

Zacks Small-Cap Research

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NexTech AR Solutions (OTCQB: NEXCF)

NexTech Returns to Its Roots With 3D Models for eCommerce

Based on a peer blended average EV to estimated EV/2022 sales multiple of 6.5xs, we believe NexTech stock could be worth \$3.00 per share.

Current Price (11/11/21) US\$1.42
Valuation US\$3.00

OUTLOOK

NexTech AR is a technology start-up and a unique public company pure play investment in Augmented Reality and the Metaverse. It does not produce hardware, but rather uses AR to improve eCommerce results for customers as well as its company-owned sites. Its LiveX platform allows remote learning, virtual trade shows, and high-end conferencing features integrated with augmented reality and is garnering traction. Its AR ad network and hologram technology should begin to contribute to revenues later this year. As one of the first movers in a multi-billion dollar market growing at almost 300% per year, NexTech should be able to grow rapidly as this nascent market explodes.

SUMMARY DATA

52-Week High US\$6.14
52-Week Low US\$1.16
One-Year Return (%) -76.9
Beta 1.9
Average Daily Volume (sh) 341,330

Shares Outstanding (mil) 90.1
Market Capitalization (\$mil) US\$128
Short Interest Ratio (days) 1.4
Institutional Ownership (%) 0.0
Insider Ownership (%) 10.0

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS N/M
P/E using 2021 Estimate N/M
P/E using 2022 Estimate N/M

Risk Level

Type of Stock
Industry

Above Average
Small Growth
IT Services

ZACKS ESTIMATES

Revenue

(in millions of CAN\$)

	Q1 (Mar)	Q2 (June)	Q3 (Sept)	Q4 (Dec)	Year (Dec)
2019	0.9 A	0.9 A	1.6 A	2.0 A	5.3 A
2020	2.5 A	3.5 A	4.7 A	7.0 A	17.7 A
2021	7.7 A	6.1 A	5.7 A	5.8 E	25.3 E
2022					38.0 E

EPS (IFRS)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sept)	Q4 (Dec)	Year (Dec)
2019	-\$0.03 A	-\$0.02 A	-\$0.03 A	-\$0.12 A	-\$0.10 A
2020	-\$0.02 A	-\$0.04 A	-\$0.07 A	-\$0.09 A	-\$0.23 A
2021	-\$0.12 A	-\$0.07 A	-\$0.10 A	-\$0.10 E	-\$0.39 E
2022					-\$0.25 E

