

Contact Info:

Ph: (250) 377-1182
Fax: (250) 377-1183
info@smallcaps.ca
www.smallcaps.ca

Doren Quinton,
President

Josh Kier,
Vice President

QIS COMPANY PROFILE

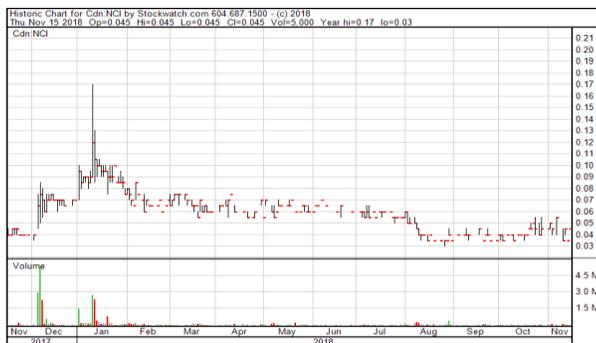


NTG Clarity Networks Inc.
(NCI:TSX-V)

Date: Nov. 15, 2018

Price: \$0.045

(coverage initiated on Feb. 4, 2010 at \$0.045)



KEY INFORMATION

Fiscal Year-end	December 31
52-Week High/Low	\$0.16 - \$0.03
3-Month Avg. Daily Trading Volume	34,929 shares
Market Capitalization	\$2.2 million
Enterprise Value	\$9.6 million
Book Value per Share	(\$0.06)
Working Capital per share (Jun. 30)	(\$0.09)
Current Ratio	0.6
Gross Margin	42%
LT Debt to Equity	0.0
Price to 2017 Earnings (after tax)	nm
Price to 2018e Earnings (after tax)	9.0

FINANCIAL HISTORY (000s of Canadian Dollars)

	2015	2016	2017	2018(e)
Revenues	15,533	11,372	14,360	14,000
Oper. Income	1,461	(5,466)	(323)	1,700
Net Income	368	(12,526)	(1,116)	250
per share	0.010	(0.35)	(0.023)	0.005

FINANCIAL DATA (000s of Canadian Dollars)

	3 Months Jun. 30		6 Months Jun. 30	
	2018	2017	2018	2017
Revenues	\$2,608	\$4,149	\$6,657	\$7,157
Cost of Sales	1,376	2,863	3,877	5,287
Gross Profit	1,232	1,286	2,779	1,870
Forex Loss (Gain)	(191)	(115)	(182)	41
Net Income	16	(86)	177	(838)
per share	0.000	(0.000)	0.004	(0.03)

BALANCE SHEET (as at June 30, 2018)

Current Assets	\$ 7,254,253
Total Assets	8,994,081
Current Liabilities	11,792,756
Long-Term Debt	nil
Shareholders' Equity (Deficiency)	(2,805,758)

SHARES OUTSTANDING (as at June 30, 2018)

Basic (27% held by mgmt & insiders)	48,662,355
Fully-Diluted	52,403,355

Highlights:

- 7% decline in revenues, 19% decrease in operating expenses, and a 15% decrease in G&A expenses in first half of 2018
- Second consecutive quarter of profitability
- recently received a \$1 million grant to develop an autonomous vehicle user interface
- targeting an expanding international market, primarily the Middle East

QUICK SUMMARY

During the first half of 2018, NTG Clarity posted sales of \$6.7 million, a 7% decline from last year. Gross margin was 47% during Q2/18 compared to just 31% during Q2/17. Operating expenses during the period were reduced by 19% and G&A expenses were reduced by 15%, leading to net income of \$16,369, compared to a loss of (\$85,539) in the prior year.

Lower oil prices and a weak Egyptian currency have posed significant challenges for NTG Clarity over the past few years as the company's business relies on the economic stability of the Middle East. However, management has reigned in spending and has returned the company to profitability in the last two consecutive quarters.

CORPORATE OVERVIEW

NTG Clarity's vision is to be a global leader in providing networking solutions. Established in 1992, the company delivers networking, information technology, and network-enabled application software solutions to network service providers and large enterprises. NTG Clarity has offices in Canada, Egypt, USA, Saudi Arabia, Kuwait and Oman.

The company's primary business focus is on the sale and installation of its OSS/BSS (Operations / Business Support System) product called NTS (Network & Telecom System) and the associated consulting services and training. NTS has been designed to handle the full customer service cycle from the initial order request through network equipment configuration to implementation support, billing and maintenance.

