

LUDLOW RESEARCH

Market Research Report

Phone: (347) 483-0121

Email: info@ludlowresearch.com

HAMMER FIBER OPTIC HOLDINGS CORP (OTCQB:HMMR)



Last Updated: May 08, 2018

Ludlow Research Upgrades Hammer Fiber (HMMR) Outlook on Move into Cloud Service

(NEW YORK)--Ludlow Research updated its coverage on **Hammer Fiber Optics Holdings Corp.** (OTCQB: [HMMR](#)), a leading communications system integrator and tower service provider, with a 'speculative' target of \$8.00 to \$10.00 based on its move into cloud services.

Ludlow Research made note of Hammer Fiber's new acquisition of 1stPoint Communications, LLC, and their potential move into cloud services, as catalyst for upgrade to a 'speculative' \$8.00 to \$10.00 price target.

The Company announced it has executed agreement to acquire 1stPoint Communications, LLC, and its subsidiaries, which include Open Data Centers, LLC and Endstream Communications, LLC. 1stPoint is a competitive local exchange carrier operating nationwide with intellectual property in services such as SMS/texting, collaboration tools and carrier switching. Endstream Communications offers wholesale voice services worldwide. Open Data Centers operates a carrier-neutral colocation facility in Piscataway, N.J., and will provide the brick-and-mortar capacity to further Hammer's growth.

Recently, Hammer Communications has also unveiled its cloud hosting and infrastructure as a service platform offering hosting, cloud and colocation services.

As part of the acquisition, the Open Data Centers facility in Piscataway will allow Hammer to expand and grow these offerings. "We are proud of how far we have been able to take Hammer in the past few quarters," said Mark Stogdill, founder of Hammer Fiber. "We look forward to how much further these acquisitions will move us in our plans. With the acquisition of 1stPoint's CLECs and Commercial Mobile Radio Services, we will be able to grow the wireless residential access platform and look toward a national network. In addition, the Open Data Centers facility in Piscataway, along with its server and switching platforms, is a significant addition to our core infrastructure to support major growth in the cloud and hosting markets."

Net Neutrality Repeal

Daniel Corbe, Director of Network Operations at Hammer Fiber commented, "We wanted to make sure that our customers had a way to connect and surf the internet away from the scrutiny of internet service providers, even ourselves. Recently, the monitoring of internet usage and potential restriction on that usage have created a demand for customers to maintain their freedom."

The launch of HMMR Virtual Private Network (VPN) could quickly put Hammer Fiber, and its stock, on a number of radars of champions for this cause as a play against the repeal of Net Neutrality.

Go Long Wiress Partnership

In July 2017, Hammer Fiber Optic Holdings Corp (HMMR) announced they have teamed up with Go Long Wireless, Ltd. (GLW), which holds 12 GHz Multichannel Video Distribution and Data Service (MVDDS) spectrum in 49 U.S. markets, reaching a population in excess of 29 million.

This new partnership will enable Hammer Fiber to expand its successful business model of delivering a bundle of high speed broadband, TV, and VoIP phone service to these additional 49 markets, including underserved rural communities.

Rural Last Mile Delivery

Google Fiber announced in late 2016 that it would turn to 'wireless fiber' for its last mile delivery due to the high deployment costs of laying land optic fiber lines. Google said it hoped to go wireless in markets such as Chicago, Los Angeles, Dallas, which could provide increased interest in 'wireless fiber' players, such as Hammer Fiber, and their ability to reach in to more rural areas for last mile delivery.

Bruce Fox, the CEO of Go Long Wireless commented, "With our licensed footprint covering over a third of the U.S. landmass, Hammer Fiber is the perfect partner to leverage our expansive spectrum holdings for the delivery of broadband services that both rural and urban consumers demand and deserve. They have the only technology that can currently exploit our spectrum's extensive capacity to its full potential."

Possible Acquisition Target

The Company's ability to now reach into 49 states, both urban and rural, could position Hammer Fiber as a potential acquisition target for last mile delivery for some of the bigger players in the space, like **Google Fiber** (NASDAQ:GOOGL) or **AT&T AirGig** (NYSE:T).