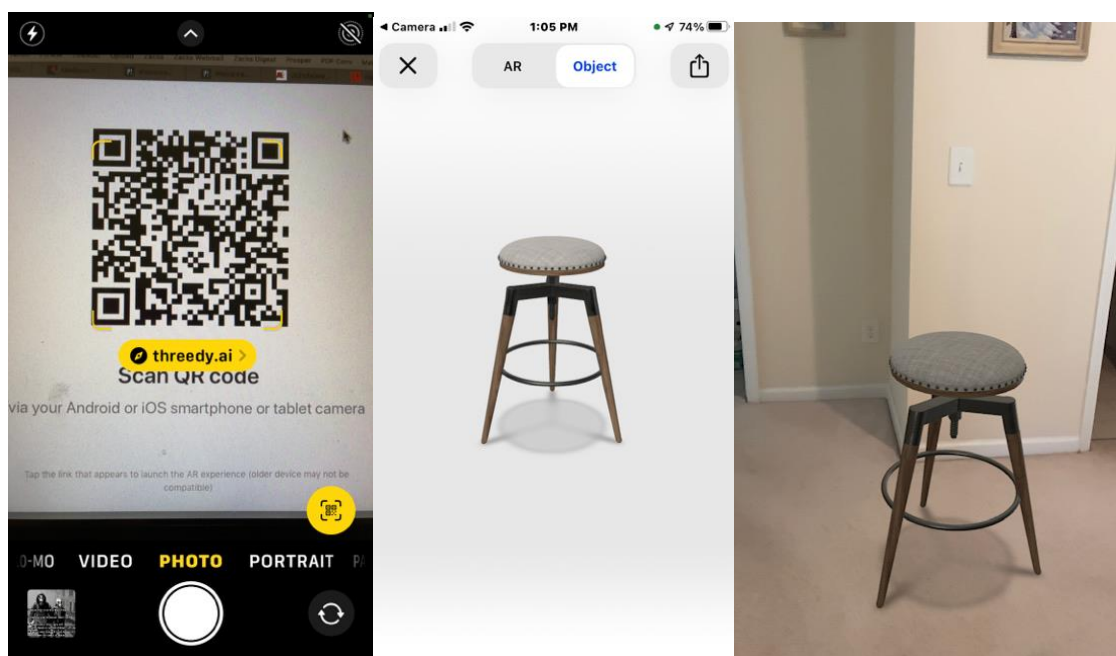
WHAT'S NEW

NexTech AR Returns to its Roots with 3D Models

After the extraordinary past two years of pandemics and virtual conferences, the industry has finally caught up to NexTech's original vision of providing 3D models for use in eCommerce. The formerly labor intensive business is moving to self-serve and the eCommerce industry has finally started to port its SKUs to 3D images led by furniture and apparel. With the acquisition of Threedly.ai, NexTech is able to undercut the competition that relies heavily of non-scalable labor-intensive and even crowdsourced model creation. Large retailers have now had a few years to test and are finally beginning to place orders to transform their web sites. While most items are still viewable in 2D—front, back, and zoom in, retailers are realizing the value of allowing customers to see the whole three dimensional image. This includes taking an object, spinning it around, viewing it from the top and bottom and zooming in. Not only that, customers can view the product on a phone and then place it in their room to get an on-site look. Examples of a NexTech customer's doing exactly that can be see at Kohl's, Pier1, Kmart, and Lighting Plus. An example is shown below:

[Madison Park Maggie Adjustable Stool at Kohl's](#)

By hitting the "View it in your room" button, a QR code is opened. Using a phone it opens to the Threedly.ai web site. Then you can point a phone through the camera to a space and place the object there as shown in the pictures below.



Source: NexTech AR

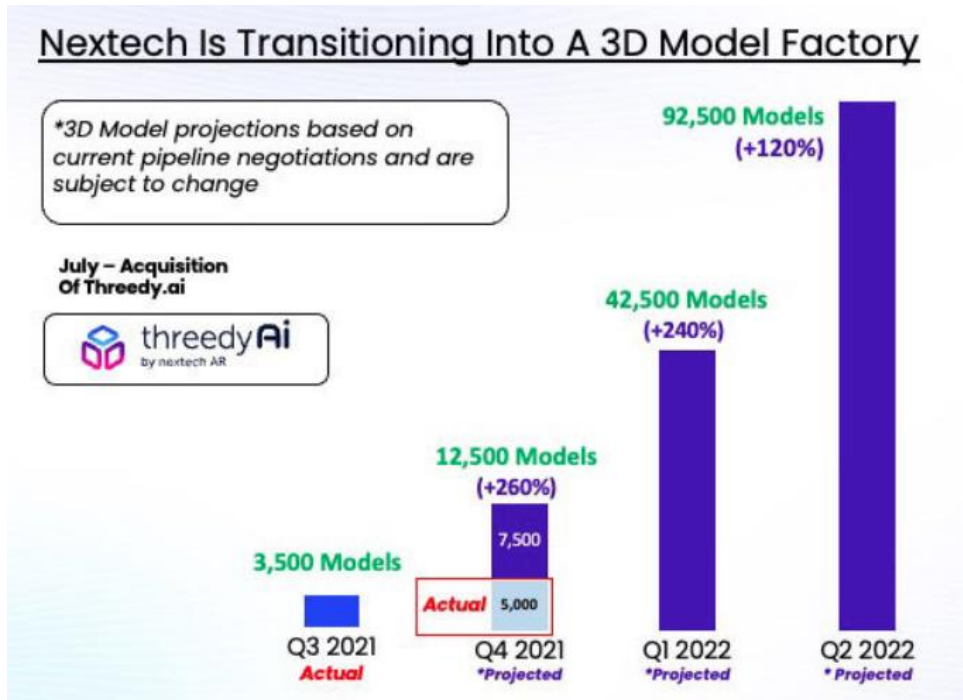
[Welcome Wooden Trio Flowers at Pier1](#)

[Upholstered Bar Stool at Kmart](#)

[Palma Table Lamp at Lighting +](#)

This was always the basis of NexTech's business, but now the technology has caught up and is scalable and the customer base is ready to implement. With the acquisition of Threedly.ai NexTech is bringing on customers who are adding SKUs as forecast in the graph released by the company. The company is paid in a SaaS model where the customers pay per SKU per month. While there is an upfront cost of adding the

customers by having to integrate with their web site and populate the initial models, the payback is typically a few months providing the company expanding margins and sticky recurring revenues.



Source: NexTech AR

What to Expect in Q4

In Q4 we expect NexTech to launch on Shopify with an app that will allow their customers to use NexTech’s 3D capabilities. This opens the technology up to 3 million merchants on the Shopify platform. Given Shopify’s extensive analytic tools, NexTech is looking forward to being able to quantify and track’s merchant’s results using its 3D features.

