Zacks Small-Cap Research

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Nextech AR Solutions (OTCQX: NEXCF)

Nextech AR Preannounces 2022 Revenues and Spinoff of Toggle 3D

Based on an EV to estimated EV/2023 sales multiple of 8xs, we believe Nextech stock could be worth $1.33 per share.

Current Price (1/12/2023)	US$0.63
Valuation	**US$1.33**

OUTLOOK

Nextech AR Solutions is a diversified augmented reality, AI technology company that leverages proprietary artificial intelligence (AI) to create 3D experiences for the metaverse. Its main businesses are creating 3D WebAR photorealistic models for the Prime Ecommerce Marketplace as well as many other online retailers. The company develops or acquires what it believes is a disruptive technology and once commercialized, spins them out as stand-alone public companies issuing a stock dividend to shareholders while retaining a significant ownership stake in the public spin-out. On October 26, 2022, Nextech completed its first spin-out--an augmented reality wayfinding solution company called ARway (OTC: ARWYF.) The company owns 13 million shares in ARway and distributed four million shares to Nextech AR shareholders. On December 14, 2022, the company announced its second spinout-- Toggle3D, an AI-powered 3D design studio to compete with Adobe. Toggle3D is expected to be public in the first half of 2023. 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$1.52**
52-Week Low	**US$0.29**
One-Year Return (%)	**-58.6**
Beta	**1.9**
Average Daily Volume (sh)	**99,902**
Shares Outstanding (mil)	**103.0**
Market Capitalization ($mil)	**US$64.9**
Short Interest Ratio (days)	**0.1**
Institutional Ownership (%)	**0**
Insider Ownership (%)	**8.1**
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	**Above Average**
Type of Stock	**Small Growth**
Industry	**IT Services**

ZACKS ESTIMATES

Revenue

(In millions of CAN$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2020	$2.5 A	$3.5 A	$4.7 A	$7.0 A	$17.7 A
2021	$7.7 A	$6.1 A	$5.5 R	$5.8 E	$25.1 R
2022	$3.0 R	$2.8 R	$3.0 A	$1.6 E	$10.3 R
2023					$22.0 E

Earnings per Share

(IFRS)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2020	-$0.02 A	-$0.04 A	-$0.07 A	-$0.12 A	-$0.23 A
2021	-$0.12 A	-$0.07 A	-$0.09 R	-$0.11 A	-$0.40 R
2022	-$0.08 R	-$0.09 R	-$0.05 A	-$0.05 E	-$0.28 E
2023					-$0.12 E

Quarters may not sum to years due to restatements

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WHAT'S NEW

Nextech Preannounces 2022 Revenues

Yesterday Nextech preannounced preliminary 2022 revenues of $10.3 million for the year or $1.4 million for Q4 2022. While this looks like a miss compared to our model, it includes $958,822 in revenues eliminated from historical product sales booked in Q1 and Q2 due to reclassifying the pet business as a discontinued operation. On a restated basis, 2022 revenues are expected to reach $10.3 million versus $25.1 million a year ago. When the entire eCommerce business is finally considered a discontinued operation by auditors, we expect the historical financials will once again be restated minus that segment. In the table below we have estimated close to what Q1 and Q2 may be restated to without just the pet business once the 2023 quarters are reported.

	Mar 31, 2022RE	June 30, 2022RE	Sept 30, 2022	Dec 31, 2022E	2021	2022RE
Product sales	$2,508,694	$2,201,957	$2,091,656	$397,693	$19,245,130	$7,200,000
Yr-to-Yr Growth	NA	NA	-52%	-91%	38.1%	NA
Gross margin	49.5%	67.3%	37.7%	25.0%		
Technology services	36,763	35,478	45,768	NA	5,295,779	NA
Yr-to-Yr Growth	-97%	-97%	-95%	NA	55.0%	NA
Renewable Software licenses	459,469	517,889	875,016	NA	1,394,070	NA
Yr-to-Yr Growth	25%	79%	286%	NA	315.8%	NA
Total Software and Services	496,232	553,367	920,784	1,129,617	6,689,849	3,100,000
Gross margin	48.7%	37.2%	60.3%	29.3%	28.0%	43.0%
Net Revenue	**$3,004,926**	**$2,755,324**	**$3,012,440**	**$1,527,310**	**$25,934,980**	**$10,300,000**

As Q1 and Q2 2023 are reported we will get the restated 2022 quarters and will revise our model at that time to reflect these historicals accurately.

