



**SCD EXCLUSIVE REPORT
LITE ACCESS TECHNOLOGIES
LTE:CSE, \$.77 CAD
6/27/18**

Paul Andreola
paul@smallcapdiscoveries.com

Brandon Mackie
brandon@smallcapdiscoveries.com



LITEACCESS
TECHNOLOGIES INC

Introduction

There's a war going on right now in the internet space. And it involves some of the biggest players – companies like Google, TELUS, and Virgin Media. It's the battle to get high-speed internet to homes and business – and the weapon of choice is fiber.

These companies need a technology that can get fiber in the ground cheap – and fast.

Lite Access Technologies (LTE.V, LTCCF:PINK) – a little company out of Vancouver – has the technology. They can deploy fiber in 1/5th the time and at half the cost of conventional methods.

Their fiber causes little disruption when installed. It can be easily modified in the future.

LTE's customers are raving about the technology. And they're now in the sweet spot of the hottest fiber market in the world – the UK.

They count marquee operators like Virgin Media and Gigaclear as clients. These operators have committed *billions* to spend with companies like LTE. They're only question to LTE... how much work can you handle?

But despite all the promise, shares are making fresh 52-week lows. Unexpected delays, poor financials, and spotty execution have sent investors running for the exits.

But look closer and you'll find a new management team with a renewed focus on execution. You'll see a game-changing contract with the UK's premier operator that in just one year will bring in more revenue than their entire market cap.

You'll see profitability around the corner. Insider buying. And hundreds of millions of follow-on work waiting from their customers.

Lite Access remains a hot growth story – and the risk/reward opportunity that has never been better.

Background

In the early days, internet service was provided through dial-up modems. Remember that horrible noise you had to endure just to get internet at a snail's pace?

Eventually cable companies figured out how to send internet over copper cables (coax). The signal was much faster and easy to roll-out – most homes already had cables connected for TV service.

And then came fiber-optics. With fiber, data is transferred at the speed of light – not the speed of electricity (like copper cables). Electricity often travels at fractions of the speed of light.

To install fiber, you dig up and “trench” the road. You lay the cable, make your connections, and then rebuild the road. As you can imagine, this process is slow, time-consuming, and disruptive. Cities often need to close entire roads for the installation.

For this reason, you usually see a large fiber “backbone” installed that runs internet to an area. Existing coax cable or DSL (copper) then takes the signals to individual homes and premises – the so called “last mile.”

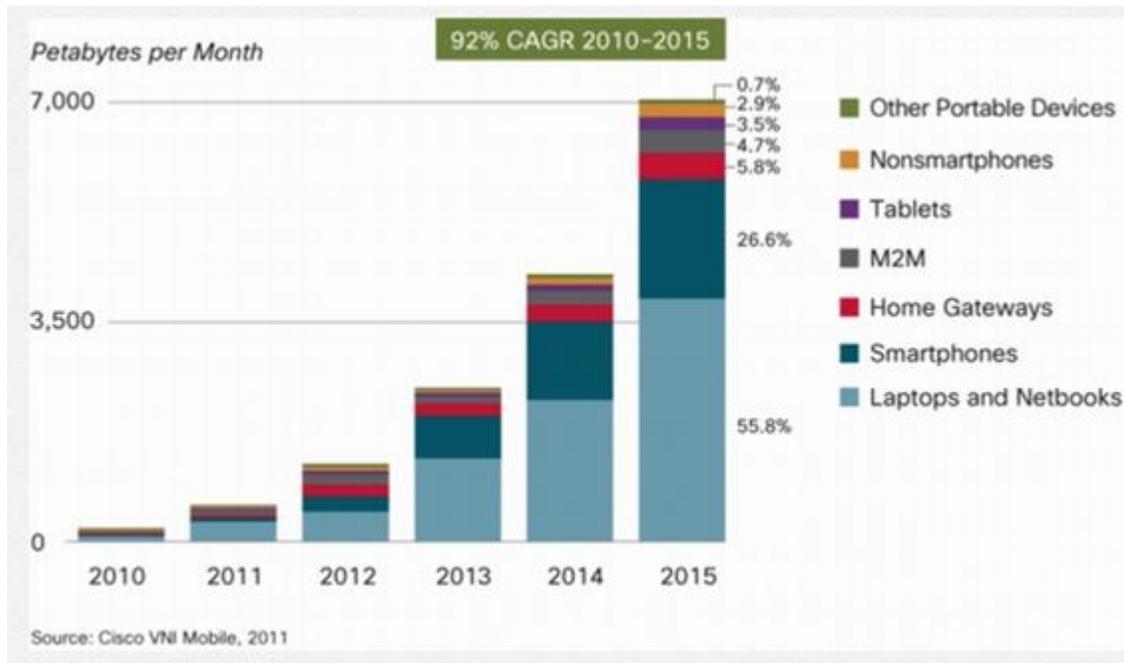
Lite Access' technology came from Fibrespan, a British company that figured out how to “microtrench” and run fiber optic cable at a fraction of the cost of conventional methods. They used it to install their own network in downtown London and charge lower rates than incumbents British Telecom (BTA-LSE), Virgin Media, BSkyB, and Level 3 Communications (LVLT:NYSE).