Another product being launched in Q4 is a holoX app for IOS. This app will let users record a video that can be transformed to a hologram that can be access via a QR code. The company plans to also release a SDK to allow integration with its app. The company plans a freemium model where users can get certain amount of holograms free, but will have to pay per hologram afterward.

Nextech AR HoloX

holoX is the first on the market app that lets you CREATE, SHARE and VIEW holograms on your smartphone device. It is as easy as creating a video.

Sign up below for our Beta release on iOS this coming August 2021.

Sign up for Beta

Source: NexTech AR

Review of Q3 2021

In the September quarter NexTech launched of several new products including: 3D Rooms, a SaaS product for eCommerce; and CAD to POLY, converting CAD (computer aided design) files into 3D models.

NexTech also became a partner for the Google 3D AR Search Program allowing it to grant exclusive early access of the 3D search program to its current Threedy.ai customers. With NexTech 3D generated models showing up in Google's 3D AR Search Program, brands can now expect to see their products as organic search results on Google. The company expects Google to continue change its algorithms to boost 3D ads on its search platform compared with traditional 2D. Google has slowly been adding 3D to search. If you go to Google search, you can type a limited number of nouns in and it will give a 3D image. Try it with "tiger," "goat," "cheetah," or "pony" to name a few. Look for the "View in 3D" button. It has extended that to 3D ads. Type "Target Copley chair" and you will also see the "View in 3D" button there also in the search results. Look for Google to continue to support and push 3D ads as it makes more money on those.

NexTech integrated its 3D and AR ad functionality with SNAP, Facebook, and Instagram.

On August 26, 2021, NexTech bought U.K.-based ARWAY Ltd. for \$1 million in stock (609,666 shares) and hired its key founders. This acquisition gives NexTech a spatial mapping platform critical to building the Metaverse. ARway provides an Augmented Reality SDK and uses Unity and AI to recognize surroundings for accurate location mapping. It allows brands and organizations to create mini-metaverses like museums, headquarters, theme parks, sports stadiums, campuses and more. It can be used for applications such as navigation, guided tours, and even treasure hunts. ARWAY's platform has been used by over 1000 developers in 60 countries, and includes enterprise customers such as British Telecom, Bosch, Air Asia, The City of London, the Guildhall School of Music and Drama, HCG Hospital, and Nomtek. The product is sold as SaaS with a freemium model and priced by usage amount. NexTech is working to integrate all its AR capabilities and making them available to all its customers through one login.

Q3 2021 Financial Results

NexTech reported another down sequential quarter, but still up 23% year over year. ECommerce reported revenues of \$4.6 million, up from a restated \$3.8 million in Q3 2020 or up 20%, and up sequentially from \$4.4 million in Q2. The technology services plus renewable software licenses revenues declined sequentially to \$1.2 million from \$1.7 million in Q2, but up from \$853,000 last year, or 35.8%. Jolokia was bought April 30, 2020 so this quarter was the first with a full quarter of revenues with which to compare. We believe revenues at Jolokia were essentially flat. This year's quarter also contained a full quarter of Threed.ai. The company gave guidance for full year 2021 of \$25-29 million, a wide range given it is already November 11th. This equates to a fourth quarter revenue range of \$5.4 million to \$9.9 million.

Gross margin was 31.4% of revenues or \$1.8 million compared to 63.4% and \$3.0 million a year ago and 37.6% or \$2.3 million in Q2 2021. The decline in margin was due to a 6% decline in gross profit in eCommerce due to supply chain issues increasing costs as well as lower revenues against fixed costs in technology services. In last year's report there was no cost of sales related to technology services as related to acquired companies as there was no way to ascertain them.

Operating expenses were \$10.3 million compared to \$7.2 million last year primarily due to an increase in headcount and acquisitions. The operating loss was \$8.5 million compared to \$4.2 million a year ago and \$5.8 million in Q2 2021. The net loss was \$8.2 million versus \$4.2 million and EPS loss was \$0.10 compared to \$0.06 a year ago. Non-IFRS loss was \$8.8 million compared to \$1.3 million last year. The non-IFRS loss was greater as some stock was clawed back from employees that left the company. Non-IFRS loss per share was \$0.10 versus \$0.02.

Primary shares outstanding were 86.1 million for the period, up 20%.

The company showed an operating cash flow and free cash flow loss of \$7.9 million for the quarter.

Balance Sheet Update

NexTech ended the September quarter with \$8.3 million in cash, working capital of \$9.7 million, and no debt or convertible debentures. The Threedy acquisition, which closed on June 25th, added 3,877,551 more shares.

