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Zacks Small-Cap Research

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NexTech AR Solutions (OTCQB: NEXCF)

NexTech Adds to its AR Solutions With the Acquisition of ARWAY to Pursue the Metaverse

Based on a peer blended average EV to estimated EV/sales multiple of 9.4xs, we believe NexTech stock could be worth $4.76 per share.

Current Price (08/13/21)	US$1.60
Valuation	**US$4.76**

OUTLOOK

NexTech AR is a technology start-up and a unique public company pure play investment in Augmented Reality. 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 augment 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$6.64**
52-Week Low	**US$1.54**
One-Year Return (%)	**-64.2**
Beta	**2.0**
Average Daily Volume (sh)	**160,349**
Shares Outstanding (mil)	**85.6**
Market Capitalization ($mil)	**US$137**
Short Interest Ratio (days)	**1.2**
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	**High**
Type of Stock	**Small Growth**
Industry	**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	7.1 E	11.1 E	32.0 E
2022					55.0 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	-$0.07 E	-$0.03 E	-$0.29 E
2022					-$0.11 E

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WHAT'S NEW

NexTech to Buy Spatial Computing Pioneer ARWAY



By the end of the month NexTech should close on the acquisition of UK-based spatial computing company ARWAY in a US$1 million all-stock transaction (approximately 625,000 shares.) Its key founders Baran Korkmaz and Nikhil Sawlani will join NexTech. This acquisition will provide NexTech with a spatial mapping platform critical to building the Metaverse. ARway provides an Augmented Reality Software Kit (SDK) to frame the digital world in just a few minutes. This is achieved using Unity and AI to recognize surroundings for hyper-accurate location mapping,

NexTech will offer this capability to brands and organizations that want to create mini-metaverses like museums, corporate 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 no-code 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.

Investors can see how ARWAY works in a video through the following link:
Source: NexTech AR https://www.youtube.com/watch?v=VAn83Dvyx9s

Q2 Showed Weakness in eCommerce But AR Revenues Continue to Grow

NexTech is going through a reassessment of it business model and one of the decisions to be made is how to treat the eCommerce business. Initially it was contributing positive cash flow subsidizing the AR business, but in an effort to grow, it became a cash drain. The company is taking a closer look at returning that business back to profitability at the expense of growth and its results may be difficult to forecast until a plan emerges. In conjunction with a reevaluation NexTech took action in Q2 to right size the business and expects to cut operating cost by $6 million a year as it moves to the LiveX platform and adds the automation capabilities of Threedy. Once the platform offers self-serve to clients, operating costs should start to plummet. This is expected to happen by the end of Q4. In Q3 we expect to see a reduction of $1.5 million primarily payroll, and the benefit should be seen across expense lines as well as gross margin. The company has $15 million in the bank and plans to get the cash burn to under $1.5 million a month. We expect Q3 to show sequential revenue improvement combined with improved profitability looked at without the one-time gain of Q2.

Q2 2021 Results

NexTech reported a down sequential quarter, but still up 73% year over year. ECommerce reported revenues of $4.4 million, up from $3.1 million in Q2 2020 or 43%. ECommerce cut back its discounting and is focusing on more profitable sales in order to return to contributing to the company's cash generation. By comparison, eCommerce generated $1.6 million in fewer sales in Q2 than Q1, but that $1.6 million only contributed $88,000 in profits.

The technology services plus renewable software licenses revenues were essentially flat sequentially at $1.7 million, but up from $431,000 last year. In addition to a seasonally slow summer, the hope of a return to in-person events shifted some plans from virtual. But that trend has reversed as certain geographies have put stricter measures in place. Jolokia was bought April 30, 2020 so next quarter will be the first with a full quarter of revenues in 2020 to which to compare.

Backlog was up $249,000 sequentially to $2.3 million, while bookings were down to $1.7 million from $2.2 million in Q1 2021.

