Selling Shareholder(s) has/have received a *bona fide* purchase offer from a third party (including another Shareholder), such offer shall be attached to the Right of First Refusal Notice. In such case, the price and terms of the *bona fide* purchase offer from a third party shall be the price and terms of the Right of First Refusal, otherwise it is the price and terms offered by the Selling Shareholder. The Company shall inform each Shareholder within five days after receipt of the Right of First Refusal Notice about the day the 30-day period mentioned in Section 7.4.2 for exercising the Right of First Refusal expires.

7.4.2. Exercise of Right of First Refusal

Each Shareholder wishing to exercise its right of first refusal in respect of all or part of the Relevant Shares ("**Right of First Refusal**") shall so notify the Company and the Selling Shareholder(s) within a period of 30 days from receipt of the Right of First Refusal Notice ("**Right of First Refusal Exercise Notice**"). If the Rights of First Refusal validly exercised within this time period do not, in the aggregate, result in the exercise of Rights of First Refusal for all Relevant Shares, the Selling Shareholder(s) shall be free, subject only to Sections 7.5 and 7.6, to Transfer the remaining Relevant Shares to the proposed acquirer, on terms not more favourable to the proposed acquirer than those offered to the Shareholders within a period of six months after expiry of the 30-day period to submit a Right of First Refusal Exercise Notice. Thereafter, the procedure pursuant to this Section 7.4 shall be repeated prior to any such Transfer.

7.4.3. Pro Rata Allocation of Right of First Refusal

In the event that the Shareholders exercise their Rights of First Refusal for more than the number of Relevant Shares, the Relevant Shares shall be allocated among such exercising Shareholders pro rata to their then existing holdings of Shares.

7.4.4. Consummation of Transfer of Relevant Shares upon Exercise of Right of First Refusal

The Transfer of the Relevant Shares shall be consummated within 60 days from receipt of the Right of First Refusal Notice by the Company unless the terms of the *bona fide* purchase offer provided for longer terms, in which case the terms of such *bona fide* purchase offer shall apply. If the consideration offered by the Selling Shareholder(s) for the Relevant Shares is not cash or if the Transfer is to be made for no consideration, then the price for the Relevant Shares shall be deemed to be equal to the Fair Market Value as defined in Section 7.7.2 below and to be paid in cash to the Selling Shareholder(s).

7.5. **Tag-Along (Co-Sale Right)**

7.5.1. Notification

In the event a Shareholder (or a group of Shareholders) wishes to Transfer all or a part of its Shares ("**Relevant Shares**") in one or a series of related transactions to a proposed acquirer (including another Shareholder) on the basis of a *bona fide* purchase offer ("**Tag-Along Event**"), such Shareholder(s) ("**Selling Shareholder(s)**") shall notify the other Shareholders as well as the Company thereof, *mutatis mutandis* in accordance with Section 7.5.1 ("**Tag-Along Notice**"). Such Tag-Along Notice may be part of a Right of First Refusal Notice according to Section 7.4. The Company shall inform each Shareholder within five days after receipt of the Tag-Along Notice about the day the 30-day period for exercising the Tag-Along Right mentioned in Section 7.4.3 expires.

7.5.2. Terms of Tag-Along Right

The terms of the Tag-Along Right shall be the same consideration per Share and otherwise the same terms and conditions as applicable to the Selling Shareholder(s) (except for (i) any representations, warranties and/or indemnities other than (several and not joint) title warranties solely in respect of the Shares sold by such other Shareholder(s) and (ii) payment of the consideration per Share, which must be in immediately available cash) upon the occurrence of a Tag-Along Event.

7.5.3. Exercise of Tag-Along Right

Each Shareholder wishing to exercise its tag-along right with respect to the Relevant Shares ("**Tag-Along Right**") shall so notify the Selling Shareholder(s) within a period of 30 days from receipt of the Tag-Along Notice ("**Tag-Along Exercise Notice**"). If no Tag-Along Exercise Notice is submitted on time, the Tag-Along Right of that Shareholder shall be deemed to have been forfeited (*verwirkt*) with respect to this Tag-Along Event.

If the proposed acquirer refuses to accept the purchase of the Shares from the Shareholders who provided a Tag-Along Notice, the Selling Shareholder(s) shall be prohibited from Transferring the Relevant Shares to the proposed acquirer.

7.5.4. Transfer to Proposed Acquirer

In the event the Right of First Refusal according to Section 7.4 is not exercised, the Selling Shareholder(s) shall be free to Transfer the Relevant Shares to the proposed acquirer on the terms disclosed to the other Shareholders in the Tag-Along Notice and the Right of First Refusal Notice within a period of six months starting after the expiry of the 30–day period to submit a Tag-Along Exercise Notice. Thereafter, the procedure pursuant to this Section 7.5 shall be repeated prior to any such Transfer.