At any rate, investors are focused on Software and services sales and specifically 3D modeling. For the year, this category was up 43%. Of that $3.1 million in revenue, 3D modeling contributed $1.5 million in 2022 an increase of over 266% compared to 2021. Q4 looks to be approximately $1.5 million in total revenues, of which $1.1 million is software and services. This is an increase of 65% year over year and 23% sequentially.

The gross margin for the year for software and services (called technology services in the press release) was reported as 43% compared to only 28% last year. The Q4 gross margin was approximately 29.3%, down sequentially no doubt due to the lower margin, high volume order from Amazon that has just started to ramp. The company was expected to ship $700,000 worth of models in Q4 but fell short as Amazon closed down for the last two weeks of the year and models were not able to be delivered.

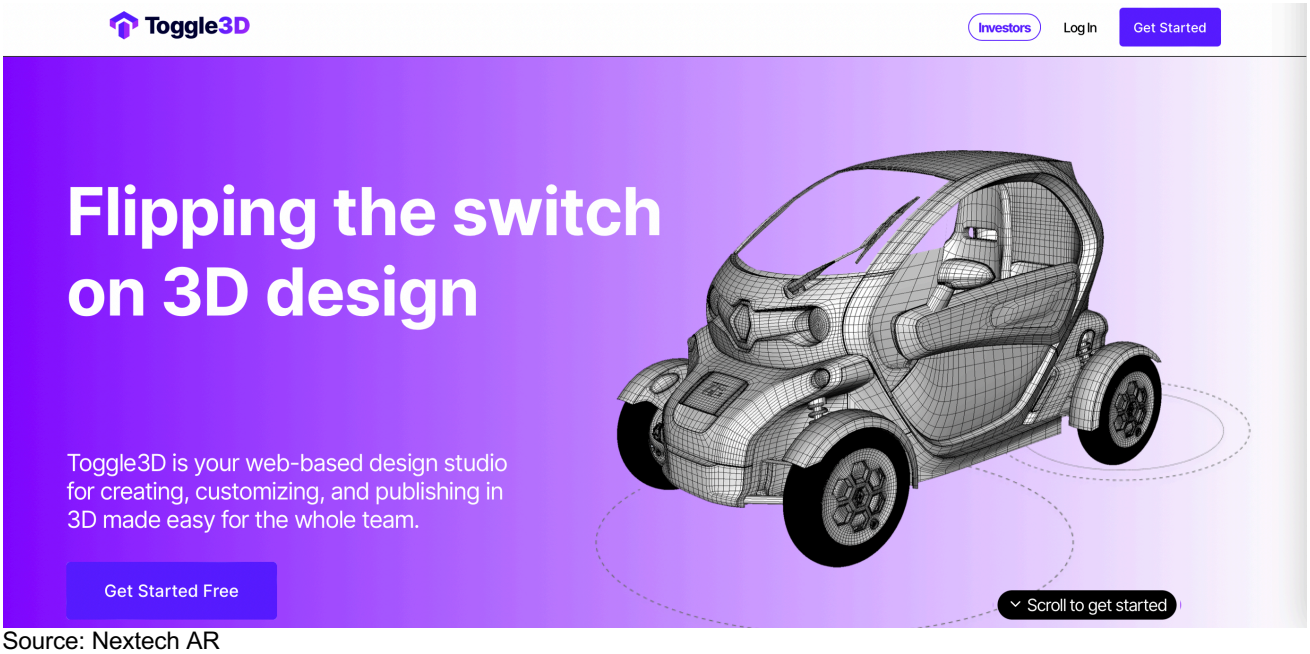
Amazon has placed a $6.7 million purchase order for models to be delivered in 2023. So far, it has primarily ordered only home goods items. It is expected that Amazon will allow vendors that sell on its platform to put their own 3D models on its site and will identify Nextech as a preferred vendor for those models early next year.