To keep share, Level 3 bought the network for multi-millions – not a bad payday for the two guys running the company! One of those guys, Peter Caplan, is now a director of Lite Access.

Vancouver's Lite Access Technologies acquired the technology, which is actually a combination of two technologies: microduct/microtrenching and air-blown fibre. We'll get into each of these, but the bottom line is this: **this process is emerging as one of the most cost-effective means of deploying fiber.**

The Market

Demand for bandwidth has exploded over the past 5 years, much of it led by mobile devices. Just look at this graph of mobile data usage over the last few years:



The rise of online video content and cloud-based services have been the big drivers of traffic. Data usage has nearly doubled every year since 2010 and shows no signs of slowing down. More data means more fiber needed to transfer the data.

Cable internet has finally met its match. Before this extreme growth, it didn't make sense for telecommunication companies (telcos) to spend billions and go through the hassle of connecting fiber to every home and business. But now that may be changing..

According to research by Light Wave, the percentage of commercial buildings connected with fiber optics quadrupled in just 10 years. In 2004, it was 10%. Now it's just over 40%. That still leaves a lot of room to go. It's now also starting to reach the nascent residential or Fiber-to-the-Home (FTTH) market.

Lightwave estimates broadband equipment spending increased 9% in 2014 to \$10.5 billion. Fiber-to-the-Home (FTTH) was the largest driver of this growth at 18% year over year. Here's are just a few headlines coming out of this exploding industry:

“By 2020, more than 34 billion internet-connected devices will be installed globally – that’s more than four devices for every human on earth” - BI Intelligence

“By 2018, the annual infrastructure upgrade spend in the US alone will be \$185 Billion/ year” - Gartner Group

“Infrastructure investors pour money into British broadband” regarding UK Government’s new £400 Million digital infrastructure investment fund – Fibre Systems

Technology

LTE’s approach is a combination of proprietary technologies and methods of installation – dubbed “microtrenching.”

With microtrenching, you use specialized equipment (designed by LTE) to cut a 1 ¾” microtrench in the ground. Here’s the machine in action:



Next a “microduct” is placed within the cut. The duct is what houses and protects the fiber cables. Here it is being installed:



The picture above is from a fiber installation project in Toronto by Metro Fiberwerx. That's Lite Access' material you see being installed.

With the microduct(s) installed, reinstatement can begin. The microtrench is sealed, preventing any damage to existing infrastructure and providing a secure fiber optic network.