7.6. **Drag-Along (Co-Sale Obligation)**

7.6.1. Notification

In the event a Shareholder, with the approval of a majority of Shareholders, wishes to Transfer at least 51% of the Shares of the Company in one or a series of related transactions to a proposed acquirer (including another Shareholder) who wishes to acquire all (but not less than all) Shares in the Company pursuant to a *bona fide* purchase offer at an offered price per Share higher than the Issue Price ("**Drag-Along Event**"), such holder of Shares ("**Relevant Selling Shareholder[s]**") shall be entitled to require that all other Shareholders sell all their shares to the proposed acquirer ("**Drag-Along Right**") and shall notify the other Shareholders thereof, *mutatis mutandis* in accordance with Section 7.6.1 ("**Drag-Along Notice**"). The Company shall inform each Shareholder within five days after receipt of the Drag-Along Notice about the day the Transfer of the Shares to the proposed acquirer shall be completed which shall be no earlier than 30 days and no later than six months as from the date of receipt of the Drag-Along Notice.

For the avoidance of doubt and notwithstanding anything to the contrary contained herein, unless the proposed acquirer qualifies as Affiliate of a Founder, Section 7.3 shall not apply in case of a Drag-Along Event.

If a Shareholder not being a Relevant Selling Shareholder is in doubt whether the proposed acquirer qualifies as Affiliate of a Founder or not, such Shareholder shall be entitled to solicit and to submit to the Relevant Selling Shareholders a *bona fide* purchase offer at an offered price per Share higher than what the proposed acquirer offered ("**Improved Offer**"), in which case the Transfer of all Shares shall be completed in accordance with the terms and conditions set forth in this Improved Offer with the potential acquirer having submitted such Improved Offer.

7.6.2. Terms of Drag-Along Right

The terms of the Drag-Along Right shall be the same consideration per Share and, except as set forth in Section 7.6.3, otherwise at the same terms and conditions as applicable to the Relevant Selling Shareholders.

The proceeds resulting from such Transfer in case of a Drag-Along Event or based on an Improved Offer shall be deemed to constitute Liquidation proceeds and shall be allocated to the Shareholders in accordance with Appendix 1.6 of the Investment and Subscription Agreement to which this Agreement serves as Appendix E.

7.6.3. Key Terms and Conditions

The terms and conditions of the Transfer of Shares shall include the following:

(a) Each other Shareholder's liability for representations and warranties shall, to the extent legally permissible, be limited to a maximum of 50% percent of its purchase price, and be subject to the same time limitations as the Relevant Selling Shareholder[s]' liability. Each other Shareholder shall, upon request by the Relevant Selling Shareholder[s], be obliged to pay the same percentage of its purchase price for the same time periods into an escrow account in favor of the acquirer as the Relevant Selling Shareholder[s]. Each other Shareholder shall be severally, and not jointly liable for the representations and warranties.

(b) Each other Shareholder shall give the representations and warranties which the acquirer or the Relevant Selling Shareholder[s] may reasonably request, reflecting such Shareholder's stake in and position with respect to the Company (i.e. founder, senior manager, employee, passive investor). Except as otherwise provided for herein and unless the Relevant Selling Shareholders may reasonably request otherwise (in particular because they agreed to such term or condition regarding their Shares), the terms and conditions of the Investment Agreement regarding representations and warranties, indemnification and remedies shall apply, *mutatis mutandis*.

(c) Each other Shareholder shall bear its own costs and taxes imposed on it.

7.7. **Purchase Option**

7.7.1. Triggering Events

Subject to the provisions in this Section 7.7, the Parties ("**Option Parties**") shall have an option ("**Purchase Option**") to purchase the Shares of any other Shareholder ("**Restricted Party**") in proportion to the nominal value of their shareholdings in the Company or in such other proportions and/or other terms as they may agree in writing between themselves if any of the following events ("**Triggering Event**") occurs:

(a) the Restricted Party commits a criminal act against the interests of a Party, of the Company or of any of its Affiliates;

(b) the Restricted Party materially breaches this Agreement, unless such breach and its effects are fully cured within 20 days upon notification in writing of the breach and its effects by any other Party, or terminates this Agreement in accordance with Section 9;

(c) the employment agreement between a Restricted Party and the Company is terminated and the Restricted Party is considered a Bad Leaver;

(d) the employment agreement between a Restricted Party and the Company is terminated or a Restricted Party acquires Shares based on an ESOP after such termination and the Restricted Party is considered a Good Leaver in either case at the time of the termination.

