February 14, 2022

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Lisa Thompson
312-265-9154
lthompson@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

Bragg Gaming (NASDAQ: BRAG)

Bragg Preannounces Q4 Revenues Up 12% and Raised 2022 Guidance Near US$80 Million in Revenues

Based on an industry average EV to sales of 2.8xs 2022 revenues, we believe BRAG stock could be worth $11.00 per share.

Current Price (02/11/22)	US$7.26
Valuation	**US$11.00**

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 was recently 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, and is making comparisons tougher, 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	**$4.62**
One-Year Return (%)	**-70**
Beta	**0.9**
Average Daily Volume (sh)	**66,281**
Shares Outstanding (mil)	**20.0**
Market Capitalization ($mil)	**US$145**
Short Interest Ratio (days)	**6.7**
Institutional Ownership (%)	**3**
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 2022 Estimate	**N/M**
P/E using 2023 Estimate	**N/M**

Risk Level	**High**
Type of Stock	**Small-Value**
Industry	**Gaming**

ZACKS ESTIMATES

Revenue
(in millions of €)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
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	15.4 E	58.0 E
2022	16.5 E	15.7 E	17.3 E	20.5 E	70.0 E
2023					87.5 E

IFRS Earnings Per Share
Continuing Operations

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
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	-€0.07 E	-€0.36 E
2022	€0.01 E	-€0.07 E	-€0.04 E	€0.03 E	-€0.07 E
2023					€0.06 E

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

WHAT'S NEW

Bragg Preannounced Q4 Revenue and EBITDA and Raises 2022 Guidance

Bragg preannounced its Q4 revenue and EBITDA, which were far above initial expectations. In Q4 the main reason for the outperformance was success in the new Dutch market where Bragg unexpectedly has had very limited competition and that has continued on since launching there. For 2022 guidance the company has now launched in the UK, the world's largest gaming market, and has more information on its prospects there as well as a date for launching in Ontario. The Spin acquisition is still expected to close by the end of this quarter as the company is just waiting on regulatory approval in Pennsylvania. It has been approved in all the other necessary jurisdictions. Germany has assuredly troughed but still has the black market players functioning as to date still no licenses have been issued, nor has there been any enforcements against the bad actors. Bragg believes when those two things happen, revenues could spike in Germany. Management believes it current guidance is still conservative.

Q4 2021 Earnings

For the quarter ending December 31, 2021, still affected by the transition to German regulation, Bragg preannounced it generated €15.4 million in revenues versus €13.8 million in Q4 2020, growth of 12%. Adjusted EBITDA in Q4 2021 was €1.3 million compared to €1.4 million in Q3 2021 and flat with Q4 2020. This pushes 2021 revenues to €58.0 million (US$66.1 million) and adjusted EBITDA of approximately EUR €7.0 million (US$8.0 million.)

