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Zacks Small-Cap Research

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Bragg Gaming (NASDAQ: BRAG)

Delays in German Regulation Added to Q3 Revenues But New Markets Are Driving Future Growth

Based on an industry average EV to sales of 5.7xs 2021 revenues, we believe BRGGF stock could be worth $17.30 per share.

Current Price (11/08/21)	US$9.18
Valuation	**US$17.30**

OUTLOOK

Bragg Gaming is a B2B platform provider for igaming that is predominantly focused on providing exclusive content on its in-house developed RGS in addition to casino aggregation and offering a fully customizable platform. It operates primarily in Europe but is located in Canada and has entered the US market with the acquisitions of Wild Streak Gaming and the soon to close Spin Gaming. It also expects to win business when it gets licensed in the UK followed by the soon-to-be-legalized Canadian market. It has highly experienced and connected management and board members that should be able to parlay their backgrounds into future customer wins. Due to its high percent of sales in Germany, where new regulation began 7/1, it is trading at a discount to its peers affording investors a unique buying opportunity.

SUMMARY DATA

52-Week High	**$22.39**
52-Week Low	**$6.86**
One-Year Return (%)	**41.4**
Beta	**1.7**
Average Daily Volume (sh)	**41,513**
Shares Outstanding (mil)	**20.0**
Market Capitalization ($mil)	**$182**
Short Interest Ratio (days)	**13.9**
Institutional Ownership (%)	**0.1**
Insider Ownership (%)	**32**
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-Blend**
Industry	**Gaming**

ZACKS ESTIMATES

Revenue
(in millions of €)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	6.1 A	5.9 A	6.7 A	7.8 A	26.6 A
2020	8.8 A	12.1 A	11.7 A	13.8 A	46.4 A
2021	14.2 A	15.5 A	12.9 A	13.0 E	55.6 E
2022					60.0 E

IFRS Earnings Per Share
Continuing Operations

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	-€0.27 A	-€0.64 A	-€0.01 A	-€0.47 A	-€1.37 A
2020	-€0.67 A	-€0.08 A	-€0.39 A	-€0.46 A	-€1.69 A
2021	-€0.06 A	-€0.12 A	-€0.12 A	-€0.20 E	-€0.50 E
2022					-€0.30 E

Zacks Projected EPS Growth Rate - Next 5 Years % **25**

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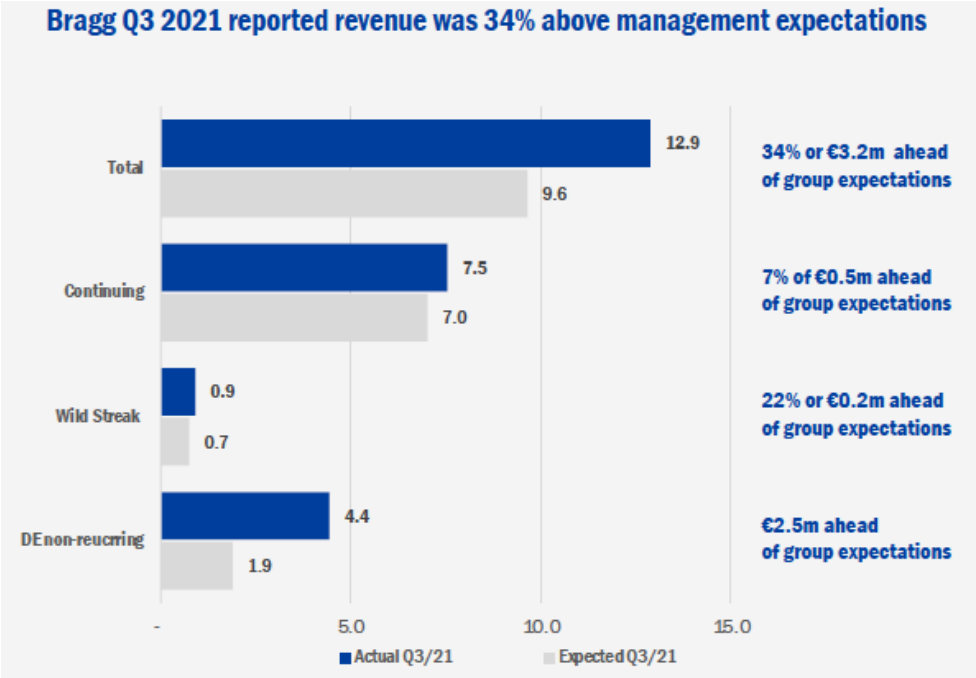
WHAT'S NEW

Bragg reported Q3 revenues and earnings that beat expectations primarily due to a less than smooth implementation of German regulations on online casino games. Despite have a start date of July1, 2021, Germany managed to issue no licenses for operators by that date so gaming continued without them. Bragg (and its lawyers) went back and forth with customers (and their lawyers) allowing those who had at least thought of applying for a license to continue up until September 30th. On that date, all customers who had not shown proof of a license application or been granted one, were IP blocked by Bragg. As a result, Q3 revenues came in much stronger than expected and the company labeled all revenues from the 30 or so customers that were subsequently IP blocked, as non-recurring. It generated €4.4 million in non-recurring revenues rather than the €1.9 million expected as shown below.