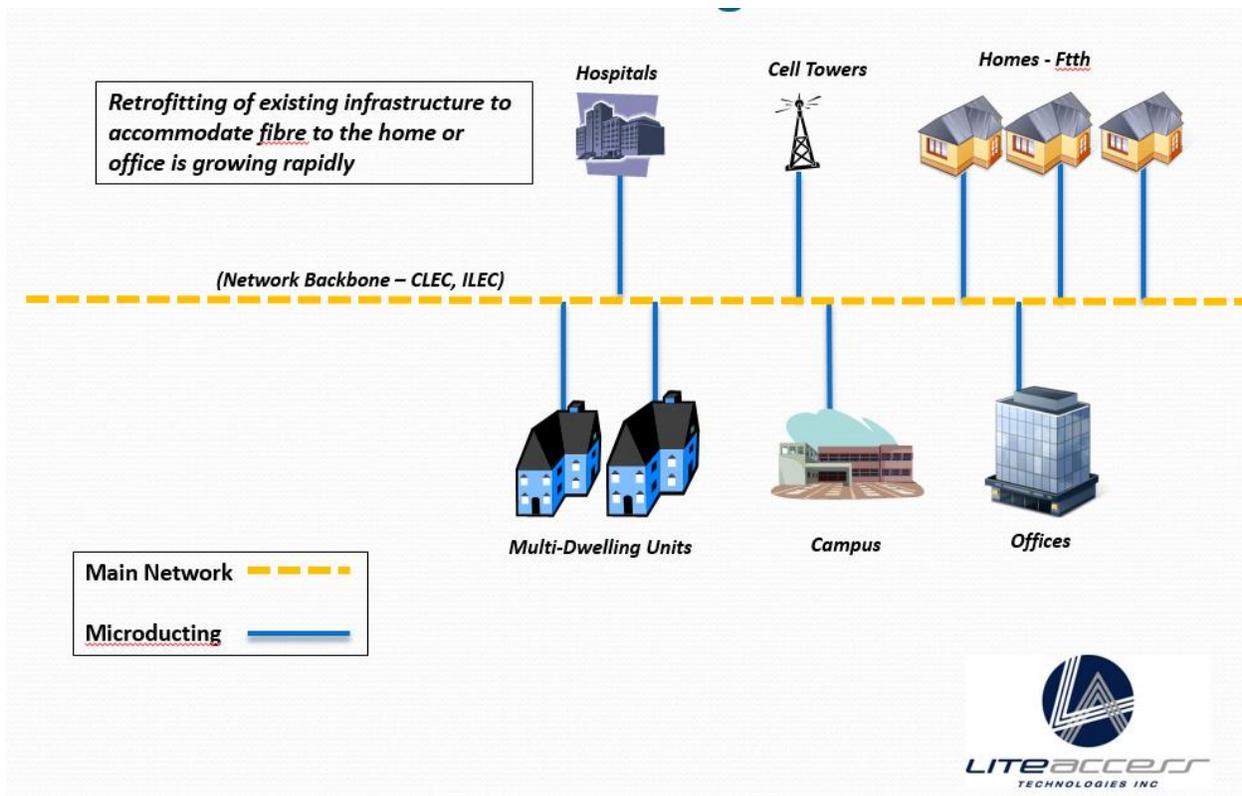
Microtrenching is appealing because some places are challenging – or even impossible – to lay traditional buried fiber. Imagine trying to close down 5th Avenue in New York City for a day to lay fiber.. or downtown London... Not gonna happen!

Compared to traditional trenching, microtrenching is:

- **Fast:** over 3X the speed of conventional
- **Non-invasive:** you don't need to shut down roads
- **Environmentally-friendly:** clean, fast and non-intrusive to surroundings
- **Flexible:** you can add fiber at any time, and easily repair damaged fiber in the network
- **Economical:** dramatic cost savings on labor and permitting

Microtrenching is especially attractive to locations sensitive to disruptions. These include schools, hospitals, corporate campuses as well as busy downtown centers.

Microtrenching is becoming the solution-of-choice to connect a fiber backbone to premises:



The City of New York [piloted the technology and agreed](#).

Once the installation of the microducts is complete, all you need to do is install the fiber cable end-to-end. This is where the second component of LTE's technology, air-blown fiber, comes in.

This process uses compressed air to "blow" the fibre all the way to its destination. The key advantage of this method is speed. LTE can deploy up to 1 kilometer (3280 ft) of fiber in under 20 minutes!

And should the fiber need repair in the future, it can be easily blown out and new fiber blown in – reducing the need for splicing and signal deterioration – all in a matter of minutes. Operators can also blow in more fiber to expand their network and keep up with market demand.

This is one of the biggest selling points of the technology: it's "future-proof." Imagine the work necessary to upgrade or replace fiber laid in a deep trench.

Customers

There are many organizations involved in the building and operation of broadband networks. LTE's customers range from large telcos improving their data capacity to small companies wanting to build and operate their own private networks.

LTE has already garnered some high-profile deployments. NY's Central Park, the Las Vegas Strip, Stanford University and the sport facilities in Whistler for the 2010 Winter Olympic Games all used LTE's technology.

Here are their major customer segments:

1) Telecommunication Companies (Telcos)

The telco's model is to build infrastructure and charge customers monthly fees for internet access (in addition to TV, phone, etc). Think Bell and TELUS in Canada, and Verizon or AT&T in the US.

What's happened is these companies find themselves in an arms race to bring faster internet to customers. It's a very competitive industry. Lightning-fast internet is required to land customers these days.

Here are just a few of the ambitious plans we've seen recently:

- Verizon rolled out their fiber optic solutions (dubbed FiOS) and has spent over \$23B on it so far.
- TELUS [announces](#) \$1B of fiber investments in Vancouver
- British Telecom [announces](#) plans to deploy fiber-to-the-premise (FTTP) over the next 3 years at a cost of \$8.7B
- Virgin Media [announces](#) plans to expand it's \$4.4B "Project Lightning" with an additional 4 million fiber-connected homes.

Even the cell phone you are using runs on fiber.. cell towers are connected via fiber. More towers, more fiber.

While we've seen investment from telcos all over the world, the UK is arguably the world's hottest market. It's population density makes it one of the few places where total fiber coverage is a possibility. The billions invested there have turned it into LTE's most important market. More on that later.