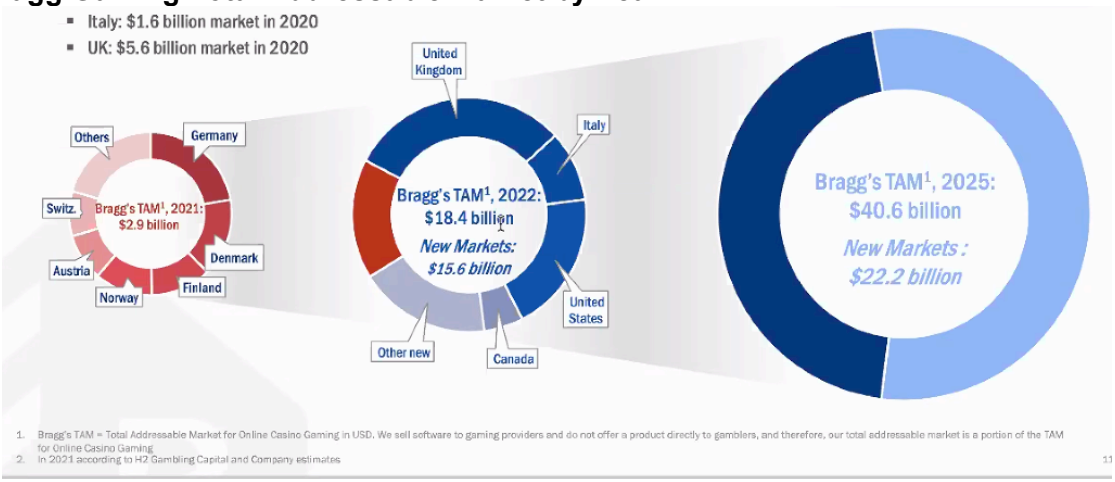
2022 Guidance

In addition, Bragg raised its full year 2022 revenue guidance to €68-72 million (US $78-80 million), and provided adjusted EBITDA guidance of EUR €9.5-10.5 million (USD $10.8-12.0 million). This guidance includes the Q1 acquisition of Spin Games that has not yet closed.

The key to 2022 growth is the huge markets the company has recently entered that have greatly expanded its total addressable market (TAM) from $2.9 billion in 2021 to $18.4 billion in 2022 as show in the chart below. Since March 2021, ORYX has gone live with its player-popular content in regulated markets in Switzerland, Germany, Greece, the Netherlands, the United Kingdom, and the Czech Republic.

Wild Streak Gaming, Bragg's US gaming content studio offers casino games that are offered across land-based, online and social casino in the newly entered the U.S. and U.K markets. Once acquired, Spin Games, the B2B gaming technology and content provider will help Bragg further penetrate the US market.

Chart 1. Bragg Gaming Total Addressable Market by Year



Source: Bragg Gaming Group

This puts Bragg's current valuation at 2.3xs EV/2022 estimated sales, is below its peers who trade at 2.8xs EV/2022 Sales. In 2023 we expect the company to grow another 25% and increases its EBITDA margin as it garners a greater percent of revenues from high margin content and experiences economy of scale from its platform model. It should benefit from the investments in 2022, which will not have to be repeated in 2023.

KEY POINTS

- Bragg Gaming is an adjusted EBITDA positive, US$164 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 50% in 2022 to €70 million despite a hit from mid-year 2021 regulations in Germany, its biggest market.

- 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 the end of the first quarter of 2022 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's valuation at 2.3xs EV/2022 estimated sales, is below its peers who trade at 2.8xs EV/2022 Sales.

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 Interim CEO is Paul Godfrey Chairman of the Board. Paul is a business leader and Canadian politician, recently holding the role of President and CEO of Postmedia Network and continuing to act as Chair of Postmedia, a company he founded. He has been Publisher and CEO of Sun Media and President and CEO of the Toronto Blue Jays. Last 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

