

## Software

# RESAAS Services Inc. | RSASF - \$0.73 - OTCQX | Buy

### Analysis of Sales/Earnings

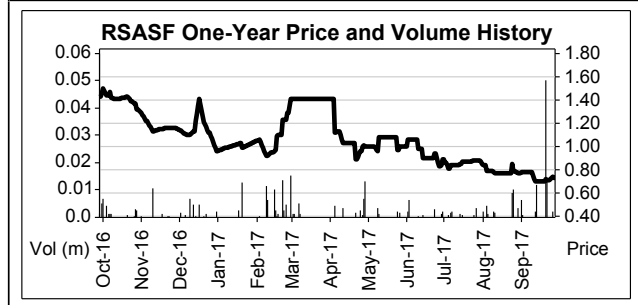
Stock Data	
52-Week Low - High	\$0.70 - \$1.54
Shares Out. (mil)	39.26
Mkt. Cap.(mil)	\$28.7
3-Mo. Avg. Vol.	2,079
12-Mo.Price Target	\$2.35
Cash (mil)	C\$3.9
Tot. Debt (mil)	C\$0.0
Est. 3Yr. EPS Growth	NM
Current Dividend (Ann. \$)	\$0.00
Current Yield	0.00%

EPS C\$						
Yr Dec	—2016—		—2017E—		—2018E—	
			Curr	Prev	Curr	Prev
1Q	(0.02)A	(0.02)A	(0.02)A	(0.02)A	(0.01)E	0.00 E
2Q	(0.03)A	(0.02)A	(0.02)A	(0.02)A	0.00E	0.01E
3Q	(0.02)A	(0.02)E	(0.02)E	(0.02)E	0.01E	0.02E
4Q	(0.02)A	(0.02)E	(0.01)E	(0.01)E	0.02E	0.03E
YEAR	(0.09)A	(0.08)E	(0.07)E	(0.07)E	0.02E	0.06E

\* EPS is adjusted to exclude non-cash items

Revenue (C\$ millions)						
Yr Dec	—2016—		—2017E—		—2018E—	
			Curr	Prev	Curr	Prev
1Q	0.1A	0.1A	0.1A	0.1A	1.0E	1.6E
2Q	0.1A	0.1A	0.1A	0.2E	1.6E	2.1E
3Q	0.0A	0.2E	0.2E	0.5E	2.1E	2.7E
4Q	0.1A	0.5E	1.0E	1.0E	2.7E	3.2E
YEAR	0.3A	1.0E	1.9E	1.9E	7.4E	9.5E

\* some number may not add due to minor rounding factors



## RSASF: Forecasts Pushed Back Another Quarter

Similar to 1Q17, RSASF's 2Q17 results left revenues up narrowly sequentially while we had been looking for a slightly more substantial improvement. With operating losses moderately increased sequentially, reversing 1Q17's improvement, improving subscriber and content metrics still offer support for revenues to begin ramping near-term. As such we are again essentially pushing our top and bottom line forecasts back one quarter as we await the start of a meaningful revenue ramp. We maintain our Buy rating and \$2.35 target price.

- Results delay revenue ramp but paid subscriber growth fair.** 2Q17 revenues of \$134,000 (figures in Canadian Dollars unless noted) grew 15% sequentially but missed our \$241,000 forecast. Its adjusted net loss of \$933K moderately missed our \$809K loss estimate and was narrowly below 1Q17's \$877K loss. Paid Premium subscribers grew 8% sequentially to 5,977. Given total users exited 2Q17 at 425,088, we expect continued accelerated paid user growth as RSASF focuses on paid conversions (it was more passive previously).
- Notable customer wins bolster 2H17/2018 growth potential.** Despite minimal revenues to date, RSASF's "real-time MLS" offerings have won notable Realtor Association customers in regions including Austin, Miami, Oakland, San Diego and San Francisco. Subsequent franchisor wins with Keller Williams and RE/MAX expand reach beyond associations. We believe these wins support a view of revenues ramping meaningfully in 2H17/2018, albeit at a slower pace than previously expected. Similar to our post-1Q17 action, we are again pushing out top/bottom line forecasts one quarter to reflect 2Q17's sub-expectation growth.
- Cash narrowing; appears to support year ahead.** As a reminder, RSASF's 3Q16 private placement added roughly \$3.8M to 2Q16's \$4.5M in cash reserves. With a roughly \$1.0M/quarter cash burn rate over the past three quarters, cash exited 1Q17 at \$3.9M. With a forecast to turn roughly breakeven by 2Q18 in our revised model, we believe RSASF's cash reserves appear adequate to support our outlook for the year ahead and to achieve profitability, although any further delays to a meaningful revenue ramp could leave RSASF needing additional cash.
- Valuation dependent on revenues ramping.** Given its early stage, RESAAS's revenue growth could appear artificially high until at least 2019 (our forecasts remain above 100% yr/yr through 4Q18). With peer average growth rates of roughly 25% supporting an average run-rate revenue multiple of roughly 5x, predicting a fair valuation is challenging. Our \$2.35 USD price target equates to 20x our 2Q18 run-rate revenue forecast or 9x our 4Q18 run-rate forecast. We believe these multiples are defensible given RESAAS's early stage of growth and notable customer wins.

Intraday price \$0.73 as of 11:18 am ET.

COMPARABLES ANALYSIS - Software-as-a-Service ("SaaS") Companies & Enterprise Software

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(figures in millions except per share data)