On November 3rd NexTech sold CN\$5 million of common shares and warrants to institutional investors in a PIPE transaction. It issued 3,030,304 shares and warrants to purchase up to an aggregate of 1,515,152 common shares at CAD\$1.65 per share and associated warrant. Each warrant will entitle the holder to purchase one half of one share at CAD\$1.92 per whole share.

The primary share count as of August 11th was 90.1 million.

KEY POINTS

- NexTech AR is a startup based in Toronto that was formed to provide services for, and invest in, businesses using Augmented Reality (AR) and hologram technologies. These technologies are used to improve sales and profits for eCommerce sites, and other verticals such as entertainment and education. The technology converts two-dimensional images of real objects and people into three dimensions. Using AR is a proven way to boost sales and reduce returns in eCommerce, and provides an engaging, economic way to provide information in the education and training space.
- Augmented Reality (AR) is just beginning to make its way into mainstream use and the market is exploding. NexTech AR is the only public pure play we know of that is providing services to allow companies to use AR in marketing and advertising their goods. At a small price to vendors per month per SKU, adoption of just a tiny percent of the trillions of products sold worldwide will create a massive revenue stream for NexTech AR.
- The company is currently has four sources of revenue:
 - Its largest revenue generator is an eCommerce business that is used as a test lab and is driven by the use of AR and holograms in its marketing. Its main web site sells vacuum cleaners and accessories. It recently has started to expand the number of brands it carries. It uses these web sites primarily for in house testing, but we believe the company plans to spin off this business possibly as soon as Q1 2022 to unlock value.
 - It provides the platform LiveX, that allows remote meetings integrated with augmented reality with more security and features than available from mainstream video conferencing platforms, but will work with them seamlessly.
 - It also has a SaaS offering to businesses that places AR renderings created by NexTech AR, or by the customer themselves, for use on their shopping websites and mobile apps, or in ad campaigns. ECommerce customers are charged a monthly fee based on the number of SKUs.
 - In the future it will start to generate revenues from its new AR ad network, which allow customers to place their AR content in advertisements with one stop shopping, holograms and spatial mapping.

- With a nascent market projected to increase by 289% per year over the next five years, NexTech as a unique public pure play that could deserve a higher valuation. It currently trades at an enterprise value of approximately US \$120 million or 6.0xs projected 2021 sales of US\$20 million.

VALUATION

Since our last report, the valuation of NexTech comps have come down, as have most of the tech names, particularly those that benefited from work at home. We have taken a group of companies involved in augmented reality as well as companies that provide conferencing. At current valuations we get an average of 13.5 times EV/2021 Sales. So using US\$20 million for 2021 estimated sales, and a 13.5 multiple, NexTech could be worth an enterprise value as high as US\$270 million or a market value of \$279 million. Dividing by the current fully diluted shares of approximately 91 million, this would be a market value of US\$3.06 per share. Even if we were to split out the eCommerce revenues and give it a separate lower multiple we still get a blended multiple of 6.5 times or a stock price of US\$2.25 by next year.

Company	Ticker	Calendar Revenue 2022E	Calendar Revenue 2021E	LTM	EBIDTA Margin	Enterprise Value / Sales 2022E	Enterprise Value / Sales 2021E	LTM	Included in Average?	Enterprise Value
1-800 Flowers	FLWS	1,994	2,247	2,150	9%	1.3	1.1	1.2	y	2,540
Amazon	AMZN	553,730	470,400	457,970	13%	3.3	3.9	4.0	y	1,850,000
Land's End	LE	1,820	1,690	1,600	9%	0.6	0.7	0.7	y	1,154
Overstock.com	OSTK	3,170	2,830	2,870	3%	1.2	1.4	1.4	y	3,930
PC Connection	CNXN	2,950	2,830	2,770	4%	0.4	0.4	0.4	y	1,144
PetMed Express	PETS	310	287	284	12%	1.7	1.8	1.8	y	519
Chewy	CHWY	10,890	9,050	8,120	1%	2.8	3.4	3.8	y	30,700
US Auto Parts Network	PRTS	671	571	564	0%	1.2	1.4	1.4	y	791
Wayfair	W	15,750	13,920	14,130	3%	1.8	2.0	2.0	y	27,590
Average					5.8%	1.6	1.8	1.9		213,152