Case in point, take a look at what happened to **Straight Path Communications, Inc.** (NYSEMKT:STRP), an owner of much sought after bandwidth spectrum. STRP held a large inventory of 28 GHz and 39 GHz millimeter wave spectrum used in mobile communications that would give a new owner an advantage in 5G development. Well this set off a bidding war between Verizon (NYSE:VZ) and AT&T that sent Straight Path stock from around \$35 a share to high of \$230 in just one month.

Verizon and AT&T were seeking to gain an edge in the race to develop out a fifth-generation network (5G) that would offer faster downloads and boost internet-reliant products such as self-driving cars.

Verizon won out the bidding war announcing in May 2017 that they would acquire Straight Path for \$184 a share in an all-stock transaction, reflecting an enterprise value of approximately \$3.1 billion.

Now with the combination of Hammer Fiber unique 'wireless fiber' technology, and Go Long Wireless 12 GHz Multichannel Video Distribution and Data Service (MVDDS) spectrum in 49 states, this new partnership could set up Hammer Fiber as a potential 5G buyout target like we saw in STRP back in the spring of 2017.

About Hammer Fiber

Hammer Fiber Optic Holdings Corp. (OTCQB: HMMR) is a telecommunications company investing in the future of wireless technology whose holdings include Hammer Fiber Optic Investments, Ltd. D/B/A Hammer Fiber, a New Jersey-based Internet Service Provider (ISP) that offers internet, voice, video and data services in New Jersey, as well as carrier services in Philadelphia and New York. Hammer Fiber serves residential and small business markets with high capacity broadband, voice and video through both direct fiber as well as its wireless fiber platform, Hammer Wireless® AIR technology. For more information visit <http://www.hammerfiber.com>

About Go Long Wireless

Go Long Wireless, LTD is a Florida based wireless spectrum holding company with an extensive spectrum portfolio designed to enable ultra-broadband services to rural and urban communities across the U.S. For more information please visit www.golongwireless.com

About Ludlow Research

Ludlow Research is a New York based equity research firm that focuses on providing research coverage and investor awareness services to emerging small-cap companies. For over 14 years we have worked to provide our readers with a simple way of evaluating the current and potential value of small-cap companies, while garnering these clients greater market awareness to new investors. For more information on us please visit www.ludlowresearch.com

Ludlow Research initiated this upgrade on HMMR on May 08, 2018 at a price of \$2.80 per share

Dark Fiber Use

Dark Fiber is optical fiber cable which has been set in place for anticipated future use in carrying network signals in the form of light, but is not yet “lit” by laser equipment intended to be placed on both ends for the purposes of creating data connectivity between points. The dark strands can be leased to customers who want to establish optical connections between their own locations or co-location facilities, utilizing their own network equipment and security protocols. The cable-laying industry is seeing accelerated growth once again. In a widely quoted statistic, the CRU Group research firm estimated 19 million miles of optical fiber were installed in the USA in 2011, the most since 2000. Even in the areas that were connected during the initial boom, there are new structures to be served and more are built every year. At the present time, fiber still only reaches a relatively small percentage of all the buildings in the country. With this buildout process ongoing, more customers than at any other point in history are looking for fiber solutions to connect their junction points into existing data transport substructures.

Why Use Dark Fiber?

Purchasing “LIT” fiber services requires service providers to pay significantly higher prices and incremental costs for provisioned bandwidth as demand increases, which proportionally increases cost to the end consumer. Dark fiber solutions provide HMMR with the ability to upgrade from 1 Gbps to 10 Gbps to 400 Gbps as technology evolves by simply installing the latest in Wavelength-Division Multiplexing [“WDM”] on a single dark fiber pair. This ensures that our products always have sufficient bandwidth planned to cater for the ever-expanding consumer demand for high capacity broadband services without the need to continually increase cost to consumers as bandwidth demand increases.