2) Internet Service Companies (Google)

Google may prove to be LTE's most valuable customer – even if they never order a single thing from LTE again. This is because the mere threat of Google is causing telcos to upgrade their networks. Check out this article for some background:

[Google Fiber has Internet providers scrambling to improve their service](#)

Google knows that if they can get more people using the internet, they will likely use more Google products. This means Google can build a fiber network and undercut the monopolistic cable companies with discounted (or even free - yikes!) rates.

The project is called Google Fiber, and it's the company's ambitious plan to bring high-speed fiber to cities around the US. The project started in 2012 with Kansas City, MO. Google then announced expansion to 3 more cities in Austin, TX, and Provo, UT. Then came Nashville, TN and Atlanta, GA. Google Fiber is now offered in 19 U.S. cities.

In just three years since Google Fiber came to Kansas City, they have captured 42% of residents as subscribers. It's no wonder cable companies are rushing to build FTTH deployments before Google comes to other cities.

Most of Google's early deployments were done with a combination of aerial and conventional trenching. Google has since moved into microtrenching technologies.

So whether Google decides to work with LTE directly (as they have in the past), or other microtrenching subcontractors, there should be plenty of business out there to capture from Google's move to microtrenching.

Unfortunately, the financial realities of connecting the United States with high-speed fiber appears to have caught up with them. Google [recently](#) cut Google Fiber staff, changed management, and has largely gone quiet about the project's future.

3) Governments

Somewhat surprisingly, cities and municipalities have become a strong growth driver for LTE.

Cities – especially small ones – know that fast internet is a key selling point to attract citizens and businesses. And they can't wait around for Google or Verizon to build new networks. They are building the networks themselves.

Municipalities are especially sensitive to project cost and disruption. It's no surprise then that many have found LTE's technology a perfect fit.

Here's a [neat article](#) on St. Paul Island, a tiny island 300 miles west of Alaska, engaging Lite Access to rebuild their entire internet network. Don't let the island's remoteness fool you – St. Paul is an economic hotspot. The island is home to much of the crab fishing industry popularized by the Discovery Channel's hit show, "The Deadliest Catch."

Then you have the small town of Cedar Falls, Iowa. This town was one of the first US cities to build a gigabyte-speed network for its residents. The city drew the attention of President Obama, who called high-speed internet not a luxury – but a necessity – when speaking there in January 2014.

[Here is a map](#) of the 450 communities across the US that have invested in publicly owned telecommunications networks.

Fiber deployment can also be a good business for these cities. Each citizen and business their internet attracts brings in more tax revenue to offset the cost of the network.

Governments can also build excess fiber (called "dark fiber") and lease it to telcos to recoup the cost of the project. This is exactly what the [City of New Westminster plans to do](#) with their recent fiber plans. That's LTE's product in the picture.

Lite Access has received interest from governments all over the world interested in a state-owned network.