7.7.2. Exercise of Purchase Option

The Restricted Party shall notify the other Parties of the occurrence of any Triggering Event. Upon receipt of such notice or upon a Triggering Event becoming known to the other Parties, such other Parties shall be entitled to purchase all Shares held by the Restricted Party, in proportion to the nominal value of their shareholdings or in such other proportions as they may agree in writing between them, and, in case of the occurrence of any of the Triggering Events listed in Section 7.7.1 (a), (b) or (d), at the higher of the **"Fair Market Value"** and the nominal value of the Shares. Without prejudice to any other rights or remedies, in case of the occurrence of any of the Triggering Event (c), the purchase price shall be the lower of the fair market value and the nominal value of the Shares.

If the Parties cannot agree on the fair market value, each Party may request its determination by Mr. Olivier Kobel, Managing Director at SMC Corporate Finance GmbH with his principle place of business at Florastrasse 49, CH-8008 Zurich, Switzerland as independent expert, or if such independent expert refuses or is not able to act, by an experienced international accounting firm appointed by the President of the Zurich Chamber of Commerce, ("**Expert**") on the basis of a valuation of the Company using methods customarily used at that time to establish the value of businesses in that industry, excluding any control premium for obtaining a majority of the voting rights in the Company or any block premium. The fair market value as determined by the Expert shall be binding and final on the Parties, unless based on calculation errors, in which case the fair market value as corrected by the Expert shall be binding.

The Option Parties who intend to exercise the Purchase Option shall notify the Restricted Party and the other Parties of their intent to exercise the Purchase Option within 30 days following receipt of notice of a Triggering Event or, as the case may be, following such Triggering Event becoming known to them, and shall thereafter commence the valuation procedure by mandating the Expert if no agreement on the price can be reached within another 20 days. The Option Parties shall exercise the Purchase Option no later than 20 days following agreement on the fair market value or receipt of the final determination of the fair market value from the Expert by giving written notice to the other Parties. The Restricted Party, on the one hand, and the Option Parties who announced their intent to exercise the Purchase Option, on the other hand, shall bear the fees, costs and expenses of the Expert in proportion to the fair market values claimed by them at the beginning of the procedure differing from the fair market value as determined by the Expert. If requested by the Expert, the relevant Restricted Party, on the one hand, and the Option Parties who announced their intent to exercise the Purchase Option, on the other hand, shall make advance payments in respect of fees, costs and expenses to the Expert in equal parts.

7.8. **Right to Sale**

The restrictions under Sections 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of this Agreement shall not apply to the following right to sale:

7.8.1. Right to Sale by Investor to Founder

The Investor shall have the right to sell all its Shares held ("**Sale Shares**") at any time to the Company or the Founder at a total nominal fee of CHF 1.00 by providing written notice to the Company and the Founder stating the number of Sale Shares ("**Put Notice**") and the Company in first priority and Founder in second priority herewith accept to purchase these Sale Shares.

Upon receipt of the Put Notice by the Company and the Founder, a legally binding share purchase agreement with regard to the Sale Shares shall come into existence between the Investor serving a Put Notice as seller and the Company and the Founder as buyer. Unless otherwise agreed by the relevant Parties, the transfer of the Sale Shares and the payment of the purchase price for the Sale Shares (i.e. the nominal value of all Sale Shares) shall be completed within 10 days since the receipt of the Put Notice.

For the avoidance of any doubts, it is the Parties understanding the Company shall be primarily obliged to acquire the Sale Shares. However, the obligation of the Company to buy the Sale Shares is subject to it being permitted to acquire own shares in accordance with art. 659 CO. If and to the extent the number of Sale Shares exceeds the number of own shares the Company is permitted to acquire, the Founder and Other Shareholders undertake to acquire such exceeding number of Sale Shares pro rata to his then shareholding in the share capital of the Company.

7.8.2. Right to Sale by Founder

The Founder Directors shall have the right to sell their Shares to the Investor according to the following "**Founder Directors' Share Sale Schedule"**:

As of January 1, 2024, 33% of total outstanding Founder Director Shares at a valuation of 15 times EBITDA audited 2023 Company financial results according to International Financial Reporting Standards (IFRS) accounting practices.

As of January 1, 2025, 66% of total outstanding Founder Director Shares at a valuation of 15 times EBITDA audited 2024 Company financial results according to International Financial Reporting Standards (IFRS) accounting practices.