Ticker	Rating	Price	Price %			Shares	Market Cap.	Net Cash	Net Cash Per Share	Equity Valuation	Revenue Growth		Revenue Multiples				Earnings Multiples							
			52-Week High	52-Week Change vs.	Price % Change YTD 2017						Latest Q	LQA	EV/Rev	2016	EV/Rev	2017E	EV/Rev	LQA	EV/EPS	2016	EV/EPS	2017E	EV/EPS	
<b>Software-as-a-Service</b>																								
Asure Software *	ASUR	Buy	\$12.00	\$17.27	-30.5%	41.0%	12.4	\$149.0	(\$76.3)	(\$6.15)	\$225.3	33.28%	\$51.5	4.4	\$35.5	6.3	\$54.3	4.2	\$0.28	64.8	\$0.61	29.8	\$0.54	33.6
Bazaarvoice	BV	NC	\$4.98	\$6.14	-19.0%	2.6%	85.1	\$423.1	\$59.2	\$0.70	\$364.0	-0.99%	\$200.8	1.8	\$201.2	1.8	\$207.6	1.8	(\$0.07)	NM	\$0.02	NM	\$0.06	NM
BlackLine	BL	NC	\$33.40	\$40.28	-17.1%	20.9%	58.9	\$1,967.2	\$101.8	\$1.73	\$1,865.4	45.71%	\$169.2	11.0	\$123.1	15.2	\$172.1	10.8	(\$0.12)	NM	(\$0.55)	NM	(\$0.17)	NM
Callidus	CALD	Buy	\$24.35	\$25.90	-6.0%	44.9%	67.1	\$1,633.0	\$172.4	\$2.57	\$1,460.5	23.14%	\$245.1	6.0	\$205.6	7.1	\$248.3	5.9	\$0.32	NM	\$0.28	NM	\$0.33	NM
Cloudera	CLDR	NC	\$16.53	\$23.35	-29.2%	10.2%	157.0	\$2,594.6	\$508.3	\$3.24	\$2,086.3	40.92%	\$318.4	6.6	\$261.0	8.0	\$347.9	6.0	(\$1.32)	NM	(\$1.65)	NM	(\$1.05)	NM
Cornerstone OnDemand	CSOD	NC	\$39.79	\$47.75	-16.7%	-6.0%	62.1	\$2,471.1	\$85.8	\$1.38	\$2,385.3	9.01%	\$466.6	5.1	\$423.1	5.6	\$481.6	5.0	\$0.08	NM	\$0.11	NM	\$0.39	NM
Coupa	COUP	NC	\$30.43	\$41.61	-26.9%	21.7%	63.0	\$1,916.3	\$238.1	\$3.78	\$1,678.1	40.96%	\$164.5	10.2	\$133.8	12.5	\$173.5	9.7	(\$0.36)	NM	(\$1.36)	NM	(\$0.51)	NM
Ellie Mae	ELLI	Neutral	\$84.03	\$114.95	-26.9%	0.4%	35.9	\$3,017.2	\$454.8	\$12.66	\$2,562.5	15.57%	\$416.5	6.2	\$360.3	7.1	\$403.5	6.4	\$2.04	35.0	\$1.85	38.6	\$1.48	48.2
Five9	FIVN	Buy	\$22.19	\$24.80	-10.5%	56.4%	61.9	\$1,374.4	\$23.9	\$0.39	\$1,350.5	22.74%	\$190.9	7.1	\$162.1	8.3	\$196.1	6.9	\$0.00	NM	(\$0.07)	NM	\$0.04	NM
Hortonworks	HDP	NC	\$16.89	\$17.70	-4.6%	103.2%	87.0	\$1,469.4	\$71.8	\$0.83	\$1,397.6	41.70%	\$247.3	5.7	\$184.5	7.6	\$247.4	5.6	(\$2.00)	NM	(\$4.40)	NM	(\$1.72)	NM
LivePerson	LPSN	Buy	\$13.35	\$14.05	-5.0%	76.8%	56.2	\$750.7	\$58.1	\$1.03	\$692.6	-4.60%	\$216.3	3.2	\$222.8	3.1	\$216.0	3.2	\$0.04	NM	(\$0.13)	NM	\$0.11	NM
LogMeIn	LOGM	NC	\$108.50	\$123.95	-12.5%	12.4%	53.7	\$5,828.9	\$285.5	\$5.31	\$5,543.5	NM	\$815.2	6.8	\$336.1	16.5	\$1,016.0	5.5	\$4.04	25.5	\$2.00	51.6	\$4.04	25.5
Mattersight	MATR	NC	\$2.93	\$4.40	-33.5%	-20.9%	32.5	\$94.9	(\$15.0)	(\$0.46)	\$109.9	16.69%	\$42.4	2.6	\$42.1	2.6	\$45.5	2.4	(\$0.88)	NM	(\$0.86)	NM	(\$0.54)	NM
Model N	MODN	NC	\$14.55	\$14.90	-2.3%	64.4%	30.1	\$437.4	(\$5.2)	(\$0.17)	\$442.6	22.66%	\$137.0	3.2	\$107.0	4.1	\$132.8	3.3	(\$0.56)	NM	(\$1.21)	NM	(\$0.63)	NM
Qualys	QLYS	NC	\$52.55	\$52.75	-0.4%	66.0%	39.5	\$2,077.6	\$323.9	\$8.19	\$1,753.7	14.10%	\$212.7	7.9	\$197.9	8.9	\$227.3	7.7	\$1.04	42.7	\$0.86	51.6	\$0.88	50.4
RealPage	RP	NC	\$39.75	\$43.65	-8.9%	32.5%	81.9	\$3,256.5	(\$71.1)	(\$0.87)	\$3,327.6	13.02%	\$645.2	5.2	\$568.1	5.9	\$655.4	5.1	\$0.92	44.1	\$0.76	53.4	\$0.93	43.7
Salesforce.com	CRM	Buy	\$93.10	\$98.22	-5.2%	36.0%	729.4	\$67,905.8	\$1,657.1	\$2.27	\$66,248.7	25.78%	\$10,246.4	6.5	\$8,392.0	7.9	\$10,381.8	6.4	\$1.32	NM	\$1.00	NM	\$1.31	NM
ShotSpotter **	SSTI	Buy	\$11.45	\$15.36	-25.5%	4.1%	12.9	\$147.7	\$22.0	\$1.71	\$125.7	48.31%	\$23.5	5.4	\$15.5	8.1	\$22.3	5.6	(\$0.56)	NM	(\$4.08)	NM	(\$0.53)	NM
Tableau	DATA	NC	\$74.89	\$76.30	-1.8%	77.7%	82.4	\$6,173.6	\$992.9	\$12.04	\$5,180.7	7.23%	\$851.5	6.1	\$826.9	6.3	\$882.4	5.9	\$0.40	NM	\$0.43	NM	\$0.15	NM
Talend	TLND	NC	\$38.94	\$41.95	-7.2%	75.4%	31.0	\$1,206.7	\$95.4	\$3.08	\$1,111.3	41.10%	\$143.3	7.8	\$106.0	10.5	\$147.1	7.6	(\$0.80)	NM	(\$0.83)	NM	(\$0.79)	NM
Twilio	TWLO	NC	\$29.30	\$70.96	-58.7%	1.6%	108.9	\$3,190.3	\$289.2	\$2.66	\$2,901.1	48.61%	\$383.5	7.6	\$277.3	10.5	\$373.0	7.8	(\$0.20)	NM	(\$0.16)	NM	(\$0.23)	NM
Ultimate Software	ULTI	Buy	\$183.74	\$233.42	-21.3%	0.8%	30.6	\$5,626.7	\$111.0	\$3.62	\$5,515.7	20.45%	\$898.8	6.1	\$781.3	7.1	\$934.5	5.9	\$3.72	NM	\$3.18	NM	\$3.54	50.9
Workday	WDAY	NC	\$100.53	\$111.45	-9.8%	52.1%	222.1	\$22,324.2	\$1,574.3	\$7.09	\$20,749.9	38.02%	\$1,919.4	10.8	\$1,569.4	13.2	\$2,047.0	10.1	\$1.16	NM	\$0.12	NM	\$0.63	NM
Workiva	WK	NC	\$20.20	\$20.95	-3.6%	48.0%	49.7	\$1,004.9	\$72.8	\$1.46	\$932.0	14.72%	\$197.4	4.7	\$178.6	5.2	\$205.4	4.5	(\$0.56)	NM	(\$0.73)	NM	(\$0.63)	NM
Xactly	XTLY	NC	\$15.65	\$16.10	-2.8%	42.3%	36.8	\$575.2	\$28.3	\$0.77	\$546.9	5.79%	\$98.4	5.6	\$95.5	5.7	\$112.3	4.9	(\$0.20)	NM	(\$0.28)	NM	(\$0.29)	NM
Column Averages												22.69%		6.1		7.8		5.9		42.4		45.0		42.1
Column Averages Excl. BL/COUP/WDAY												19.99%		5.5		7.0		5.3		42.4		45.0		42.1
Yr/Yr Revenue Growth															27.3%		26.1%							
Yr/Yr Rev. Growth Excl. BL/COUP/WDAY															26.1%		25.4%							
<b>Other Notable Companies</b>																								
Attunity	ATTU	Buy	\$6.76	\$9.54	-29.1%	12.7%	17.4	\$117.9	\$10.0	\$0.57	\$107.9	-5.09%	\$54.0	2.0	\$54.5	2.0	\$62.1	1.7	(\$0.08)	NM	(\$0.13)	NM	\$0.05	NM
RESAAS Services ***	RSASF	Buy	\$0.73	\$1.54	-52.5%	-24.0%	39.2	\$28.6	\$3.9	\$0.10	\$24.8	35.95%	\$0.5	46.3	\$0.3	78.7	\$1.0	24.5	(\$0.08)	NM	(\$0.10)	NM	(\$0.08)	NM
Sapiens ****	SPNS	Sell	\$13.04	\$15.98	-18.4%	-9.1%	49.9	\$650.5	\$8.4	\$0.17	\$642.1	-2.80%	\$276.2	2.3	\$216.2	3.0	\$269.9	2.4	\$0.16	NM	\$0.49	26.3	\$0.33	39.0
Top Image Systems	TISA	Buy	\$1.17	\$2.45	-52.2%	-4.9%	20.2	\$23.6	(\$2.1)	(\$0.11)	\$25.8	-12.69%	\$29.6	0.9	\$31.6	0.8	\$30.1	0.9	(\$0.24)	NM	(\$0.08)	NM	(\$0.15)	NM
Upland Software *	UPLD	Neutral	\$20.55	\$25.56	-19.6%	129.6%	20.2	\$414.1	(\$47.4)	(\$2.35)	\$461.5	25.37%	\$93.1	5.0	\$74.8	6.2	\$95.4	4.8	\$1.00	22.9	\$0.29	NM	\$0.92	24.9