Gross margin was 37.6% of revenues or $2.3 million compared to 61.5% and $2.2 million a year ago and 42.9% or $3.3 million in Q1 2021. The decline in margin was due to product discounts in eCommerce as well as compensation associated with virtual events.

Operating expenses were $8.1 million compared to $4.2 million last year. Of this, $1.5 million was a one-time gain on reevaluation of contingent consideration on the purchase of Jolokia upon its anniversary. Without that operating expenses would have been $9.6 million, still a reduction from the $13.0 million in Q1 2021. The company is working to reduce expenses going forward through staff reduction, and we hope to see a full quarter of savings by Q4 2021.

The operating loss was $5.8 million compared to $2.0 million a year ago and $9.7 million in Q1 2021. Without the one-time gain it was a loss of $7.3 million. The net loss was $5.9 million versus $2.0 million and EPS loss was $0.07 compared to $0.02 a year ago. Non-IFRS loss was $6.8 million compared to $1.4 million last year. Non-IFRS loss per share was $0.08 versus $0.02.

Primary shares outstanding were 82.3 million for the period, up 25%. The share count as of August 11th was 85.6 million.

The company showed an operating cash flow and free cash flow loss of $6.6 million for the quarter. The company is working to reduce its burn.

Balance Sheet Update

NexTech ended the June quarter with $15.4 million in cash, working capital of $17.6 million, and no debt or convertible debentures. On April 8, 2021, NexTech issued 2,801,500 units at $5.00 per unit and 100,000 warrants at a price of $0.5429 per warrant for gross proceeds of $14,061,790 and net of $12,844,837. Each unit is one share of common and one-half of one common share purchase warrant. Warrants are exercisable at $6.00 for a period of two years, subject to accelerated expiry provisions. The Threedy acquisition, which closed on June 25th, added 3,877,551 more shares.

During Q2

On June 25, 2021, NexTech acquired Threedy.ai, for US$9.5 million in stock. Threedy's proprietary AI will allow the production of 3D models at a much quicker pace.

Paul Duffy was appointed Chairman of the Board, Chris Burton, Executive Vice President Head of Global Sales, and Andrew Chan Chief Financial Officer.

NexTech released the "LiveX" Digital Experience Platform that enables Augmented Digital Experiences, AR E-Commerce, AR Advertising, and AR Products.

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. This 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, and cash flow generation but we could see the company ultimately reselling them or spinning them off later at higher valuations.

    - 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 $122 million or 4.7xs projected 2021 calendar sales of US$26 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 17.0 times EV/2021 Sales. So using US$26 million for 2021 estimated sales, and a 17.0 multiple, NexTech could be worth an enterprise value as high as US$425 million or a market value of $440 million. Dividing by the current fully diluted shares of approximately 87 million, this would be a market value of US$5.07 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 5.9 times or a stock price of US$1.95. By next year that could be $4.76 using revenues of $44 million and 9.4 times with a 50/50 split.