The Investor and the Founder agree that based on the Company's audited figures of 2025, the Founder is free to find a new buyer for the Company. The Founder shall have the right to hire financial advisors in the pursuit to look for such a new buyer. This process shall start latest by June 1, 2025.

In case Board formally decides with the majority of the Founder Directors' votes to sell the Company, but Investor and Founder cannot agree on the sale to a 3rd party by 20 December 2025, the Founder - and potentially Other Shareholders who have joined the Company as key people or Directors - will be allowed to sell 100% of his, or their Shares as the case may be, to the Investor by providing written notice to the Investor stating the number of Sale Shares ("**Put Notice**").

As of January 1, 2026, 100% of total outstanding Founder Director Shares at a valuation equal to the **LOWER** of the following two options:

a) 15 times EBITDA audited 2025 Company financial results according to International Financial Reporting Standards (IFRS) accounting practices.
b) A fully-funded Acquisition Proposal based on the Company's audited 2025 financial results according to International Financial Reporting Standards (IFRS) accounting practices in case the Investor prefers to sell the Company at this point in time.

In case Board formally decides with the majority of the Investor Directors' votes to sell the Company, but Investor and Founder cannot agree on the sale to a 3rd party by 20 December 2025, the Founder Directors will be allowed to sell 100% of their Shares at a valuation equal to the **HIGHER** of the following two options:

c) 15 times EBITDA audited 2025 Company financial results according to International Financial Reporting Standards (IFRS) accounting practices.
d) A fully-funded Acquisition Proposal based on the Company's audited 2025 financial results according to International Financial Reporting Standards (IFRS) accounting practices in case the Investor prefers to sell the Company at this point in time.

At any time, the Founder Directors choose to sell of their own Shares in the Company to the Investor, they will have to issue a Put Notice. Upon receipt of the Put Notice by the Investor, a legally binding share purchase agreement with regard to the Sale Shares shall come into existence between the Founder and Other Shareholders serving a Put Notice as sellers and the Investor as buyer. Unless otherwise agreed by the relevant Parties, the transfer of the Sale Shares and the payment of the purchase price for the Sale Shares shall be completed within 10 days since the receipt of the Put Notice. The Investor shall be free to choose either cash or his own NASDAQ-listed shares as means of payment for these Sale Shares. The Investor's NASDAQ-listed shares shall be valued as an Average Share Price of the 30 trading days prior to the date of the Put Notice. The Investor's NASDAQ-listed shares to be utilized for payment of these Founder Director Shares shall be free of any restrictions.

7.8.3. Right to File for an Initial Public Offering (IPO)

Both Parties shall have the right to select an underwriter for listing of Shares of the Company on an internationally recognized securities exchange, such as the official list of SIX Swiss Exchange for a **"Qualified IPO"** with a price per Share of at least five time the Issue Price (subject to adjustments for stock splits, combinations, dividends and similar events). As of the date the Company Publishes an IPO Prospectus **("IPO Prospectus Publishing Date"),** Section 7.8.2 no longer applies.

Should the Board formally decide with the majority of the Founder Directors' votes to file for a **"Non-Qualified IPO"** with a Share price below the equivalent of five times the Issue Price (subject to adjustments for stock splits, combinations, dividends and similar events), Section 7.8.2 no longer applies.

Should Board formally decide with the majority of the Investor Directors' votes to file for a Non-Qualified IPO, Section 7.8.2 continues to apply.

8. LIQUIDATED DAMAGES

Each Shareholder being in material breach of any provision of this Agreement (it being understood that any breach of Sections 4, 7 or 10.3 shall be deemed a material breach for purposes of this Section 8) shall pay liquidated damages (*Konventionalstrafe*) to each of the non-defaulting Shareholders in the amount of CHF 50'000.- for each violation or breach. With respect to any violation or breach that is capable of being cured, liquidated damages shall only become payable if such violation or breach is not cured by the defaulting Shareholder within 20 days after having been notified of such violation or breach by any of the non-defaulting Shareholders.

Notwithstanding the payment of the liquidated damages, the defaulting Shareholder (i) shall be liable to each of the non-defaulting Shareholders for any losses and damages incurred by such non-defaulting Shareholders in excess of its entitlement to the amount of CHF 50'000.- as set forth in the paragraph above (which entitlement shall be pro rata to the relevant non-defaulting Shareholder's shareholdings in the Company), and (ii) shall continue to be bound by the terms of the violated provision, for which each of the non-defaulting Shareholders may continue to seek specific enforcement and/or such other injunctive relief as may be granted by any court and/or arbitral tribunal of competent jurisdiction.