Toggle 3D Spin-Out

On Dec. 14, 20 Nextech announced it plans to spin out its Toggle3D design studio SaaS Software platform as a separate public company. Toggle3D was launched in September 2022. It is an AR-enhanced standalone web application that enables product designers, 3D artists, marketing professionals, and eCommerce site owners to create, customize and publish high-quality 3D models and experiences with-

out any technical or 3D design knowledge. Nextech believes that Toggle3D is the first platform of its kind, and is a potential game changer for the manufacturing and design industry, as it provides the ability to convert large CAD files into lightweight 3D models at affordable prices and at scale. Most importantly it is simple to use and needs no training as opposed to competitive products such as AutoCAD, Adobe's Substance 3D Painter ($59.99 per month), and KeyShot. It will even be priced lower than the competition. It currently is in beta with 120 testers, but when it launches in the next few weeks there will be a free version and a paid version at $29.99 per month per seat. Further down the road, the company plans a more expensive team version that can be used collaboratively. So far the company has attracted primarily users that have never made 3D models rather than taking market share. These neophytes are happy to find a product that requires no training and can be tried for free. Toggle does yet not have revenue but it should start after the paid version launches.

The company plans to have similar terms and conditions for the spin-out of Toggle3D as it had for ARway retaining about 50% of the company. Further details of this arrangement will be disclosed shortly and it is expected that Toggle could be a public company as soon as 90 days from now.



Source: Nextech AR

Management said there is also some possibility of a third spin-out in the next 18 months. We think the third is probably Nextech's Technology Event Solution business that provides in-person, virtual, and hybrid events. While the spinout strategy continues to work, unlocking value for investors, we expect management to continue this practice.

Nextech now trades at an enterprise value of CN$82 million or US$62 million. It also owns 13 million shares of ARWY valued at CN$15.2 million or US$11.3 million. We estimate revenues of CN$22 million next year making EV to sales 3.7 times or 3.0 times if we subtract out the value of the ARway holding. Toggle 3D could also add value to both investors and Nextech once it is a separate public company.

KEY POINTS

- Nextech AR Solutions (OTCQX: NEXCF) (CSE: NTAR) (FSE: EP2) is a diversified augmented reality, AI technology company that leverages proprietary artificial intelligence (AI) to create 3D experiences for the metaverse. Its main businesses are creating 3D WebAR photorealistic models for the Prime Ecommerce Marketplace as well as many other online retailers. The company develops or acquires what it believes is a disruptive technology and once commercialized, spins them out as stand-alone public companies issuing a stock dividend to shareholders while retaining a significant ownership stake in the public spin-out. On October 26, 2022, Nextech completed its first spin-out of an augmented reality wayfinding solution company called ARway, (OTC: ARWYF/CSE: ARWY). The company owns 13 million shares in ARway and distributed four million shares to Nextech AR shareholders. On December 14, 2022, the company announced its second spinout-- Toggle3D, an AI-powered 3D design studio to compete with Adobe. Toggle3D is expected to be public in the first half of 2023.

- Nextech AR is a startup based in Toronto that was formed to provide services for and invest in, businesses using Augmented Reality (AR), holograms, and other technologies in the Metaverse. 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) and 3D Models are just beginning to make their 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 and 3D in marketing and advertising their goods. At a small price to vendors per month per SKU, the adoption of just a tiny percent of the trillions of products sold worldwide will create a massive revenue stream for Nextech AR.

- The company currently has three sources of revenue:

    - Its largest revenue generator had been an eCommerce business that is used as a test lab and is driven by the use of AR, 3D Models, and holograms in its marketing. It is being discontinued but so far only its pet business has been accounted for as a discontinued operation. Investors should not expect any revenue from this business in 2023.

    - Its main revenue generator going forward is its SaaS offerings for businesses that provide AR, 3D models, holograms, and metaverses 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 or per model.

    - The company also owns an events business that provides both virtual and in-person events and incorporates all its AR and Metaverse technologies

- With a nascent market projected to increase by 289% per year over the next five years, Nextech is a unique public pure play that could deserve a higher valuation. It currently trades at an enterprise value of approximately US$62 million or 3.7xs projected 2023 sales of US$16 million.