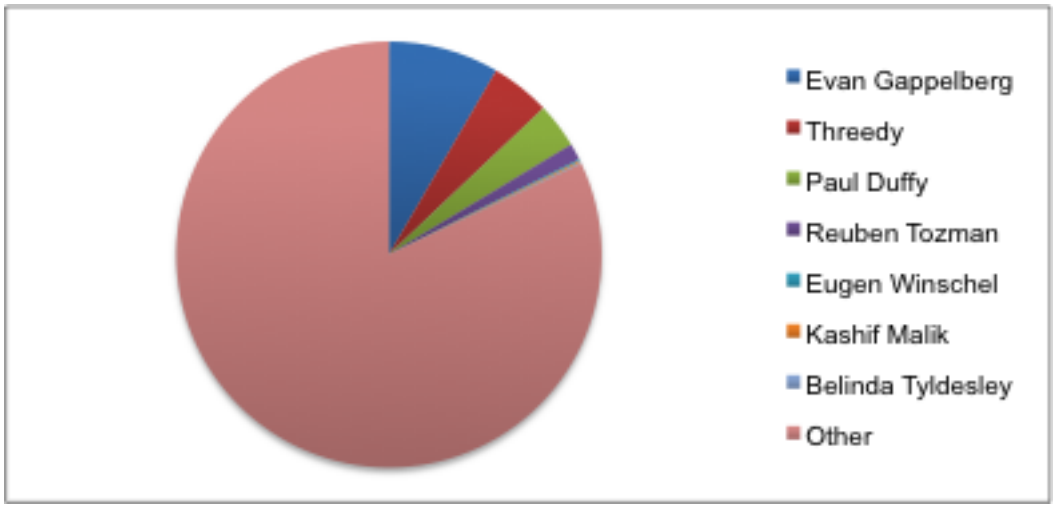
Company	Ticker	Calendar Revenue 2022E	Calendar Revenue 2021E	LTM	EBIDTA Margin	Enterprise Value / Sales 2022E	Enterprise Value / Sales 2021E	Enterprise Value / Sales LTM	Included in Average?	Enterprise Value
1-800 Flowers	FLWS	NA	2,233	2,050	9%	NA	1.0	1.1	y	2,160
Amazon	AMZN	581,180	490,270	443,300	13%	2.9	3.5	3.8	y	1,700,000
Land's End	LE	1,760	1,640	1,530	8%	0.9	1.0	1.1	y	1,610
Overstock.com	OSTK	3,190	2,840	2,900	3%	0.8	0.9	0.9	y	2,480
PC Connection	CNXN	2,870	2,770	2,670	3%	0.4	0.4	0.4	y	1,150
PetMed Express	PETS	NA	295	292	13%	NA	1.6	1.7	y	485
Chewy	CHWY	10,830	8,950	7,660	0%	3.6	4.4	5.1	y	39,370
US Auto Parts Network	PRTS	614	532	539	1%	1.5	1.7	1.7	y	909
Wayfair	W	19,040	15,840	14,850	5%	1.8	2.1	2.2	y	33,320
Average					6.2%	1.3	1.8	2.0		197,943

Company	Ticker	Calendar Revenue 2022E	Calendar Revenue 2021E	LTM	EBIDTA Margin	Enterprise Value / Sales 2022E	Enterprise Value / Sales 2021E	Enterprise Value / Sales LTM	Included in Average?	Enterprise Value
Salesforce	CRM	31,070	26,000	22,350	16%	7.4	8.8	10.2	y	229,000
Snap	SNAP	5,760	3,910	3,340	-20%	21.2	31.2	36.5	y	122,000
WiMi Hologram Cloud	WIMI	194	153	118	-17%	1.7	2.2	2.8	y	334
Zoom	ZM	4,000	3,970	3,280	30%	25.8	26.0	31.4	y	103,100
Average						14.0	17.0	20.3		90,918