Source: Bragg Gaming Group

With a strong Q3 and better performance in ongoing operations, the company raised it 2021 revenue guidance to €55-56 million (US $65-66 million) and adjusted EBITDA to €6.6-6.8 million (US $7.8-8.0 million), compared to its previously provided revenue and adjusted EBITDA full year outlook of €49 million (US $57.8 million) and €5.4 million (US $6.4 million), respectively.

This gives a Q4 revenue range of 12.4-13.4 million (US$14.4-$15.5 million) and adjusted EBIDTA range of €940,000-1.1 million (US $1.1-1.3 million.)

In addition, Bragg raised its full year 2022 revenue guidance to €59-61 million (US $70-72 million), compared to the initial expected range of €54-56 million (US $63.7-$66.1 million) which was provided on August 11, 2021 and provided adjusted EBITDA guidance of EUR €6-7 million (USD $7.1-8.3 million).

Investing in Bragg is a waiting game. Waiting for the German decline to anniversary so true growth can be evidenced. Also waiting for events that will drive the stock which include: the closing of the Spin acquisition, allowing the company to launches into US states in which Spin is licensed, as well as the the granting of the UK license. Both events should happen shortly however. While current business continues to grow, the

big upside the first half of next year should come from the UK, the €5.5 billion market where it is impossible to predict Bragg's revenues.

Q3 2021 Earnings

For the quarter ending September 30, 2021, affected by the transition to German regulation, Bragg generated €12.9 million in revenues versus €11.7 million in Q3 2020, growth of 10%. Of the €12.9 million, €900,000 came from the Wild Games, which was acquired on June 2, 2021. Gross profit margin was 51.4% versus 43.4% in Q3 2020 due to higher proportion of revenue derived from platform and managed services, and the addition of Wild Streak Gaming revenue which has no cost of sale, compared to games and content which have associated third party costs.

Operating expense increased to €10.4 million from €7.4 million a year ago with the addition of Wild Streak and other employees. The biggest increase was in salaries, of which share based compensation was €1.5 this year compared to only €91,000 last.

Operating income was a loss of €2.3 million in Q3 2021 flat with Q2 2020. Without one-time expenses the company would have had operating loss of €2.1 million this year and last.

The company paid €161,000 in taxes compared with paying €544,000 in Q3 2020. The company paid taxes as a percent of EBITDA at a rate of 11.4% compared to paying at a rate of 29.7% last year.

On an IFRS basis, loss from continuing operations was €2.5 million versus a loss of €3.1 million a year ago. IFRS EPS loss was €0.12 versus a loss of €0.39. On a continuing operations non-IFRS basis, taking out charges and stock-based compensation, Bragg lost €0.00 per share versus a loss of €0.01 in Q3 2020. In Q3 2021 the share count increased 147% year over year to 20.0 million primary shares. Adjusted EBITDA in Q3 2021 was €1.4 million compared to €1.8 million in Q3 2020. The company increased its EBITDA expectations for the year to €6.6-6.8 million.

Balance Sheet

Bragg ended September 30, 2021 with €20.3 million in cash and no debt. Its working capital was €11.4 million and its quick ratio is still 1.6 times. Cash flow was a positive €220,000, while free cash flow was a negative €456,000.

During the Quarter

During the quarter Bragg released 13 new exclusive games via its Oryx remote games server in partnership with third-party studios, and two new proprietary games from its in-house Oryx Gaming studio. Wild Streak had nine games live by the end of the quarter. Bragg launched nine B2C operators in the quarter including Holland Casino, the state-owned Lottery (Nederlandse Loterij), and BetCity.nl in the Netherlands, a new market in which performance was way above expectations due to limited competition as the country reregulated the business and some providers dropped out.

On August 9th, Bragg announced that ORYX had been granted an A1 license to supply its exclusive content via its remote games server to operators in Greece. Greece is now fully regulated and ORYX is now live and fully compliant there. Current customers in Greece include: OPAP, Stoiximan, Betsson, and NetBet, with more online casino brands expected to go live this year.

On August 17th Bragg took its ORYX Hub content live with Admiral Bet in Serbia. Admiral Bet is part of the NOVOMATIC Group who had been a customer of ORYX's in the German and Croatian markets.