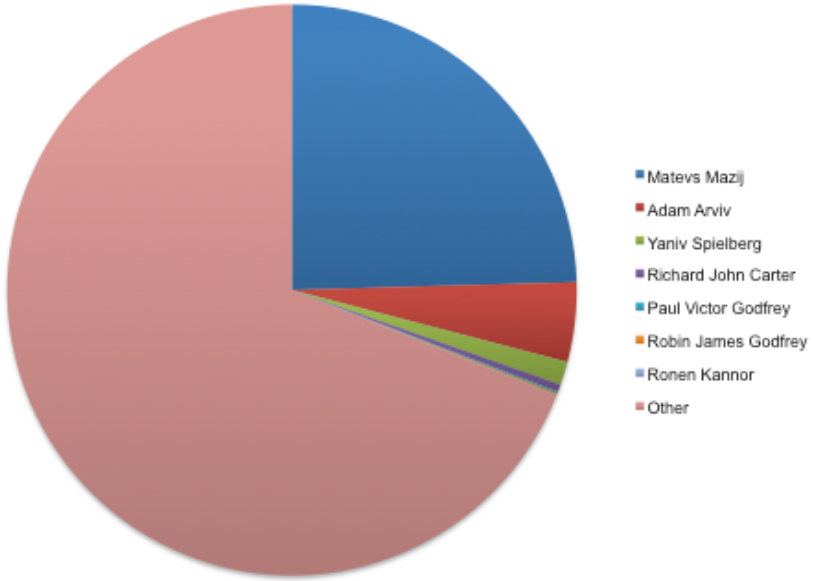
Trading at an enterprise value of US$116 million, Bragg is trading at only 2.3 times enterprise value to 2022 estimated sales and is priced well below its peers as shown below. On average igaming companies are trading at 2.8 times EV/estimated 2022 Sales. Using this industry comps and applying it to the 2022 revenue forecast of €70 million (US$80 million) for Bragg, we reach an enterprise value of $224 million, a market value of $247 million. Using the fully diluted share count of 22.6 million shares, we get a price per share of approximately $11.00 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	CDRO	147	92	80	-8%	1.8	2.8	NA	y	260
DraftKings	DKNG	1,900	1,270	1,140	-114%	4.1	6.1	6.8	y	7,720
Elys Game Technology	ELYS	58	47	46	-14%	0.9	1.1	1.2	y	54
FansUnited Entertainment	FUNFF	NA	NA	3	-325%	NA	NA	12.0	n	41
Flutter Entertainment	FLTR.L	8,212	7,129	5,930	19%	2.5	2.9	3.5	y	20,500
GAN Limited	GAN	183	130	104	-9%	1.1	1.6	2.0	y	209
Interactive Games Technology	IGT	4,210	4,060	3,920	34%	2.9	3.0	3.1	y	12,200
Penn National Gaming	PENN	6,600	6,220	5,900	24%	2.6	2.7	2.9	y	16,835
Scientific Games	SGMS	2,430	2,710	3,080	29%	5.7	5.1	4.5	y	13,930
Super Group/Betway	SGHC	1,700	1,500	1,180	22%	2.4	2.7	3.4	y	4,000
Lottery.com	LTRY	219	50	10	-20%	3.7	16.1	80.4	y	804
Average					-3.5%	2.8	4.4	12.0		7,371