9. TERM

This Agreement shall enter into force and become effective as of the Closing Date (as defined in the Investment and Subscription Agreement to which this Agreement serves as Appendix E) and shall continue to be effective and in force for an initial fixed term until the tenth anniversary of the Closing Date.

Thereafter, this Agreement shall continue to be in effect for successive periods of five years unless terminated by any Shareholder upon twelve months' prior written notice to all other Parties. Any termination by a Shareholder shall only be effective with respect to the respective Shareholder, and shall be without prejudice to the continued binding effect of this Agreement for all other Parties.

Notwithstanding the foregoing, this Agreement shall be terminated in the following cases

(a) automatically and with immediate effect upon the first trading day of the Company following a Qualified IPO; or

(b) for a specific Party upon such Party ceasing to be a shareholder of the Company in accordance with the terms and conditions of this Agreement, whereas such cessation and release shall be without prejudice to any accrued rights and obligations of the relevant Party existing at the time of such cessation and release;

(it being understood that in case of sub-paragraphs (b), such termination of this Agreement with respect to such Party shall be without prejudice to the continued binding effect of this Agreement for and among all other Parties).

This Agreement shall not be terminated in case of death, incapacity to act or bankruptcy of a Party, if a Party is placed under guardianship or has been declared missing by a final court decision or if the liquidation interest of a Party is subject to debt enforcement measures.

10. MISCELLANEOUS

10.1. **Nature of Parties' Rights and Obligations**

Except as specifically provided otherwise in this Agreement, the rights and obligations of the Parties hereunder shall be several (and not joint). Each of Founder and Other Shareholders and the Investor may exercise and enforce its rights hereunder individually in accordance with this Agreement.

The obligations of the Parties hereunder are contractual in nature and the Parties agree that they do not form, and this Agreement shall not be deemed to constitute, a simple partnership (*einfache Gesellschaft*) pursuant to Art. 530 et seq. CO.

10.2. **Confidentiality**

The provision regarding confidentiality in the Investment Agreement (as defined in the Investment and Subscription Agreement to which this Agreement serves as Appendix E) shall apply *mutatis mutandis*.

10.3. **Successors and Assigns**

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective permitted successors and assigns; *provided, however*, that no Party shall be entitled to assign or transfer any of the rights or obligations hereunder to any other party except with the prior written consent of each Party. Transfers or assignments in conjunction with the transfer of Shares in accordance with this Agreement shall remain reserved.

10.4. **Costs and Expenses**

Each Party shall bear its own costs and expenses arising out of or incurred, and any taxes imposed on it, in connection with this Agreement. Any reimbursement of costs shall be exclusively governed by and handled in accordance with Section 5.5 of the Investment Agreement.

Each relevant Shareholder shall indemnify the Company for any damages resulting from any taxes and social security contributions triggered at the Company's level by a Transfer of Shares by the relevant Shareholder.

10.5. **Notices**

All notices and other communications made or to be made under this Agreement shall be given as set forth in the Investment Agreement, *mutatis mutandis*.

10.6. **Entire Agreement**

With the exception of the Investment Agreement, this Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes any agreement or understanding with respect to the subject matter hereof that may have been concluded between any of the Parties prior to the date of this Agreement.

The Parties confirm that in addition to this Agreement, there are no side agreements relating to the subject matter hereof between any of them that have not been disclosed to the other Parties and the terms of which may affect any of the rights granted to any of the Parties hereunder.

10.7. **Severability**

If at any time any provision of this Agreement or any part thereof is or becomes invalid or unenforceable, then neither the validity nor the enforceability of the remaining provisions or the remaining part of the provision shall in any way be affected or impaired thereby. The Parties agree to replace the invalid or unenforceable provision or part thereof by a valid or enforceable provision which shall best reflect the Parties' original intention and shall to the extent possible achieve the same economic result. The same applies *mutatis mutandis* in case of any gaps.

10.8. **Amendments**

This Agreement (including this Section 10.9) may be amended only in writing by an instrument signed by all Parties.

10.9. **Waiver of Rights**

No waiver by a Party of a failure of any other Party to perform any provision of this Agreement shall operate or be construed as a waiver in respect of any other or further failure whether of a similar or different character.

11. GOVERNING LAW AND JURISDICTION

11.1. **Governing Law**

This Agreement shall in all respects be governed by and construed in accordance with substantive Swiss law.

11.2. **Jurisdiction**

The courts of Zurich (Canton of Zurich, Switzerland) shall have exclusive jurisdiction for any and all disputes arising out of or in connection with this Agreement, the venue being Zurich 1.