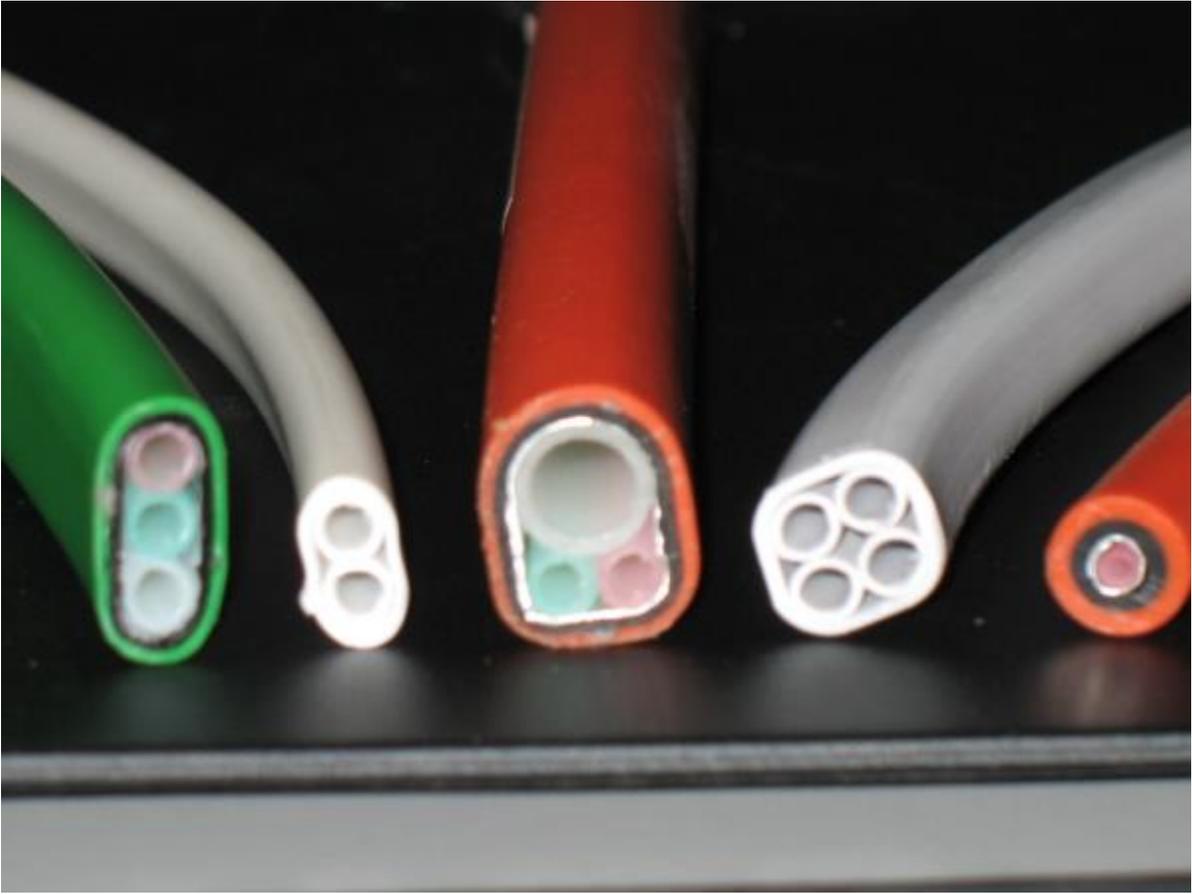
Business Model

LTE operates through two business segments:

1) Product Business

Lite Access maintains a growing network of distributors and installers that sell and support their products worldwide. Lite Access owns the brand and technology – and relies on LTE Certified Construction Partners to provide the actual installation work.

The product business line generates healthy margins through the sale of ducting, cabling material and connectors. These products are manufactured in Scotland and shipped to LTE on reels. These materials make up ~10% of the total network install cost. Here's what they look like:





These products are a small part of the install cost but they are mission-critical. If these products break, rework costs can run in the millions. So it's not worth it to the customer to risk a cheap product and LTE can get healthy margins as a result. Gross margins reach 80% for some speciality products and average 40% across the product portfolio.

The product business has become less important over time as LTE's sets its sights on massive installation contracts from UK telcos. We'll discuss that business next.

2) Installation Business

When LTE came public, its entire business was product sales. The installation business happened almost by accident.

Just a month after coming public in May 2015, LTE [announced](#) the acquisition of DSG Communications. DSG was an end-to-end solution for customers building fiber networks. They bought LTE's products and did all the installation dirty work.

DSG's founder, Dylan Griffiths, was a microtrench expert. He had 25 years of experience under his belt. The two management teams felt LTE and DSG was a natural marriage.

Here was the original rationale for the DSG acquisition:

1) Technology Showcase

The installation business gave LTE a platform to showcase their products to some of the largest telecom companies in the world. It would be an easier sell – management thought – if they could say, “we install our own technology everyday and our success depends on it.”

2) Cross-selling LTE Products

DSG had developed proprietary cutting blades for their microtrenching machines. These blades could rapidly speed up the installation process. Installers all over were calling DSG asking for their blades. LTE figured they could tell them to take a hike – unless of course they started buying LTE's products for their own projects.

3) Higher Revenue Opportunity

Product sales are only 10% of the contract value. Buying an installer would give LTE access to the other 90% of the value chain. Sure, it would be lower margin, but multi-million dollar contracts were too tempting to pass up.

What LTE's management underestimated at the time was just how important the installation business would become.

On Nov 2nd, 2015, just 6 months after coming public, LTE [announced](#) a \$7M deal to install a 107 KM fiber optic network for the GwaiiTel Society in Haida Gwaii, BC. **That single contract was larger than all the revenues earned by LTE in its history.** Winning a contract this size gave LTE credibility and opened the doors to bidding on similar size – and even much larger – projects.

LTE delivered the Haida Gwaii contract in just one quarter. They were hungry for more.

So Dylan Griffiths packed his bags and moved to the UK to chase the billions being spent by the country's largest telcos. He'd lived in the UK previously, and his many contacts there gave him a head start.

The result was the formation of a new division – Lite Access UK. Dylan Griffith was named managing director. And in just 18 months, he landed contracts many times the size of Haida Gwaii.