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 2021 30-Sep	Q4 2021E 31-Dec	Q1 2022E 31-Mar	Q2 2022E 30-Jun	Q3 2022E 30-Sep	Q4 2022E 31-Dec	2020	2021E	2022E	2023E
Revenue	8,784	12,145	11,714	13,778	14,196	15,491	12,874	15,400	16,500	15,675	17,337	20,500	46,421	57,961	70,012	87,514
Yr-to-yr Growth	44%	107%	72%	76%	62%	28%	10%	12%	16%	1%	35%	33%	74.6%	24.9%	51%	25%
Cost of revenue	4,817	7,035	6,632	7,748	7,547	8,466	6,263	7,546	8,003	7,524	8,304	9,635	26,232	29,822	33,466	38,506
Gross profit	3,967	5,110	5,082	6,030	6,649	7,025	6,611	7,854	8,498	8,151	9,032	10,865	20,189	28,139	36,546	49,008
Gross Margin %	45.2%	42.1%	43.4%	43.8%	46.8%	45.3%	51.4%	51.0%	51.5%	52.0%	52.1%	53.0%	43.5%	48.5%	52.2%	56.0%
Salaries and subcontractors	2,441	2,414	2,544	1,612	2,636	3,651	3,698	3,500	3,650	4,000	4,000	4,000	9,011	13,485	15,650	19,406
Share based payments	51	(145)	91	2,966	1,309	891	1,480	800	700	700	700	700	2,963	4,480	2,800	3,000
Total employee costs	2,492	2,269	2,635	4,578	3,945	4,542	5,178	4,300	4,350	4,700	4,700	4,700	11,974	17,965	18,450	22,406
- Less capitalized as def. devop costs	(325)	(365)	(770)	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amoritization	784	667	667	667	836	1,051	1,333	1,400	1,410	2,185	2,185	2,185	2,873	4,620	7,965	8,740
IT & Hosting	320	351	340	340	387	386	534	600	600	900	1,000	1,000	1,372	1,907	3,500	4,025
Professional fees	242	272	250	717	495	1,090	715	800	715	715	715	715	1,481	3,100	2,860	3,200
Corporate costs	71	110	76	492	185	525	300	400	400	400	400	400	749	1,410	1,600	3,000
Sales and marketing	92	16	4	101	63	155	116	300	300	300	300	300	213	634	1,200	2,200
Bad debt	89	364	480	143	242	78	(125)	200	125	125	125	125	1,076	395	500	500
Travel and entertainment	108	13	7	48	0	28	62	100	100	120	125	130	176	190	475	600
Transaction and acquisition costs	37	307	188	1,680	563	573	204	300	0	0	0	0	2,212	1,640	-	-
Other	169	125	200	208	438	428	606	200	100	100	100	100	702	1,672	400	500
Total SG&A	4,079	4,129	4,204	10,416	7,154	8,856	8,923	8,600	8,100	9,545	9,650	9,655	22,828	33,533	36,950	45,171
Loss on remeasurement of consid. receivable	0	0	18	(37)	(6)	(6)	(36)	0	0	0	0	0	(19)	(48)	-	0
Loss on remeasurement of consideration	4,968	219	3,142	947	0	0	0	0	0	0	0	0	9,276	0	-	0
Total operating expenses	9,047	4,348	7,364	11,326	7,148	8,850	8,887	8,600	8,100	9,545	9,650	9,655	32,085	33,485	36,950	45,171
Operating income:	(5,080)	762	(2,282)	(5,296)	(499)	(1,825)	(2,276)	(746)	398	(1,394)	(618)	1,210	(11,896)	(5,346)	(404)	3,837
Operating margin	-57.8%	6.3%	-19.5%	-38.4%	-3.5%	-11.8%	-17.7%	-4.8%	2.4%	-8.9%	-3.6%	5.9%	-25.6%	-9.2%	-0.6%	4.4%
	-75															
Other income:																
Net interest and other financing	(61)	(884)	(330)	(109)	(68)	(24)	(40)	(25)	(25)	(25)	(25)	(25)	(1,384)	(157)	(100)	0