* * * * *

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date first written above

Investor

William Kerby
Chief Executive Officer

Founder

/s/ Jan C. Reinhart

Jan C. Reinhart

List of Appendices

Appendix C:	Cap Table
Appendix E:	Defined Terms
Appendix 2.a):	Articles
Appendix 4:	List of Important Shareholder and Board Matters
Appendix 6.2:	Anti-Dilution Adjustment Formula

Appendix E

Defined Terms

"**Affiliate**" shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the person or entity specified, any person that is contractually related to the relevant Shareholder by way of a fiduciary agreement, and any person related to the relevant Shareholder based on family relations or friendship.
"**Agreement**" shall mean the shareholders agreement, including its appendices (as amended from time to time in accordance with the terms of this Agreement).
"**Anti-dilution Adjustment**" shall have the meaning set forth in Section 6.2.
"**Articles**" shall have the meaning set forth in Section 2.
"**Bad Leaver**" shall mean a Restricted Party in case (i) his or her employment agreement has been terminated by the Company for an important reason (*wichtiger Grund*) within the meaning of Art. 337 CO, or (ii) he has terminated his or her employment agreement other than for an important reason (*wichtiger Grund*) within the meaning of Art. 337 CO or family- or health-related reasons.
"**Board**" shall mean the board of directors of the Company, as appointed from time to time in accordance with the terms of this Agreement.
"**Business**" shall have the meaning set forth in Preamble B.
"**CEO**" shall mean the Chief Executive Officer of the Company appointed from time to time in accordance with this Agreement and the board regulations, if any.
"**Chairman**" shall mean the chairman of the Board (*Verwaltungsratspräsident*).
"**Change of Control**" shall mean any Transfer of Shares in one or a series of related transactions that results in the proposed acquirer (including a Shareholder) holding, directly or indirectly, more than 50 percent of the then issued share capital of the Company.
"**CO**" shall mean the Swiss Code of Obligations as of March 30, 1911, as amended.
"**Common Shares**" shall mean the common registered shares of the Company (*Stammaktien*) in accordance with the Articles and as set forth in Preamble A.
"**Company**" shall have the meaning set forth on the first page.
"**Confidential Information**" shall have the meaning set forth in Section 10.2.
"**Director**" shall mean each of the members of the Board appointed from time to time in accordance with the terms of this Agreement.
"**Distribution**" shall mean any distribution in the form of Dividends and/or proceeds resulting from a Liquidation.
"**Drag-Along Event**" shall have the meaning set forth in Section 7.6.1.
"**Drag-Along Notice**" shall have the meaning set forth in Section 7.6.1.
"**Drag-Along Right**" shall have the meaning set forth in Section 7.6.1.
"**ESOP**" shall mean employee stock option plan.
"**Existing Shareholders**" shall mean the Founder and the Other Shareholders.
"**Expert**" shall have the meaning set forth in Section 7.7.2.
"Fair Market Value" shall have the meaning set forth in Section 7.7.2.
"**Founder**" shall have the meaning set forth on the first page.
"**Founder Director**" shall have the meaning set forth in Section 3.2(b).
"**General Meeting of Shareholders**" shall mean any ordinary or extraordinary general meeting of Shareholders of the Company.
"**Good Leaver**" shall mean a Restricted Party in case his or her employment agreement has been terminated and he or she is not deemed to be a Bad Leaver.
"**Important Board Matters**" shall have the meaning set forth in Section 4(b)(as set forth in Part B of Appendix 4).