Here’s the deal timeline:

LTE Contract Announcement Summary			
Date Announced	Customer	Deal Value	Expected Completion
7/16/2015	Waterton, AL	500,000	Completed Q1 16
9/17/2015	Corporation of Delta, BC	440,000	Completed Q1 16
10/2/2015	Rossland, BC Initial	185,000	Completed Q2 16
10/30/2015	City of Vancouver, BC	132,503	Completed Q2 16
11/2/2015	Haida Gwaii	7,091,485	Completed Q2 16
8/23/2016	Chilwack, BC	400,000	Fiscal 2017
9/6/2016	Colville Tribes	900,000	Fiscal 2017
9/13/2016	Alpha Technologies, WV	585,000	Fiscal 2017
12/15/2016	Langley, BC	653,275	Fiscal 2017
10/19/2017	Actavo, Wrexham	16,500,000	Delayed on Virgin ending Actavo relationship
11/14/2017	Carillion Telent	Unknown	Delayed on Carillion bankruptcy
1/25/2018	Fraser Valley, BC	1,000,000	Fiscal 2018
3/23/2018	Gigaclear, Oxfordshire	29,000,000	Mid to Late 2019
Total Announced		\$57,387,263	

Despite the headline numbers, LTE had challenges executing to plan. Delays mounted, costs rose, and the installation business began hemorrhaging money.

This culminated in a new CEO brought on in March and the resignation of Dylan Griffiths just two weeks ago.

With a new CEO comes a renewed focus and strategy. No longer are they using the installation business as a showcase for product sales. They want large contacts – done on time, and at healthy margins.

The Gigaclear work, commenced April 20th, will be the biggest test of LTE’s execution. Knock it out of the park, and hundreds of millions of Gigaclear follow-on work await. Fall short, and it’s back to square one.

It’s a make-or-break project.

Financials

LTE's financials tell the story of an explosive growth company that hit growing pains:

LTE - Annual Financials	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12
Revenue	8,335,000	12,605,000	1,066,000	855,000	406,000	507,000
(-) COGS	(8,771,000)	(8,262,000)	(907,000)	(607,000)	(224,000)	(240,000)
Gross Profit	(436,000)	4,343,000	159,000	248,000	182,000	267,000
(-) OPEX	(5,129,000)	(2,590,000)	(1,820,000)	(215,000)	(236,000)	(246,853)
Operating Income	(5,565,000)	1,753,000	(1,661,000)	33,000	(54,000)	20,147
Other income (expense)	(2,537,000)	(295,000)	34,000	(1,000)	(15,000)	(11,253)
Net Income	(8,102,000)	1,458,000	(1,627,000)	32,000	(69,000)	8,894
Key Metrics						
Revenue Growth y/y	-34%	1082%	25%	111%	-20%	
Gross Margin	-5%	34%	15%	29%	45%	53%

After years of steady growth, revenues increased over 1,000% in 2016. Now over half of 2016's revenues were from a single contract – Haida Gwaii – but that's still impressive growth anyway you look at it.

Then in 2017, it all came crashing down. Revenues dipped 34%. Expenses doubled. Gross margin turned *negative*. The company lost almost as much as it made in revenue. Ugly results, no doubt.

Now the company was generating buzz and landing large contracts from key players. But hardly any of it was showing in the financials:

LTE - Quarterly Financials	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16	Q3 16	Q2 16
Revenue	1,525,000	2,619,000	2,816,000	1,913,000	1,808,000	1,798,000	2,459,000	2,438,000	6,895,000
(-) COGS	(2,310,000)	(2,390,000)	(2,951,000)	(2,512,000)	(2,039,000)	(1,268,000)	(1,873,000)	(1,025,000)	(4,631,000)
Gross Profit	(785,000)	229,000	(135,000)	(599,000)	(231,000)	530,000	586,000	1,413,000	2,264,000
(-) OPEX	(1,884,000)	(1,366,000)	(1,152,000)	(1,459,000)	(1,652,000)	(867,000)	(661,000)	(621,000)	(879,000)
Operating Income	(2,669,000)	(1,137,000)	(1,287,000)	(2,058,000)	(1,883,000)	(337,000)	(75,000)	792,000	1,385,000
Other Income (Expense)	359,000	197,000	(2,640,000)	33,000	92,000	(22,000)	272,000	(177,000)	(433,000)
Net Income	(2,310,000)	(940,000)	(3,927,000)	(2,025,000)	(1,791,000)	(359,000)	197,000	615,000	952,000
Key Metrics									
Revenue Growth y/y	-16%	46%	15%	-22%	-74%	121%	515%	1949%	1590%
Gross Margin	-51%	9%	-5%	-31%	-13%	29%	24%	58%	33%

The company's narrative was that they were investing ahead of revenues to ready the UK business for big contracts to come:

"Lite Access UK results reflect a period of intensive training and trialing of different deployment methods. As a result, cost of sales exceeded revenue over this period. This is largely due to the Company focusing on long-term success by investing in the development and refinement of processes to achieve the most optimal deployment methods while

intentionally overstaffing crews to allow for development of an experienced, trained workforce that can be rapidly scaled in response to anticipated contract awards.”