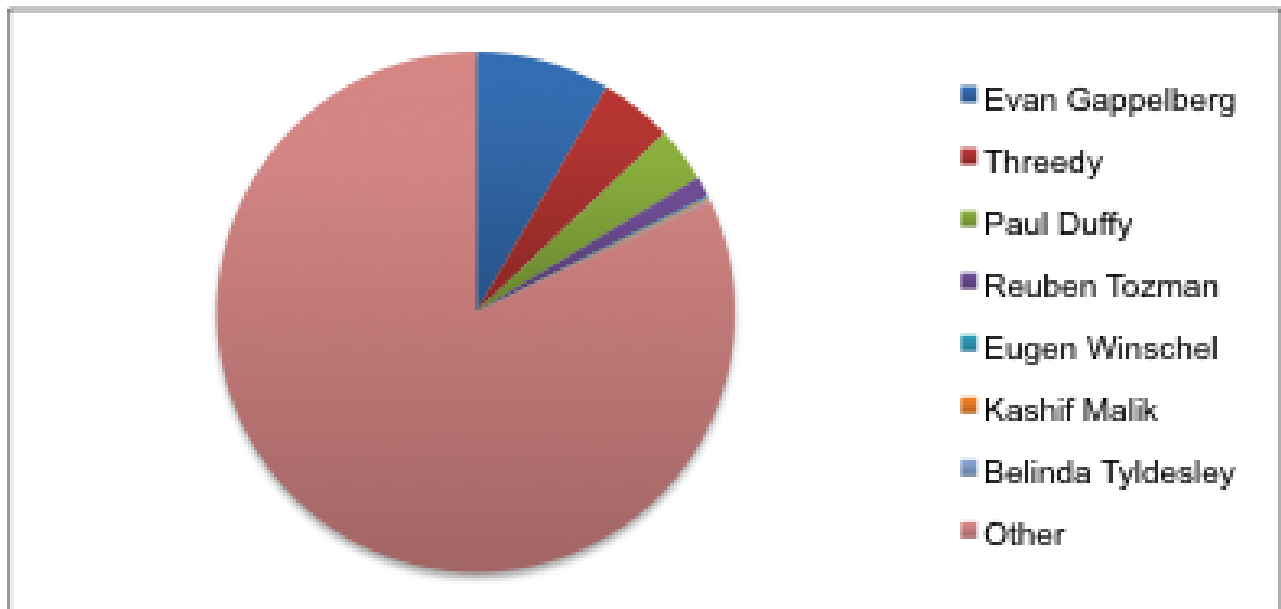
Company	Ticker	Calendar Revenue 2022E	Calendar Revenue 2021E	LTM	EBIDTA Margin	Enterprise Value / Sales 2022E	Enterprise Value / Sales 2021E	LTM	Included in Average?	Enterprise Value
Salesforce	CRM	31,790	26,320	23,540	15%	9.7	11.8	13.1	y	309,270
Snap	SNAP	5,590	4,020	3,730	-18%	15.6	21.7	23.4	y	87,300
WiMi Hologram Cloud	WIMI	192	151	174	-12%	2.3	2.9	2.5	y	434
Zoom	ZM	4,740	4,020	3,640	30%	15.1	17.9	19.7	y	71,780
Average						10.7	13.5	14.7		93,788

RISKS

- NexTech is a start-up with limited operating history. There is no assurance its will evolve into a sustainable, profitable going concern.
- The company is operating at a loss and may continue to need to raise capital until it reaches cash flow break even which could result in dilution of current shareholders.
- To date, NexTech has depended heavily on funding from senior management.

- AR usage is just beginning to be used by early adopters and it is hard to predict how fast or even if AR will be put into use by mainstream eCommerce sites. The company's business with AR customers is still very small and has yet to garner meaningful traction.
- This industry will attract many larger companies with much greater resources who could compete with NexTech in the future.
- The company has just launched and is about to new product lines, which make take more resources and time than expected and may not be successful.
- With the return to normal business operations, the need for InfernoAR's remote capabilities may wane.