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 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 Mar 31, 2020R	Q2 June 30, 2020R	Q3 Sept 30, 2020	Q4 Dec 31, 2020	Q1 Mar 31, 2021	Q2 June 30, 2021	Q3 Sept 30, 2021E	Q4 Dec 31, 2021E	2020	2021E	2022E
Product sales	$2,445,921	$3,097,770	$3,709,041	$4,588,028	$6,009,259	$4,430,519	$5,000,000	$8,000,000	$13,932,781	$23,439,778	$32,000,000
Yr-to-Yr Growth	NA	NA	NA	88%	146%	43%	35%	74%	252.6%	68.2%	36.5%
Technology services	$46,064	$187,366	NA	$2,226,488	$1,350,066	$1,371,056	$1,800,000	$2,600,000	$3,417,501	7,121,122	$21,000,000
Renewable Software licenses	$0	$243,893	NA	187,195	367,378	289,977	300,000	450,000	335,280	1,407,355	2,000,000
Bookings	46,064	436,642	NA	2,454,158	2,231,554	1,746,064			5,228,395	19,339,732	
Yr-to-Yr Growth	NA	NA	NA	5144%	4744%	300%	NA	NA	30.6%	269.9%	
Backlog	$0	$0	1,435,140	1,475,615	1,989,725	2,238,455			1,475,615		
Net Revenue	**$2,491,985**	**$3,529,029**	**$4,662,928**	**$7,001,710**	**$7,726,703**	**$6,091,552**	**$7,100,000**	**$11,050,000**	**$17,685,652**	**$31,968,255**	**$55,000,000**
Yr-to-Yr Growth	177%	290%	199%	181%	210%	73%	52%	58%	341.7%	80.8%	72.0%
Cost of goods	1,144,136	1,359,294	1,705,571	3,625,667	4,412,278	3,798,987	4,260,000	6,409,000	7,834,668	18,880,265	28,320,398
Gross margin	1,347,849	2,169,735	2,957,357	3,376,043	3,314,425	2,292,565	2,840,000	4,641,000	9,850,984	13,087,990	27,500,000
Percent of revenues	54.1%	61.5%	63.4%	48.2%	42.9%	37.6%	40.0%	42.0%	55.7%	40.9%	50.0%
Sales and marketing	1,418,833	1,369,008	3,882,636	5,204,985	4,640,087	4,047,840	3,400,000	2,900,000	11,875,462	14,987,927	15,000,000
General and administrative	709,427	1,807,780	975,876	2,800,881	3,747,723	3,418,151	3,000,000	2,400,000	6,293,964	12,565,874	12,000,000
R&D	239,193	265,359	2,675,954	3,356,972	1,793,479	1,330,534	1,100,000	900,000	6,537,478	5,124,013	3,600,000
Stock-based compensation	268,275	596,624	NA	NA	2,402,628	556,415	1,000,000	1,000,000	-	4,959,043	5,000,000
Amortization	88,253	132,458	149,962	301,443	380,220	179,378	179,378	179,378	672,116	918,354	1,500,000
Right of use amortization						45,011	45,011	45,011		135,033	
Gain on digital assets	-	-	-	-	-	-	-	-	-	-	-
Gain on contingent consideration	-	-	-	-	-	(1,516,048)	-	-		(1,516,048)	