"**Important Shareholder Matters**" shall have the meaning set forth in Section 4(a) (as set forth in Part A of Appendix 4).
"**Improved Offer**" shall have the meaning set forth in Section 7.6.1.
"**Insolvency Event**" shall mean with respect to a Party, if such Party becomes insolvent, bankrupt, petitions or applies to any court, tribunal or other body or authority for creditor protection or for the appointment of, or there shall otherwise be appointed, any administrator, receiver, liquidator, trustee or other similar officer of such Party or of all or a substantial part of the such Party's assets.
"**Investment Agreement**" shall have the meaning set forth in the Investment and Subscription Agreement to which this document serves as Appendix E.
"**Investor Director**" and **"Investment Directors"** shall have the meaning as specified on page 1 and set forth in Section 3.2 (a).
"**Last Price**" shall have the meaning set forth in Section 6.2.
"**Liquidation**" shall mean a voluntary or non-voluntary liquidation, a dissolution or winding up of the Company, a merger, consolidation or other transaction or series of transactions, a Sale or a distribution of profits.
"**Manager**" shall mean any of [*specify*], together the "**Management**".
"**Non-Qualified IPO**" shall mean the closing of an underwritten public offering lead managed by an underwriter of international standing, for listing of Shares of the Company on an internationally recognized securities exchange, such as the official list of SIX Swiss Exchange, that does not qualify as Qualified IPO.
"**Option Parties**" shall have the meaning set forth in Section 7.7.1.
"**Other Shareholder**" and "**Other Shareholders**" shall have the meaning set forth in Preamble C.
"**Party**" shall mean each of the Investor, the Founder, the Company and any further parties adhering to this Agreement in accordance with its terms.
"**Permitted Transfer**" shall have the meaning set forth in Section 7.1.
"**Purchase Option**" shall have the meaning set forth in Section 7.7.1.
"**Put Notice**" shall have the meaning set forth in Section 7.8.1.
"**Preamble**" shall mean a preamble of this Agreement.
"**Qualified IPO**" shall mean the closing of an underwritten public offering lead managed by an underwriter for listing of Shares of the Company on an internationally recognized securities exchange, such as the official list of SIX Swiss Exchange, with a price per Share of at least five times the Issue Price (subject to adjustments for stock dividends, splits, combinations and similar events).
"**Relevant Selling Shareholder(s)**" shall have the meaning set forth in Section 7.6.1.
"**Relevant Shares**" shall have the meaning set forth in Section 7.4.1 and 7.5.1.
"**Restricted Party**" shall have the meaning set forth in Section 7.7.1.
"**Right of First Refusal**" shall have the meaning set forth in Section 7.4.2.
"**Right of First Refusal Event**" shall have the meaning set forth in Section 7.4.1.
"**Right of First Refusal Exercise Notice**" shall have the meaning set forth in Section 7.4.2.
"**Right of First Refusal Notice**" shall have the meaning set forth in Section 7.4.1.
"**Sale**" shall mean the Transfer (whether through a single transaction or a series of related transactions) of Shares other than a Permitted Transfer or the sale, lease, transfer, exclusive license or other disposition of more than 50% of the Company's assets.
"**Sale Shares**" shall have the meaning set forth in Section 7.8.1.
"**Section**" shall mean a section of this Agreement.
"**Selling Shareholder(s)**" shall have the meaning set forth in Section 7.4.1 and Section 7.5.1.
"**Shareholder**" shall mean each holder of Shares.
"**Shares**" shall mean any shares from time to time issued by the Company.

"**Subscription Amount**" shall have the meaning ascribed to this term in the Investment Agreement.
"**Tag-Along Event**" shall have the meaning set forth in Section 7.5.1.
"**Tag-Along Exercise Notice**" shall have the meaning set forth in Section 7.5.5.
"**Tag-Along Notice**" shall have the meaning set forth in Section 7.5.1.
"**Tag-Along Right**" shall have the meaning set forth in Section 7.5.3.
"**Transfer**" shall mean any sale, assignment, encumbrance, pledge, creation of trust or any other disposal or transfer.
"**Triggering Event**" shall have the meaning set forth in Section 7.7.1.

Appendix 2.a)

Articles

(see attached)

Appendix 4

List of Important Shareholder and Board Matters

Part A – Important Shareholder Matters

Each of the following decisions shall be an Important Shareholder Matter and shall require the consent requirements set forth in Section 4(a) of this Agreement:

(a) any amendment, alteration or modification of the rights, preferences and privileges of Shares or increase or decrease the number of Shares;

(b) any amendment of the Company's Articles including in particular its purpose;

(c) the creation and issuance of new shares having rights senior to or on parity with Shares;

(d) any alteration to the issued share capital including, in particular, the increase of the share capital and issuance of new Shares;

(e) create or increase a conditional share capital reserved for employees, Directors or consultants;

(f) increase of the authorized number of Directors of the Company and the election and removal of Directors;

(g) take any measures which result in an obligation, asset of debt of the Company exceeding CHF 1,500,000.

(h) any transfer of IP rights or know how of the Company to a third party or grant any licenses or other rights with respect to such IP rights or know how outside the course of Business of the Company.

(i) any sale, license, or similar transaction relating to all or substantially all of the assets of the Company;

(j) any merger, demerger or similar reorganization of the Company;

(k) any action that would result in a Change of Control;

(l) entering into contractual or equity joint ventures;

(m) the acquisition, transfer, subscription sale or disposal of any shares or interest by the Company in any other company, group or entity, the setting up of any subsidiary or transfer or pledge of its shares;

(n) the liquidation or the Company;

(o) any resolution on Dividend payments or other distributions to the shareholders;

(p) the election of the Company's auditors;

(q) any substantial change to the Business or the agreed business plan;

(r) commencement of litigation or arbitral proceedings with an expected value exceeding CHF 50,000; and

(s) approval of and changes to the annual budget ("**Annual Budget**") which shall be presented no later than November 30th of the year prior the year the Annual Budget is provided for.