OWNERSHIP



INCOME STATEMENT

In Canadian Dollars	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2020	2021E	2022E
	Mar 31, 2020R	June 30, 2020R	Sept 30, 2020R	Dec 31, 2020R	Mar 31, 2021	June 30, 2021	Sept 30, 2021	Dec 31, 2021E			
Product sales	\$2,445,921	\$3,097,770	\$3,810,195	\$4,578,895	\$6,009,259	\$4,430,519	\$4,579,686	\$4,600,000	\$13,932,781	\$19,619,464	\$22,500,000
Yr-to-Yr Growth	NA	NA	NA	87%	146%	43%	20%	0%	252.6%	40.8%	14.7%
Technology services	46,064	187,366	763,155	2,420,916	1,350,066	1,371,056	931,494	1,000,000	3,417,501	4,652,616	14,000,000
Renewable Software licenses	\$0	\$243,893	89,578	1,809	367,378	289,977	226,405	180,000	335,280	1,063,760	1,500,000
Net Revenue	\$2,491,985	\$3,529,029	\$4,662,928	\$7,001,620	\$7,726,703*	\$6,091,552	\$5,737,585	\$5,780,000	\$17,685,652	\$25,335,840	\$38,000,000
Yr-to-Yr Growth	177%	290%	199%	181%	210%	73%	23%	-17%	341.7%	43.3%	50.0%
Cost of goods	1,144,136	1,359,294	1,705,571	3,625,667	4,412,278	3,798,987	3,936,309	4,103,800	7,834,668	16,251,374	24,377,061
Gross margin	1,347,849	2,169,735	2,957,357	3,375,953	3,314,425	2,292,565	1,801,276	1,676,200	9,850,984	9,084,466	19,000,000
Percent of revenues	54.1%	61.5%	63.4%	48.2%	42.9%	37.6%	31.4%	29.0%	55.7%	35.9%	50.0%
Sales and marketing	1,418,833	1,369,008	3,145,881	5,941,740	4,640,087	4,047,840	4,358,738	4,000,000	11,875,462	17,046,665	17,000,000
General and administrative	709,427	1,807,780	639,773	3,136,984	3,747,723	3,418,151	3,735,240	3,500,000	6,293,964	14,401,114	15,000,000
R&D	239,193	265,359	1,048,161	4,984,765	1,793,479	1,330,534	1,863,785	2,000,000	6,537,478	6,987,798	7,455,140
Stock-based compensation	268,275	596,624	2,124,158	2,675,994	2,402,628	556,415	(574,131)	200,000	-	2,584,912	3,000,000
Amortization	88,253	132,458	189,236	262,169	380,220	179,378	682,889	750,000	672,116	1,992,487	2,100,000
Right of use amortization	-	-	-	-	-	45,011	64,735	70,000	-	179,746	200,000
Gain on digital assets	-	-	-	-	-	-	-	-	-	-	-
Gain on contingent consideration	-	-	-	-	-	(1,516,048)	102,400	-	-	(1,413,648)	-
Depreciation	9,849	17,434	25,440	30,260	27,950	32,085	37,286	40,000	82,983	137,321	150,000
Total operating expenses	2,733,830	4,188,663	7,172,649	17,031,912	#####	8,093,366	#####	#####	25,462,003	41,916,395	44,905,140
Operating income	(1,385,981)	(2,018,928)	(4,215,292)	(13,655,959)	(9,677,662)	(5,800,801)	(8,469,666)	(8,883,800)	(15,611,019)	(32,831,929)	(25,905,140)
Operating margin	-55.6%	-57.2%	-90.4%	-195.0%	-125.2%	-95.2%	-147.6%	-153.7%	-88.3%	-129.6%	-68.2%
Impairment	-	-	-	69,423	-	-	-	-	69,423	-	-
Foreign exchange loss (gain)	1,694	6,283	(15,284)	17,402	274,564	52,877	(252,992)	-	10,095	74,449	-
Financing expense	-	-	-	-	-	-	-	-	-	-	-
Realized gain on Bitcoin	-	-	-	-	219,321	-	-	-	-	219,321	-
Total other income	1,694	6,283	(15,284)	86,825	493,885	-	-	-	79,518	293,770	-
Income before income taxes	(1,387,675)	(2,025,211)	(4,200,008)	(13,569,134)	(9,183,777)	(5,853,678)	(8,216,674)	(8,883,800)	(15,690,537)	(32,612,608)	(25,905,140)
Income taxes	24,239	24,239	24,139	24,339	-	-	-	-	96,956	-	-
Tax rate	-1.7%	-1.2%	-0.6%	-0.2%	0.0%	0.0%	0.0%	0.0%	-0.6%	0.0%	0.0%
Net income	(1,363,436)	(2,000,972)	(4,175,869)	(13,544,795)	(9,183,777)	(5,853,678)	(8,216,674)	(8,883,800)	(15,593,581)	(32,612,608)	(25,905,140)
Non-IFRS net income	(735,035)	(1,422,304)	(1,322,119)	(12,396,985)	(6,781,149)	(6,813,311)	(8,790,805)	(8,683,800)	(9,945,968)	(31,069,065)	(22,905,140)
Exchange differences on translating foreign operations	488,316	(308,552)	(195,249)	(237,127)	(52,491)	(65,056)	413,553	-	(252,612)	-	-
Total comprehensive loss	(875,120)	(2,309,524)	(4,371,118)	(13,781,922)	(9,236,268)	(5,918,734)	(7,803,121)	(8,883,800)	(15,846,193)	(32,612,608)	(25,905,140)
Earnings per share	\$ (0.02)	\$ (0.03)	\$ (0.06)	\$ (0.18)	\$ (0.12)	\$ (0.07)	\$ (0.10)	\$ (0.10)	\$ (0.23)	\$ (0.39)	\$ (0.25)
Non-IFRS earnings per share	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.17)	\$ (0.09)	\$ (0.08)	\$ (0.10)	\$ (0.10)	\$ (0.14)	\$ (0.37)	\$ (0.22)
Shares outstanding	61,378,508	65,713,035	71,979,018	74,376,499	77,489,618	82,298,423	86,125,077	90,077,002	68,657,254	83,997,530	103,410,335
Yr-to-Yr Growth	20%	22%	30%	38%	26%	25%	20%	21%	17.8%	22.3%	23.1%
All in shares	65,108,000	75,353,656	77,561,018	76,611,499	82,864,618	91,511,320	9,300,000	94,366,402	73,658,543	69,510,585	110,650,335