VALUATION

We have taken a group of companies involved in augmented reality, companies that provide conferencing plus Roblox the metaverse company. At current valuations, we get an average of 4.2 times EV/2023 Sales. However, given Nextech's rapid growth versus the comps, we believe it deserves at least the high end of the range or 5.7 times revenues which is Roblox. That stock has come down since our last valuation. Nextech is however growing much faster than Roblox and deserves an 8 multiple.

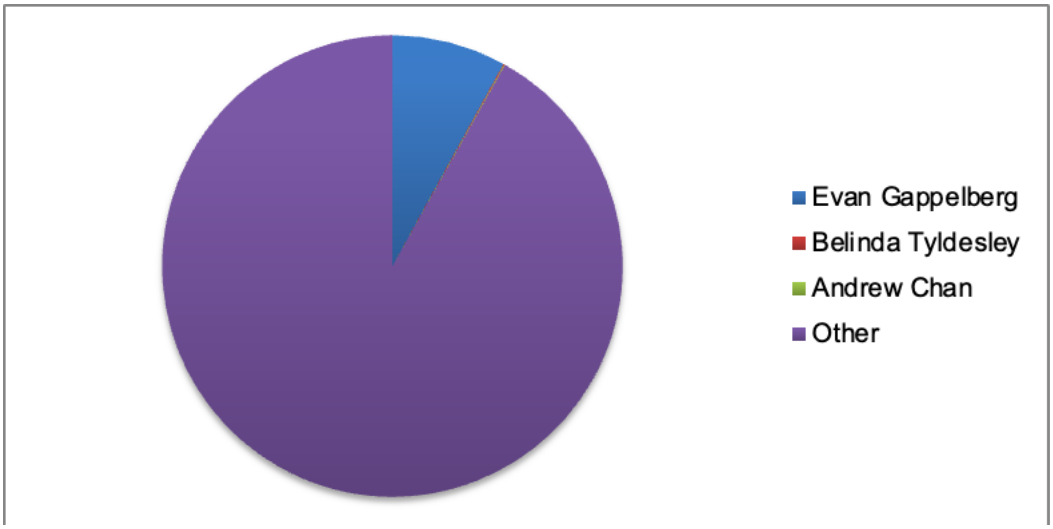
So, using US$16.2 million for 2023 estimated sales, and an 8 multiple, Nextech could be worth an enterprise value as high as US$130 million or a market value of US$134 million. Dividing by the current shares of 102.6 million, this would be approximately US$1.33 per share. Nextech's ownership of ARway of 13 million shares adds $11.3 million to the valuation as an asset.

Company	Ticker	Calendar Revenue 2023E	Calendar Revenue 2022E	LTM	EBIDTA Margin	Enterprise Value / Sales 2023E	2022E	LTM	Enterprise Value
Roblox	RBLX	3,190	2,830	2,210	-30%	5.7	6.4	8.2	18,230
Salesforce	CRM	34,290	30,970	30,290	8%	4.3	4.7	4.9	147,000
Snap	SNAP	5,000	4,610	4,600	-17%	3.1	3.3	3.3	15,340
Zoom	ZM	4,800	4,400	4,300	23%	4.0	4.3	4.4	19,000
Average						4.3	4.7	5.2	45,374

RISKS

- Nextech is a start-up with limited operating history in its current businesses. There is no assurance it will evolve into a sustainable, profitable going concern. As such forecasts are subject to a wide range of outcomes.
- The company is operating at a loss, and though it is not expected, it may need to raise capital until it reaches cash flow break-even which could result in the dilution of current shareholders.
- AR usage is beginning to be used by early adopters and it is hard to predict how fast AR will be put into use by mainstream eCommerce sites. The company's business with AR customers is still very small although it seems to be beginning 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 is constantly launching new products and features that may or may not be commercially successful.
- With the return to normal business operations, the need for virtual conferencing capabilities has waned further and has reduced revenues.
- Some of the value of Nextech is based on its ability to successfully spin out other parts of its business at high valuations. These spin-outs may not occur or reach the valuations investor might expect.