On September 2, 2021 Wild Streak Gaming extended its relationship with Sega Sammy Creation Inc. for two additional slot games. Sega Sammy will develop Wild Streak's popular *Dragon Power* and *Egyptian Magic* titles for land-based casinos. In the August Dragon Power ranked at the No. 3 in the top slot games in the U.S.

Subsequent Events

On October 14, 2021, a Bragg announced ORYX Gaming is to be integrated with the Playtech Games Marketplace allowing its games to be available to operators providing content to markets such as Spain, Italy, Switzerland, the Netherlands, and the UK. This comprises 10,000 games from over 100 suppliers including exclusive titles from its partners such as Gamomat, Peter & Sons, Golden Hero and Kalamba, as well as ORYX's own in-house content.

On November 5th, Brag announced a new platform and content deal with operator MERKUR in the Czech Republic and expects it to be live Q2 2022.

On November 8th Bragg announced it has entered into an exclusive global content licensing agreement with Bluberi, a popular casino gaming content provider based in Las Vegas, for distribution of its extensive portfolio of land-based slot games which will also be adapted for the online market by Bragg's Wild Streak Gaming.

On May 12th, Bragg announced it would buy Spin Games LLC, based in Reno, for the same amount as Wild Streak---US$30 million comprised of US$10 million in cash and US$20 million of stock. US$5 million in stock will be issued on closing and the balance over the next three years. The transaction will close following final approval from gaming regulators and satisfaction of other customary conditions, which is expected to be mid-December 2021. On Sept. 30, 2021 Spin Games announced that the State of Connecticut Department granted it an Online Gaming Service Provider license. Other licensed North American jurisdictions are New Jersey, Pennsylvania, and British Columbia, as well as a provisional license in Michigan. At the point the deal closes, Bragg is ready flip the switch and can launch operations in those jurisdictions within a week.

The company expected to be licensed and generating revenue in the UK and Italy in the first half of 2021 and in Canada by the first half of 2022 when Ontario opens for iGaming. In the UK the company already has contracts with customers and as soon as it is licensed there will be a gradual rollout adding more and more customers per month.

KEY POINTS

- Bragg Gaming is an adjusted EBITDA positive, US$184 million (fully diluted) market cap company with approximately US$23.5 million (€20.3 million) in cash and no debt. It is expected to grow 8% in 2022 to despite a hit from mid-year 2021 regulations in Germany, its biggest market.

- Bragg Gaming just uplisted to NASDAQ, on August 27th which should bring further credibility, a new set of eyes, and institutional interest to the stock.

- It plans to grow organically and through acquisition. In May it bought Wild Streak Gaming and it plans to buy Spin Games LLC, which should close by year-end after getting the needed regulatory approvals. This will add desirable proprietary content and make it more competitive in North American markets. Owning content will also increase margins for the company as game studios typically operate at 70% gross margins. Rather than being just a distributor, owning the content will allow it to capture 100% of the gross margin. The addition of Spin will allow it to rapidly enter various states in the US where Spin has licenses.

- It is less well known because its operations are mainly in Europe (it reports financials in Euros) and it has just entered the US with its acquisition of Wild Streak Games. It has no revenues in Canadian (where igaming is still illegal.) That should change as it pursues opportunities primarily in the soon to be legalized Canadian market, where it is well positioned. Its penetration of the US will also increase with the Q4 acquisition of Spin.

- Bragg is the only public pure play B2B platform provider. As such, it exhibits considerable operating leverage, which should provide it with greater earnings growth than revenue growth. Its revenues are variable and based on a percent of net gaming revenues of its customers, while its costs are mostly fixed.

- As these short-term problems resolve, investors have an exceptional opportunity to buy Bragg stock well below the valuations of its peers. A year from now, we expect Bragg will not only show accelerated growth but should trade in line with the rest of the online gambling industry providers and investors should reap both growth and multiple expansion. Bragg valuation at 3.8xs EV/2021 estimated sales, is well below its peers who trade at 5.7xs EV/2021Sales.

OVERVIEW

Bragg Gaming is a Toronto based company that sells to customers based primarily in Europe. It has approximately 259 employees located in Slovenia, the UK, Canada, and the US. It provides a B2B platform for businesses to provide their customers online casino gaming, sports betting and lotteries and it receives a portion of the net gaming revenues it supports. It does not sell to consumers nor is it responsible for customer acquisition costs. It strictly allows an operator to offer games to their customers. It provides sports betting in Eastern Europe and Latin American, but in more competitive markets like North America and Western Europe, it often partners with other sports betting providers. The percentage it earns varies with the services provided, and can go as high as 15-20% for a full turnkey solution, and as low as 2%. Many of its customers who have overseas operations plan to enter the US and Canadian markets and we believe if successful, they will bring in US and Canadian revenues for Bragg.