Part B – Important Board Matters

Each of the following decisions shall be an Important Board Matter and shall require the consent requirements set forth in Section 4(b):

(t) the entering into any joint venture, merger or acquisition or any profit sharing agreement;

(u) any investment, capital expenditure, acquisition or sale of assets, incurrence of debt or any contract obligation by the Company in excess of CHF 1,500,000 (whether by a single transaction or a series of related transactions within the same calendar year) unless provided for in the Annual Budget;

(v) subject to Part A (h) any transfer of intellectual property rights or know how of the Company to a third party or grant of licenses or other rights with respect to intellectual property rights or know how, with the exception of contracts with customers based on contract templates that have been approved as an Important Board Matter;

(w) the execution or amendment of any credit, mortgage or debt financing agreement, regardless of whether the Company is the borrower or lender (whether by a single transaction or a series of related transactions) not provided for in the Annual Budget;

(x) the issuance of shares or equity-related securities out of the Company's authorized or conditional share capital (including the determination of the issue price, the date for the entitlement for dividends and the type of contribution therefore) or sale of own shares, except in respect to any shares issued in accordance with the Anti-Dilution Adjustments;

(y) the creation of any security interests upon any part of the Company's property, intellectual property rights or assets (whether by a single transaction or by a series of related transactions);

(z) any direct or indirect transactions or arrangements with Directors, employees, members of the management, any Shareholder or any Affiliate thereof including variations thereof;

(aa) any purchase by the Company of any of its own shares, except for acquisitions in connection with Section 7.7;

(bb) any decision pertaining to the employment, removal, dismissal or non-renewal of any person with total compensation higher than CHF 300,000 per annum or increasing the salary of any employee by more than 10% unless provided for in the annual budget;

(cc) any amendment to the contracts with Directors or Shareholders holding more than 5% of the Company's outstanding share capital; and

(dd) any of the items as per this Appendix 4 with regard to any of the Company's direct or indirect subsidiaries, if and to the extent controlled or influenced by the Company.

Appendix 6.2

Anti-Dilution Adjustment Formula

Weighted Average Ratchet

The anti-dilution mechanism shall be a weighted-average ratchet (*i.e.*, single iteration) with no offset for par value paid while subscribing for anti-dilution shares (the "Anti-Dilution Shares"). The weighted average issue price ("WAIP") and number of Anti-Dilution Shares to be issued to Founder Directors shall be calculated using the following equations:

$$1.\ \text{WAIP} = \text{Weighted Average Issue Price} = \frac{(S_A \times P_A) + (S_B \times P_B)}{(S_A + S_B)} = \frac{(I_A + I_B)}{(S_A + S_B)}$$

$$2.\ \text{Anti-Dilution Shares for all holders of Founder Director Shares} = S = \frac{I_A}{WAIP} - S_A$$

$$3.\ \text{Anti Dilution Shares for the applicable Founder Director} = \frac{S \times Sx}{SA}$$

Where,

P_A = applicable Share price of the most recent Share transaction ("Last Price")

P_B = Share issue price of the Dilution Round (i.e., the round triggering dilution)

S_A = total no. of Shares of the Founder Directors before the Dilution Round

S_B = total no. of Shares of the Dilution Round

S_X = total no. of Shares held by the applicable Founder Director

I_A = total value of all Founder Director Shares prior to the Dilution Round

I_B = total investment amount of the Dilution Round

I_X = total value of Founder Director Shares held by the applicable Founder Director = $S_X \times P_A$

Exhibit 31.1

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: January 19, 2021

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

Exhibit 31.2

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, Sirapop 'Kent' Taepakdee, 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: January 19, 2021

By: */s/ Sirapop 'Kent' Taepakdee*
Sirapop 'Kent' Taepakdee
Chief Financial Officer
(Principal Accounting/Financial Officer)

Exhibit 32.1

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 November 30, 2020, 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 November 30, 2020, 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 November 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 19, 2021

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

Exhibit 32.2

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 November 30, 2020, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Sirapop 'Kent' Taepakdee, Principal Financial 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 November 30, 2020, 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 November 30, 2020, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 19, 2021

By: */s/ Sirapop 'Kent' Taepakdee*
Sirapop 'Kent' Taepakdee
Chief Financial Officer
(Principal Accounting/Financial Officer)