OWNERSHIP



INCOME STATEMENT

	Mar. 31, 2021	June 30, 2021	Sept 30, 2021R	Dec. 31, 2021	Mar 31, 2022RE	June 30, 2022RE	Sept 30, 2022	Dec 31, 2022E	2021RE	2022RE	2023E
Product sales	$6,009,259	$4,430,519	$4,387,696	3,585,526	$2,508,694	$2,201,957	$2,091,656	$397,693	$18,413,000	$7,200,000	$0
Yr-to-Yr Growth	146%	43%	15%	-22%	NA	NA	-52%	-89%	32.2%	-60.9%	-100.0%
Gross margin	43.9%	41.7%	41.3%	NA	NA	NA	37.7%	0.0%	NA	NA	NA
Technology services	1,350,066	1,371,056	931,494	1,643,160	36,763	35,478	45,768	40,000	5,295,779	158,009	100,000
Yr-to-Yr Growth	2831%	632%	22%	-26%	-97%	-97%	-95%	-98%	55.0%	-59.0%	NA
Renewable Software licenses	367,378	289,977	226,405	510,313	459,469	517,889	875,016	1,089,617	1,394,070	2,941,991	21,900,000
Yr-to-Yr Growth	NA	19%	153%	173%	25%	79%	286%	114%	315.8%	111.0%	644.4%
Total Software and Services	1,717,444	1,661,033	1,137,206	2,153,473	496,232	553,367	920,784	1,129,617	6,689,849	3,100,000	22,000,000
Yr-to-Yr Growth	NA	NA	NA	NA	-71%	-67%	-19%	-48%	78.3%	113.6%	609.7%
Gross margin	39%	26.9%	-16%	NA	48.7%	37.2%	60.3%	29.3%	28.0%	43.0%	609.7%
Net Revenue	**$7,726,703**	**$6,091,552**	**$5,524,902**	**$5,759,692**	**$3,004,926**	**$2,755,324**	**$3,012,440**	**$1,527,310**	**$25,102,849**	**$10,300,000**	**$22,000,000**
Yr-to-Yr Growth	210%	73%	18%	-18%	NA	NA	-45%	NA	41.9%	-59.0%	113.6%
Cost of goods	4,412,278	3,798,987	3,895,320	3,989,827	2,000,937	1,546,479	1,668,490	1,188,425	16,096,412	6,404,331	11,000,000
Gross margin	3,314,425	2,292,565	1,629,582	1,769,865	1,003,989	1,208,845	1,343,950	338,885	9,006,437	3,895,669	11,000,000
Percent of revenues	42.9%	37.6%	29.5%	30.7%	33.4%	43.9%	44.6%	22.2%	35.9%	37.8%	50.0%
Operating expenses											
Sales and marketing	4,640,087	4,047,840	4,187,583	3,939,534	2,616,948	1,827,030	1,702,695	1,800,000	16,815,044	7,946,673	7,200,000
General and administrative	3,747,723	3,418,151	3,704,359	3,010,857	3,820,600	4,503,273	2,592,343	2,292,343	13,881,090	13,208,559	9,169,372
R&D	1,793,479	1,330,534	1,863,709	1,624,538	1,027,194	880,272	1,157,408	1,157,408	6,612,260	4,222,282	4,629,632
Total operating expenses	10,181,289	8,796,525	9,755,651	8,574,929	7,464,742	7,210,575	5,452,446	5,249,751	37,308,394	25,377,514	20,999,004
Other income											
Stock-based compensation	2,402,628	556,415	(574,131)	2,645,537	578,805	878,286	311,301	300,000	5,030,449	2,068,392	1,200,000
Amortization	380,220	179,378	682,889	807,660	728,378	750,429	597,354	550,000	2,050,147	2,626,161	2,200,000