The contract they went all-in on was for a 29,000 home project in Wrexham, Wales. Virgin Media was the operator and LTE landed the work as a subcontractor to Actavo, the general contractor.

We estimate the project was worth close to \$17M CAD to LTE over the three phases. And if we look just at the LTE UK results, we see this project got them close to an inflection point in Q1 of this year:

LAT UK	Q2 18	Q1 18	Q4 17	Q3 17	Q2 17	Q1 17
Revenue	830,000	1,980,000	1,660,000	1,120,000	950,000	120,000
(-) COGS	(1,530,000)	(1,600,000)	(2,000,000)	(1,860,000)	(1,160,000)	(200,000)
Gross Profit	(700,000)	390,000	(340,000)	(740,000)	(210,000)	(80,000)
(-) OPEX	(580,000)	(490,000)	(40,000)	(280,000)	(290,000)	(350,000)
Net Income	(1,280,000)	(100,000)	(380,000)	(1,020,000)	(490,000)	(430,000)
QoQ Growth	-58.0%	19.8%	48.5%	17.0%	700.5%	
GM %	-84.0%	19.6%	-20.5%	-66.5%	-21.5%	-67.7%

Q1 18 was their first quarter of positive gross margins. The whole segment was within \$100K of breakeven.

Then Q2 18... what happened?

Here's a clue from the MD&A:

“In December, a Lite Access UK customer was forced to temporarily suspend operations for reasons beyond their, and the Company’s, control, which curbed Lite Access UK’s positive momentum and resulted in the Company having limited billable work to complete, while still having to incur expenses for our deployed resources, resulting in a loss for the month.”

News later broke that Actavo, LTE’s key customer, lost the Virgin contract. Poor quality and complaints by citizens were to blame. The Wrexham City Council stepped in and LTE found themselves stuck doing low-value remediation work.

So Q1 2018 was an ugly quarter. But if we look out a few quarters, we see plenty of reasons why LTE’s future will look a lot different than it’s past.

They are currently working a \$29M CAD contract with Gigaclear. Gigaclear is arguably the UK's most successful network operator. They dominate the rural broadband market.

LTE's new management has taken great strides to cut costs, improve efficiency, and drive focus on this one contract. Because of this, we think the project can deliver healthy margins in the 30-35% range.

If we take this contract alone and burden it with corporate expenses, we see a clear path to profitability over the next 12-months:

Gigaclear Pro Forma	
Contract value	\$29,000,000
Margin assumption	30%
Gross profit	\$8,700,000
Total OPEX	(7,500,000)
EBITDA	\$1,200,000

*** Note: Total OPEX based on annualized Q2 2018*

This project will hit full ramp in early July. If LTE's delivers on this contract, Q3-Q4 should show an inflection point for the company.

The CEO's comments in LTE's last earnings release hint at this:

"We are still on track to achieving profitability later this year. We will continue to execute our key strategies to exploit the tremendous opportunity in the UK and grow our business."

Valuation / Capital Structure

LTE has the clean capital structure we look for, with under 50 million shares outstanding:

LTE - Capital Structure	
Shares Outstanding	43,419,832
(+) Options	4,069,291
(+) Warrants	545,400
Fully Diluted Shares Out	48,034,523
Price (6/27/18)	\$0.77
Market Cap	\$36,986,583

With 48 million fully diluted shares outstanding and a closing price of \$.77, LTE's valuation is just under \$37M. The company has little debt, and a war chest of cash from last year's institutional financing at \$2.25 per share.

On an enterprise value basis, shares look even cheaper:

LTE - Valuation	
Market Cap	\$37,000,000
(+) Debt	320,000
(-) Cash	(13,200,000)
Enterprise Value	\$24,120,000
Valuation Metrics	
EV / Sales (TTM)	2.7
EV / Sales (GC EST)	0.8
P/E (GC EST)	20.7

Looking backwards, shares seem reasonably valued at 3X revenue. This is a low margin business too historically. But look forward – just on the Gigaclear contract execution alone you have a stock valued at 20X earnings. And that gives no credit to product sales, Western Canada projects, and of course, follow-on works for UK telcos.

LTE *must* prove to the market they are not a “one-contract” wonder. They claim to have the industry-leading technology in one of the hottest fiber markets in the world. But not since Haida Gwaii, have they delivered a large contract at healthy margins.