Bragg is also well positioned to pursue new North American customers with its well-connected board. In an industry where who you know counts as much as what you know, Bragg has the connections. Bragg's Chairman of the Board and CEO is Richard Carter, the former CEO of SB Tech, and a recognized authority in the online sport betting industry. This year the company has added Paul Godfrey, Laura Falzon, Holly Gagnon, and Alex Spiro to the board, all of whom have extensive industry experience.

VALUATION

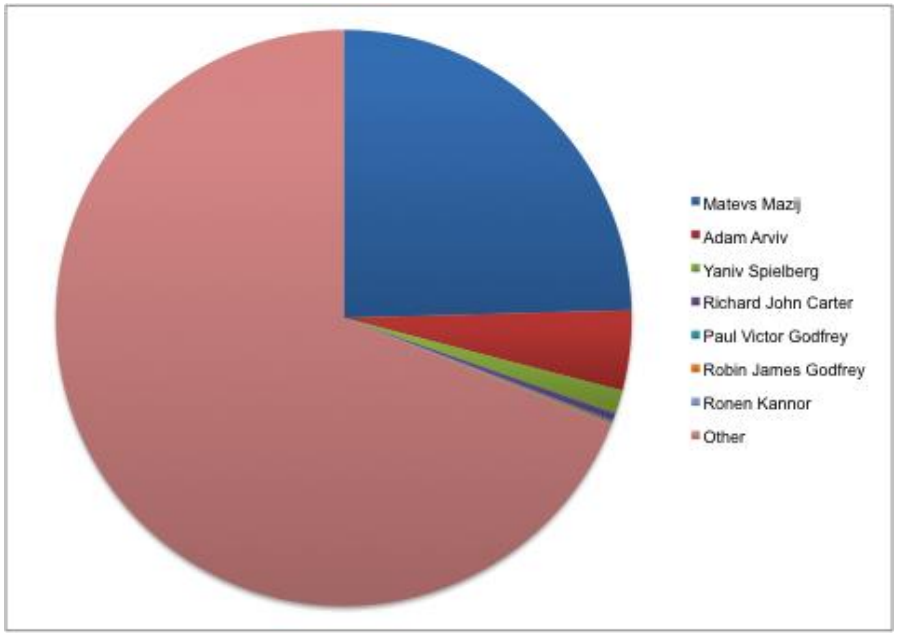
Trading at an enterprise value of US$184 million, Bragg is trading at only 3.8 times enterprise value to 2021 estimated sales and is priced well below its peers as shown below. On average igaming companies are trading at 5.7 times EV/estimated 2021 Sales. Using this industry comps and applying it to our 2021 revenue forecast of €55.6 million (US$64 million) for Bragg, we reach an enterprise value of $367 million, a market value of $391 million. Using the fully diluted share count of 22.6 million shares, we get a price per share of approximately $17.30 in US dollars.

Company	Ticker	Calendar Revenue 2022E	Calendar Revenue 2021E	LTM	EBIDTA Margin	EV/Sales 2022E	EV/Sales 2021E	EV/Sales LTM	Included in Average?	Enterprise Value
Codere	DDMX	152	108	NA	NA	2.3	3.3	NA	y	353
DraftKings	DKNG	1,810	1,290	1,140	-114%	9.0	12.6	14.3	y	16,280
Elys Game Technology	ELYS	61	52	48	-8%	1.6	1.9	2.1	y	99
FansUnited Entertainment	FUNFF	NA	NA	3	-310%	NA	NA	21.4	n	70
Flutter Entertainment	FLTR.L	7,881	7,106	6,667	16%	3.6	4.0	4.3	y	28,740
GAN Limited	GAN	171	131	82	-14%	3.3	4.4	7.0	y	569
Interactive Games Technology	IGT	4,160	4,040	3,760	32%	3.1	3.2	3.5	y	13,100
Penn National Gaming	PENN	6,130	5,790	5,360	2%	3.2	3.3	3.6	y	19,370
Scientific Games	SGMS	3,590	3,290	3,070	28%	4.5	4.9	5.2	y	16,040
Super Group/Betway	SEAH	1,700	1,500	1,100	0%	3.0	3.4	4.6	y	5,028
Lottery.com	LTRY	219	50	10	-20%	3.7	16.1	80.4	y	804
Average					-8.7%	3.7	5.7	13.9		8,906

RISKS

- New regulations in the German market could affect Bragg revenues more than expected and it could affect valuation and revenues.
- Bragg may make acquisitions that could dilute current shareholders as it fills out its product line and adds geographic diversification.
- Bragg is in a highly competitive business and it bid against companies larger than it, and with greater resources. If players decide to go for a land grab in market share it could be even more expensive to compete successfully.
- Canadian and US states regulators may not legalize betting in the time expected or with the restrictions expected making the market size less than expected and could affect Bragg revenues.