Right of use amortization	-	45,011	64,735	96,433	63,082	63,770	77,624	80,000	206,179	284,476	200,000
Realized gain on Bitcoin	(219,321)	-	-	-	-	-	-	-	(219,321)	-	-
Gain on short-term investments							(90,744)				
Gain on contingent consideration	-	(1,516,048)	102,400	(159,660)	-	-	-	-	(1,573,308)	-	-
Depreciation	27,950	32,085	37,286	35,824	37,117	37,124	36,941	36,900	133,145	148,082	147,600
Impariment	-	-	-	-	-	2,702,313	-	-	-	2,702,313	-
Minority income	-	-	-	-	-	-	-	(200,000)		(200,000)	
Foreign exchange loss (gain)	(274,564)	52,877	(252,992)	207,002	446,626	(845,966)	(566,648)	-	(267,677)	(965,988)	-
Total other expense	2,316,913	(650,282)	60,187	3,632,796	1,854,008	3,585,956	365,828	766,900	5,359,614	6,663,436	3,747,600
Income before income taxes	(9,183,777)	(5,853,678)	(8,186,256)	(10,437,860)	(8,314,761)	(9,587,686)	(4,474,324)	(5,677,766)	(33,661,571)	(28,145,281)	(13,746,604)
Income taxes	-	-	-	177,386	131,805	114,724	119,649	125,000	177,386	491,178	-
Tax rate	0.0%	0.0%	0.0%	-1.7%	-1.6%	-1.2%	-2.7%	-2.2%	-0.5%	-1.7%	0.0%
Net income	(9,183,777)	(5,853,678)	(8,186,256)	(10,260,474)	(8,182,956)	(9,472,962)	(4,354,675)	(5,552,766)	(33,484,185)	(27,654,103)	(13,746,604)
Income from discontinued ops.			(30,418)				(49,090)				
Non-IFRS net income	(7,000,470)	(6,813,311)	(8,274,851)	(7,774,597)	(6,954,151)	(4,896,363)	(4,043,374)	(5,252,766)	(30,027,044)	(22,883,398)	(12,546,604)
Exchange differences on translating foreign operations	(52,491)	(65,056)	410,785	(66,386)	(24,687)	9,555	(183,470)	-	226,852	(198,602)	-
Exchange differences on discontinued			2,769				10,286				
Total comprehensive loss	(9,236,268)	(5,918,734)	(7,803,120)	(10,326,860)	(8,207,643)	(9,463,407)	(4,576,949)	(5,552,766)	(33,257,333)	(27,852,705)	(13,746,604)
Earnings per share	**$ (0.12)**	**$ (0.07)**	**$ (0.09)**	**$ (0.11)**	**$ (0.08)**	**$ (0.09)**	**$ (0.05)**	**$ (0.05)**	**$ (0.40)**	**$ (0.28)**	**$ (0.12)**
Non-IFRS earnings per share	$ (0.09)	$ (0.08)	$ (0.10)	$ (0.09)	$ (0.07)	$ (0.05)	$ (0.05)	$ (0.05)	$ (0.36)	$ (0.23)	$ (0.11)
Shares outstanding	77,489,618	82,298,423	86,125,077	90,077,002	97,550,931	99,725,256	98,641,286	102,900,000	83,888,487	99,704,368	110,042,857
Yr-to-Yr Growth	26%	25%	20%	21%	26%	21%	15%	14%	22.2%	18.9%	10.4%
All in shares	82,864,618	91,511,320	93,000,000	99,116,767	115,451,931	117,626,256	133,202,993	137,461,707	92,224,652	125,935,722	146,594,706
Adjusted EBITDA	(6,866,864)	(6,503,960)	(8,126,069)	(6,805,064)	(6,460,753)	(6,001,730)	(4,108,496)	(4,910,866)	(28,301,957)	(21,481,845)	(9,999,004)