\* UPLD and ASUR figures include estimated impacts of recent acquisitions and financings

\*\*\* RSASF figures for cash, revenue and EPS forecasts are in Canadian Dollars; assumed conversion rate is \$0.75 USD/CAD

\*\*\*\* SPNS revenue growth rate is organic estimate excluding estimated \$17.5M impact from all-cash \$102M StoneRiver acquisition closed in 1Q17

Selected SaaS Sector Acquisitions	Acquirer	Date Announced	Price As-Announced	Net Cash	Equity Valuation	Growth Latest Q	Revenues LQA	EV/Rev
Apigee	GOOG	September 2016	\$643	\$66.1	\$576.4	34.30%	\$100.5	5.7
Ariba	SAP	May 2012	\$4,608	\$188.1	\$4,419.6	20.88%	\$525.9	8.4
Concur	SAP	September 2014	\$7,627	\$214.1	\$7,413.2	28.59%	\$713.5	10.4
Demandware	CRM	June 2016	\$3,050	\$195.8	\$2,854.7	33.42%	\$268.3	10.6
Eloqua	ORCL	December 2012	\$958	\$85.5	\$872.4	29.63%	\$95.1	9.2
ExactTarget	CRM	June 2013	\$2,640	\$101.0	\$2,539.0	38.76%	\$355.5	7.1
Kenexa	IBM	August 2012	\$1,397	\$62.2	\$1,334.6	25.02%	\$345.1	3.9
Marketo	Vista Equity	May 2016	\$1,828	\$98.0	\$1,730.0	30.22%	\$264.0	6.6
NetSuite	ORCL	July 2016	\$9,009	\$188.0	\$8,821.0	26.50%	\$975.7	9.0
Rally Software Development	CA	May 2015	\$554	\$67.7	\$486.3	25.84%	\$97.8	5.0
Responsys	ORCL	December 2013	\$1,567	\$107.7	\$1,458.9	27.48%	\$206.8	7.1
RightNow Technologies	ORCL	October 2011	\$1,763	\$66.5	\$1,696.4	18.69%	\$230.7	7.4
SuccessFactors	SAP	December 2011	\$3,764	\$223.1	\$3,541.3	77.03%	\$364.9	9.7
Taleo	ORCL	February 2012	\$1,921	\$116.0	\$1,805.4	21.34%	\$345.4	5.2
Column Averages						31.26%		7.5

Note: EPS figures are pro forma (excluding non-cash items such as stock-based compensation and acquisition-related amortization); EPS multiples considered non-meaningful (NM) if negative or materially greater than 60x ; years presented as closest calendar year for companies with alternative fiscal year-ends

Stocks priced as of intra-day trading on September 27, 2017

Source: ROTH Capital Partners, Eikon Consensus & SEC filings

## VALUATION

As an essentially "pre-revenue" company, we believe RSASF's near-term valuation will be more tied to perceptions of the value of its developed technologies (both intrinsically and in an M&A scenario) rather than the scale of, or growth of, its underlying revenues or earnings. As we forecast RSASF's revenues to begin to meaningfully ramp in 2017, its valuation should migrate steadily toward a more traditional SaaS revenue-based multiple over the next two years, we believe. We believe RSASF's positioning as an early-stage revenue company will result in non-meaningful revenue growth rates until at least 2019 (our forecasts remain in excess of 100% yr/yr through 4Q18). As such, assigning an appropriate revenue multiple is challenging against a backdrop in which its peer average growth rate of roughly 25% is supporting an average run-rate revenue multiple of roughly 5x. To arrive at our \$2.35 USD price target, we apply a 20x multiple to our 2Q18 run-rate revenue forecast (we also assume a roughly \$0.75 USD/CAD exchange rate). We also note that our target price would also equate to a roughly 9x multiple applied to our 4Q18 run-rate revenue forecast. We believe both of these multiples are defensible given both RSASF's early stage of growth and given early positive customer adoption signals in wins with leading Realtor associations across the U.S. Perhaps notably, we do not view our price target as containing any acquisition potential premium as we believe the larger players in the real estate technology market would likely have to pay a more significant premium in a change of control scenario. Factors that may impede our price target include a recent history of negative operating earnings, a lack of revenue visibility into early customer wins, missionary market-building challenges and potential for competition from larger legacy vendors.