Total other income	(61)	(884)	(330)	(109)	(68)	(24)	(40)	(25)	(25)	(25)	(25)	(25)	(1,384)	(157)	(100)	0
Income before income taxes	(5,141)	(122)	(2,612)	(5,405)	(567)	(1,849)	(2,316)	(771)	373	(1,419)	(643)	1,185	(13,280)	(5,503)	(504)	3,837
Pretax Margin	-58.5%	-1.0%	-22.3%	-39.2%	-4.0%	-11.9%	-18.0%	-5.0%	2.3%	-9.1%	-3.7%	5.8%	-28.6%	-9.5%	-0.7%	4.4%
Income taxes	243	498	544	(89)	507	482	161	552	238	171	128	455	1,196	1,702	991	2,515
Tax rate	-5%	-408%	-21%	2%	-89%	-26%	-7%	-72%	64%	-12%	-20%	38%	-9%	-31%	-197%	26%
Net income - continuing	(5,384)	(620)	(3,156)	(5,316)	(1,074)	(2,331)	(2,477)	(1,323)	135	(1,590)	(770)	731	(14,476)	(7,205)	(1,495)	1,322
Yr-over-Yr	252%	-88%	2935%	43%	-80%	276%	-22%	-75%	-113%	-32%	-69%	-155%	40%	-50%	-90%	-118%
Net income - discontinued	(316)	228	0	(2)	0	0	0	0	0	0	0	0	(90)	0	0	0
Cumulative tranlation adj. - cont. operations	38	123	125	(129)	1,125	424	364	0	0	0	0	0	157	1913	0	0
Cumulative tranlation adj. - dis. operations	(11)	(4)	0	(80)	0	0	0	0	0	0	0	0	(95)	0	0	0
Net comprehensivel loss	(5,673)	(273)	(3,031)	(5,316)	51	(1,907)	(2,113)	(1,323)	135	(1,590)	(770)	731	(14,504)	(9,118)	(1,495)	1,322
Stk based compensation	51	43	(97)	2,966	1,309	891	1,480	800	700	700	700	700	2,963	4,480	2,800	3,000
One-time expenses	4,968	219	3,160	1,242	170	1,246	890	800	0	0	0	0	9,589	3,106	0	0
Non-GAAP Income	(365)	(358)	(93)	(1,108)	405	(194)	(107)	277	835	(890)	(70)	1,431	(1,924)	381	1,305	4,322
Yr-over-Yr	-76%	-80%	-123%	-82%	-211%	-46%	15%	-125%	106%	359%	-34%	416%	-62%	-120%	-168%	1034%
Net income per share:																
Primary EPS - continuing	(0.67)	(0.08)	(0.39)	(0.46)	(0.06)	(0.12)	(0.12)	(0.07)	0.01	(0.07)	(0.04)	0.03	(1.69)	(0.36)	(0.07)	0.06
Diluted EPS	(0.67)	(0.08)	(0.27)	(0.32)	(0.05)	(0.10)	(0.11)	(0.06)	0.01	(0.07)	(0.03)	0.03	(1.31)	(0.33)	(0.07)	0.06
Primary Non-IFRS EPS	(0.05)	(0.04)	(0.01)	(0.10)	0.02	(0.01)	(0.01)	0.01	0.04	(0.04)	(0.00)	0.07	(0.22)	0.02	0.06	0.20
Diluted Non-IFRS Cont. EPS	(0.05)	(0.04)	(0.01)	(0.07)	0.02	(0.01)	(0.00)	0.01	0.04	(0.04)	(0.00)	0.06	(0.17)	0.02	0.06	0.19
	-83%	-80%	-115%	-91%	-141%	-81%	-39%	-118%	97%	358%	-34%	416%	-74%	-110%	-133%	965%
Shares																
Primary shares	7,990	8,000	8,040	11,550	18,100	19,900	19,956	19,956	20,000	22,000	22,000	22,000	8,590	19,768	21,500	22,000
Yr-over-Yr	42.9%	2.7%	3.1%	46.2%	144.1%	147.8%	146.9%	72.3%	0.0%	0.0%	0.0%	0.0%	13%	130%	133%	1%
Dilluted shares	7,990	8,000	11,900	16,412	21,604	22,555	22,611	22,611	22,611	22,611	22,611	22,611	11,075	21,604	22,611	23,000
Yr-over-Yr	42.9%	2.7%	52.6%	107.7%	170.4%	170.1%	81.5%	31.6%	0.0%	0.0%	0.0%	0.0%	46%	95%	81%	-7%
Adjusted EBITDA	702	1,751	1,834	1,259	2,342	1,900	1,418	2,509	2,641	1,900	1,418	5,050	5,546	8,169	10,111	15,327
Percent of Sales	8.0%	14.4%	15.7%	9.1%	16.5%	12.3%	11.0%	16.3%	16.0%	12.1%	8.2%	24.6%	11.9%	14.1%	14.4%	17.5%