BALANCE SHEET

Canadian Dollars	Sept 30, 2022	June 30, 2022	Qtr-Qtr % Change	Sept 30, 2021	Yr-Yr % Change
Assets:					
Cash and cash equivalents	**5,278,516**	**7,063,268**	-25%	**8,258,563**	-36%
Accounts receivable	624,694	418,792	49%	1,895,277	-67%
Deferred asset	260,639	153,185	70%	0	NM
Prepaid expenses	472,442	532,169	-11%	895,117	-47%
Contract assets	261,692	193,635	35%	267,865	-2%
Inventory	640,852	2,366,759	-73%	4,581,632	-86%
Non-current assets held for sale	534,664				
Total current assets	8,073,499	10,727,808	-25%	15,898,454	-49%
Equipment	354,527	371,603	-5%	367,784	-4%
Right of use assets	919,096	967,529	-5%	1,147,661	-20%
Intangible assets	4,200,687	4,560,991	-8%	7,239,443	-42%
Goodwill	7,061,970	6,783,493	4%	7,832,208	-10%
Total Assets	20,609,779	23,411,424	-12%	32,485,550	-37%
Current Liabilities:					
AP & accrued liabilities	2,309,942	2,649,937	-13%	3,832,913	-40%
Deferred revenue	471,835	422,140	12%	1,573,270	-70%
Lease liabilities	259,348	273,974	-5%	288,966	-10%
Contingent consideration	0	0	0%	463,030	-100%
Total current liabilities	3,041,125	3,346,051	-9%	6,158,179	-51%
Lease liabilities	644,420	683,759	-6%	860,152	-25%
Deferred income tax liability	399,962	492,242	-19%	0	NM
Loan payable	0	78,521	-100%	0	NM
Total Liabilities	4,085,507	4,600,573	-11%	7,018,331	-42%
Stockholders' Equity					
Share capital	82,185,705	80,352,960	2%	65,020,985	26%
Reserves	12,608,012	12,150,387	4%	10,041,357	26%
Accum. other comprehensive inc	1,790,153	1,963,337	-9%	0	0%
Deficit	(80,059,598)	(75,655,833)	6%	(49,595,123)	61%
Total Stockholders' Equity	16,524,272	18,810,851	-12%	25,467,219	-35%
Total Liabilities and Stockholders' Equity	20,609,779	23,411,424	-12%	32,485,550	-37%
Current ratios	2.7	3.2	-17%	2.6	3%
Quick ratio	2.4	2.5	-2%	1.8	33%
Cash	5,278,516	7,063,268	-25%	8,258,563	-36%
Cash as % of assets	26%	30%	-15%	25%	1%
Working Capital	5,032,374	7,381,757	-32%	9,740,275	-48%
Debt	0	78,521	-100%	0	0%
Debt/Total Assets	0.0%	0.3%	-100%	0%	0%