BALANCE SHEET

Canadian Dollars	Sept 30, 2021	June 30, 2021	Qtr-Qtr % Change	Sept 30, 2020	Yr-Yr % Change
Assets:					
Cash and cash equivalents	8,258,563	15,395,005	-46%	\$ 16,388,012	-50%
Accounts receivable	1,895,277	1,098,070	73%	1,132,033	67%
Prepaid expenses	895,117	1,306,844	-32%	320,024	180%
Contract assets	267,865	337,207	-21%	96,642	177%
Inventory	4,581,632	4,067,506	13%	2,745,299	67%
Total current assets	15,898,454	22,204,632	-28%	20,682,010	-23%
Equipment	367,784	375,182	-2%	277,258	33%
Right of use assets	1,147,661	1,181,799	-3%	1,116,201	3%
Intangible assets	7,239,443	7,015,403	3%	2,442,199	196%
Goodwill	7,832,208	7,415,770	6%	4,211,566	86%
Total Assets	32,485,550	38,192,786	-15%	28,729,234	13%
Current Liabilities:					
AP & accrued liabilities	3,832,913	2,433,138	58%	2,052,016	87%
Deferred revenue	1,573,270	1,439,910	9%	526,005	199%
Lease liabilities	288,966	237,029	22%	116,447	148%
Contingent consideration	463,030	472,107	-2%	1,067,181	-57%
Total current liabilities	6,158,179	4,582,184	34%	3,761,649	64%
Lease liabilities	860,152	942,877	-9%	996,286	-14%
Deferred income tax liability	0	0	0%	24,339	-100%
Total Liabilities	7,018,331	5,525,061	27%	4,782,274	47%
Stockholders' Equity					
Share capital	65,020,985	63,815,874	2%	37,001,572	76%
Reserves	10,041,357	10,230,303	-2%	5,735,985	75%
Deficit	(49,595,123)	(41,378,449)	20%	(18,790,597)	164%
Total Stockholders' Equity	25,467,219	32,667,728	-22%	23,946,960	6%
Total Liabilities and Stockholders' Equity	32,485,550	38,192,789	-15%	28,729,234	13%
Current ratios	2.6	4.8	-47%	5.5	-53%
Quick ratio	1.8	4.0	-54%	4.8	-61%
Cash	8,258,563	15,395,005	-46%	16,388,012	-50%
Cash as % of assets	25%	40%	-37%	57%	-55%
Working Capital	9,740,275	17,622,448	-45%	16,920,361	-42%
Debt	0	0	0%	0	0%
Debt/Total Assets	0%	0%	0%	0%	0%