Successful delivery of the Gigaclear contract – along with follow-on work – will determine if this stock is cheap or expensive at current levels.

Management

Lite Access was founded in 2004 by Michael Priest and Mike Plotnikoff. Following LTE's IPO, Mike Plotnikoff became CEO and Michael Priest became VP of Sales.

Both founders were seasoned telco executives and kept the lights on at LTE for over a decade while this technology gained market acceptance. But as the company grew to become a global installation business, the board determined a change was needed.

Both founders resigned from the company and Carlo Shimoon took over as CEO in March of this year. Carlo is a life-long entrepreneur with a knack for turnaround stories. Here's his bio:

Mr. Shimoon has led multi-location and multi-national operations in 4 countries including Canada, USA, Mexico and the UK, serving a global market. His experience over 30 years has been as CEO in both private and public corporations, which he has either founded or been professionally recruited. His accomplishments include M&A activities, turn-around and a successful exit to a NASDAQ-listed billion-dollar US-based defense contractor, where he continued to serve as CEO of two subsidiaries. The industries in which he has been involved include fibre-optics, defense, digital video, power conversion, security and biomed. Mr. Shimoon is a graduate of Carleton University in Ottawa with an Electrical Engineering degree.

Carlo has led a return to operational discipline at Lite Access that we believe will show in the coming financials. He is currently on-the-ground in the UK to ensure successful execution of the Gigaclear contract.

Though the founders and Dylan have since moved on, they still have a vested interest in LTE's success:

LTE Insider Ownership Summary					
Insider	Position	Shares	Options	Total	% of FD Shares
Carlo Shimoon	CEO	58,000	500,000	558,000	1.2%
Michael Priest	LTE Founder	3,228,583	400,000	3,628,583	7.6%
Michael Plotnikoff	LTE Founder	3,289,171	400,000	3,689,171	7.7%
Dylan Griffiths	DSG Founder	1,866,882		1,866,882	3.9%
David Toyoda	Director	10,000	200,000	210,000	0.4%
Greg Smith	Director		200,000	200,000	0.4%
Kevin Smith	Director		175,000	175,000	0.4%
				Insider Total	21.5%

Carlo's stake may be small, but he has been buying aggressively on the open market:

Shimoon, Carlo
President, Chief Executive Officer, Director
Insider's Relationship to Issuer: 5 - Senior Officer of Issuer

Transaction Date	Transaction Nature	Volume or Value	Price	Account Balance
Security Type: Common Shares (Direct Ownership)				
Jun 26/18	10 - Acquisition in the public market	8,000	\$0.730	58,000
Jun 22/18	10 - Acquisition in the public market	9,000	\$0.650	50,000
Jun 20/18	10 - Acquisition in the public market	10,000	\$0.680	41,000
Jun 18/18	10 - Acquisition in the public market	10,000	\$0.720	31,000
Jun 15/18	10 - Acquisition in the public market	6,000	\$0.690	21,000
Jun 13/18	10 - Acquisition in the public market	5,000	\$0.730	15,000
Jun 8/18	10 - Acquisition in the public market	5,000	\$0.820	10,000
Jun 5/18	10 - Acquisition in the public market	5,000	\$0.850	5,000

CEO buying is one of the most bullish signals we know of.

Carlo is joined by strong industry talent on the board that includes Peter Caplan. Here's his bio:

Peter Caplan is an executive director of AlgoSpan. Formerly, Co-founder and Chairman of FibreSpan Ltd. (bought by Level 3 Communications), he brings 30 years experience in IT and telecommunications as a systems development engineer. In 1989 he founded Telecom Express to provide information, multi-media messaging and interactive voice response services. Peter sold Telecom Express to AMV/Omnicom Inc. in 1998-2000, by which time the company was running thousands of lines with a staff of over 500. Prior to this he provided systems and services to, and worked closely with, many carriers including BT, Cable & Wireless/Mercury, Colt, Vodafone, AT&T, Hong Kong Telecom and Deutsche Telekom.

An investment in Lite Access today is largely a bet that new management can capture – and execute on – the massive market opportunity that has existed all along.

Conclusion

Lite Access has always been in the sweet spot of a booming market with a technology that solves a big problem – the need for fast, inexpensive fiber deployment. But now thanks to operational missteps, investors can buy a risk-reward opportunity that has never been better.

If management can prove LTE's technology delivers all the speed and cost savings they claim it does – and do it profitably – we think shares could be multiples of where they are today. And with Q3 and Q4 results just months away, we won't have to wait long.

Disclosure: Paul, Brandon and Keith are long LTE.V.