Depreciation	9,849	17,434	25,440	30,260	27,950	32,085	30,000	30,000	82,983	120,035	130,000
Total operating expenses	2,733,830	4,188,663	7,709,868	11,694,541	#######	8,093,366	8,754,389	7,454,389	25,462,003	37,294,231	37,230,000
Operating income	(1,385,981)	(2,018,928)	(4,752,511)	(8,318,498)	(9,677,662)	(5,800,801)	(5,914,389)	(2,813,389)	(15,611,019)	(24,206,241)	(9,730,000)
Operating margin	-55.6%	-57.2%	-101.9%	-118.8%	-125.2%	-95.2%	-83.3%	-25.5%	-88.3%	-75.7%	-17.7%
Imparirment		-	-	69,423	-	-	-	-	69,423	-	-
Foreign exchange loss (gain)	1,694	6,283	(15,284)	17,402	274,564	52,877	-	-	10,095	327,441	-
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	546,762	-
Income before income taxes	(1,387,675)	(2,025,211)	(4,737,227)	(8,231,673)	(9,183,777)	(5,853,678)	(5,914,389)	(2,813,389)	(15,690,537)	(23,986,920)	(9,730,000)
Income taxes	24,239	24,239	24,139	24,339	-	-	-	-	96,956	-	(291,900)
Tax rate	-1.7%	-1.2%	-0.5%	-0.3%	0.0%	0.0%	0.0%	0.0%	-0.6%	0.0%	3.0%
Net income	(1,363,436)	(2,000,972)	(4,713,088)	(8,207,334)	(9,183,777)	(5,853,678)	(5,914,389)	(2,813,389)	(15,593,581)	(23,986,920)	(10,021,900)
Non-IFRS net income	(735,035)	(1,422,304)	(1,859,338)	(7,059,524)	(6,781,149)	(6,813,311)	(4,914,389)	(1,813,389)	(9,945,968)	(20,322,238)	(5,021,900)
Exchange differences on translating foreign operations	488,316	(308,552)	(167,617)	(264,759)	(52,491)	(65,056)	-	-	(252,612)	-	-
Total comprehensive loss	(875,120)	(2,309,524)	(4,880,705)	(8,472,093)	(9,236,268)	(5,918,734)	(5,914,389)	(2,813,389)	(15,846,193)	(23,986,920)	(10,021,900)
Earnings per share	**$ (0.02)**	**$ (0.03)**	**$ (0.07)**	**$ (0.11)**	**$ (0.12)**	**$ (0.07)**	**$ (0.07)**	**$ (0.03)**	**$ (0.23)**	**$ (0.29)**	**$ (0.11)**
Non-IFRS earnings per share	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.09)	$ (0.09)	$ (0.08)	$ (0.06)	$ (0.02)	$ (0.14)	$ (0.25)	$ (0.05)
Shares outstanding	61,378,508	65,713,035	71,979,018	74,376,499	77,489,618	82,298,423	85,578,897	85,828,897	68,657,254	82,798,959	94,684,986
Yr-to-Yr Growth	20%	22%	30%	38%	26%	25%	19%	15%	17.8%	20.6%	14.4%
All in shares	65,108,000	75,353,656	77,561,018	76,611,499	82,864,618	91,511,320	91,070,697	91,070,697	73,658,543	89,129,333	100,424,986