OWNERSHIP



INCOME STATEMENT

$ IN EUROS	Q1 2020 31-Mar	Q2 2020 30-Jun	Q3 2020 30-Sep	Q4 2020 31-Dec	Q1 2021 31-Mar	Q2 2021 30-Jun	Q3 2021E 30-Sep	Q4 2021E 31-Dec	2019	2020	2021E	2022E
Revenue	8,784	12,145	11,714	13,778	14,196	15,491	10,420	$9,900	$26,592	$46,421	$50,007	$55,000
Yr-to-yr Growth	44%	107%	72%	76%	62%	28%	-11%	-28%	3367%	74.6%	7.7%	10%
Cost of revenue	4,817	7,035	6,632	7,748	7,547	8,466	5,627	5,247	14,562	26,232	26,887	27,500
Gross profit	3,967	5,110	5,082	6,030	6,649	7,025	4,793	4,653	12,030	20,189	23,120	27,500
Gross Margin %	45.2%	42.1%	43.4%	43.8%	46.8%	45.3%	46.0%	47.0%	45.2%	43.5%	46.2%	50.0%
Salaries and subcontractors	2,441	2,414	2,544	1,612	2,636	3,651	3,200	3,200	6,834	9,011	12,687	16,000
Share based payments	51	(145)	91	2,966	1,309	891	1,200	1,000	1,647	2,963	4,400	4,500
Total employee costs	2,492	2,269	2,635	4,578	3,945	4,542	4,400	4,200	8,481	11,974	17,087	20,500
- Less capitalized as def. devop costs	(325)	(365)	(770)	-	-	-	-	-	-	-	-	-
Depreciation and amoritization	784	667	667	667	836	1,051	1,200	1,300	2,080	2,873	4,387	5,000
IT & Hosting	320	351	340	340	387	386	300	200	1,177	1,372	1,273	1,910
Professional fees	242	272	250	717	495	1,090	400	400	825	1,481	2,385	1,000
Corporate costs	71	110	76	492	185	525	200	200	488	749	1,110	500
Sales and marketing	92	16	4	101	63	155	200	300	283	213	718	1,000
Bad debt	89	364	480	143	242	78	250	250	283	1,076	820	793
Travel and entertainment	108	13	7	48	0	28	50	50	455	176	128	400
Transaction and acquisition costs	37	307	188	1,680	563	573	500	1,000	166	2,212	2,636	-
Other	169	125	200	208	438	428	200	200	526	702	1,266	800
Total SG&A	4,079	4,129	4,204	10,416	7,154	8,856	7,700	8,100	14,764	22,828	31,810	31,903
Loss on remeasurement of consid. receivable	0	0	18	(37)	(6)	(6)	0	0	0	(19)	(12)	0
Loss on remeasurement of consideration	4,968	219	3,142	947	0	0	0	0	5,347	9,276	0	0
Total operating expenses	9,047	4,348	7,364	11,326	7,148	8,850	7,700	8,100	20,111	32,085	31,798	31,903
Operating income:	(5,080)	762	(2,282)	(5,296)	(499)	(1,825)	(2,907)	(3,447)	(8,081)	(11,896)	(8,678)	(4,403)
Operating margin	-57.8%	6.3%	-19.5%	-38.4%	-3.5%	-11.8%	-27.9%	-34.8%	-30.4%	-25.6%	-17.4%	-8.0%
	-75											
Other income:												
Net interest and other financing	(61)	(884)	(330)	(109)	(68)	(24)	(25)	(25)	(1,754)	(1,384)	(142)	0