LATENCY

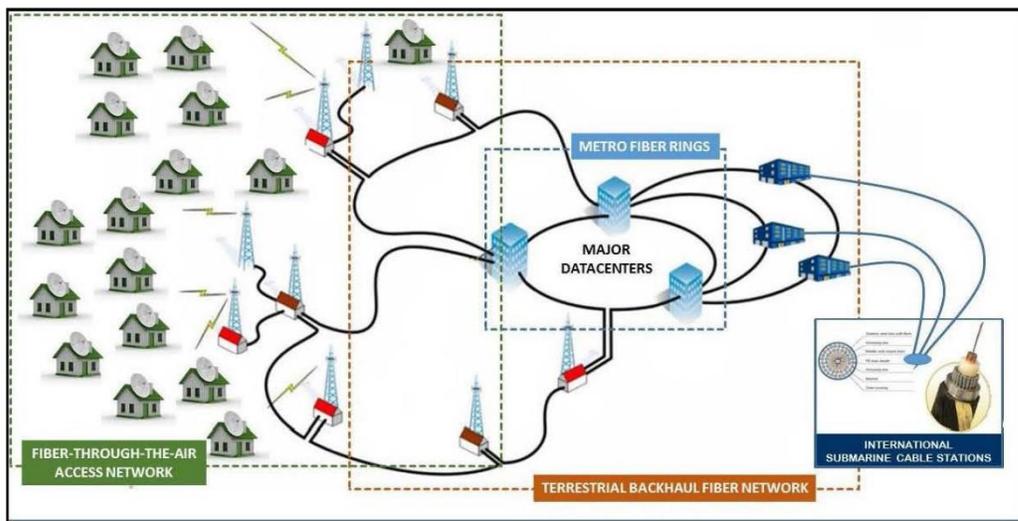
Latency is the time it takes for a data packet to travel from one point to another in a network and is commonly expressed in terms of milliseconds (ms). Latency can be a major factor in overall performance of broadband services and it is important that we have full control of its network end-to-end. By provisioning dark fiber, we have the ability to manage the amount of routers and switching services installed on its fiber backbone network which greatly reduces the potential of latency and improves the overall customer experience.