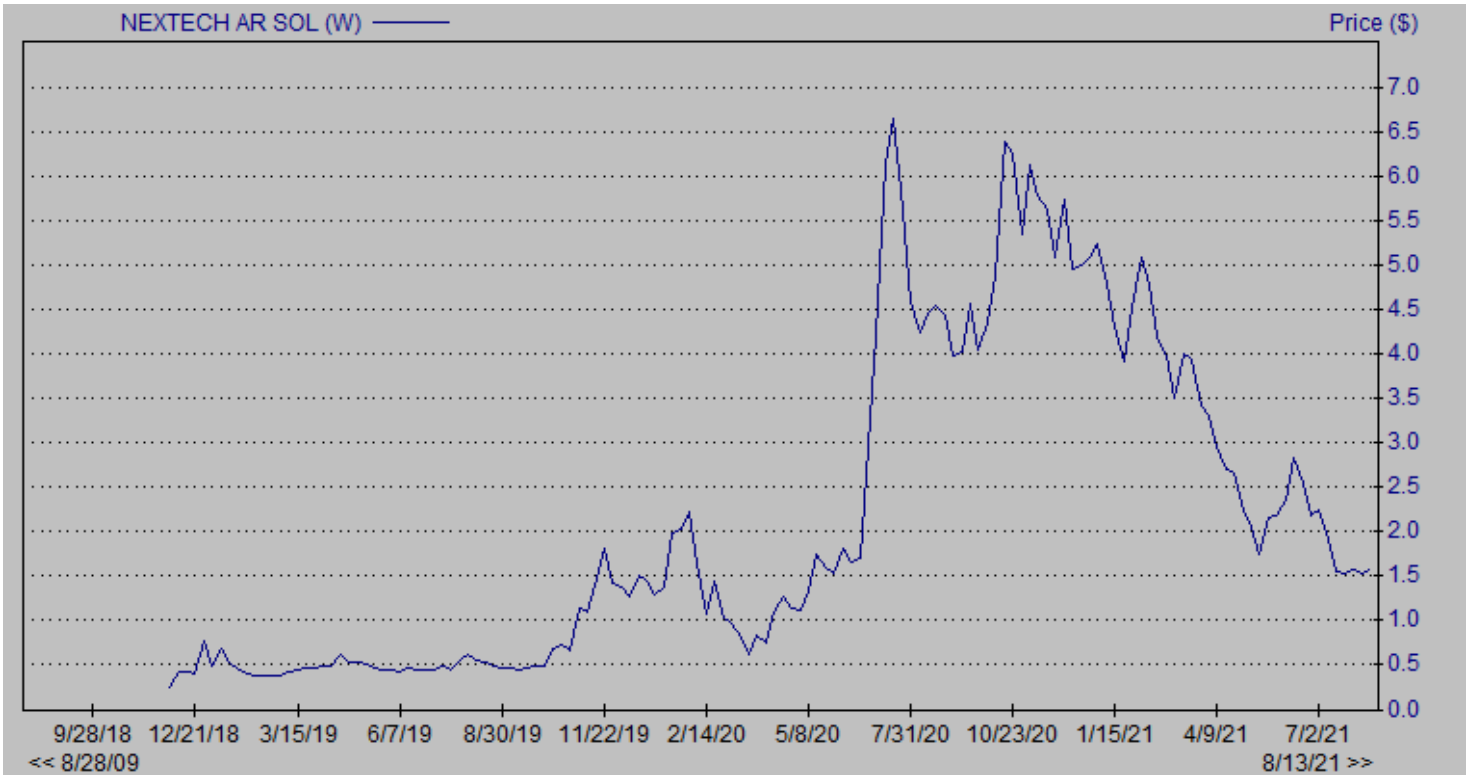
BALANCE SHEET

Canadian Dollars	June 30, 2021	Mar 31, 2021	Qtr-Qtr % Change	June 30, 2020	Yr-Yr % Change
Assets:					
Cash and cash equivalents	**15,395,005**	**7,900,016**	95%	**$ 6,282,197**	242%
Accounts receivable	1,098,070	2,095,953	-48%	264,104	238%
Prepaid expenses	1,306,844	1,744,576	-25%	195,990	694%
Contract assets	337,207	360,060	-6%	0	0%
Inventory	4,067,506	4,673,895	-13%	1,681,465	192%
Total current assets	22,204,632	16,774,500	32%	8,423,756	253%
Equipment	375,182	337,036	11%	242,303	55%
Right of use assets	1,181,799	992,298	19%	0	NA
Intangible assets	7,015,403	3,090,162	127%	2,250,734	212%
Goodwill	7,415,770	4,847,750	53%	3,997,440	86%
Total Assets	38,192,786	26,041,746	47%	14,914,233	156%
Current Liabilities:					
AP & accrued liabilities	2,433,138	3,976,397	-39%	1,748,473	39%
Deferred revenue	1,439,910	1,193,069	21%	0	NA
Lease liabilities	237,029	147,750	60%	0	NA
Contingent consideration	472,107	2,489,557	-81%	1,067,181	-56%
Total current liabilities	4,582,184	7,806,773	-41%	2,815,654	63%
Lease liabilities	942,877	836,323	13%	NA	NA
Deferred income tax liability	0	0	0%	48,478	-100%
Total Liabilities	5,525,061	8,643,096	-36%	2,864,132	93%
Stockholders' Equity					
Share capital	63,815,874	43,775,485	46%	23,562,376	171%
Reserves	10,230,303	9,113,625	12%	2,565,234	299%
Deficit	(41,378,449)	(35,490,460)	17%	(14,077,509)	194%
Total Stockholders' Equity	32,667,728	17,398,650	88%	12,050,101	171%
Total Liabilities and Stockholders' Equity	38,192,789	26,041,746	47%	14,914,233	156%
Current ratios	4.8	2.1	126%	3.0	62%
Quick ratio	4.0	1.6	155%	2.4	65%
Cash	15,395,005	7,900,016	95%	6,282,197	145%
Cash as % of assets	40%	30%	33%	42%	-4%
Working Capital	17,622,448	8,967,727	97%	5,608,102	214%
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
Net Income	$ (1,363,436)	$ (2,000,972)	$ (4,713,088)	$ (7,516,086)	$ (15,593,582)	$ (9,183,777)	$ (5,853,678)
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
Accretion expense	0	0	(79)	79	0	0	0
Right of use assets	0	0	0	68,982	68,982	34,311	45,011
Gain on sale of bitcoin	0	0	0	0	0	(219,321)	0
Deferred income tax recovery	(24,239)	(24,329)	(24,139)	(24,249)	(96,956)	0	0
Depreciation	9,849	17,434	25,440	30,260	82,983	27,950	32,085
Gain on contingent consideration	0	0	0	0	0	0	(1,516,048)
Interest expense	0	0	0	0	0	0	0
Shares issues to settle related party liabilities	38,239	0	0	0	38,239	0	0
Stock-based compensation	650,946	861,958	2,893,173	1,258,974	5,665,051	2,402,628	556,415