Total other income	(61)	(884)	(330)	(109)	(68)	(24)	(25)	(25)	(1,754)	(1,384)	(142)	0
Income before income taxes	(5,141)	(122)	(2,612)	(5,405)	(567)	(1,849)	(2,932)	(3,472)	(9,835)	(13,280)	(8,820)	(4,403)
Pretax Margin	-58.5%	-1.0%	-22.3%	-39.2%	-4.0%	-11.9%	-28.1%	-35.1%	-37.0%	-28.6%	-17.6%	-8.0%
Income taxes	243	498	544	(89)	507	482	99	178	541	1,196	1,267	1,118
Tax rate	-5%	-408%	-21%	2%	-89%	-26%	-3%	-5%	-6%	-9%	-14%	26%
Net income - continuing	(5,384)	(620)	(3,156)	(5,316)	(1,074)	(2,331)	(3,031)	(3,650)	(10,376)	(14,476)	(10,086)	(5,520)
Yr-over-Yr	252%	-88%	2935%	43%	-80%	276%	-4%	-31%	118%	40%	-30%	-45%
Net income - discontinued	(316)	228	0	(2)	0	0	0	0	(1,571)	(90)	0	0
Cumulative tranlation adj. - cont. operations	38	123	125	(129)	1,125	424	0	0	(247)	157	1549	0
Cumulative tranlation adj. - dis. operations	(11)	(4)	0	(80)	0	0	0	0	74	(95)	0	0
Net comprehensivel loss	(5,673)	(273)	(3,031)	(5,316)	51	(1,907)	(3,031)	(3,650)	(12,120)	(14,504)	(11,635)	(5,520)
Stk based compensation	51	43	(97)	2,966	1,309	891	1,200	1,000	0	2,963	4,400	4,500
One-time expenses	4,968	219	3,160	1,242	170	1,246	1,000	1,000	5,347	9,589	3,416	0
Non-GAAP Income	(365)	(358)	(93)	(1,108)	405	(194)	(831)	(1,650)	(5,029)	(1,924)	(2,270)	(1,020)
Yr-over-Yr	-76%	-80%	-123%	-82%	-211%	-46%	794%	49%	9%	-62%	18%	-55%
Net income per share:												
Primary EPS - continuing	(0.67)	(0.08)	(0.39)	(0.46)	(0.06)	(0.12)	(0.15)	(0.18)	(1.37)	(1.69)	(0.51)	(0.27)
Diluted EPS	(0.67)	(0.08)	(0.27)	(0.32)	(0.05)	(0.11)	(0.14)	(0.17)	(1.37)	(1.31)	(0.47)	(0.26)
Primary Non-IFRS EPS	(0.05)	(0.04)	(0.01)	(0.10)	0.02	(0.01)	(0.04)	(0.08)	(0.66)	(0.22)	(0.11)	(0.05)
Diluted Non-IFRS Cont. EPS	(0.05)	(0.04)	(0.01)	(0.07)	0.02	(0.01)	(0.04)	(0.08)	(0.66)	(0.17)	(0.11)	(0.05)
	-83%	-80%	-115%	-91%	-141%	-80%	393%	13%	330%	-74%	-40%	-55%
Shares												
Primary shares	7,990	8,000	8,040	11,550	18,100	19,900	19,949	19,949	7,600	8,590	19,768	20,505
Yr-over-Yr	42.9%	2.7%	3.1%	46.2%	144.1%	147.8%	146.9%	72.3%	153%	13%	130%	1%
Dilluted shares	7,990	8,000	11,900	16,412	21,604	21,511	21,560	21,560	7,600	11,075	21,604	21,604
Yr-over-Yr	42.9%	2.7%	52.6%	107.7%	170.4%	170.1%	81.5%	31.6%	153%	46%	95%	-7%
Adjusted EBITDA	702	1,751	1,834	1,259	2,342	1,900	451	811	1,041	5,546	5,504	5,588
Percent of Sales	8.0%	14.4%	15.7%	9.1%	16.5%	12.3%	4.3%	8.2%	3.9%	11.9%	11.0%	10.2%