CASH FLOW

	Year 2020	3 Months Ending Mar 31, 2021	3 Months Ending June 30, 2021	3 Months Ending Sept 30, 2021	3 Months Ending Dec 31, 2021	Year 2021	3 Months Ending Mar 31, 2022	3 Months Ending June 30, 2022	3 Months Ending Sept 30, 2022
Net Income	$ (15,593,582)	$ (9,183,777)	$ (5,853,678)	$ (8,216,674)	$ (9,397,925)	$ (32,652,054)	$ (7,703,545)	$ (8,993,551)	$ (4,354,675)
Discontinued operations									$ (49,090)
Adjustments to reconcile net loss to net cash used in operating activities:									
Amortization	672,116	380,220	179,378	682,889	807,660	2,050,147	728,378	750,429	597,354
Right of use assets	68,982	34,311	45,011	13,466	113,391	206,179	63,082	63,770	77,624
Gain on sale of bitcoin	0	(219,321)	0	0	0	(219,321)	0	0	0
Deferred income tax recovery	(96,956)	0	0	0	0	0	(138,933)	(121,852)	(126,777)
Depreciation	82,983	27,950	32,085	37,286	35,824	133,145	37,117	37,124	36,941
Gain on short-term investment									(90,744)
Gain on contingent consideration	0	0	(1,516,048)	102,400	(159,660)	(1,573,308)	0	0	0
Shares issues to settle related party liabilities	38,239	0	0	0	0	0	0	0	0
Stock-based compensation	5,665,051	2,402,628	556,415	0	2,071,406	5,030,449	578,805	878,286	311,301
Options and warrants exercised shares out	0	6,300	0	0	(6,300)	0	0	0	0
Share-based payments	1,202,694	22,156	(22,156)	(574,131)	574,131	0	0	0	0
Shares for services	35,074	1,299,845	0	78,535	211,514	1,589,894	717,066	148,500	581,286
Impairment of intangible asset & goodwill	85,664	0	0	0	0	0	0	2,702,313	0
Changes in assets and liabilities:									
Receivables	(893,109)	(783,405)	997,883	(797,207)	814,113	231,384	62,150	600,222	223,510
Deferred asset							0	(153,185)	(107,454)
Contract asset	(244,478)	(115,582)	22,853	69,342	(118,337)	(141,724)	261,220	(68,653)	(68,057)
Prepaid expenses	(1,152,606)	(390,207)	437,732	411,727	145,643	604,895	(145,331)	362,636	59,727
Inventory	(1,858,091)	(1,462,220)	606,386	(514,123)	1,192,534	(177,423)	861,905	160,434	1,228,785
Accounts payable and accrued liabilities	1,034,116	1,448,960	(1,543,259)	1,399,775	(1,073,896)	231,580	(848,858)	739,778	(342,533)
Other payables	(229,984)	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	(205,898)	(205,898)	0	0	0
Deferred revenue	383,022	810,047	246,841	133,360	(964,269)	225,979	13,897	(200,758)	49,695
Net Cash Used In Operating Activities	(10,800,865)	(5,722,095)	(5,810,557)	(7,173,355)	(5,960,069)	(24,666,076)	(5,513,047)	(3,094,507)	(2,716,519)
Net cash from discontinued									296,392
CASH FLOWS FROM INVESTING ACTIVITIES:									
Purchase of Bitcoin	0	2,765,356	0	0	(2,765,356)	0	0	0	0
Sale of bitcoin	(2,546,035)	0	0	0	2,765,356	2,765,356	0	0	0
Purchase of equipment	(18,639)	(50,414)	(60,505)	(27,653)	(40,200)	(178,772)	(46,553)	(37,485)	(15,951)
Purchase of intangibles	(937,396)	0	0	0	0	0	0	0	0
Interest on lease liability	0	0	0	0	0	0	(6,712)	(6,890)	(8,441)
Acquisiton of Map Dynamics	(777,900)	0	0	0	0	0	0	0	0
Net Cash Used In Investing Activities	(4,279,970)	2,714,942	(60,505)	(27,653)	(40,200)	2,586,584	(53,265)	(44,375)	(24,392)
					(40,200)				
CASH FLOWS FROM FINANCING ACTIVITIES:									
Convertible debenture	0	0	0	0	0	0	0	0	0
Capital contribution	0	0	0	0	0	0	0	0	0
Proceeds from the issue of shares	15,133,164	0	12,632,937	0	4,271,962	16,904,899	8,936,496	1,910	0
Repayment of loan									(90,896)
Proceeds from options and warrants	7,763,538	486,464	800,184	123,986	800,697	2,211,331	0	0	0
Proceeds from employee pay program									1,488,526
Lease payments	(75,065)	(44,567)	(91,212)	(13,145)	(72,304)	(221,228)	(73,398)	(74,369)	(90,934)
Business acquisition installment payments	0	0	0	(18,902)	99	(18,803)	0	0	0
Net Cash Provided By Financing Activities	22,821,637	441,897	13,341,909	91,939	5,000,454	18,876,199	8,863,098	(72,459)	1,306,696
Foreign exchange	94,807	(219,680)	24,142	(27,373)	(21,452)	(244,363)	247,693	(507,166)	(634,979)
Net Increase in Cash	7,740,802	(2,565,256)	7,470,847	(7,109,069)	(999,815)	(3,203,293)	3,296,786	(3,211,341)	(1,137,823)
Cash - Beginning of Period	2,849,344	10,684,953	7,900,017	15,395,006	8,258,564	10,684,953	7,237,297	10,781,776	7,063,269
Cash - End of Period	10,684,953	7,900,017	15,395,006	8,258,564	7,237,297	7,237,297	10,781,776	7,063,269	5,278,517
Cash - End of Period, discontinued									11,950
Operating cash flow	(7,839,735)	(5,229,688)	(6,578,993)	(7,876,229)	(5,749,959)	(25,434,869)	(5,718,030)	(4,534,981)	(3,016,780)
Free cash flow	(7,858,374)	(5,280,102)	(6,639,498)	(7,903,882)	(5,790,159)	(25,613,641)	(5,764,583)	(4,572,466)	(3,032,731)
Supplemental information									
Taxes paid	306	0	8,967	(224)	(6,584)	2,159	0	21,571	220
Interest paid	8,237	1,261	6,014	9,022	8,549	24,846	9,550	8,308	5,600
Interest received	13,446	9,298	12,171	(54,895)	73,762	40,336	11,830	27,498	34,392

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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