BALANCE SHEET

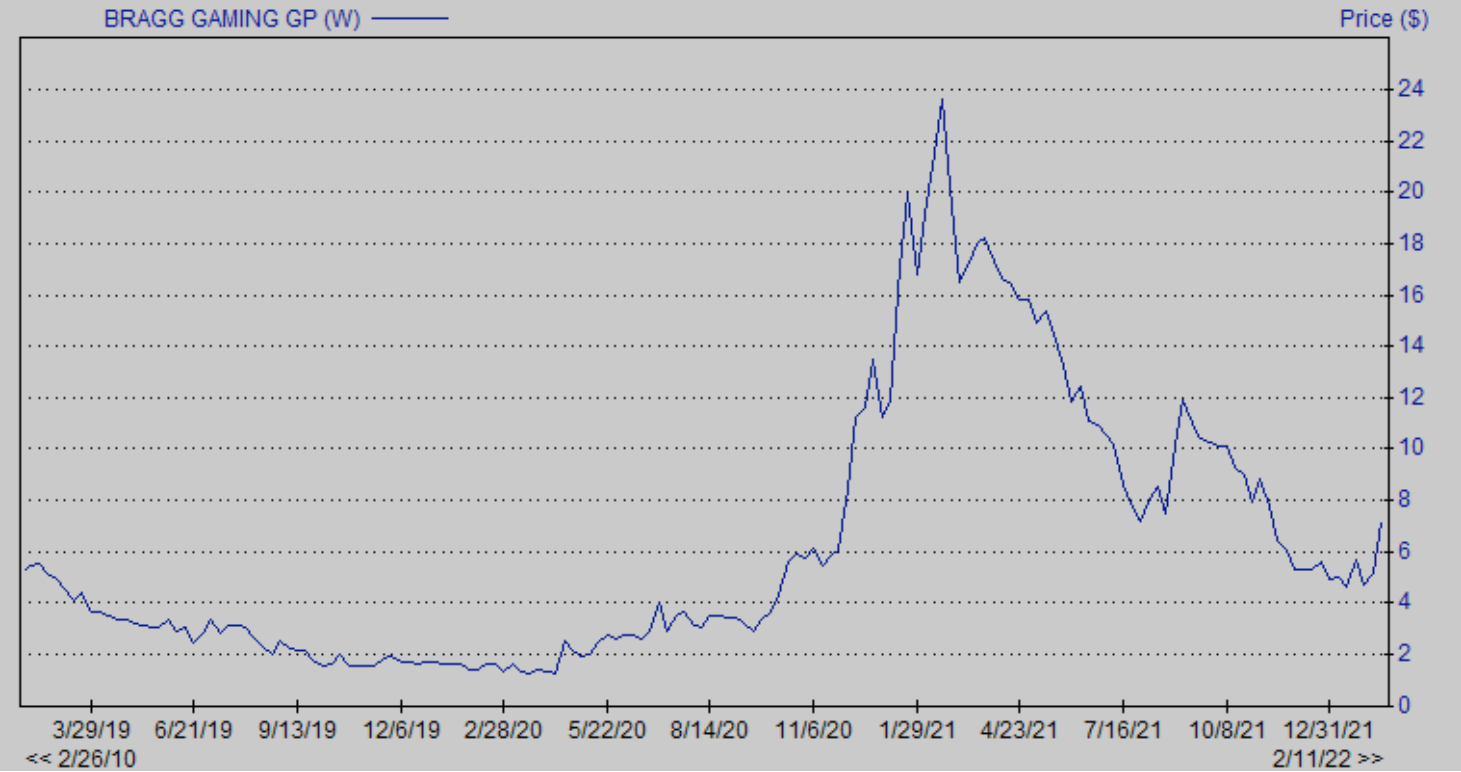
$ IN EUROS

	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

DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research (Zacks SCR), a division of Zacks Investment Research (ZIR), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

Zacks SCR Analysts hereby certify that the view expressed in this research report or blog article accurately reflect the personal views of the analyst about the subject securities and issuers. Zacks SCR also certifies that no part of any analysts' compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report or blog article. Zacks SCR believes the information used for the creation of this report or blog article has been obtained from sources considered reliable, but we can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice. The Zacks SCR Twitter is covered herein by this disclosure.

INVESTMENT BANKING AND FEES FOR SERVICE

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer.

The non-investment banking services provided to the issuer include the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR.

Each issuer has entered into an agreement with Zacks to provide continuous independent research for a period of no less than one year in consideration of quarterly payments totaling a maximum fee of $40,000 annually.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.

SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the Valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover.

SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or Tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer and, therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.