Options and warrants exercised shares out	0	(183,737)	183,737	0	0	6,300	
Share-based payments	0	0	0	1,202,694	1,202,694	22,156	(22,156)
Shares for services	0	0	0	35,074	35,074	1,299,845	0
Write-off of intangible asset	0	0	0	85,664	85,664	0	0
Currency translation adjustment	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
Contract asset						(115,582)	22,853
Prepaid expenses	(19,075)	23,735	(124,034)	(1,033,232)	(1,152,606)	(390,207)	437,732
Bitcoin	0	0	0	0	0	2,546,035	0
Inventory	(244,810)	(83,071)	(1,160,476)	(369,734)	(1,858,091)	(1,462,220)	606,386
Accounts payable and accrued liabilities	(325,523)	673,907	119,806	565,926	1,034,116	1,448,960	(1,543,259)
Other payables	0	(97,771)	0	(132,213)	(229,984)	0	0
Deferred revenue	0	0	526,005	(142,983)	383,022	819,047	246,841
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)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Purchase of Bitcoin	0	0	0	(2,546,035)	(2,546,035)	0	0
Sale of bitcoin	0	0	0	0	0	219,321	0
Contract assets	0	0	0	(244,478)	(244,478)	0	0
Cash acquired on a business combination	0	0	0	0	0	0	0
Purchase of equipment	0	0	(68,022)	49,383	(18,639)	(50,414)	(60,505)
Purchase of intangibles	0	0	0	(937,396)	(937,396)	0	0
Acquisition of Infinite Pet Life	0	0	0	0	0	0	0
Acquisition of HootView	0	0	0	0	0	0	0
Acquisition of Next Level Ninjas	0	0	(719,895)	719,895	0	0	0
Acquisiton of Map Dynamics	0	0	0	(777,900)	(777,900)	0	0
Net Cash Used In Investing Activities	0	0	(787,917)	(3,736,531)	(4,524,448)	168,907	(60,505)
CASH FLOWS FROM FINANCING ACTIVITIES:							
Convertible debenture	0	0	0	0	0	0	0
Capital contribution	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
Proceeds from options and warrants	712,439	1,404,022	1,765,700	3,881,377	7,763,538	486,464	800,184
Lease payments	0	0	(39,475)	(35,590)	(75,065)	(44,567)	(91,212)
Business acquisition installment payments	0	0	0	0	0	0	0
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
Foreign exchange	154,914	(117,022)	40,438	16,477	94,807	(219,680)	24,142
Net Increase in Cash	(539,688)	3,972,451	10,105,813	(5,702,967)	7,740,802	(2,775,936)	7,494,989
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
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
Operating cash flow	(600,388)	(1,197,188)	(1,484,994)	(4,557,165)	(7,839,735)	(5,229,688)	(6,578,993)
Free cash flow	(600,388)	(1,197,188)	(2,272,911)	(5,747,661)	(9,573,670)	(5,280,102)	(6,639,498)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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