THE INDUSTRY TODAY

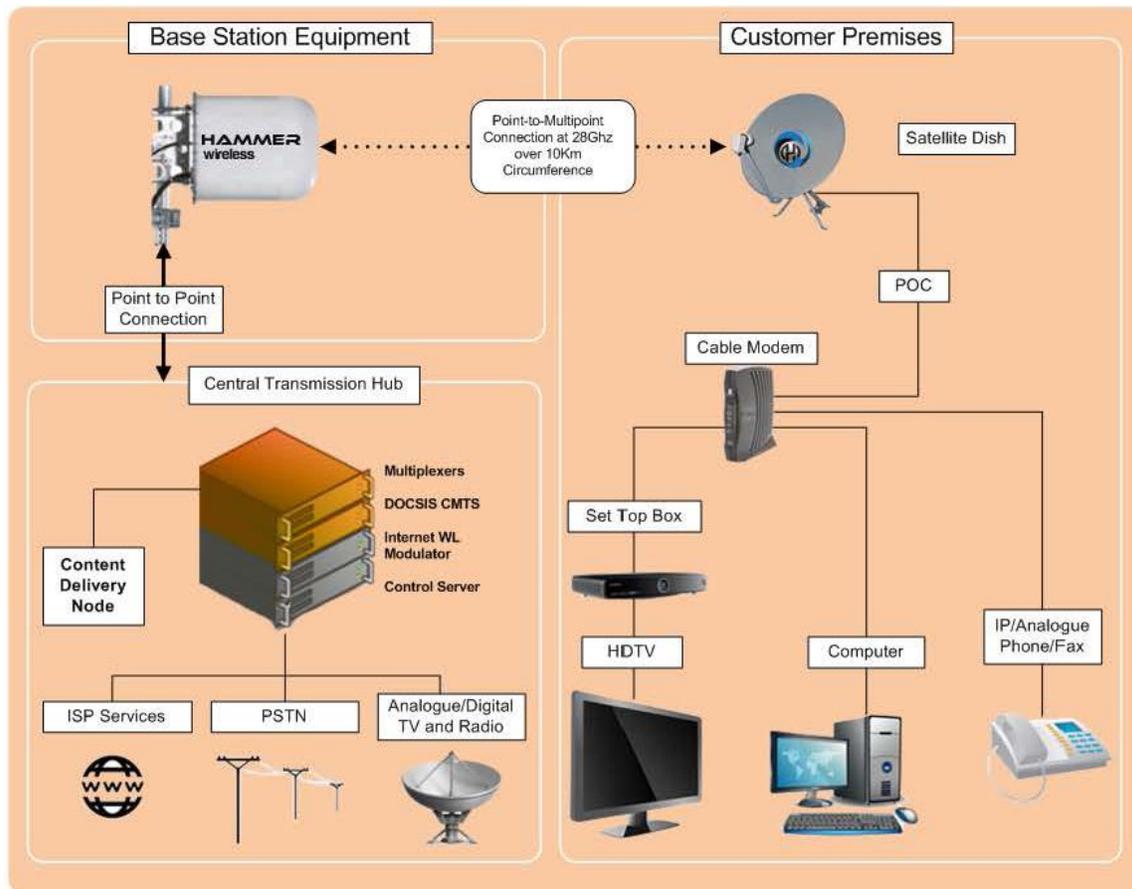
Fiber penetration in the local access network is still very limited, even in the developed parts of the USA and this is mainly due to the high cost of installation and maintenance of a fiber access network. Cable technology has evolved with ever-increasing data rates and remains the most popular wire line broadband technology in terms of subscriptions. Close to four-fifths of the United States is now connected in some form to the broadband internet universe with cable remaining the dominant mode of access across the continent-wide landmass. Despite this, a large component of this connectivity fails to deliver sufficient capacity to satisfy the high demand for bandwidth-intensive modern consumer applications.

Hammer Fiber's Competitive Solution

The Company has taken advantage of deploying its last mile wireless technology over the latest DOCSIS 3.0 standard which is fundamentally what cable technology is based on. This strategy allows for the use of tried and tested methodology utilizing cable modems that are produced in bulk and are inexpensive off-the-shelf items. In all cases of its current deployment, consumers are enjoying the power that fiber optic services promised, however the USA has been notoriously slow to recognize and accept that this is the solution to solve inadequate last mile access. We have therefore decided to enter this market without the involvement and/or validation of the incumbent operators who, in our opinion, are all actively engaged in depreciating their existing massive legacy technology CAPEX commitments. We will operate our wireless broadcast solution in the 28 and 31GHz frequencies, providing as much as 2.5 Gbps of capacity per sector in the cell range [up to 10Gbps per tower]. Licensing for frequencies in these bands has been facilitated by StraightPath Communications (NYSE MKT. Symbol: STRP) who owns a large section of the 28GHz and 31 GHz Local Multipoint Distribution Service [LMDS] spectrum across the USA. Diagram 1 describes the architecture of the 28GHz and 31GHz access deployment as planned. We will purchase dark fiber [wherever possible] on the Terrestrial Fiber Backhaul networks as well as in the Metro Fiber rings. Fiber spurs will then be deployed from fiber breakout splitters to leased towers where the wireless broadband transmitters are located as indicated in the following diagram:

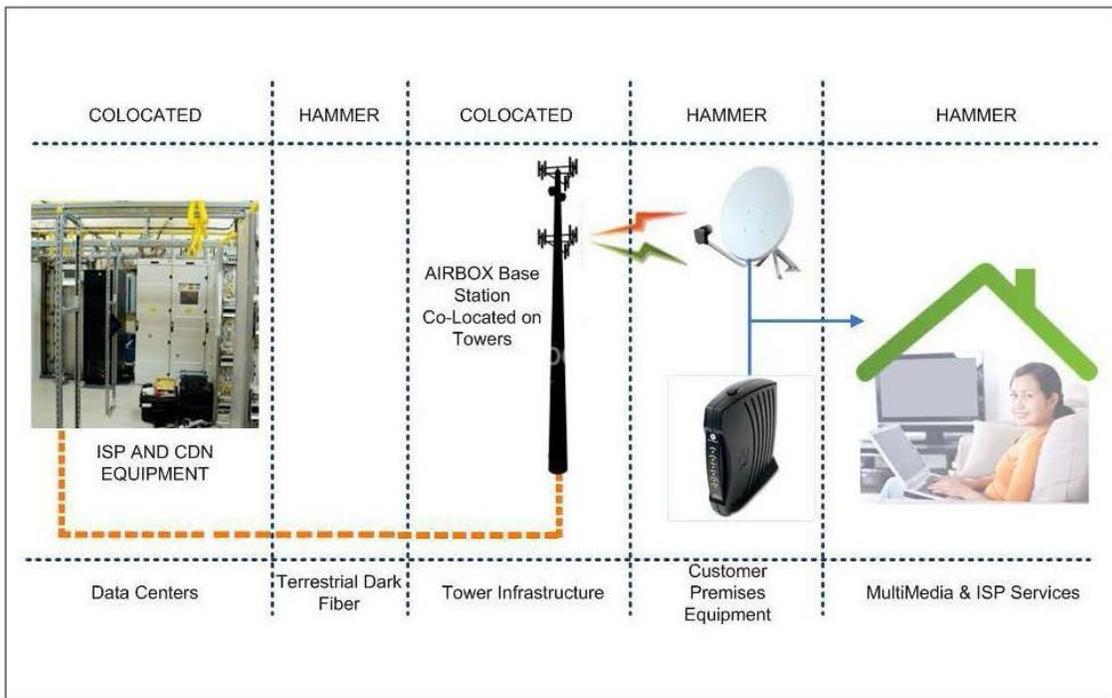


The "Access Network" portion of the architecture described in Diagram 1 is the ultimate in the value proposition provided by the Company throughout the Eco-System. The components forming an integral part of this "first to market" and unique technology is more fully diagrammatically described in Diagram 2.