BALANCE SHEET

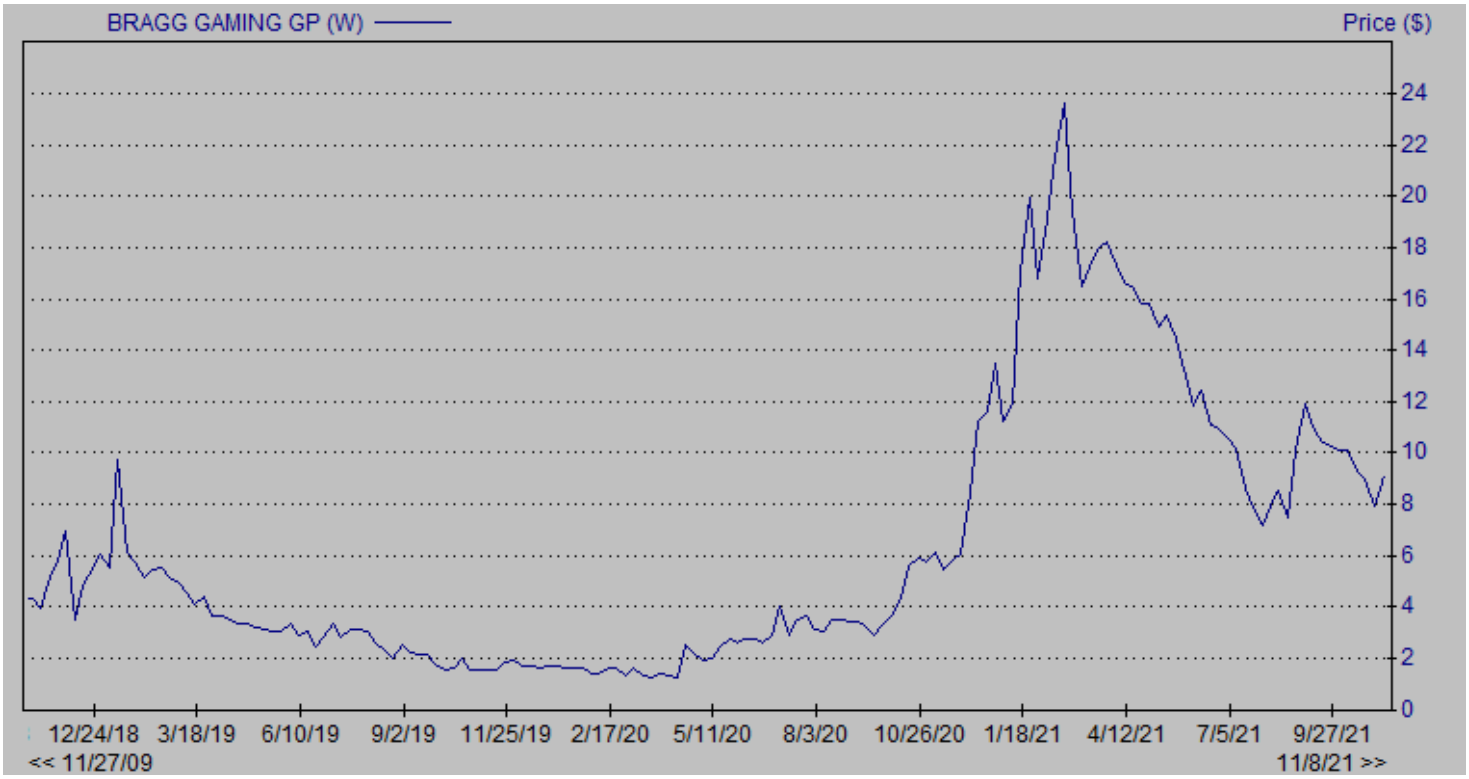
$ IN EUROS

	Sept. 30, 2021	Jun. 30, 2021	Qtr-Qtr % Growth	Sept. 30, 2020	Yr-Yr % Growth
Current assets:					
Cash and equivalents	**$ 20,305**	**$ 20,966**	-3.2%	**$ 5,172**	292.6%
Trade and other receivables	7,691	8,409	-8.5%	7,739	-0.6%
Prepaid expenses & other curr assets	1,991	2,101	-5.2%	420	374.0%
Consideration receivable	92	128	-28.1%	259	-64.5%
Total current assets	30,079	31,604	-4.8%	13,590	121.3%
Property & equipment	234	251	-6.8%	245	-4.5%
Right-of-use assets	619	658	-5.9%	746	-17.0%
Consideration receivable	0	0	0.0%	67	-100.0%
Intangible assets, net	29,249	31,391	-6.8%	14,235	105.5%
Goodwill, net	26,413	26,189	0.9%	19,938	32.5%
Other assets	28	43	-34.9%	43	-34.9%
Total assets	86,622	90,136	-3.9%	48,864	77.3%
Current liabilities:					
Trade payables and other	16,462	17,279	-4.7%	13,994	17.6%
Deferred revenue	678	605	12.1%	0	NA
Income taxes payable	1,388	1,762	-21.2%	1,742	-20.3%
Current portion of operating lease liability	165	162	1.9%	119	38.7%
Deferred and contingent consideration	0	63	-100.0%	33,290	-100.0%
Total current liabilities	18,693	19,871	-5.9%	49,145	-62.0%
Deferred income taxes	1,140	1,261	-9.6%	1,455	-21.6%
Non-current lease	487	529	-7.9%	628	-22.5%
Other non-current liabilities	185	172	7.6%	0	NA
Total liabilities	20,505	21,833	-6.1%	51,228	-60.0%
Stockholders' equity					
Share capital	100,285	100,268	0.0%	40,423	148.1%
Warrants	0	0	0.0%	1,565	-100.0%
Broker warrants	38	38	0.0%	0	NA
Special warrants - compensation options	0	0	0.0%	660	-100.0%
Shares to be issued	13,746	15,310	-10.2%	0	NA
Contributed surplus	17,398	15,924	9.3%	10,842	60.5%
Deficit	(67,113)	(64,636)	3.8%	(55,913)	20.0%
Accumulated other comprehensive income	1,763	1,399	26.0%	59	2888.1%
Total stockholders' equity	66,117	68,303	-3.2%	(2,364)	-2896.8%
Total liabilities and stockholders' equity	86,622	90,136	-3.9%	48,864	77.3%
Current and quick ratio	1.6	1.6	1.2%	0.3	481.9%
Working Capital	11,386	11,733	-3.0%	(35,555)	-132.0%
Net cash	20,305	20,966	-3.2%	5,172	292.6%
Cash per share	1.02	1.05	-3.4%	0.64	58.2%
Debt	0	0	0.0%	0	0.0%