## RISKS

Key risk factors include the fact that RESAAS has a history of ongoing negative operating earnings dating to as recently as its most recent 2Q16 quarter and its 2015 year in total. With revenue not begun to grow meaningfully, the timing of any revenue ramp and magnitude of such a ramp is highly uncertain despite recent customer win announcements. As such, while we forecast a turn to breakeven operating results by 4Q17, achieving this goal is subject to significant uncertainties. Given RESAAS's balance sheet carried roughly \$3.9M in cash exiting 2Q17 (and no debt), cash resources remain limited overall, particularly against a backdrop of quarterly operating losses of roughly \$1M. No assurance can be made that incremental cash resources will be available if exiting resources are extinguished prior to revenues ramping adequately to offset operating losses. RESAAS is building a new technology offering for the real estate market and as such faces missionary market building challenges including attracting talent to build its company, attracting attention of customer prospects who have not used similar services previously and capturing budget dollars from within existing prospect budget constraints. Finally, RESAAS could also face competition from legacy MLS technology vendors who have far greater overall financial and technical resources.

## COMPANY DESCRIPTION

RESAAS Services Inc. (NASDAQ: RSASF) was founded in 2009 and is headquartered in Vancouver, Canada. Public since February 2011, RESAAS is developing SaaS-based solutions for real estate associations, brokerages and professionals. An essentially "pre-revenue" company to date, one of RESAAS's first primary offerings, a "real-time" MLS solution, has recently won leading Realtor Association customers representing major markets such as Alameda, Austin, Miami, Oakland, Rhode Island, San Diego and San Francisco, and wins with Keller Williams and RE/MAX mark early interest from leading real estate franchisors.

RESAAS - Historical & Projected Income Statement; All Figures in Canadian Dollars  
Analyst - Richard K. Baldry, CFA: 617-953-8995; rbaldry@roth.com