NTG Clarity has developed a number of ancillary product offerings including the following:

StageEM - an enterprise solution that encompasses project portfolio management, demand and capacity, analytic and dashboard and decision-making using real-time data. StageEM supports the decision-making process, enables organizations to perform planning, budgeting, and financial forecasting to align with the corporate strategy, and supports the set-up, performance, and monitoring of defined tasks.

Workflow Management - enables organizations to quickly and easily design, deploy, execute, monitor and analyze business processes while gaining efficiency, the best cost / value ratio and maximum scalability.

Network Inventory Management - allows organizations to gain full visibility of networks, services, and resources for faster and accurate service fulfillment.

Partner Relationship Management (PRM) - covers the complete value chain of partnerships and enables vendors to better manage their strategic partners.

NTS Asset Management - tracks the life-cycle of inventory from acquisition to delivery to retirement.

NTS Trouble Ticket Management - manages customer and network trouble tickets.

NTS Utility Billing - manages one or more utility services whether metered or unmetered, and provides quick and easy solutions to create and manage invoices, customers, products/services and payments.

VoWiFi – proprietary VoWiFi solution as part of building and upgrading wireless broadband quad-play networks with native phone dialer solutions.

NTS Telco In a Box – an integrated CRM, order management, fulfillment and billing solution.

Professional service revenue also continues to be an important strategic source of revenue for NTG Clarity given its generally recurring nature (86%). Management is currently working towards reaching a more balanced split between professional services and product related sales. Much of the company's professional services revenue including **Solution Development, System Integration, Testing as a Service, Outsourcing, Consulting and Training** arises from product sales.

In June 2018, as a result of actively marketing the company's IoT (Internet of things) solutions, NTG Clarity received a PO in Toronto for manufacturing tracking. This project commenced in the third quarter and is expected to open new opportunities with manufacturing customers.

On October 18, 2017, NTG announced a \$4.5 million frame agreement contract with an operator in the Gulf region. The initial phase will cover a 3 year period with an expected increase in contract value during 2018 as the company supplies additional resources.

NTG Clarity continues to land smaller deals including a \$300,000, 1-year government contract that was reported in October 2017, four orders totaling \$580,000 from Egypt in December 2017 and a \$670,000 purchase order with a new customer in the Gulf region in January 2018.

In May 2018, the company was awarded a \$963,400 grant to develop an autonomous vehicle user interface. This system will standardize what is currently developed ad hoc by vehicle manufacturers and provide a model for regulators to develop standards for console displays.

NTG Clarity has now posted two consecutive quarters of positive net income and looks to return to full profitability during 2018. This is a testament to the cost-cutting measures implemented over the last 18 months and new revenue opportunities as economic conditions improve in the Middle East. The company is currently working on a number of new initiatives which it expects will build on its business model and open up new revenue streams in the second half of this year.

NTG Clarity is currently trading at an enterprise value of only two-thirds of its current annual revenue stream and at a p/e multiple of less than 10X. Improving margins and strengthening the balance sheet are both of primary importance to NTG Clarity to build a solid foundation from which to facilitate future growth.

NTG Clarity Networks Inc.

Suite 202, 2820 14th Avenue
Markham, ON L3R 0S9

Contact: Ashraf Zaghoul, CEO & Chairman

Phone: (905) 305-1325

Fax: (905) 752-0469

Email: azaghoul@ntgclarity.com

Website: www.ntgclarity.com

The corporate information provided in this report is for informational purposes only. While every effort has been taken to provide accurate information, the completeness or accuracy of such information is not guaranteed. Certain statements in this report may constitute "forward looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. The company profiled assumes no liability for the information presented. The information contained in this report should not be construed as offering investment advice. Those seeking direct investment advice should consult a qualified, registered, investment professional. This is not a direct or implied solicitation to buy or sell securities. Readers are advised to conduct their own due diligence prior to considering buying or selling any stock. Trading accounts, including personal, family and corporate accounts, under the control of QIS Capital management currently hold 2,327,000 shares in the company profiled. QIS Capital is engaged in an investor relations agreement with the company discussed and may trade the company's common shares. No stock exchange has approved or disapproved of the information contained herein. Copyright ©2018, QIS Capital Corporation.