CASH FLOWS

	Year 2019	3 Mo Ended Mar 31, 2020	3 Mo Ended Jun 30, 2020	3 Mo Ended Sep 30, 2020	3 Mo Ended Dec 31, 2020	Year 2020	3 Mo Ended Mar 31, 2021	3 Mo Ended Jun 30, 2021	3 Mo Ended Sep 30, 2021
Cash flows from operating activities:									
Net income	(10,376)	(5,384)	(620)	(3,156)	(5,316)	(14,476)	(1,074)	(2,331)	(2,477)
Adjustments to reconcile net income to net cash provided by operating activities:									
Net interest expense and other financing	1,754	61	884	330	109	1,384	68	24	40
Depreciation and amortization	2,080	784	667	749	673	2,873	836	1,051	1,333
Stock-based compensation	1,647	51	43	(97)	2,966	2,963	1,309	891	1,480
Loss on settlement of debt	-	4,968	(4,968)	-	-	-	-	-	(48)
Loss on remeasurement of def. and cont. consid.	-	-	-	18	9,258	9,276	-	-	-
Loss on remeasurement of consideration rec.	5,347	-	5,187	3,142	(8,348)	(19)	(6)	(6)	12
Deferred income tax recovery	(112)	(28)	(28)	(28)	(41)	(125)	(184)	30	(120)
Change in operating assets and liabilities:									
Interest and financing fees		-	-	(36)	36	0	-	-	-
Change in non-cash working capital	(660)	1,861	(643)	1,947	1,148	4,313	1,386	(289)	225
Change in income tax payable	222	227	261	476	(424)	540	595	(151)	(374)
Net cash used by operating activities	(98)	2,540	783	3,345	61	6,729	2,930	(781)	71
Cash flows from Investing activities:									
Purchases of property and equipment	(120)	(11)	(50)	(100)	(62)	(223)	(15)	(36)	(21)
Proceeds from sale of equipment	16	-	-	-	-	-	-	-	-
Additions of intangible assets	(1,555)	(351)	(450)	(841)	(644)	(2,286)	(581)	(845)	(665)
Proceeds from sale of discontinued operations	-	-	-	31	228	259	-	76	72
Consideration paid upon business consider.						-	-	(8,206)	(62)
Business acquisition net of cash	-	-	-	-	-	-	-	124	-
Deferred consideration payments	(639)	-	-	-	(527)	(527)	(11,521)	-	-
Net cash used in investing activities	(2,298)	(362)	(500)	(910)	(1,005)	(2,777)	(12,117)	(8,887)	(676)
Cash flows from Financing activities:									
Repayments of long term debt	(375)	-	-	-	-	-	-	-	-
Proceeds from the issuance of common shares	-	-	-	-	12,127	12,127	-	-	-
Proceeds from exercise of warrants	-	-	-	-	10,069	10,069	10,817	-	-
Proceeds from exercise of options	-	-	-	-	18	18	-	625	11
Proceeds from share to be issued on PIPE	-	-	-	-	608	608	1,310	-	-
Cash rent paid on lease liabilities - interest	(16)	(6)	(2)	(10)	18	-	(29)	(41)	(40)
Cash rent paid on lease liabilities - principal	(93)	(30)	(75)	(37)	(70)	(212)	-	-	-
Interest income	4	8	-	-	(2)	6	15	23	16
Interest and financing fees	(41)	(15)	(21)	36	(353)	(353)	(83)	(47)	(56)
Net cash provided by financing activities	(521)	(43)	(98)	(11)	22,415	22,263	12,030	560	(69)
Effect of exchange rate changes of cash	(276)	(14)	(59)	73	(307)	(307)	1,167	(38)	13
Net cash flow from discontinued operations	(1,605)	(316)	62	-	(234)	(488)	-	-	-
Net change - cash	(4,798)	1,805	188	2,497	20,930	25,420	4,010	(9,146)	(661)
Cash, beginning of quarter	5,480	682	2,487	2,675	5,172	682	26,102	30,112	20,966
Cash, end of period	682	2,487	2,675	5,172	26,102	26,102	30,112	20,966	20,305
Cash Flow	340	452	1,165	958	(699)	1,876	949	(341)	220
Free cash flow	(1,319)	90	665	48	(1,704)	(901)	(11,168)	(1,146)	(394)

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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