(000's excluding per share data)	2014 TOTAL	1Q15 MAR	2Q15 JUN	3Q15 SEP	4Q15 DEC	2015 TOTAL	1Q16 MAR	2Q16 JUN	3Q16 SEP	4Q16 DEC	2016 TOTAL	1Q17 MAR	2Q17 JUN	3Q17E SEP	4Q17E DEC	2017E TOTAL	1Q18E MAR	2Q18E JUN	3Q18E SEP	4Q18E DEC	2018E TOTAL
<b>TOTAL REVENUES</b>	\$7	\$41	\$48	\$15	\$3	\$107	\$98	\$57	\$47	\$103	\$305	\$116	\$134	\$247	\$513	\$1,010	\$1,016	\$1,605	\$2,101	\$2,691	\$7,413
Sequential Revenue Increase (Avg. in Annual)	\$1	\$38	\$7	(\$32)	(\$12)	\$0	\$95	(\$42)	(\$10)	\$55	\$25	\$14	\$18	\$113	\$265	\$103	\$503	\$589	\$496	\$590	\$545
<b>Cash Operating Expenses</b>																					
Consulting Fees	361	39	153	87	139	417	46	143	173	129	491	170	106	100	125	500	125	150	175	200	650
Promotion & Advertising	773	142	239	122	123	627	123	81	36	82	322	69	86	75	125	356	125	175	225	250	775
Filing Fees	80	11	31	7	(4)	45	24	37	24	10	94	20	49	50	50	170	50	50	50	50	200
General & Administrative	1,382	393	376	421	427	1,616	382	437	361	564	1,743	514	579	600	625	2,318	650	725	800	850	3,025
Management Fees	277	248	74	68	78	469	71	166	79	81	398	88	95	100	125	408	125	150	175	200	650
Professional Fees	279	339	187	80	188	793	107	99	167	107	479	51	97	125	125	398	125	150	175	200	650
Travel	183	41	57	45	49	192	44	30	46	53	172	82	49	50	50	231	75	100	125	150	450
Foreign Exchange Loss	8	6	7	7	(11)	8	15	6	(2)	2	21	(0)	5	0	0	5	0	0	0	0	0
<b>Total Cash Operating Expenses</b>	<b>\$3,342</b>	<b>\$1,217</b>	<b>\$1,126</b>	<b>\$837</b>	<b>\$989</b>	<b>\$4,168</b>	<b>\$812</b>	<b>\$998</b>	<b>\$883</b>	<b>\$1,028</b>	<b>\$3,721</b>	<b>\$993</b>	<b>\$1,067</b>	<b>\$1,100</b>	<b>\$1,225</b>	<b>\$4,385</b>	<b>\$1,275</b>	<b>\$1,500</b>	<b>\$1,725</b>	<b>\$1,900</b>	<b>\$6,400</b>
<b>Adjusted Operating Income</b>	<b>(\$3,335)</b>	<b>(\$1,176)</b>	<b>(\$1,078)</b>	<b>(\$821)</b>	<b>(\$986)</b>	<b>(\$4,061)</b>	<b>(\$713)</b>	<b>(\$941)</b>	<b>(\$836)</b>	<b>(\$926)</b>	<b>(\$3,416)</b>	<b>(\$877)</b>	<b>(\$933)</b>	<b>(\$853)</b>	<b>(\$712)</b>	<b>(\$3,375)</b>	<b>(\$259)</b>	<b>\$105</b>	<b>\$376</b>	<b>\$791</b>	<b>\$1,013</b>
<b>Non-Cash Operating Expenses</b>																					
Amortization	1,097	165	189	212	241	807	243	288	346	339	1,215	334	353	353	353	1,392	353	353	353	353	1,411
Stock-Based Compensation (Not Included Above)	3,428	95	30	28	5	159	5	2,735	119	626	3,486	69	807	100	125	1,101	125	150	150	175	600
<b>Total Non-Cash Operating Expenses</b>	<b>\$4,525</b>	<b>\$260</b>	<b>\$219</b>	<b>\$241</b>	<b>\$246</b>	<b>\$966</b>	<b>\$248</b>	<b>\$3,023</b>	<b>\$465</b>	<b>\$965</b>	<b>\$4,701</b>	<b>\$403</b>	<b>\$1,160</b>	<b>\$453</b>	<b>\$478</b>	<b>\$2,494</b>	<b>\$478</b>	<b>\$503</b>	<b>\$503</b>	<b>\$528</b>	<b>\$2,011</b>
<b>OPERATING PROFIT (LOSS)</b>	<b>(\$7,861)</b>	<b>(\$1,436)</b>	<b>(\$1,297)</b>	<b>(\$1,062)</b>	<b>(\$1,232)</b>	<b>(\$5,027)</b>	<b>(\$961)</b>	<b>(\$3,964)</b>	<b>(\$1,301)</b>	<b>(\$1,891)</b>	<b>(\$8,117)</b>	<b>(\$1,280)</b>	<b>(\$2,093)</b>	<b>(\$1,306)</b>	<b>(\$1,190)</b>	<b>(\$5,869)</b>	<b>(\$737)</b>	<b>(\$398)</b>	<b>(\$126)</b>	<b>\$263</b>	<b>(\$998)</b>
Adjusted Operating Profit (Net of Stock-Comp/Amortization)	(\$3,335)	(\$1,176)	(\$1,078)	(\$821)	(\$986)	(\$4,061)	(\$713)	(\$941)	(\$836)	(\$926)	(\$3,416)	(\$877)	(\$933)	(\$853)	(\$712)	(\$3,375)	(\$259)	\$105	\$376	\$791	\$1,013
Interest & Other Income (Loss)	20	5	6	4	1	16	8	7	6	10	31	8	6	6	6	25	6	6	6	6	23
<b>PRE-TAX NET INCOME</b>	<b>(\$7,840)</b>	<b>(\$1,431)</b>	<b>(\$1,291)</b>	<b>(\$1,058)</b>	<b>(\$1,231)</b>	<b>(\$5,011)</b>	<b>(\$953)</b>	<b>(\$3,957)</b>	<b>(\$1,295)</b>	<b>(\$1,881)</b>	<b>(\$8,087)</b>	<b>(\$1,272)</b>	<b>(\$2,087)</b>	<b>(\$1,300)</b>	<b>(\$1,185)</b>	<b>(\$5,844)</b>	<b>(\$731)</b>	<b>(\$392)</b>	<b>(\$121)</b>	<b>\$269</b>	<b>(\$975)</b>
Provision For Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>IFRS NET INCOME</b>	<b>(\$7,840)</b>	<b>(\$1,431)</b>	<b>(\$1,291)</b>	<b>(\$1,058)</b>	<b>(\$1,231)</b>	<b>(\$5,011)</b>	<b>(\$953)</b>	<b>(\$3,957)</b>	<b>(\$1,295)</b>	<b>(\$1,881)</b>	<b>(\$8,087)</b>	<b>(\$1,272)</b>	<b>(\$2,087)</b>	<b>(\$1,300)</b>	<b>(\$1,185)</b>	<b>(\$5,844)</b>	<b>(\$731)</b>	<b>(\$392)</b>	<b>(\$121)</b>	<b>\$269</b>	<b>(\$975)</b>
Total: Amortization & Stock-Based Comp	4,525	260	219	241	246	966	248	3,023	465	965	4,701	403	1,160	453	478	2,494	478	503	503	528	2,011
<b>Adjusted Net Income (Loss)</b>	<b>(\$3,315)</b>	<b>(\$1,172)</b>	<b>(\$1,071)</b>	<b>(\$817)</b>	<b>(\$985)</b>	<b>(\$4,045)</b>	<b>(\$705)</b>	<b>(\$934)</b>	<b>(\$830)</b>	<b>(\$916)</b>	<b>(\$3,386)</b>	<b>(\$870)</b>	<b>(\$927)</b>	<b>(\$847)</b>	<b>(\$707)</b>	<b>(\$3,350)</b>	<b>(\$253)</b>	<b>\$111</b>	<b>\$382</b>	<b>\$797</b>	<b>\$1,036</b>
<b>Earnings Analysis</b>																					
Fully Diluted Shares Outstanding	30,254	32,040	32,652	33,203	34,165	33,015	36,923	36,924	37,651	39,172	37,672	39,204	39,234	39,384	39,534	39,339	39,684	39,834	39,984	40,134	39,909
<b>Adjusted EPS (Excluding Non-Cash Expenses)</b>	<b>(\$0.12)</b>	<b>(\$0.04)</b>	<b>(\$0.03)</b>	<b>(\$0.02)</b>	<b>(\$0.03)</b>	<b>(\$0.12)</b>	<b>(\$0.02)</b>	<b>(\$0.03)</b>	<b>(\$0.02)</b>	<b>(\$0.02)</b>	<b>(\$0.09)</b>	<b>(\$0.02)</b>	<b>(\$0.02)</b>	<b>(\$0.02)</b>	<b>(\$0.02)</b>	<b>(\$0.08)</b>	<b>(\$0.01)</b>	<b>\$0.00</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>\$0.02</b>
IFRS Diluted EPS	(\$0.26)	(\$0.04)	(\$0.04)	(\$0.03)	(\$0.04)	(\$0.15)	(\$0.03)	(\$0.11)	(\$0.03)	(\$0.05)	(\$0.21)	(\$0.03)	(\$0.05)	(\$0.03)	(\$0.03)	(\$0.14)	(\$0.02)	(\$0.01)	(\$0.00)	\$0.01	(\$0.02)
<b>Margin &amp; Expense Analysis</b>																					
Adjusted Operating Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	-903.2%	NM	-755.61%	-697.53%	-344.93%	-138.98%	-334.30%	-25.52%	6.54%	17.91%	29.40%	13.67%
Net Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	-893.3%	NM	-749.00%	-693.23%	-342.60%	-137.86%	-331.83%	-24.95%	6.90%	18.19%	29.61%	13.98%
Adjusted Net Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	-893.3%	NM	-749.00%	-693.23%	-342.60%	-137.86%	-331.83%	-24.95%	6.90%	18.19%	29.61%	13.98%
<b>Growth Analysis</b>																					
Revenue Growth - Yr/Yr	-	-	1549.90%	1742.29%	6.13%	1498.21%	139.67%	18.97%	207.97%	3134.01%	184.27%	18.00%	135.76%	425.00%	400.00%	231.34%	775.00%	1100.00%	750.00%	425.00%	634.24%
Revenue Growth - Sequential	-	1274.26%	16.16%	-67.93%	-79.27%	-	3003.50%	-42.34%	-16.99%	117.70%	-	13.24%	15.21%	84.85%	107.34%	-	98.17%	58.00%	30.93%	28.06%	-