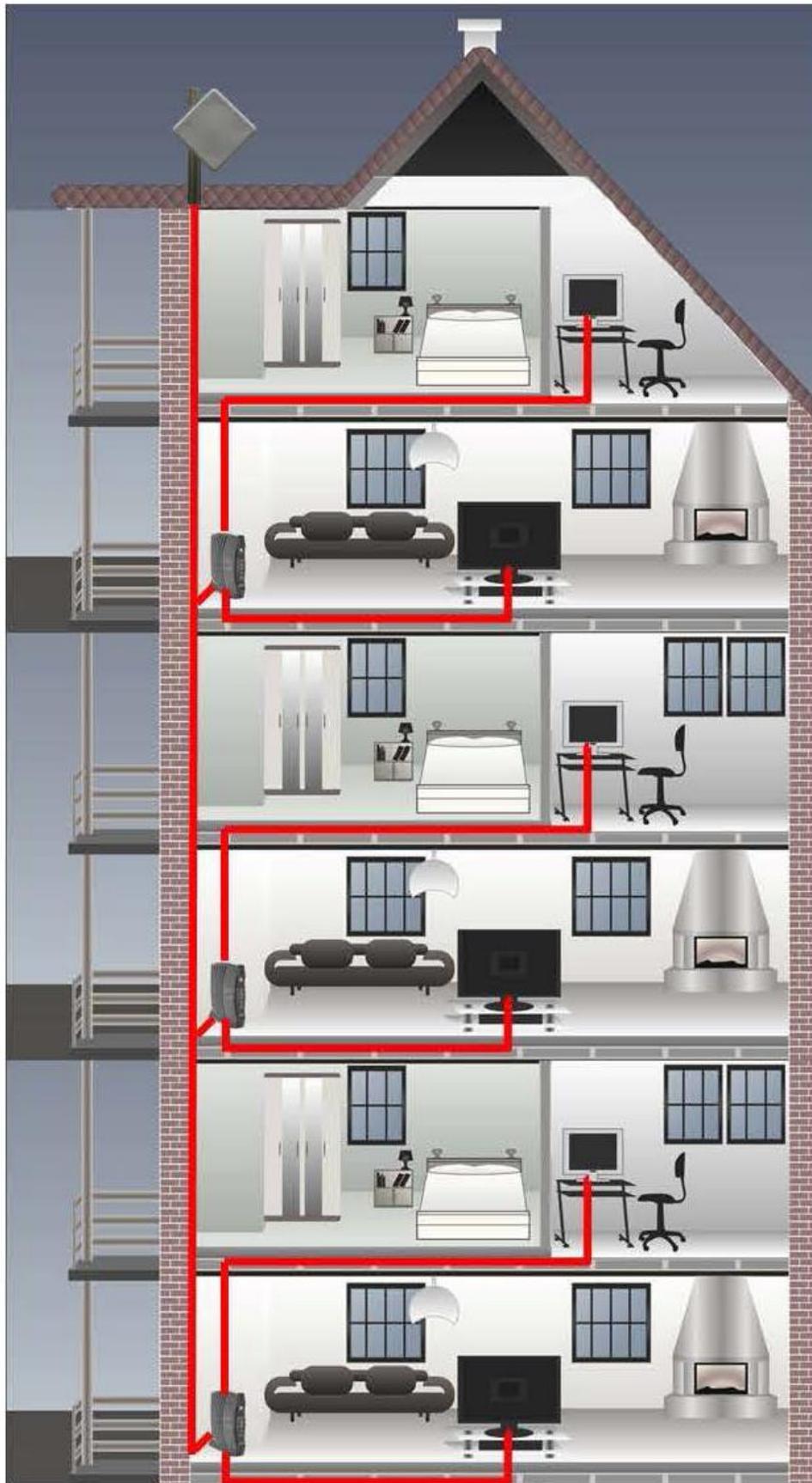
A SIMPLE AND PRACTICAL CONCEPT

The concept is very easy to understand. A single tower is erected to serve an area of up to 10km in circumference and every roof top that is in range of, and can be seen from the tower [or high site] where the wireless technology is erected, can be served within less than two hours of an order being received and executed by us. This means no digging up of roads, pavements or lawns to reach a subscriber premises, rendering time to market substantially reduced over competing technologies. The system utilizes a combination of a tried and proven set of applications such as fiber optic backhaul and DOCSYS 3.0 technologies deployed in an innovative manner. The last mile connectivity is between a microwave receiver mounted at the customer premises and a microwave transmitter mounted on a tower or high site. The main advantage of a modern microwave system is its high immunity to interference, easy reconfiguration and quick time deployment to market. Thus it can be a practical alternative compared to the high cost and complicated logistics of deploying last mile fiber cable. The main drawback is that it requires line-of-sight just like a satellite network. The benefits of wireless microwave as a preferred last mile access solution has, however, fueled technological innovation in microwave research and the development of an advanced point-to-multipoint solution known as "Hammer Wireless AIR" has emerged. This ground-breaking innovation in microwave technology is now capable of delivering upwards of a 100Mbps of dedicated bandwidth to an end-user in a fast and easy deployment, unlocking a whole new array of revenue streams and consumer options for network operators such as Hammer. We manage our own ISP and Content Delivery Node [CDN] equipment from several data centers situated along the Metro Fiber rings, traversing city and suburban centers. This network topology will always be managed by us across the entire eco-system to ensure that costs are managed and curbed, and that quality is guaranteed throughout the entire distribution chain.



MULTI DWELLING UNITS [MDU] INSTALLATION

In cases where MDU's are selected, Diagram 4 displays a typical shared model where one Hammer Wireless AIR Metro Transceiver is utilized to provide the building with a high capacity broadband connection and the rest of the tenants are connected to this single connection by way of dedicated standard off the shelf cable modems. This is very typical of a cable plant where one feeder cable enters the building and is distributed to each apartment by way of cable splitters. The Hammer Wireless Transceiver will then provide a COAX cable run [or will utilize existing COAX cable runs] to each tenant's apartment or office which represents a significantly optimized MDU model.