CASH FLOW

	3 Months Ending Mar 31, 2020	3 Months Ending June 30, 2020	3 Months Ending Sept 30, 2020	3 Months Ending Dec 31, 2020	Year 2020	3 Months Ending Mar 31, 2021	3 Months Ending June 30, 2021	3 Months Ending Sept 30, 2021
Net Income	\$ (1,363,436)	\$ (2,000,972)	\$ (4,713,088)	\$ (7,516,086)	\$ (15,593,582)	\$ (9,183,777)	\$ (5,853,678)	\$ (8,216,674)
Adjustments to reconcile net loss to net cash used in operating activities:								
Amortization	88,253	132,458	149,962	301,443	672,116	380,220	179,378	682,889
Accretion expense	0	0	(79)	79	0	0	0	0
Right of use assets	0	0	0	68,982	68,982	34,311	45,011	13,466
Gain on sale of bitcoin	0	0	0	0	0	(219,321)	0	0
Deferred income tax recovery	(24,239)	(24,329)	(24,139)	(24,249)	(96,956)	0	0	0
Depreciation	9,849	17,434	25,440	30,260	82,983	27,950	32,085	37,286
Gain on contingent consideration	0	0	0	0	0	0	(1,516,048)	102,400
Interest expense	0	0	0	0	0	0	0	0
Shares issues to settle related party liabilities	38,239	0	0	0	38,239	0	0	0
Stock-based compensation	650,946	861,958	2,893,173	1,258,974	5,665,051	2,402,628	556,415	0
Options and warrants exercised shares out	0	(183,737)	183,737	0	0	6,300	0	0
Share-based payments	0	0	0	1,202,694	1,202,694	22,156	(22,156)	(574,131)
Shares for services	0	0	0	35,074	35,074	1,299,845	0	78,535
Write-off of intangible asset	0	0	0	85,664	85,664	0	0	0
Currency translation adjustment	0	0	0	0	0	0	0	0
Changes in assets and liabilities:								
Receivables	(217,245)	356,792	(867,929)	(164,727)	(893,109)	(783,405)	997,883	(797,207)
Contract asset						(115,582)	22,853	69,342
Prepaid expenses	(19,075)	23,735	(124,034)	(1,033,232)	(1,152,606)	(390,207)	437,732	411,727
Bitcoin	0	0	0	0	0	2,546,035	0	0
Inventory	(244,810)	(83,071)	(1,160,476)	(369,734)	(1,858,091)	(1,462,220)	606,386	(514,123)
Accounts payable and accrued liabilities	(325,523)	673,907	119,806	565,926	1,034,116	1,448,960	(1,543,259)	1,399,775
Other payables	0	(97,771)	0	(132,213)	(229,984)	0	0	0
Deferred revenue	0	0	526,005	(142,983)	383,022	819,047	246,841	133,360
Net Cash Used In Operating Activities	(1,407,041)	(323,596)	(2,991,622)	(5,834,128)	(10,556,387)	(3,167,060)	(5,810,557)	(7,173,355)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Purchase of Bitcoin	0	0	0	(2,546,035)	(2,546,035)	0	0	0
Sale of bitcoin	0	0	0	0	0	219,321	0	0
Contract assets	0	0	0	(244,478)	(244,478)	0	0	0
Cash acquired on a business combination	0	0	0	0	0	0	0	0
Purchase of equipment	0	0	(68,022)	49,383	(18,639)	(50,414)	(60,505)	(27,653)
Purchase of intangibles	0	0	0	(937,396)	(937,396)	0	0	0
Acquisition of Infinite Pet Life	0	0	0	0	0	0	0	0
Acquisition of HootView	0	0	0	0	0	0	0	0
Acquisition of Next Level Ninjas	0	0	(719,895)	719,895	0	0	0	0
Acquisition of Map Dynamics	0	0	0	(777,900)	(777,900)	0	0	0
Net Cash Used In Investing Activities	0	0	(787,917)	(3,736,531)	(4,524,448)	168,907	(60,505)	(27,653)
CASH FLOWS FROM FINANCING ACTIVITIES:								
Convertible debenture	0	0	0	0	0	0	0	0
Capital contribution	0	0	0	0	0	0	0	0
Proceeds from the issue of shares	0	3,009,047	12,118,689	5,428	15,133,164	0	12,632,937	0
Proceeds from options and warrants	712,439	1,404,022	1,765,700	3,881,377	7,763,538	486,464	800,184	123,986
Lease payments	0	0	(39,475)	(35,590)	(75,065)	(44,567)	(91,212)	(13,145)
Business acquisition installment payments	0	0	0	0	0	0	0	(18,902)
Net Cash Provided By Financing Activities	712,439	4,413,069	13,844,914	3,851,215	22,821,637	441,897	13,341,909	91,939
Foreign exchange	154,914	(117,022)	40,438	16,477	94,807	(219,680)	24,142	(27,373)
Net Increase in Cash	(539,688)	3,972,451	10,105,813	(5,702,967)	7,740,802	(2,775,936)	7,494,989	(7,136,442)
Cash - Beginning of Period	2,849,344	2,309,656	6,282,107	16,387,920	2,849,344	10,684,953	7,900,016	15,395,005
Cash - End of Period	2,309,656	6,282,107	16,387,920	10,684,953	10,684,953	7,909,017	15,395,005	8,258,563
Operating cash flow	(600,388)	(1,197,188)	(1,484,994)	(4,557,165)	(7,839,735)	(5,229,688)	(6,578,993)	(7,876,229)
Free cash flow	(600,388)	(1,197,188)	(2,272,911)	(5,747,661)	(9,573,670)	(5,280,102)	(6,639,498)	(7,922,784)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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