Source: SEC filings & ROTH Capital Partners

## RESAAS - Balance Sheet; All Figures in Canadian Dollars

Analyst - Richard K. Baldry, CFA: 617-953-8995; rbaldry@roth.com

(000's)	2Q15 JUN	3Q15 SEP	4Q15 DEC	1Q16 MAR	2Q16 JUN	3Q16 SEP	4Q16 DEC	1Q17 MAR	2Q17 JUN
Estimated Proceeds of 3Q16 Equity Offering					\$3,750				
<b>ASSETS</b>									
Cash & Equivalents (incl/L-T Investments)	4,100	3,118	6,820	5,732	4,509	7,312	6,056	5,091	3,851
Accounts Receivable	37	27	59	61	63	36	78	66	59
Prepaid Expenses & Other	23	19	20	23	33	62	74	58	56
<b>TOTAL CURRENT ASSETS</b>	<b>\$4,160</b>	<b>\$3,165</b>	<b>\$6,899</b>	<b>\$5,816</b>	<b>\$4,605</b>	<b>\$7,411</b>	<b>\$6,208</b>	<b>\$5,214</b>	<b>\$3,966</b>
Deferred Financing Costs	487	615							
Property & Equipment	29	26	20	18	17	43	60	54	55
Website Development Costs	989	962	940	925	1,539	1,454	1,537	1,527	1,530
Intangible Assets	37	38	39	41	42	44	47	48	59
<b>TOTAL LONG-TERM ASSETS</b>	<b>\$1,542</b>	<b>\$1,641</b>	<b>\$999</b>	<b>\$984</b>	<b>\$1,597</b>	<b>\$1,541</b>	<b>\$1,645</b>	<b>\$1,629</b>	<b>\$1,645</b>
<b>TOTAL ASSETS</b>	<b>\$5,702</b>	<b>\$4,806</b>	<b>\$7,899</b>	<b>\$6,800</b>	<b>\$6,202</b>	<b>\$8,952</b>	<b>\$7,854</b>	<b>\$6,843</b>	<b>\$5,611</b>
<b>LIABILITIES &amp; EQUITY</b>									
Accounts Payable	464	281	408	244	188	328	386	311	350
Deferred Revenues	0	0	26	38	43	47	41	100	90
Obligations Under Finance Lease	2	2	2	3	3	5	5	5	3
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$467</b>	<b>\$283</b>	<b>\$436</b>	<b>\$284</b>	<b>\$234</b>	<b>\$381</b>	<b>\$432</b>	<b>\$416</b>	<b>\$443</b>
Obligations Under Finance Lease	4	3	2	2	1	8	6	5	5
<b>TOTAL LIABILITIES</b>	<b>\$470</b>	<b>\$286</b>	<b>\$438</b>	<b>\$286</b>	<b>\$235</b>	<b>\$389</b>	<b>\$438</b>	<b>\$421</b>	<b>\$448</b>
Common Stock	18,918	19,407	23,252	23,252	23,322	27,072	27,072	27,254	27,254
Share-Based Payment Reserve	7,478	7,367	7,661	7,669	11,009	11,150	11,884	11,980	12,808
Accumulated Deficit & Other	(21,165)	(22,254)	(23,454)	(24,407)	(28,364)	(29,659)	(31,540)	(32,813)	(34,900)
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>\$5,231</b>	<b>\$4,520</b>	<b>\$7,460</b>	<b>\$6,515</b>	<b>\$5,967</b>	<b>\$8,563</b>	<b>\$7,415</b>	<b>\$6,422</b>	<b>\$5,162</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$5,702</b>	<b>\$4,806</b>	<b>\$7,899</b>	<b>\$6,800</b>	<b>\$6,202</b>	<b>\$8,952</b>	<b>\$7,854</b>	<b>\$6,843</b>	<b>\$5,611</b>

Source: SEC filings &amp; ROTH Capital Partners

Regulation Analyst Certification ("Reg AC"): The research analyst primarily responsible for the content of this report certifies the following under Reg AC: I hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

### Disclosures:

An Associated Person owns debt or equity securities of Asure Software, Inc..

An Associated Person owns debt or equity securities of Callidus Software, Inc..

An Associated Person owns debt or equity securities of Top Image Systems Ltd..

ROTH makes a market in shares of RESAAS Services Inc., Asure Software, Inc., Attunity Limited, Callidus Software, Inc., Ellie Mae, Inc., Five9, Inc., LivePerson, Inc., Sapiens International Corp. NV, ShotSpotter, Inc., Top Image Systems Ltd., Ultimate Software Group, Inc. and Upland Software, Inc. and as such, buys and sells from customers on a principal basis.

ROTH and/or its employees, officers, directors and owners own options, rights or warrants to purchase shares of RESAAS Services Inc. and ShotSpotter, Inc. stock.

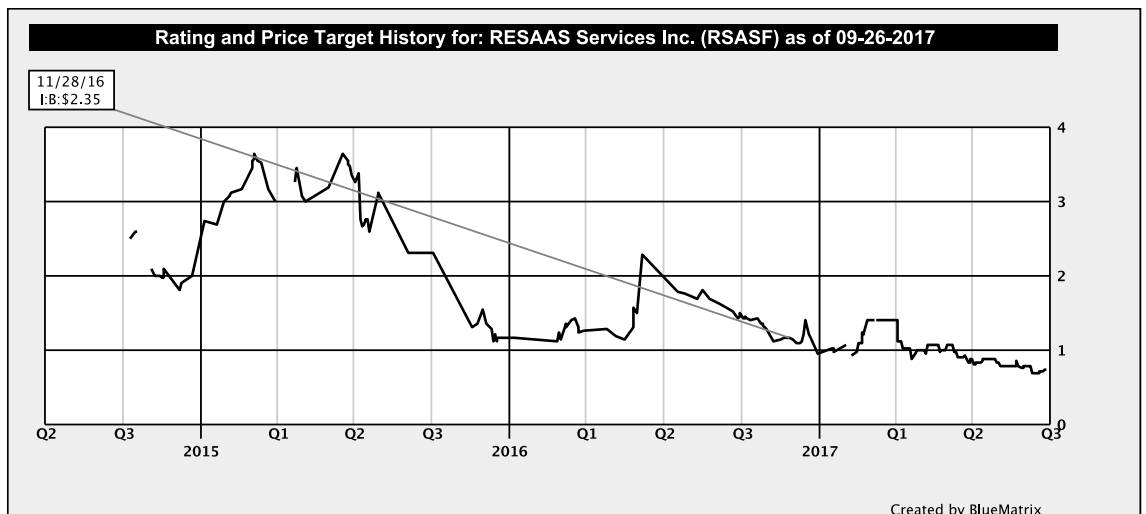
Shares of RESAAS Services Inc. may not be eligible for sale in one or more states.