EXECUTIVE TEAM

Michael P. Cothill

Michael is a seasoned telecommunications veteran having over the past 25 years served the emerging Telecommunications and Broadband markets around the world. Most recently, Michael served as the CEO of the largest Fiber Optic Operator in the Horn of Africa, successfully deploying broadband networks which included fully equipped data centers capable of delivering the latest in IP switch and routing technology. As a pioneer in an innovative wireless “fiberthrough-the-air” [FTTA] technology, Michael earned the prestigious Global Telecoms Business Innovations Award 2013 for “Solving the Broadband Access Challenge in Africa”. Prior to joining the board, Michael has led several startup and established companies in both management and advisory roles and now serves as Executive Chairman of Hammer Fiber Optics Holdings Corp.

Mark Stogdill

Mark has spent his professional career working in the fiber optic industry, having held several senior posts in engineering and construction firms that provided key services to the largest organizations in the telecommunication industry worldwide. Most recently, Mark held the position of Head of Engineering of a primary construction and design vendor for Verizon Communications to oversee the full scale deployment of the Verizon FIOS fiber optic service covering the metropolitan areas of Philadelphia, Manhattan, Newark New Jersey and York Pennsylvania. Mark serves as Chief Executive Officer of Hammer Fiber Optics Holdings Corp.

Michael Sevell

Michael has spent his career in all facets of business startups including retail management, custom home design and construction as well as having spent many lucrative years in the automotive repair service industry. Michael, a serial entrepreneur, now spends his time as an early stage investor in companies where he takes a “hands on approach” in entrepreneurial guidance of the executive management team in both the principals of successful business methodology and the appropriate practice of corporate governance procedures. Michael secured the initial funding for Phase One of the Hammer Fiber Optic backbone and last mile wireless deployment and joined the board where he now serves as a non-executive director of Hammer Fiber Optics Holdings Corp.

Donald MacNeil

Don MacNeil has more than 25 years of Telecommunications and Information Technology industry experience delivering technology-differentiated solutions to both local and International private and public clients. Most recently, Don served as the Chief Operating Officer at XO Communications, a telecommunications and IT services company with \$1.4Billion in revenue and the owner and operator of significant deployments in fixed fiber optic infrastructure and wireless broadband licensed assets. Don gained a Master’s Degree in physics, is a graduate of the United States Naval Academy and holds a Master’s Degree in Business Administration from the University of William and Mary in Virginia. Don joined the board as a non-executive director of Hammer Fiber Optics Holdings Corp.

Disclaimer:

This is NOT a solicitation to Buy or Sell any security, but rather is for informational purposes only. Content contained herein includes facts, views, opinions and recommendations of individuals and organizations deemed of interest. Ludlow Capital, Inc ("Ludlow") does not guarantee the accuracy, completeness or timeliness of, or otherwise endorse these views, opinions or recommendations, or give investment advice. Ludlow, its affiliates, or directors, may or may not hold a position in the above security from time to time, and investors are encourage to consider this as a possible conflict of interest when reviewing this information. In Compliance with SEC Rule 17B as of the date of this report Ludlow was compensated one thousand five hundred restricted shares for ongoing media advisory services, and thus should be considered a possible conflict of interest when reviewing this report and information. Ludlow, or its affiliates, may hold a position in above securities from time to time, and thus should be considered a possible conflict of interest when reviewing this report and information. These investments may involve a high degree of risk, thus investors are highly encouraged to consult with a financial advisor before any and all investments.

Safe Harbor Statements:

This website includes statements that may constitute forward-looking statements made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Although the Company believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected.

Forward-Looking Statements This news release contains certain statements that may be deemed "forward-looking" statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward looking statements. Forward looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by law, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

High Risk

Small and Micro cap, or 'penny stocks', involve a high degree of risk, and we highly encourage investors to consult with a financial advisor before making any and all investment decisions when investing in these type of securities.