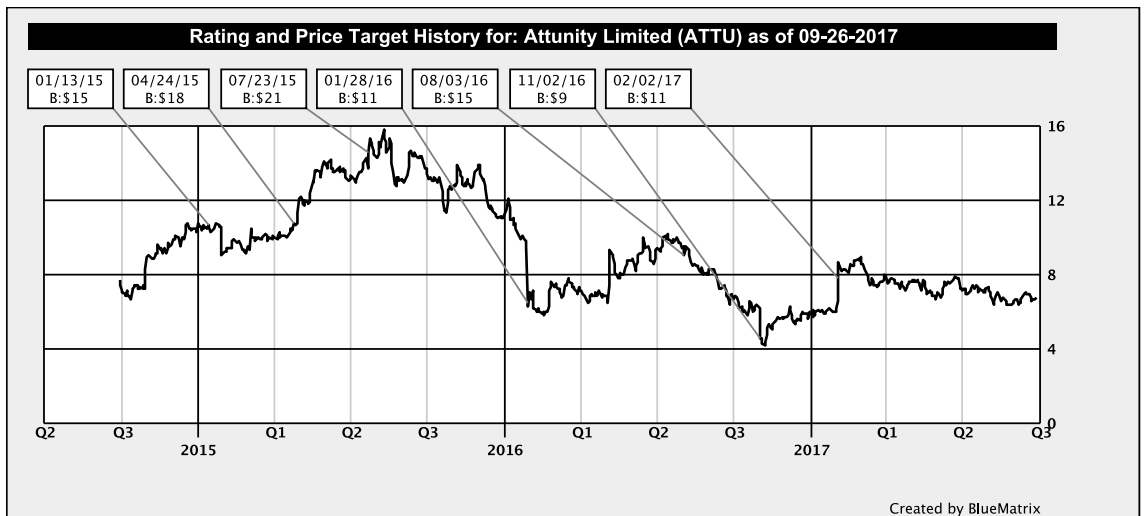
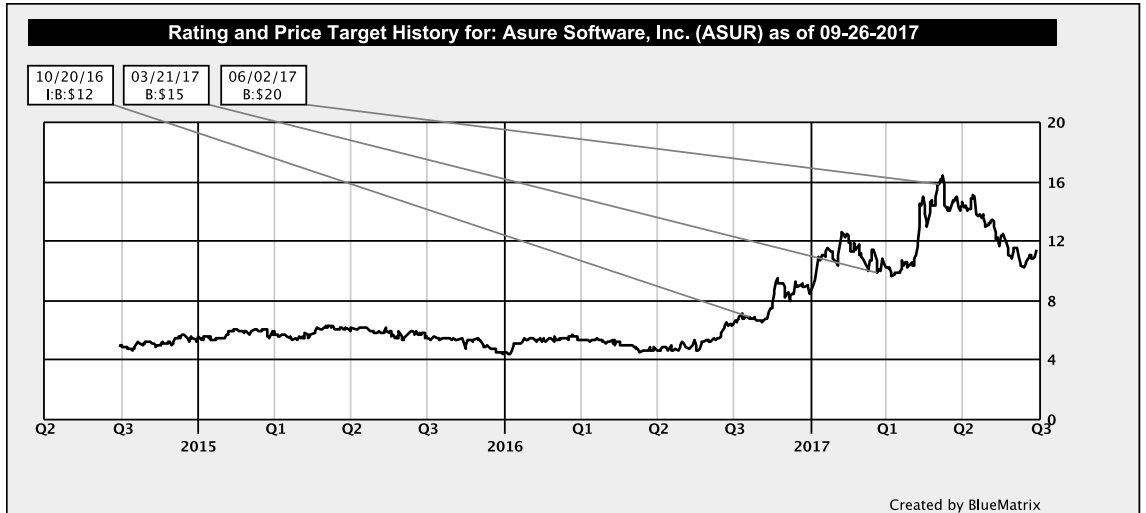
Shares of RESAAS Services Inc. and Top Image Systems Ltd. may be subject to the Securities and Exchange Commission's Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities.

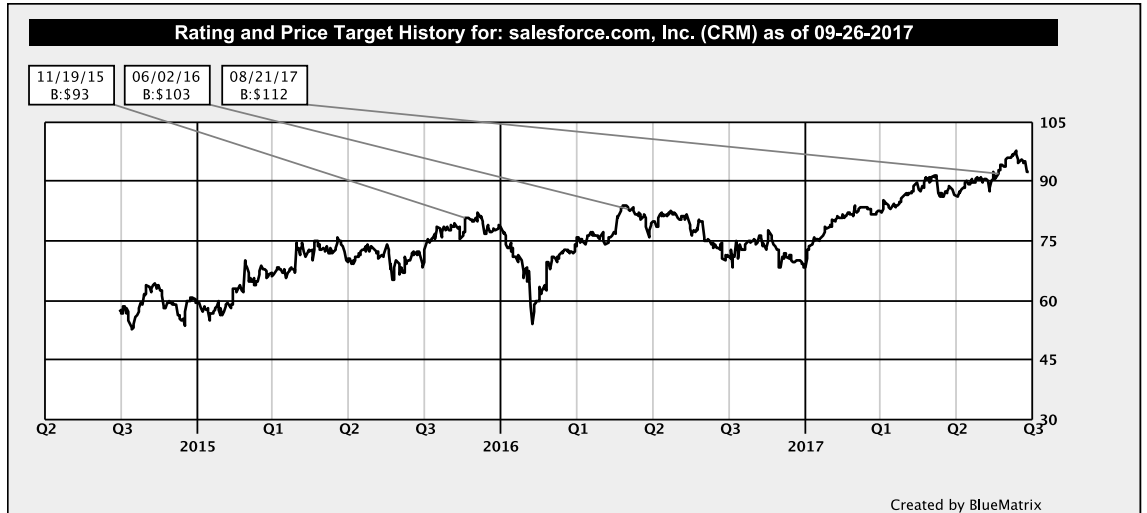
Within the last twelve months, ROTH has received compensation for investment banking services from Asure Software, Inc., ShotSpotter, Inc., Top Image Systems Ltd. and Upland Software, Inc..

Within the last twelve months, ROTH has managed or co-managed a public offering for Asure Software, Inc. and ShotSpotter, Inc..

A Research Analyst and/or a member of the Analyst's household own(s) debt or equity securities of ShotSpotter, Inc. and Ultimate Software Group, Inc. stock.

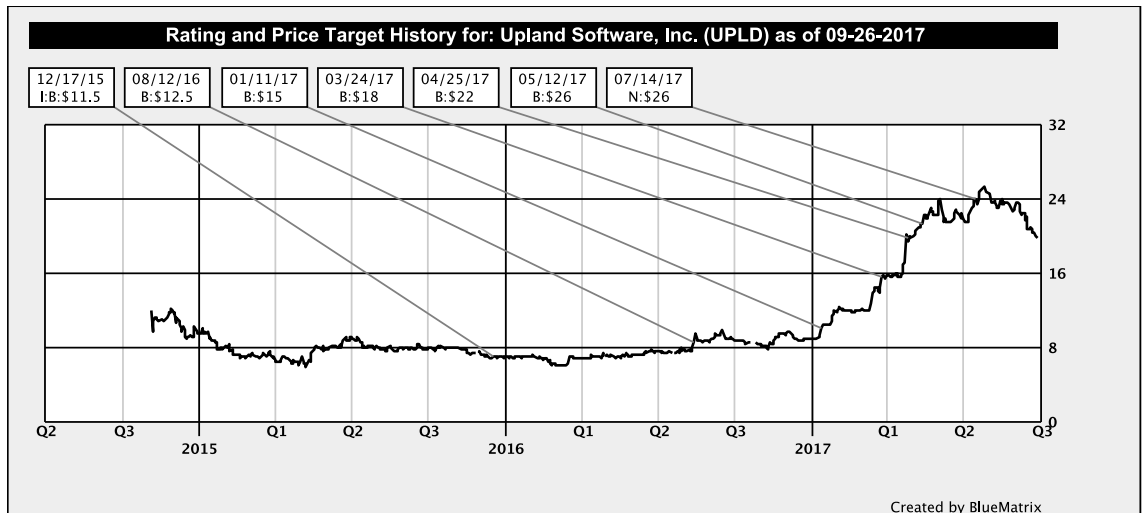
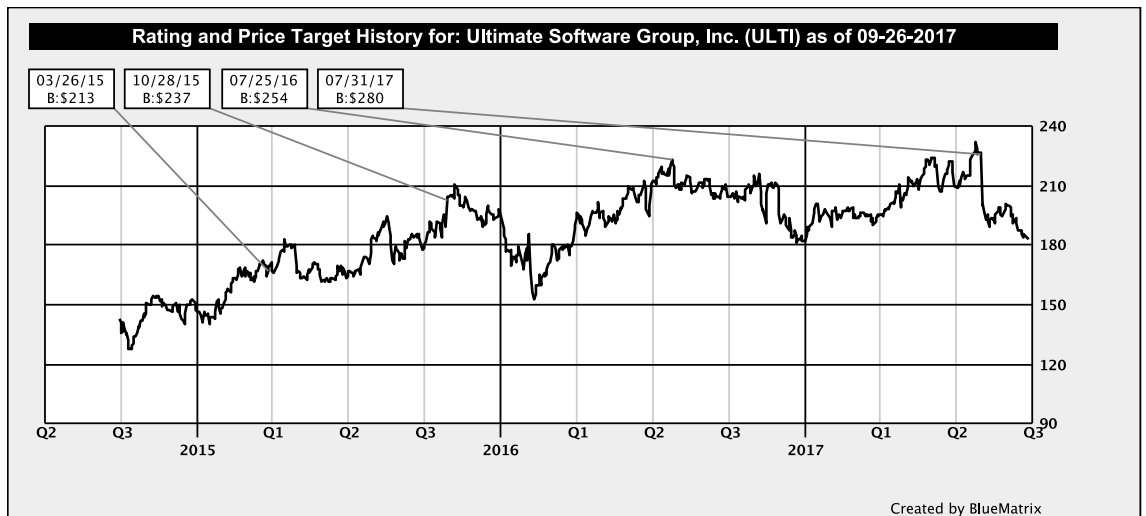
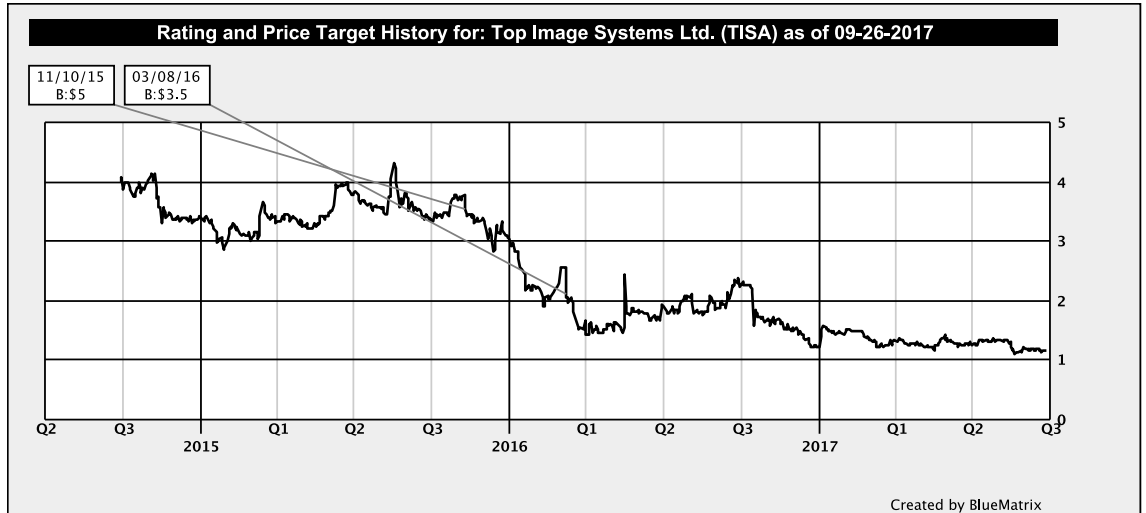












Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

## Distribution of IB Services Firmwide

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 09/27/17	
			Count	Percent
Buy [B]	227	72.06	122	53.74
Neutral [N]	44	13.97	19	43.18
Sell [S]	5	1.59	3	60.00
Under Review [UR]	35	11.11	21	60.00

Our rating system attempts to incorporate industry, company and/or overall market risk and volatility. Consequently, at any given point in time, our investment rating on a stock and its implied price movement may not correspond to the stated 12-month price target.

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**Neutral:** A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return between negative 10% and 10% over the next 12 months.

**Sell:** A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

**Under Review [UR]:** A rating, which at the time it is instituted and or reiterated, indicates the temporary removal of the prior rating, price target and estimates for the security. Prior rating, price target and estimates should no longer be relied upon for UR-rated securities.

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